

THIRTY THIRD ANNUAL REPORT
2014-2015



VBC FERRO ALLOYS LIMITED

(AN ISO 9001 - 2008 COMPANY)
CIN No : L27101TG1981PLC003223
6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad - 500 004,
Telangana, INDIA.

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THIRTY THIRD ANNUAL GENERAL MEETING

Day : Wednesday
Date : 30.09.2015
Time : 2.30 P.M.
Venue : K.L.N. Prasad Auditorium, FAPCCI, 11-6-841
Red Hills, HYDERABAD - 500 004.

REGISTERED OFFICE

6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad - 500 004.
Telangana, India.
Tel +91 40 23301166/99, Fax +91 40 23390721

WORKS

Rudraram Village, Patancheru Mandal
Medak District, Telangana.
Tel: 08455-220084, 08455-220130,
Fax: 08455-220142

GIFTS WILL NOT BE DISTRIBUTED AT THE AGM



BOARD OF DIRECTORS

Sri V.S. RAO	Chairman
Sri PRAMOD KUMAR THATTE	Director
Sri M.V. ANANTHAKRISHNA	Director
Dr. B. KINNERA MURTHY	Director
Sri M.S. LAKSHMAN RAO	Managing Director

AUDIT COMMITTEE

Sri M.V. ANANTHAKRISHNA	Chairman
Sri V.S. RAO	Member
Sri PRAMOD KUMAR THATTE	Member

INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE

Sri. V.S. RAO	Chairman
Sri M.V. ANANTHAKRISHNA	Member
Sri M.S. LAKSHMAN RAO	Member

NOMINATION & REMUNERATION COMMITTEE

Sri M.V. ANANTHAKRISHNA	Chairman
Sri V.S. RAO	Member
Sri PRAMOD KUMAR THATTE	Member

KEY MANAGERIAL PERSONNEL

Sri R. DHARMENDER	CFO
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AUDITORS :

M/s. BRAHMAYYA & CO.,
Chartered Accountants,
Vijayawada.

BANKERS :

BANK OF INDIA
Nampally Station Road,
Hyderabad.

SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LIMITED
12-10-167, Bharat Nagar, Hyderabad - 500 018.
Tel: +91 40 23818475 / 76, Fax: +91 40 23868024
e-mail : info@vccilindia.com

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



NOTICE OF 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Members of VBC Ferro Alloys Limited will be held on 30th September, 2015 at 2.30 P.M. at K.L.N. Prasad Auditorium of The Federation of Andhra Pradesh Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad - 500 004, to consider the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for Financial Year ended 31st March, 2015 together the reports of Directors and the Auditors Report thereon.
2. To appoint a Director in place of Shri Pramod Kumar Thatte who retires by rotation and being eligible offer himself for re-appointment.

3. Ratification of Auditors' Appointment:

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 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed there under as amended from time to time, the Company hereby ratifies the appointment of M/s Brahmayya & Co., (Regn. No.000513S) Chartered Accountants, Vijayawada as the Statutory Auditors of the Company, made at the 32nd Annual General Meeting (AGM) of the Company, to hold office from the conclusion of this meeting until the conclusion of the 34th Annual General Meeting to be held in the year 2016 on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 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, Shri M.S. Lakshman Rao, Managing Director of the company, whose term of office will be upto 31st October, 2015 be and is hereby re-appointed as Managing Director of the Company for a further period of 2 (Two) years w.e.f. 1st November, 2015 to 31st October, 2017 (both days inclusive) without any remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all necessary steps as may be required to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 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 Clause 49 of the Listing Agreement, Dr.(Mrs.) B. Kinnera Murthy (DIN: 01878144), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years effective from 30th September, 2015, whose office is not liable to retire by rotation."

By Order of the Board
for VBC Ferro Alloys Limited
Sd/-

M.S. Lakshman Rao
Managing Director

Place : Hyderabad
Date : 12.08.2015



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. For the convenience of Members, Attendance Slip is annexed to this Notice. Members / Proxies / Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and submit the same at the venue of the Annual General Meeting.
3. Copies of Annual Report will not be distributed at the venue of the Annual General Meeting and therefore, Members are requested to bring their copies of the Annual Report, which are mailed by the Company to them at their registered addresses.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Pursuant to provisions of the Companies Act, 2013 and applicable provisions of the Listing Agreement, Register of Members and Share Transfer Books of the Company will be closed from 23.09.2015 to 30.09.2015 (Both days inclusive), for the purpose of Annual General Meeting.
6. Members who wish to seek any further information / clarification at the meeting, on the annual accounts of the Company are requested to send their queries at least one week in advance from the date of the Meeting to the Managing Director at the Registered Office of the Company.
7. Members are requested to quote Folio No. / DP ID and Client ID in all correspondence and intimate any change in their address to the Company's Share Transfer Agents promptly.
8. Members who have multiple folios in identical names or joint holding in the same order are requested to intimate the Company's Registrars and Share Transfer Agents about the Ledger Folios of such holdings to enable them to consolidate all such shareholdings into a single folio.
9. Members are requested to avail the facility of converting their physical shareholdings into electronic mode of holding for their own convenience coupled with increased flexibility in dealing with such shares.
10. The dividend, if remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund (IEPF).

For the financial year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 the Company has transferred the unclaimed dividend to IEPF and filed necessary forms with Registrar of Companies, Telangana and A.P. Members who wish to claim dividends of past years, which remain unclaimed, are requested to correspond with Registrars & Share Transfer Agents of the Company.

11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications



VBC FERRO ALLOYS LIMITED

13. Voting through electronic means;

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:
 - * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.
 - # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 27.09.2015 (9.00 a.m.) and ends on 29.09.2015 (6.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of 22.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

The e-voting period commences on 27th September 2015 (9:00 am) and ends on 29th September, 2015 (6:00 pm).

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd September, 2015.

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

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of thee-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

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

- 14. As required under Clause 49 of the Listing Agreements with Stock Exchanges, brief particulars of Director(s) to be appointed are provided in the explanatory statement annexed to this notice of AGM.



VBC FERRO ALLOYS LIMITED

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No.4- Re-appointment of Shri M. S. Lakshman Rao as Managing Director of the Company:

The present term of office of Shri M.S. Lakshman Rao as the Managing Director of the Company will be up to 31st October, 2015.

Shri M.S. Lakshman Rao is an Engineering graduate with over two and half decades of experience and was reappointed as the Managing Director of the Company with effect from 1st November,2010 for a period of 5 years and his term will expire on 31st October, 2015

Keeping in view his experience and expertise, it is proposed to re-appoint him for a further period of 2 years with effect from 1st November, 2015

The Nomination and Remuneration Committee of the Board of Directors of the Company recommended the proposed re-appointment of Shri M.S. Lakshman Rao without remuneration due to losses incurred by the Company.

Your Directors commend the Resolution at item No.4 as an Ordinary Resolution for its approval by the members of the Company.

Save and Except above, 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.

Item No.5- Appointment of Dr. B. Kinnera Murthy as an Independent Director of the Company:

Dr. (Mrs.) B. Kinnera Murthy was appointed as an Additional, Non-Executive Director, in the category of an Independent Director with effect from March 31, 2015 to hold office upto the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013.

Dr. (Mrs.) Murthy is a Strategy Consultant, Director on Corporate Boards and Academic Governing Councils and Founder Trustee of a Woman Support NGO, after her superannuation from The Administrative Staff College of India in 2012, where she held the posts of Dean and Professor, Strategic Management.

She has a Doctorate in Corporate Strategy from University of Poona, MBA from Osmania University and BSc from BITS, Pilani. She was trained in Industrial Management at RVB, the Netherlands and in Strategic Management from APO Japan. She was a Queen Elizabeth Fellow University of Oxford and Distinguished Visiting Fellow, Texas A & M University. She is involved with women entrepreneurial organizations as an advisor. She provides consultancy and advisory support to leading organisations in India in the areas of Strategic Visioning and Organisation Building, Governance, Mentoring, Restructuring, Corporate Social Responsibility, Marketing Strategy and Capacity Building.

Dr. (Mrs.) B. Kinnera Murthy was on the Board of State Trading Corporation of India Limited as an Independent Director till April 2014. Currently Dr. (Mrs.) B Kinnera Murthy is on the Boards of Indian Immunologicals Limited, Unichem Laboratories Limited and VBC Industries Limited. She is a member of Nomination and Remuneration and Corporate Social Responsibility Committees of Indian Immunologicals Limited and CSR Committee of Unichem Laboratories Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. (Mrs.) Murthy, is proposed to be appointed as an Independent Director of the Company, to hold office for a term of 5(Five) years. A notice has been received from a Member proposing Dr. (Mrs.) B. Kinnera Murthy as a candidate for the office of Director of the Company along with deposit of the requisite amount.

In the opinion of the Board, Dr. (Mrs.) Murthy fulfills condition specified in the Companies Act, 2013 and the Rules made thereunder for her appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Dr. (Mrs.) Murthy, as an Independent Director, setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company on any working day, (Monday to Saturday), during the business hours of the Company upto the date of the Meeting.



The Board considers that her appointment as an Independent Director would be of immense benefit to the Company and it desirable to avail services of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director of the Company.

Dr. (Mrs.) Murthy does not hold any shares in the Company and is not related to any other Director of the Company. Save and Except above, 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.

By Order of the Board
for VBC Ferro Alloys Limited

Sd/-
M.S. Lakshman Rao
Managing Director

Place : Hyderabad
Date : 12.08.2015



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2015.

FINANCIAL RESULTS:

(₹. in Lakhs)

PARTICULARS	Current Year 2014-15	Previous Year 2013-14
Gross Revenue	-	1260.03
Profit/(Loss) Before Interest, Depreciation & Tax(PBIDT)	(213.47)	(1404.30)
Finance Charges	493.06	516.02
Profit/(Loss) before Depreciation and Tax(PBDT)	(706.53)	(1920.32)
Depreciation	75.68	66.53
Profit/(Loss) Before Tax(PBT)	(782.21)	(1986.85)
Provision for Tax	64.96	21.55
Profit/(Loss) After Tax (PAT)	(717.25)	(1965.30)
Adjustment - Depreciation	80.92	-
Profit/(Loss) brought forward from previous year	258.31	2223.61
Profit available for appropriation	-	258.31
Profit/(Loss) carried to Balance Sheet	(539.86)	258.31

Industry Overview:

The domestic consumption of steel in China is declining due to slowdown in its economy and exported its excess production capacity to across the globe including India. This situation has driven global steel prices lower and impacted profitability of steel companies. Therefore, Ferro Alloys Industry could not sell its products at remunerative prices. Further to this, the Ferro Alloys units in Telangana State suffered due to high power tariff. Hence, they could not recover even variable cost also due to this high power tariff and most of Ferro Alloys manufacturers in Telangana suspended their manufacturing operations to avoid incurring of losses.

Performance of your Company:

Keeping in view of the above situation and to avoid further erosion of net worth, your Company suspended its manufacturing operations during the Financial Year 2014-15 also. As a result, your Company incurred a net loss of Rs.717.25 Lakhs during the Financial Year 2014-15 as against net loss of Rs.1965.30 Lakhs in previous financial year.

Prospects:

Steel is the most crucial material in industrial development and infrastructure construction, and is, therefore, of strategic importance for national transformation. The Government of India has recognized the importance of development of manufacturing sector and announced a series of policies to develop manufacturing sector particularly 'Make-in India' theme, designed to facilitate investment, foster innovation, enhance skill development and job creation, and build best-in-class manufacturing capability. The progress in domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'. Hope that India will achieve a steel production capacity of 300 million tons by the year 2025. This presents good potential growth of Ferro Alloys industry in the Country as it solely depends on steel industry.

**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 (V&GP), Sirpur Kagaznagar Mandal, Adilabad Dt. The estimated project cost is about Rs. 696 Cr. The Company has obtained most of the clearances such as Environmental Clearance (EC), Consent for Establishment (CFE), NoC from Forest Department, Permission for water drawal and Airport Authority. Your Company has decided to setup the power project on priority basis through VBC Power Company Limited, a Special Purpose Vehicle Company and initiated the steps to hive off the power project division. The Company is awaiting approval from Bombay Stock Exchange for filing of scheme before Hon'ble High Court of Hyderabad.

Dividend & Reserves:

As the Company incurred losses during the year under review, the Directors could not recommend dividend for the Financial Year 2014-15. Due to inadequate profits, no amount has been transferred to Reserves.

Share Capital:

The Paid up Share Capital as on 31st March, 2015 was Rs.4.39 Cr. During the year under review, the company has not issued Equity Shares/ shares with differential voting rights/ granted stock options/ sweat equity.

Deposits:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal and interest was outstanding as on 31st March, 2015.

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 feature of the financial statement of a company's subsidiary or subsidiaries 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), in which your Company has invested in equity, could not operate its plant during the financial year under review as there is no natural gas supply. Information pursuant to sub-section (3) of section 129 of the Act, i.e., the statement containing the salient feature of the financial statement of KGPL, Associate Company is annexed as Annexure-I

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 75.22 million units during the financial year 2014-15 and the said generation is below the designed energy level due to failure of monsoon and in turn low inflow to the Plant from upstream Rengali HEPP. Your Company is holding Equity Shares Capital of about 13.43% in OPCL.

Presentation of Financial Statements:

The Financial Statements for the year ended 31st March, 2015 are prepared in due compliance of the Schedule III of the Companies Act, 2013.

Corporate Social Responsibility Policy:

Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

Cash Flow Statement:

A Cash Flow Statement for the year 2014-15 is annexed to the Statement of Accounts.

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

- a) **Independent Directors:** During the year, Sri V.S. Rao and Sri M.V. Ananthakrishna were appointed as Independent Directors for a term of 5 years effective from 30th September 2014. They are not liable for retirement by rotation.
- b) **Additional Director:**
As per the provisions of the Section 149(4) of the Companies Act, 2013 and rules made there under, every Listed Company shall have at least one Women Director. Accordingly, Board of Directors appointed Dr. B. Kinnera Murthy as an Additional Director on 31.03.2015 and her tenure expires on the date of the ensuing Annual General Meeting and Board recommends her appointment u/s 149 and 160 of the Companies Act, 2013 at the ensuing Annual General Meeting (AGM).
- c) **Resigned Directors:** Dr. M.V.V.S Murthi resigned as Director of the Company w.e.f. 02.08.2014. Board of Directors placed on record their deep appreciation for the enormous contributions made by Dr. M.V.V.S. Murthi as Chairman of the Company. The Company and Board benefitted immensely from Dr. M.V.V.S. Murthi's vast experience, knowledge and insights of the Industry.
- d) **Key Managerial Persons Appointments and resignations:**
Sri.R. Dharmender was designated as CFO on 31.03.2015 and Sri.V.V.V.S.N. Murthy had resigned as Company Secretary on 23.04.2014 during the year under review.
- e) **Reappointment of Directors:** Sri. Pramod Kumar Thatte, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

None of the directors of the company is disqualified under the provisions of the Act or under the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the Directors who are proposed to appointed/re-appointed are provided as an annexure to the notice convening the AGM.

Number of Meetings of Board:

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

Annual Evaluation of the Board, Committees and Individual Directors:

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees as per the evaluation procedure approved by the Board.

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 also available on the website of the Company i.e., www.vbcindia.co.in

Auditors:

At the Annual General Meeting held on 30th September 2014, M/s Brahmayya & Co., Chartered Accountants, Vijayawada, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Brahmayya & Co., Chartered Accountants, Vijayawada, as Statutory Auditors for the Financial Year 2015-16 of the Company, is placed for ratification of shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are appointed, it would be in accordance with the provision of the Section 141



of the Companies Act, 2013.

Auditors' Report:

The Auditors' Report contained a qualification regarding non-provision of Fuel Surcharge Adjustment and deemed energy charges. As advised by the Legal Counsel, your Company has not made any provision for Fuel Surcharge Adjustment(FSA) charges and deemed energy charges levied by TSSPDCL due to the cases pending before various Forums/Courts. Your Directors are of the view that there are bright chances of winning the cases.

The Auditors' Report contained a further qualification for maintenance of books under Going concern basis. It is reported that the Company initiated effective steps to meet the power requirements of the Company by setting up 120 MW Coal based power plant at Bodepalli V&GP, Sirpur Kagaznagar Mandal, Adilabad District, Telangana State through VBC Power Company Limited by transferring its power division by way of demerger. Accordingly, the books of accounts of the Company are maintained under "Going concern Concept " as Board is confident of construction of Captive Power Plant starts on completion of demerger activities.

Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Cost Audit Report:

The Company discontinued the Cost Audit as there are no manufacturing operations during the Financial Year 2014-15 and consequently the Company has not appointed Cost Auditors for the Financial Year 2014-15.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s Venkatachalam & Co., Practicing Company Secretaries to conduct the Secretarial Audit and give a Secretarial Audit Report for the Financial Year 2014-15 to be annexed to the Report of Board of Directors.

Secretarial Audit Report received from M/s Venkatachalam & Co in the prescribed Form MR-3 is annexed to this Report (Annexure-II). The Report does not contain any qualification, reservation or adverse remarks. It is replied to the observations of Secretarial Auditors that the company will file certain e forms shortly. The Company has paid the dues relating to EPF as of date. The Company is exploring a suitable candidate for the position of Company Secretary.

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/commensurating 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.

Particulars of Loans, Guarantees or Investments under Section 186:

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

Extract of Annual Return (MGT-9):

Pursuant to section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 is provided as Annexure- III.

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;

Executive Director	Ratio to Median remuneration
M.S. Lakshman Rao	2.90

Our Non-executive Directors draw remuneration only by way of sitting fee. The details of the same are provided in the Corporate 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
M.S. Lakshman Rao	NIL
R.Dharmender	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: 7

- (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) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year ":

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalization (Rs. in Lakhs)	Rs.23.72 Cr.	29.22 Cr.	23.18
Price Earnings Ratio	(1.208)	(4.077)	(237.5)

- (viii) 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

- (ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

(Rupees in Lakhs.)

Particulars	M.S. Lakshman Rao	R.Dharmender
Remuneration in FY 2014-15	12.51	5.17
Revenue	23.91	23.91
Remuneration as % of Revenues	52.32	21.62
Profit/(Loss) before Tax(P/(L)BT)	(782.21)	(782.21)
Remuneration (as % of P/(L)BT)	(1.60)	(0.66)



- (x) the key parameters for any variable component of remuneration availed by the Directors: There is no variable component of remuneration availed by Directors
- (xi) 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
- (xii) 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 is drawing Rs.5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under section 197 (12) of the Companies Act, 2013.

Management Discussion & Analysis

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a Report on Management Discussion & Analysis is enclosed as Annexure -IV

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a Report on Corporate together with the Auditors Certificate regarding compliance of the conditions of Corporate Governance forms part of this Report as Annexure -V.

Particulars of Contracts or Arrangements with Related Parties:

Your Company has formulated a policy on related party transactions which has been placed on the website of the company i.e. www.vbcindia.co.in.

The details of Related Party Transactions are annexed in Form AOC-2 as Annexure-VI.

Declaration by Independent Director(s):

All the Independent Directors have submitted declarations to the Company to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Disclosure of Composition of Audit Committee and Providing Vigil Mechanism:

The Audit Committee consists of the following members:

- a) M.V. Ananthkrishna, Independent Director - Chairman
- b). V.S. Rao, Independent Director - Member
- c.) Pramod Kumar Thatte, Non-executive Director - Member

The above composition of the Audit Committee consists of two independent Directors.

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.vbcindia.co.in

Risk Management Policy:

Risk Management Policy has been approved by the Board of Directors and the company is taking steps to mitigate and minimize various Business risks which have impact on the operations of the company.

Material Changes and Comments:

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 the report which affecting Financial position of the Company as on 31.03.2015.



VBC FERRO ALLOYS LIMITED

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 Work Place:

In order to prevent sexual harassment of women at work place as per provisions of the Sexual Harassment 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, there were no cases filed against anybody for sexual harassment.

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 is not applicable as there are no manufacturing operations during the year under review.

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 Cost of production of Ferro Silicon has exceeded the market price due to steep increase of power tariff. Accordingly, Company has closed down its production unit at Rudraram Village, Medak District. To reduce the fixed cost burden your Company has entered into a cordial settlement into the worker's union for Retrenchment under the Industrial Disputes Act on 30th June, 2014. 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 31st March 2015, 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 31st March 2015 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, PTC India Financial Services Limited (PFS) 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

Place : Hyderabad
Date : 12.08.2015

Sd/-
V.S. RAO
Chairman

**VBC FERRO ALLOYS LIMITED****Form AOC-I**

Annexure - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries:NA**

(Information in respect of each subsidiary to be presented with amounts in Rs)

Name of the subsidiary	Nil
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
Share capital	NA
Reserves & surplus	NA
Total assets	NA
Total Liabilities	NA
Investments	NA
Turnover	NA
Profit before taxation	NA
Provision for taxation	NA
Profit after taxation	NA
Proposed Dividend	NA
% of shareholding	NA

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/Joint Ventures	Konaseema Gas Power Limited
1. Latest audited Balance Sheet Date	31.03.2015
2. Shares of Associate/Joint Ventures held by the company on the year end	
i) No.	14,01,41,414
ii) Amount of Investment in Associates/Joint Venture	143,06,46,,210
iii) Extend of Holding %	26.26
3. Description of how there is significant influence	NA
4. Reason why the associate/joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(5,69,60,36,868)
6. Profit / Loss for the year	(2,46,67,80,754)
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations - None.
- Names of associates or joint ventures which have been liquidated or sold during the year - None.

for and on behalf of the Board

Place : Hyderabad
Date : 28.05.2015Sd/-
M.S. LAKSHMAN RAO
Managing DirectorSd/-
PRAMOD KUMAR THATTE
DirectorSd/-
R. DHARMENDER
CFO



Form No. MR – 3

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2015

To,

The Members,
VBC FERRO ALLOYS LTD
PROGRESSIVE TOWERS, 3RD FLOOR,
6-2-913/914, KHAIRTABAD,
HYDERABAD - 500004
CIN: L27101AP1981PLC003223

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VBC FERRO ALLOYS LTD** (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 Company’s 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 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 31st March 2015 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 the Company for the financial year ended on 31st March 2015 according to the provisions of various applicable Acts mentioned in **Annexure A** to this report.

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

- (i) Secretarial Standards Issued by the Institute of Company Secretaries of India.
 - a. Secretarial Standards – 1
 - b. Secretarial Standards – 2
 - c. Secretarial Standards – 5

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board 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.



VBC FERRO ALLOYS LIMITED

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.

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 -

- (a). Appointed Statutory Auditors;
- (b). Appointed Internal Auditors;
- (c). Audit Committee reconstituted.
- (d). Constituted a Nomination and remuneration committee
- (e). Appointed Ms B. Kinnera Murthy as a woman director.
- (f). Approved Retirement/Resignation of Mr. M V S Murthy as director;
- (g). Approved Retirement/Resignation of Mr. M N Rao as director
- (h). Approved Retirement/Resignation of Mr. V.V.V.S.N. Murty, as Company Secretary
- (i). Appointed two Independent Director(s);
- (j). Appointed an Additional Non-Executive Director;
- (k). Approved Vigil Mechanism Policy;
- (l). Approved Risk Policy and Policy on Internal Financial Controls.

I further report that during the audit period the Company has -

- a) **Not appointed any Company secretary in place of Mr V V V S N Murthy who has resigned on 21st April 2014.**
- b) **Annual Returns (Form 20B) for the FY 2013-14 has not yet filed.**
- c) **There is an observation by the auditors relating to non-payment of provident fund to the FY 2013-14**
- d) **MGT-14 regarding the disclosure of interest of directors for the year 2014-15 has not been filed.**
- e) **Appointed CFO on 31st March 2015. Prior to that, there was no CFO in the company.**

Place: Hyderabad
Date: 12 August 2015

Sd/-
Vaaranasi VK Chalam
CP No: 8142



ANNEXURE – A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee and Nomination & Remuneration Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Disclosures and Declarations received from the Directors of the Company pursuant to the provisions of Section 184 and 164 respectively of the Companies Act, 2013.
8. The e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.

List of Applicable Acts

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
3. 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;
4. The Minimum Wages Act, 1948 read with the Minimum wages (central) Rules, 1950;
5. The Payment of Gratuity Act, 1972 read with the Payment of Gratuity (Central) Rules 1972;
6. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952;
7. The Contract Labour (Regulation & Abolition) Act, 1970 read with the Contract Labour (Regulation and Abolition) Rules, 1971;
8. Income Tax Act, 1961 read with Income Tax Rules;
9. The Central Sales Tax Act, 1956 read with the Central Sales Tax (Registration & Turnover) Rules, 1957;



VBC FERRO ALLOYS LIMITED

10. Service Tax Provisions under Finance Act, 1994 read with the Service Tax Rules, 1994 and the Service Tax (Registration of Special Category of Persons) Rules, 2005 and the Cenvat Credit Rules, 2004;
11. The Personal Injuries (Compensation) Insurance Act, 1963;
12. The Information Technology Act, 2000 (as amended by Information Technology Amendment Act, 2008);
13. The Maternity Benefit Act, 1961;
14. The Indian Telegraph Act, 1885 & the Indian Telegraph Rules, 1951;
15. The Indian Wireless Telegraphy Act, 1933;
16. The Registration Act, 1908;
17. Indian Stamp Act, 1899;
18. Motor Vehicles Act, 1988;
19. Andhra Pradesh Fire Services Act, 1999 and the Andhra Pradesh Fire and Emergency Operations and Levy of Fee Rules, 2006;
20. The Greater Hyderabad Municipal Corporations Act, 1955;
21. Andhra Pradesh Minimum Wages Rules, 1960,
22. The Andhra Pradesh Motor Vehicles Rules, 1989;
23. The Andhra Pradesh Motor Vehicles Taxation Act, 1963 and the Rules made thereunder;
24. The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 and the Rules made thereunder;
25. The Andhra Pradesh Shops and Establishments Act, 1988;
26. The Andhra Pradesh State Electricity Board (Recovery of Dues) Act, 1984 and the Andhra Pradesh State Electricity Board (Recovery of Debts) Rules, 1985;
27. The Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011;
28. The Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971;
29. Andhra Pradesh Value Added Tax Act, 2005 and the Rules made thereunder;
30. The Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 and the Rules made thereunder;
31. Andhra Pradesh Water, Land and Trees Act, 2002 and Andhra Pradesh Water, Land and Trees Rules, 2004;



**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27101TG1981PLC003223
2.	Registration Date	03.10.1981
3.	Name of the Company	VBC FERRO ALLOYS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-government Company
5.	Address of the Registered office & contact details	6-2-913/914, 3 rd Floor, Progressive Towers, Khairtabad, Hyderabad-500 004.Phone:040-23301166/99
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Venture Capital & Corporate Investments Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad-50 018.Phone No.040-23818475 E-mail:info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Ferro Alloys	27101	100

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Associate	% Shares	Applicable Section
1	Konaseema Gas Power Ltd.	U40101TG1997PLC037013	Associate	26	2(6)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year[As on 1-April 2014]				No. of Shares held at the end of the year[As on 31-March-2015]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a) Individual/ HUF	631779	143500	775279	17.64	631779	143500	775279	17.64	NIL
b) Central Govt	-	-	-	-	-	-	-	-	NIL
c) State Govt (s)	-	-	-	-	-	-	-	-	NIL
d) Bodies Corp.	639180	200000	839180	19.10	639180	200000	839180	19.10	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	NIL
f) Any other---	-	-	-	-	-	-	-	-	NIL
Sub-total (A) (1):-	1270959	343500	1,614,459	36.74	1270959	343500	1,614,459	36.74	NIL
(2)Foreign									NIL
a) NRIs - Individuals	-	-	-	-	-	-	-	-	NIL
b) Other – Individuals	-	-	-	-	-	-	-	-	NIL
c) Bodies Corp.	-	-	-	-	-	-	-	-	NIL
d) Banks / FI	-	-	-	-	-	-	-	-	NIL
e) Any Other....	-	-	-	-	-	-	-	-	NIL
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1270959	343500	1614459	36.74	1270959	343500	1614459	36.74	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	NIL
b) Banks / FI	-	1200	1200	0.03	-	1200	1200	0.03	NIL
c) Central Govt	-	-	-	-	-	-	-	-	NIL
d) State Govt(s)	5960	-	5960	0.14	5960	-	5960	0.14	NIL
e) Venture Capital Funds	-	-	-	-	-	150	150	-	NIL
f) Insurance Companies	-	150	150	-	-	150	150	-	NIL
g) FIs	-	-	-	-	-	-	-	-	NIL



h) Foreign Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	NIL
Sub-total (B)(1):-	5960	1350	7310	0.17	5960	1350	7310	0.17	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	475792	19175	494967	11.26	472907	19175	492082	11.20	0.06
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1107521	284576	1392097	31.68	1093582	281023	1374605	31.28	(0.40)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	782219	-	782219	17.80	762172	-	762172	17.34	(0.46)
c) Others:NRI & Clearing Members	81713	21585	103298	2.35	122587	21135	143722	3.27	0.92
Sub-total (B)(2):-	2447245	325336	2772581	63.09	2451248	321333	2772581	63.09	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	2453205	325336	2779891	63.26	2457208	322683	2779891	63.26	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3724164	670186	4394350	100.00	3728167	666183	4394350	100.00	0.12



B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% of Change in Shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	M Sri Bharath	70000	1.59	1.59	70000	1.59	1.59	NIL
2	M Siddhartha	73500	1.67	1.36	73500	1.67	1.36	NIL
3	Padmakshi Investments Private Limited	200000	4.55	4.55	200000	4.55	4.55	NIL
4	Techno Infratech Projects (India) Private Limited	350865	7.98	-	350865	7.98	-	NIL
5	VBC Industries Limited	25000	0.57	-	25000	0.57	-	NIL
6	Yasaswini Investments Private Limited	202315	4.60	4.60	202315	4.60	4.60	NIL
7	VBC Industrial Holdings Private Limited	36000	0.82	-	36000	0.82	-	NIL
8	Konaseema Infra-Structure Private Limited	25000	0.57	-	25000	0.57	-	NIL
9	MSP Rama Rao	202900	4.62	4.59	202900	4.62	4.59	NIL
10	M V V S Murthi	157769	3.59	-	157769	3.59	-	NIL
11	M S Lakshman Rao	78300	1.78	-	78300	1.78	-	NIL
12	Mathukumilli Sri Mani	120010	2.73	2.73	120010	2.73	2.73	NIL
13	Surya Mathukumilli	2850	0.06	-	2850	0.06	-	NIL
14	M Aishwarya	9950	0.23	-	9950	0.23	-	NIL
15	Bharadwaj Mathukumilli	60000	1.38	-	60000	1.38	-	NIL
		1614459	36.74	19.42	1614459	36.74	19.42	NIL

**C) Change in Promoters' Shareholding (please specify, if there is no change):**

There is no change in the Promoters' shareholding during the Financial Year 2014-15.

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
1	Madhuri Omprakash Damani	213039	4.85	213039	4.85
2	BLB Limited	155172	3.53	155172	3.53
3	Vikram Omprakash Damani	142657	3.25	142657	3.25
4	Aditya Omprakash Damani	134009	3.05	134009	3.05
5	Pratibhuti Viniyog Limited-Investment A/c	99000	2.25	99000	2.25
6	Peninsular Sea Foods Private Limited	59298	1.35	59298	1.35
7	Pratibhuti Vinihit Limited	54050	1.23	54050	1.23
8	Chinmay G Parikhgovindlal.M.Parikh	43000	0.98	43000	0.98
9	Govindlal M Parikhchinmay.G.Parikh	39069	0.89	39069	0.89
10	P Suryakant Share and Stock Brokers Pvt.Ltd.	34200	0.78	34200	0.78
	Total	973494	22.16	973494	22.16
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)				
1	Madhuri Omprakash Damani	213039	4.85	213039	4.85
2	BLB Limited	155172	3.53	155172	3.53
3	Vikram Omprakash Damani	142657	3.25	142657	3.25
4	Aditya Omprakash Damani	134009	3.05	134009	3.05
5	Pratibhuti Viniyog Limited-Investment A/c	99000	2.25	99000	2.25
6	Peninsular Sea Foods Private Limited	59298	1.35	59298	1.35
7	Pratibhuti Vinihit Limited	54050	1.23	54050	1.23
8	Chinmay G Parikhgovindlal.M.Parikh	43000	0.98	43000	0.98
9	Govindlal M Parikhchinmay.G.Parikh	39069	0.89	39069	0.89
10	P Suryakant Share and Stock Brokers Pvt.Ltd.	34200	0.78	34200	0.78
	Total	973494	22.16	973494	22.16


E) Shareholding of Directors and Key Managerial Personnel:

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	V.S. Rao-Director	-	-	-	-
2	M.S. Lakshman Rao-Director	78300	1.78	78300	1.78
3	M.V Ananthakrishna	-	-	-	-
4	Pramod Kumar Thatte	-	-	-	-
5	Dr. Kinnera Murthy B	-	-	-	-
6	R. Dharmender-CFO				
	Total	78300	1.78	78300	1.78
	Increase / Decrease in Share holding during the year				
1	V.S. Rao-Director	-	-	-	-
2	M.S. Lakshman Rao-Director	-	-	-	-
3	M.V Ananthakrishna	-	-	-	-
4	Pramod Kumar Thatte	-	-	-	-
5	Dr. Kinnera Murthy B	-	-	-	-
	Total	-	-	-	-
	At the End of the year	-	-	-	-
1	V.S. Rao-Director	-	-	-	-
2	M.S. Lakshman Rao-Director	78300	1.78	78300	1.78
3	M.V Ananthakrishna	-	-	-	-
4	Pramod Kumar Thatte	-	-	-	-
5	Dr. Kinnera Murthy B	-	-	-	-
	R.Dharmender-CFO				
	Total	78300	1.78	78300	1.78



F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs.in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10.16	-	-	10.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10.16	-	-	10.16
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	1.53	-	-	1.53
Net Change	1.53	-	-	1.53
Indebtedness at the end of the financial year				
i) Principal Amount	8.63	-	-	8.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8.63	-	-	8.63

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director:

SN.	Particulars of Remuneration	M.S Lakshman Rao, Managing Director
		Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,51,738 /-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission- as % of profit- others, specify	-
5	Others, please specify	-
	Total (A)	12,51,738 /-
	Ceiling as per the Act*	NA

*Appointed under Schedule XIII of the Companies Act, 1956


B. Remuneration to other Directors

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total
		M.V. Anantha Krishna	VS Rao	Dr. B. Kinnera Murthy	Pramod Kumar Thatte	M.V.V.S. Murthi	
1	Independent Directors						
	• Fee for attending board / committee meetings	22000	11000	NA	NA	NA	33000
	• Commission	-	-	NA	NA	NA	-
	• Others, please specify	-	-	NA	NA	NA	-
	Total (1)	22000	11000	NA	NA		33000
2	Other Non-Executive Directors						
	• Fee for attending board / Committee Meetings	NA	NA	NA	8000	NIL	8000
	• Commission	NA	NA	NA	-	NIL	-
	• Others, please specify	NA	NA	NA	-	NIL	-
	Total (2)	NA	NA	NA	8000	NIL	8000
	Total (B)=(1+2)	22000	11000	NIL	8000	NIL	41000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

*Overall ceiling is not applicable as the Company has paid setting fees only to Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS*	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,08,756/-	37,117/-	4,45,873/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,08,335/-	10,000/-	1,18,336/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	5,17,091/-	47,118/-	5,64,209/-

*Resigned w.e.f 23.04.2014



XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

for and on behalf of the Board

Place : Hyderabad
Date : 12.08.2015

Sd/-
V.S. RAO
Chairman

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. At present, though there is surplus capacity in the country, severe power cuts is hampering the production.

The long term future of the Iron and Steel industry is optimistic and positive as Government of India is giving utmost importance to develop infrastructure facilities, which will enhance the consumption of the Iron and steel in the country.

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.

India's per capita steel consumption is about one-fourth of the global average. Given the important role that infrastructure creation can play in restoring economic growth in the country, the consumption of steel is bound to show an increasing trend. This is a positive indicator for growth of Ferro alloy production in India, as Ferro alloys are vital inputs to steel-making.

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 tonne 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.

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.



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.

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. 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/-
V.S. RAO
Chairman

Place : Hyderabad
Date : 12.08.2015

CORPORATE GOVERNANCE

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 31.03.2015

Category	No. of Directors	%
Executive Directors	1	20.00
Non-Executive Promoter Directors	1	20.00
Independent Non-Executive Directors*	3	60.00
Total	5	100.00

Dr. M.V.V.S. Murthi resigned from the Directorship w.e.f 02.08.2014. Sri Pramod Kumar Thatte has been appointed as an Additional Director w.e.f 02.08.2014. Sri V.S.Rao has been appointed as an Additional Director w.e.f 12.08.2014. Dr. B. Kinnera Murthy appointed as an Additional Director on 31.03.2015 under the category of Independent (Women) Director.

The Attendance record of the Directors at the Board Meetings held during the financial year ended on 31st March, 2015 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
Dr. M. V. V. S. Murthi* (Upto 02.08.2014)	Non Executive Promoter	Chairman	NA	6	1	NA	NA	NA
Shri V.S. Rao* (From 12.08.2014)	Non Executive Independent	Chairman	Yes	6	4	2	2	Nil
Shri.M.V.Ananthkrishna	Non Executive Independent	Director	Yes	6	4	3	1	1
Pramod Kumar Thatte (From 02.08.2014)	Non Executive	Director	Yes	6	5	Nil	Nil	Nil
Dr. B. Kinnera Murthy (From 31.03.2015)	Non Executive Independent	Additional Director	NA	6	NA	3	2	Nil
Shri M. S. Lakshman Rao	Executive	Managing Director	Yes	6	6	7	1	Nil



Dr. M. V. V. S. Murthi resigned w.e.f 2nd August 2014. Mr. Pramod Kumar Thatee has been appointed as an Additional Director w.e.f 02.08.2014. Mr. V.S.Rao has been appointed as an Additional Director w.e.f 12.08.2014. Dr. D. Kinnera Murthy has been appointed as an Additional Director on 31.03.2015.

Excluding Directorships in Private Limited Companies.

* Chairmanship/Membership of only Audit Committee and Shareholders/Investor Grievance Committee have been considered.

• **Number of Board Meetings held, dates on which held:**

Six Board Meetings were held during the financial year 2014-15 on 29th May 2014, 02nd August 2014, 12th August, 2014, 10th November, 2014, 14th February, 2015 and 31st March 2015.

3. Audit Committee

• Brief description of Terms of Reference

The Audit Committee of the Board is responsible for overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate, credible and reviewing with management the annual financial statements before submission to the Board. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the Statutory Auditors including the Cost Auditors, the performance of Internal Auditors and the Company's risk management policies.

The Committee periodically interacts with the internal auditors to review the manner in which they are discharging their responsibilities. The Committee holds discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit to ascertain any area of concern and review their written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. The Committee also reviews the quarterly (un-audited) and annual financial statements before they are presented to the Board.

• Composition of the Audit Committee as on 31st March, 2015

Shri.M.V. Ananthkrishna	Chairman	Independent Non-executive Director
Shri V.S. Rao	Member	Independent Non-executive Director
Dr. M.V.V.S. Murthi (upto 2 nd August 2014)	Member	Non Executive Promoter Director
Shri Pramod Kumar Thatte	Member	Non-executive Director

The Audit Committee was reconstituted on 12.08.2014 with Shri M.V. Ananthkrishna as Chairman, Shri V.S.Rao and Shri Pramod Kumar Thatee as members.

• Meetings and Attendance during the year 2014-15 on 29th May 2014, 12th August, 2014, 10th November, 2014 and 14th February, 2015.

Date of Meeting	M.V. Ananthkrishna	V.S. Rao	M.V.V.S. Murthi	Pramod Kumar Thatte
29.05.2014	YES	NA	YES	NA
12.08.2014	YES	YES	NA	YES
10.11.2014	YES	YES	NA	YES
14.02.2015	NO	YES	NA	YES



Nomination and Remuneration Committee

- Brief description of terms of reference
To recommend compensation terms for Executive Directors.
- Composition, name of members, Chairman and Secretary as on 31st March, 2015:

Shri M.V. Ananthkrishna	Chairman	Independent non-executive Director
V.S. Rao	Member	Independent Non-executive Director
Pramod Kumar Thatte	Member	Non-executive Director

The Nomination and Remuneration committee was reconstituted on 12.08.2014 with Shri M.V.Ananthkrishna as a Chairman and Shri Pramod Kumar Thatte and Shri V.S. Rao as Members. Company Secretary of the Company acts as the Secretary of the Committee

- Nomination and Remuneration Committee met on 31.03.2015. All the members of the said committee were attended except Shri M.V.Ananthkrishna
- Remuneration policy

The remuneration policy is to pay remuneration and benefits adequately so as to attract, motivate and retain talent.

5. Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2014-15.

(in ₹)

Name	Designation	Sitting fee	Remuneration	Benefits	Total
Dr. M. V. V. S. Murthi	Non-Executive Chairman	-	-	-	-
Shri V.S. Rao	Independent Non-Executive Director	11,000	-	-	11,000
Shri. M.V.Ananthkrishna	Independent Non-Executive Director	22,000	-	-	22,000
Shri Pramod Kumar Thatte	Non-Executive Director	8,000	-	-	8,000
Dr. B. Kinnera Murthy	Additional Director	-	-	-	-
Shri M. S. Lakshman Rao*	Managing Director	-	9,00,000	48,848	9,48,848

* Remuneration includes Salary . Benefits include contribution to Provident Fund, Gratuity Fund and payment of Perquisites.

There was no Employee Stock Option Scheme during the financial year ended 31st March, 2015.

**6. Investors' Grievance & Share Transfer Committee**

- The Investors' Grievance & Share Transfer Committee met 4 times during the financial year 2014-15 on 29th May 2014, 12th August, 2014, 10th November, 2014 and 14th February, 2015.

The Constitution of the Committee as on 31.03.2015 and attendance of each Member is as given below:

Name of the Director	Designation	Category	No. of Meetings Attended
Dr. M. V. V. S. Murthi (upto 2 nd August 2014)	Chairman	Non-executive Promoter Director	1
Shri V. S. Rao (From 12 th August 2014)	Chairman	Independent Non-Executive Director	2
Shri M.V. Ananthkrishna (From 12 th August 2014)	Member	Independent Non-Executive Director	2
Shri M. S. Lakshman Rao	Member	Managing Director	4

Investors' Grievance & Share Transfer Committee was reconstituted on 12.08.2014 with V.S. Rao as Chariman and Shri M.V.Ananthkrishna and Shri M.S.Lakshman Rao as members.

Name and Designation of Compliance officer:

Mr. M.S. Lakshman Rao, Managing Director

- Number of shareholder complaints received, number solved to the satisfaction of the shareholder and number of pending transfers:

Investor grievances received and attended during the year 2014-15 and pending as on 31.03.2015

Nature of Grievances	Received	Attended	Pending
1. Non-receipt of dividend warrants	2	2	Nil
2. Non-receipt of Annual Report	11	11	Nil
3. Other Miscellaneous	8	8	Nil

The Company generally attends to all queries of investors within a week from the date of receipt.

7. General Body Meetings**a) Details of the Last 3 AGMs**

- The last 3 Annual General Meeting (AGMs) were held at Surana Udyog Auditorium of the Federation of Andhra Pradesh Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad- 500 004.

- Date, Time and Special Resolutions passed:**

S.No.	Financial Year	Date	Time	Special Resolutions
30 th AGM	2011-12	29-09-2012	10.30 AM	-NIL-
31 st AGM	2012-13	30-09-2013	2.30 PM	-NIL-
32 nd AGM	2013-14	30-09-2014	2.30 PM	-NIL-



b) Special Resolutions passed through Postal Ballot during last year and person who conducted the postal ballot exercise:

No Special Resolution was passed through postal ballot during 2014-15.

8. Management Discussion & Analysis Report

Management Discussion & Analysis Report forms part of the Annual Report.

9. Disclosures

- There are no transactions, which may have potential conflict with the interests of the Company. Note No- 2.33 of the Annual Accounts contains the details of related party transactions as required by the Accounting Standard 18 (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India.
- There is no non-compliance by the Company and no penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company has complied with all the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.
- A Certificate duly signed by the Managing Director & CEO relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Clause 49(V) of the listing agreement was placed before the Board, who took the same on record.

10. 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.vbcindia.com. The Company's website www.vbcindia.com 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.

11. Code of Conduct

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel of the Company. The declaration of Managing Director is provided in this annual report.

The Code of Conduct is available on the Company's website i.e., www.vbcindia.com.

12. General Shareholders' Information

i) Date, Time and Venue of the 33rd Annual General Meeting:

The 30th September 2015 at 2.30 p.m. at K.L.N. Prasad Auditorium of the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), situated at 11-6-841, Red Hills, Hyderabad-500 004.

**ii) Financial Calendar (tentative and subject to change)**

Financial Reporting for the quarter ended 30 th September, 2015	14 th November,2015
Financial Reporting for the quarter ended 31 st December, 2015	14 th February,2016
Financial Reporting for the year ended 31 st March, 2016	30 th May,2016
Financial Reporting for the year ended 30 th June, 2016	14 th August 2016

iii) Dates of Book Closure

September 23, 2015 to September 30, 2015 (Both days inclusive).

iv) Listing on Stock Exchanges

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 021.	The Calcutta Stock Exchange Association Ltd* 7, Lyons Range, Kolkatta – 700 001.
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* Application for de-listing from The Calcutta Stock Exchange Association Limited is under process.

Listing Fees

The Company has paid annual listing fee for the year 2015-16 to the Bombay Stock Exchange Limited, where the securities are listed.

vi) Stock Code

- BSE - 513005
- Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE114E01013

vii) Monthly High and Low Quotation of Shares traded on the BSE Limited, Mumbai:

Month	High (₹)	Low (₹)	Close (₹)	No. of Shares
Apr 2014	77.20	52.65	64.45	23,450
May 2014	91.50	60.05	71.50	32,144
Jun 2014	124.10	68.00	114.00	81,235
July 2014	118.80	86.45	93.90	31,251
Aug 2014	95.90	70.45	77.70	12,109
Sep 2014	87.45	73.95	80.00	12,851
Oct 2014	83.90	65.45	68.90	11,243
Nov 2014	76.15	63.00	74.70	14,633
Dec 2014	94.60	68.05	69.30	19,647
Jan 2015	76.90	67.70	71.85	24,681
Feb 2015	73.75	57.00	63.00	27,873
Mar 2015	66.50	52.25	66.50	34,267


viii) Registrar and Share Transfer Agents

M/s Venture Capital and Corporate Investments Private Limited having registered office at 12-10-167, Bharat Nagar, Hyderabad – 500 018, Ph:040-23818475/6 are the Company's Share Transfer Agents in both physical and dematerialized form.

ix) 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 Investors' Grievance & Share Transfer 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 31st March, 2015.

(x) (a) Distribution of Shareholding as on 31st March, 2015

Category		No. of shareholders	%	Shares held	%
From	To				
Upto	5000	7307	92.62	70,00,660	15.93
5001	10000	309	3.92	23,32,390	5.31
10001	20000	135	1.71	19,51,010	4.44
20001	30000	51	0.65	12,85,300	2.92
30001	40000	12	0.15	4,17,060	0.95
40001	50000	11	0.14	5,34,670	1.22
50001	100000	23	0.29	16,59,440	3.78
100001	And above	41	0.52	2,87,62,970	65.45
Total		7889	100	4,39,43,500	100.00

(b) Distribution of Shareholding according to categories of shareholders as on 31st March, 2015.

Categories	No. of Shares	% to Total
Promoters, Directors / Relatives and associated Persons	16,14,459	36.74
Financial Institutions & Banks/Mutual Funds/Central & State Governments	7,310	0.17
Foreign Institutional Investors	—	—
Non-resident Indians	1,05,878	2.41
Private Corporate Bodies	4,92,082	11.20
Indian Public	21,74,621	49.48
TOTAL	43,94,350	100.00



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 2nd 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 31st March, 2015, 85% of the Equity Share Capital, representing 37,25,384 shares were held in depository 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.

xii) There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments due for conversion.

xiii) **Plant Location:** Rudraram Village,
Patancheru Mandal,
Medak District, Telangana.

xiv) **Address for Correspondence** Contact Numbers:
Company Secretary, Phone : 040-23301166 / 99
VBC Ferro Alloys Limited, 040-23320904 - 7
6-2-913/914, 3rd Floor, Fax : 040-23390721
Progressive Towers, Khairatabad, Email : hyd1_vbcfal@sancharnet.in
Hyderabad -500 004. investor@vbcindia.com

xv) Investor Relations

All the queries received from shareholders during the financial year 2014-15 have been resolved. The Company generally replies to the queries within a week of their receipt. The Company has designated e-mail investor@vbcindia.com for investor services.

13. Compliance

The Company shall obtain a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges and annexed the certificate with the Directors' report, which is sent annually to all the shareholders of the company.

Auditor's Certificate is annexed to the Report of the Directors.

for and on behalf of the Board

Place : Hyderabad
Date : 12.08.2015

Sd/-
V.S. RAO
Chairman



AUDITORS' 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 March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the 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 above mentioned Listing Agreement.

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.

For BRAHMAYYA & Co.,
Chartered Accountants
(Firm Regd. No. 000513S)

Camp : Hyderabad
Date : 12-08-2015

Sd/-
(CA. C.V. RAMANA RAO)
PARTNER
Membership No.018545

**Annexure - VI****FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Techno Infratech Projects India Pvt Ltd Promoter's interested Company
b)	Nature of contracts/arrangements/transaction	Office Building Rent
c)	Duration of the contracts/arrangements/transaction	3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.14,045/- per month
e)	Justification for entering into such contracts or arrangements or transactions'	It is in centrally located area of Visakhapatnam, wherein established sales office.
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mrs. M. Srimani W/o M.S.P. Rama Rao, Relative of KMP
b)	Nature of contracts/arrangements/transaction	Office Building Rent
c)	Duration of the contracts /arrangements / transaction	3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1,02,480/- per month
e)	Date of approval by the Board	It is in centrally located area of Hyderabad, wherein established Registered Office
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

for and on behalf of the Board

Place : Hyderabad
Date : 12.08.2015

Sd/-
V.S.Rao
Chairman



INDEPENDENT AUDITORS' REPORT

To
The Members of
VBC Ferro Alloys Limited,
Hyderabad.

Report on the Financial Statements:

1. We have audited the accompanying financial statements of **M/s VBC Ferro alloys Limited, ("the Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

8. Non-provision of FSA charges for the years 2010-11 to 2012-13 totaling to Rs 19,06,53,769, pending resolution of the appeals pending before various judicial authorities as stated in Note No. 2.28(a) to the financial statements, has resulted in understatement of the loss for the year.
9. Non-provision of load shortfall charges for earlier years amounting to Rs 42,42,75,760, pending disposal of company's objections by the various administrative authorities as per the directions of Forum for Redressal of Consumer grievances of CPDCL as stated in Note No. 2.28(b) to the financial statements has resulted in understatement of the loss for the year.
10. As stated in Note No 2.30 to the financial statements, the books of account are maintained under "going concern" concept, though the Ferro Alloys plant of the company did not carry out any production activities during the entire year, due to commercially unviable operations because of high power tariff, besides the entire workmen have been retrenched during the year. Due to commercially unviable operations because of high power tariff

Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs (08), (09) & (10) above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

12. We draw attention to the following matters in the Notes to the financial statements:
 - a. Note No. 2.13 with marks (#) that 184.589 Lakhs of shares acquired by the company in Konaseema Gas Power Limited, the title in respect of which is in the process of transfer.
 - b. Note No. 2.35 that 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.
 - c. Note No. 2.36 that according to an internal technical assessment, there is no impairment in the carrying cost of cash Generating assets of the Company in terms of Accounting for Impairment of Asset (AS 28) of Companies (Accounting Standard) Rules, 2006.
 - d. Note No. 2.37 that balances lying in some of the lenders', suppliers', customers' accounts are subject to confirmation

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

13. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



14. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and 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 paragraph 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraphs above.
 - 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, 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 financial statements – Refer Note No. 2.28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.,
Chartered Accountants
(Firm Regd. No.000513S)

Sd/-
(CA. C.V.RAMANA RAO)
PARTNER
Membership No. 018545

Camp : Hyderabad
Date : 28-05-2015



ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 8 OF OUR REPORT OF EVEN DATE:

The Annexure referred in paragraph (13) in our Independent Auditor's Report of even date to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets could not be physically verified by the management during the year in accordance with a phased programme of verification, due to closure of its plant for the entire year. Accordingly, we are unable to report on any material discrepancies between the fixed assets register and the assets physically available.
- ii) a) Physical verification of inventory could not be conducted during the year by the management due to closure of the plant for the entire year.
 - b) As no physical verification has been conducted during the year, we are unable to report on the adequacy of the procedures of physical verification of inventory followed by the management.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. 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.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, clauses 3 (iii) (a) and 3 (iii) (b) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories fixed assets and sale of goods. The activities of the Company do not include sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- v) The Company has not accepted any deposits. 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 ('the Act'), 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, there are non-remittances/ delays in deposit/remittances of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues during the year by the Company with the appropriate authorities.



According to the information and explanations given to us, the details of undisputed amounts payable in respect of income tax, sales tax, wealth 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 2015 for a period of more than six months from the date they became payable are as under:

Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Amount (in ₹)
Employee Provident Fund Act, 1952	Employer contribution	From 01.04.2012 to 31.08.2014	72,09,686
Employee Provident Fund Act, 1952	Employee contribution	From 01.04.2012 to 31.08.2014	26,70,533
Employee state Insurance Corporation Act 1948	Employer contribution	From 01.07.2013 to 31.08.2014	39,536
Employee state Insurance Corporation Act 1948	Employee contribution	From 01.07.2013 to 31.08.2014	24,200
Professional Tax 1975	Employee contribution	From 01.07.2012 to 31.08.2014	4,25,760
Central Sales Tax Act	Central sales tax	For the year 2011-12	10,73,520
Central Sales Tax Act	Central sales tax	For the year 2012-13	3,30,578
Central Sales Tax Act	Central sales tax	For the year 2013-14	21,40,003
AP VAT Act, 2000	Value Added Tax	For the year 2013-14	7,89,829
Income Tax Act, 1961	Regular assessment tax	For the financial year 2011-12	4,24,16,585
Income Tax Act, 1961	Dividend Distribution Tax	For the financial year 2011-12	21,38,620 excluding interest
Income Tax Act, 1961	Income tax deducted at source	From 01.04.2012 to 31.08.2014	30,43,219
Service tax Act	Service tax including education cess	From 01.04.2012 to 31.08.2014	7,27,412
Central Excise Act	Excise duty	From 01.05.2013 to 31.08.2014	81,81,486

- b) As at 31st March 2015, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Wealth-tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:



Name of the Statute/Authority	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	(*)Amount (in ₹)
Central Sales Tax Act	Non submission of 'C' and 'F' forms	1996-97	Dy. Commissioner (Appeals)	18,68,890
Central Sales Tax Act	Non submission of 'H' forms	2008-09	Appellate Dy. Commissioner(CT)	11,86,633

(*) Net of pre deposits made

- c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time stipulated.
- viii) The Company has no accumulated losses as at the end of the financial year. However, it has incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.
- ix) The Company has neither taken any term loan from financial institutions or a bank nor issued any debentures. Consequently, the clause 3 (ix) of the Order is not applicable to Company.
- x) According to the information and explanation given to us, the company has given two guarantees for loans taken by others from financial institutions. The guarantees given by the company along with other co-promoters to financial institutions on behalf of these two companies promoted by them are with the approval of shareholders in a general meeting and in accordance with the promoters' agreements. Having regard to the information and explanations given to us the said guarantees are not prejudicial to the interest of the company.
- xi) According to the information and explanations given to us, the Company has not obtained any term loans. Consequently, the clause 3 (xi) of the Order is not applicable to Company.
- xii) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company nor the Company has been noticed or reported during the course of our audit.

For BRAHMAYYA & CO.,
Chartered Accountants
(Firm Regd. No. 000513S)
Sd/-
(CA. C.V.RAMANA RAO)
PARTNER
Membership No. 018545

Camp : Hyderabad
Date : 28-05-2015


BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in ₹)

Particulars	Note	As at 31.03.2015		As at 31.03.2014	
EQUITY AND LIABILITIES					
Shareholders' Funds :					
Share Capital	2.01	4,39,49,875		4,39,49,875	
Reserves & Surplus	2.02	107,43,80,017	111,83,29,892	115,41,97,116	119,81,46,991
Non-current liabilities:					
Long term Borrowings	2.03	28,50,63,025		30,07,81,898	
Deferred Tax Liability	2.04	3,21,80,456		3,86,76,497	
Other Long Term Liabilities	2.05	4,00,000		8,00,000	
Long term Provisions	2.06	-	31,76,43,481	13,73,705	34,16,32,100
Current Liabilities:					
Short term Borrowings	2.07	8,63,05,052		10,16,11,259	
Trade Payables	2.08	20,48,48,179		18,03,28,398	
Other Current Liabilities	2.09	26,24,96,082		17,41,72,334	
Short term Provisions	2.10	46,84,869	55,83,34,182	6,29,44,651	51,90,56,642
TOTAL			199,43,07,555		205,88,35,733
ASSETS					
Non-current Assets					
Fixed Assets :					
Tangible Assets	2.11	12,35,83,986		13,92,44,081	
Capital works-in-progress	2.12	12,14,87,235		11,79,52,431	
		24,50,71,221		25,71,96,512	
Non-current Investments	2.13	155,00,46,380		157,49,93,744	
Long term Loans and Advances	2.14	4,45,91,211	183,97,08,812	4,45,93,116	187,67,83,372
Current Assets :					
Inventories	2.15	13,89,55,422		14,77,63,773	
Trade receivables	2.16	79,27,444		79,27,444	
Cash and Cash Equivalents	2.17	24,10,789		1,13,17,629	
Short term Loans and Advances	2.18	53,05,088		85,50,108	
Other Current Assets	2.19	-	15,45,98,743	64,93,407	18,20,52,361
TOTAL			199,43,07,555		205,88,35,733

For and on behalf of the Board

 Per our report of even date annexed
 For BRAHMAYYA & CO.,
 Chartered Accountants

 Sd/-
 M.S.LAKSHMAN RAO
 Managing Director

 Sd/-
 PRAMOD KUMAR THATTE
 Director

 Sd/-
 R. DHARMENDER
 CFO

 Sd/-
 (CA. C.V. RAMANA RAO)
 Partner
 Membership No. 018545

 Place : Hyderabad
 Date : 28.05.2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

(Amount in ₹)

Particulars	Note	This Year ended 31.03.2015	Previous Year ended 31.03.2014
I. REVENUE			
Revenue from operations	2.20	-	12,60,03,463
Other Income	2.21	2,33,91,850	1,39,97,474
Total Revenue		2,33,91,850	14,00,00,937
II. EXPENSES			
Cost of Materials Consumed	2.22	-	3,96,82,788
Change in Inventories of Finished Goods	2.23	88,08,351	3,64,73,301
Employee Benefit expenses	2.24	2,77,78,311	10,28,01,093
Power and Fuel expenses		-	8,84,21,511
Other Operational Expenses	2.25	-	55,70,667
Finance cost	2.26	4,93,06,406	5,16,02,797
Depreciation	2.11	75,68,470	66,53,694
Other expenses	2.27	81,51,827	74,80,379
Total expenses		10,16,13,365	33,86,86,230
III. Profit before tax (I-II)		(7,82,21,515)	(19,86,85,293)
IV. Tax expense :			
Deferred tax		64,96,041	21,55,451
V. Profit after Tax (III-IV)		(7,17,25,474)	(19,65,29,842)
VI. Earnings per share (Basic and Diluted) in ₹		(16.32)	(44.72)
Significant Accounting Policies	1		

For and on behalf of the Board

Per our report of even date annexed
For BRAHMAYYA & CO.,
Chartered AccountantsSd/-
M.S.LAKSHMAN RAO
Managing DirectorSd/-
PRAMOD KUMAR THATTE
DirectorSd/-
R. DHARMENDER
CFOSd/-
(CA. C.V. RAMANA RAO)
Partner
Membership No. 018545Place : Hyderabad
Date : 28.05.2015


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in ₹)

	Year Ended 31.03.2015	Year Ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax and after extraordinary items	(7,82,21,515)	(19,86,85,293)
Adjustments for :		
Depreciation	75,68,470	66,53,694
Interest Paid	4,93,06,406	5,16,02,797
Interest Received	-	(77,94,208)
Dividend Received	(25,250)	(1,27,000)
Income Tax Refund Received	-	(9,27,056)
Provision for Gratuity & leave encashment	(1,50,43,488)	10,289
Credit Balances written Back	-	(11,13,383)
Bad debts, Irricoverable Deposits & Advances Written off	-	4,12,919
Operating Profit before working capital changes	(3,64,15,377)	(14,99,67,241)
Adjustment for:		
Trade and other receivables	64,93,407	20,05,09,409
Inventories	88,08,351	3,70,87,867
Trade payables	6,82,53,530	(6,23,25,634)
Cash generated from operations	4,71,39,911	2,53,04,401
Interest Paid	(4,93,06,406)	(4,22,11,254)
Direct Taxes Paid	-	(17,40,000)
NET CASH FLOW / (USED) FROM OPERATING ACTIVITIES (A)	(21,66,495)	(1,86,46,853)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
(Increase) / Decrease in Capital work-in-progress	(35,34,804)	(5,56,128)
Sale of Investments	-	-
Purchase of Investments	-	-
Advance for Purchase of Investments	2,49,47,364	-
Interest received	-	68,59,210
Sale of Fixed Assets	-	12,000
Dividend received	25,250	1,27,000
NET CASH FLOW / (USED) IN INVESTING ACTIVITIES (B)	2,14,37,810	64,42,082
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	(2,81,78,155)	(3,66,32,619)
Dividend Paid	-	-
Tax on dividend	-	-
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)	(2,81,78,155)	(3,66,32,619)
Net increase/(decrease) in cash and Cash equivalents (A+B+C)	(89,06,840)	(4,88,37,390)
Cash and Cash equivalents at the beginning of the year	1,13,17,629	6,01,55,019
Cash and Cash equivalents as at the close of the year	24,10,789	1,13,17,629
	89,06,840	4,88,37,390

For and on behalf of the Board

 Per our report of even date annexed
 For BRAHMAYYA & CO.,
 Chartered Accountants

 Sd/-
 M.S.LAKSHMAN RAO
 Managing Director

 Sd/-
 PRAMOD KUMAR THATTE
 Director

 Sd/-
 R. DHARMENDER
 CFO

 Sd/-
 (CA. C.V. RAMANA RAO)
 Partner
 Membership No. 018545

 Place : Hyderabad
 Date : 28.05.2015

**NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES****1.1 Accounting Concepts:**

Financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on accrual basis and comply all material aspects with the Accounting Standards and the relevant provisions prescribed in the Companies Act, 1956, besides the pronouncements/ guidelines of the Institute of Chartered Accountants of India and the Securities and Exchange Board of India.

1.2 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual outcome may be different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

1.3 Fixed Assets:

- a. Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is net of CENVAT / Input VAT Credit and inclusive of freight, duties, taxes, incidental expenses including interest on specific borrowings as apportioned.
- b. Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.

1.4 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current - non-current classification of assets and liabilities.

1.5 Investments:

Investments are stated at cost, inclusive of all expenses relating to acquisition. Provision for diminution in the market value of long-term investments is made, if in the opinion of the Management such diminution is permanent in nature.

1.6 Inventories:

Inventories are valued at the lower of the cost (net of CENVAT / Input VAT Credit) or net realisable value (except by-products, waste and scrap which are valued at estimated net realisable value). Cost is computed on monthly weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present condition and location.

1.7 Borrowing Costs:

Borrowing cost is charged to statement of Profit and Loss except cost of specific borrowing for acquisition of qualifying assets which is capitalised till date of commercial use of the said asset.



1.8 Sales:

Sales are inclusive of Excise Duty and net of rebates and Sales Tax.

1.9 Employee Benefits:

(i) Defined Contribution Plans

Employee Benefits in the form of Employee Provident Pension Funds are considered as Defined Contribution plans and the contributions are charged to the statement of Profit & Loss of the year when the contributions to the said fund are due.

(ii) Defined Benefit Plans

Retirement Benefit in the form of Gratuity is considered as Defined Benefit Obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of Balance Sheet.

(iii) Other Long Term Benefits

Long-Term Compensated Absences are provided on the basis of an actuarial valuation using the Projected Unit Credit Method as at the date of Balance Sheet.

Actuarial gains / losses, if any, are immediately recognised in the statement of Profit & Loss.

1.10 Depreciation:

Depreciation is charged under Straight Line Method applying the rates worked out in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 prevalent in respective years of acquisition in respect of items acquired prior to 1.7.1986 and in accordance with Schedule XIV of the Companies Act, 1956 in respect of items acquired after 1.7.1986.

1.11 Foreign Currency Transactions:

Transactions on account of foreign currency are accounted for at the rates prevailing on the date of the transaction. Foreign Currency assets and liabilities are restated at the rates prevailing as on the date of Balance Sheet. Exchange rate differences are dealt with in the statement of Profit and Loss. Premium or discount on forward exchange contracts are amortised and recognised in the statement of Profit & Loss over the period of the contract.


Note No.2.01 : SHARE CAPITAL

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Equity Shares	Amount in ₹	No of Equity Shares	Amount in ₹
a) Authorised : Equity Shares of ₹.10/- each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
b) (i) Issued : Equity Shares of ₹.10/- each	43,96,450	4,39,64,500	43,96,450	4,39,64,500
(ii) Subscribed and Fully Paid up: 43,94,350 Equity Shares of ₹. 10/- each fully paid up	43,94,350	4,39,43,500	43,94,350	4,39,43,500
Add: Amount received on 2100 forfeited shares	-	6,375	-	6,375
	43,94,350	4,39,49,875	43,94,350	4,39,49,875

c) Equity shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held

Name of the Share holder	As at 31.03.2015		As at 31.03.2014	
	No of Equity shares	% of share holding	No of Equity shares	% of share holding
Equity Shares of ₹10/- each fully paid Techno Infratech Projects (India) Private Limited, VSP.	3,50,865	7.98%	3,50,865	7.98%

Note No. 2.02: RESERVES AND SURPLUS

Particulars	As at 31-03-2015 Amount in ₹	As at 31-03-2014 Amount in ₹
a. Capital Reserves:		
Balance in State Govt Subsidy Received	15,00,000	15,00,000
b. Securities Premium Account:		
Balance in Securities Premium Reserve	11,91,79,000	11,91,79,000
c. Asset Revaluation Reserve:		
Balance in Asset Revaluation Reserve	4,36,87,426	4,36,87,426
d. Other Reserves (General Reserve):		
Balance at the beginning of the year	96,40,00,000	96,40,00,000
(+) Current Year Transfer	-	-
Balance at the end of the year	96,40,00,000	96,40,00,000
e. Surplus:		
Balance at the beginning of the year	2,58,30,690	22,23,60,532
(-) Adjustment of carrying amount of the assets whose remaining useful life is exhausted as per schedule II to Companies Act 2013	(80,91,625)	-
(+) Net Profit/(Loss) for the year	(7,17,25,474)	(19,65,29,842)
Balance at the end of the year	(5,39,86,409)	2,58,30,690
Total	107,43,80,017	115,41,97,116

(Amount in ₹)

Particulars	As at 31-03-2015		As at 31-03-2014	
Note No.2.03: LONG TERM BORROWINGS				
Unsecured Loans :				
From LIC of India		-		82,91,250
From Directors		13,08,62,924		10,88,29,278
From Other Body Corporates		15,42,00,101		18,36,61,370
Total		<u>28,50,63,025</u>		<u>30,07,81,898</u>
Note No.2.04: DEFERRED TAX LIABILITY				
Deferred tax liability:				
Timing difference between book and tax depreciation		14,92,927		73,27,298
Items of contingent liability in nature claimed as expenditure for tax purpose	4,30,88,278	4,45,81,205	4,30,88,278	5,04,15,576
Deferred tax asset:				
Items covered under section 43B of the Income Tax Act		80,90,852		80,90,852
Provision for doubtful debts		25,79,127		25,79,127
Unabsorbed depreciation under Income Tax Act		17,30,770	10,69,100	1,17,39,079
Total		<u>3,21,80,456</u>		<u>3,86,76,497</u>
Note No.2.05: OTHER LONG TERM LIABILITIES				
Deposits refundable		4,00,000		8,00,000
Total		<u>4,00,000</u>		<u>8,00,000</u>
Note No.2.06: LONG TERM PROVISIONS				
Provision for Compensated leaves		-		13,73,705
Total		<u>-</u>		<u>13,73,705</u>



(Amount in ₹)

Particulars	As at 31-03-2015	As at 31-03-2014
Note No.2.07: SHORT TERM BORROWINGS		
Secured Loans :		
Cash credit facilities from : Cash credit from a bank on hypothecation of Stock of Finished goods, Raw Materials, stores and spares and book debts and a first charge on all the fixed assets of the Company and guaranteed by Managing Director and a shareholder of the Company, in their personal capacity- including interest accrued	8,63,05,052	10,16,11,259
Total	8,63,05,052	10,16,11,259
Note No.2.08: TRADE PAYABLES		
Trade Payables	20,48,48,179	18,03,28,398
Total	20,48,48,179	18,03,28,398
There are no dues as at the end of the year (as at the end of the previous year also) to Micro, Small and Medium Enterprises as defined under Micro, Small, and Medium Enterprises Development Act, 2006 based on the information available with the Company.		
Note No.2.09: OTHER CURRENT LIABILITIES		
Interest accrued and due on cash credit facilities	1,54,70,945	-
Advances from customers	1,02,61,605	1,02,61,605
Un-Paid Dividends	22,17,611	26,18,556
Other current Liabilities	16,16,11,511	13,91,83,163
Liabilities towards statutory dues	7,29,34,410	2,21,09,010
Total	26,24,96,082	17,41,72,334
Note No.2.10: SHORT TERM PROVISIONS		
Provision for Gratuity	10,30,209	1,46,84,129
Provision for leave encashment	15,16,040	15,31,903
Provision for Income Tax	-	4,45,89,999
Tax on Equity dividend	21,38,620	21,38,620
Total	46,84,869	6,29,44,651



Note No. 2.11 : Fixed Assets

(in ₹)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 st April 2014	Additions	Disposals	As at 1 st April 2014	For the year	On disposals	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
TANGIBLE ASSETS:									
Land	6,90,38,312	-	-	-	-	-	6,90,38,312	6,90,38,312	6,90,38,312
Buildings	8,30,83,066	-	-	6,08,99,379	11,07,682	-	2,10,76,005	2,10,76,005	2,21,83,687
Plant & Machinery	57,26,71,521	-	-	53,13,20,407	1,08,61,022	-	3,04,90,092	3,04,90,092	4,13,51,114
Furniture&Fixtures	35,94,066	-	-	33,47,878	52,321	-	1,93,867	1,93,867	2,46,188
Office Equipment	1,00,21,395	-	-	84,73,573	12,54,933	-	2,92,889	2,92,889	15,47,822
Vehicles	1,57,89,108	-	-	1,09,12,150	23,84,137	-	24,92,821	24,92,821	48,76,958
Total	75,41,97,468	-	-	61,49,53,387	1,56,60,095	-	12,35,83,986	12,35,83,986	13,92,44,081
Previous Year	75,45,69,178	-	371,710	60,86,59,404	66,53,693	359,710	13,92,44,081	13,92,44,081	14,59,09,774

carrying amount of the assets whose revised useful life has exhausted before 01.04.2014 Debited to profit & loss account

80,91,625
75,68,470
1,56,60,095



(Amount in ₹)

Particulars	As at 31-03-2015	As at 31-03-2014
Note No.2.12: CAPITAL WORK IN PROGRESS		
Capital Works in Progress:		
a. Civil works under progress	7,00,14,077	7,00,14,077
b. Capital Stock in Stores	13,90,518	13,90,518
Expenditure incidental to construction awaiting allocation (Vide Note No.2.12(a):	5,00,82,640	4,65,47,836
	12,14,87,235	11,79,52,431
Note No.2.12(a): Expenditure incidental to construction awaiting allocation:		
a. Balance at the beginning of the year:	4,65,47,836	4,59,91,708
b. Net Expenditure incurred during the year:		
Staff Cost	-	10,48,719
Travelling and Conveyance	-	2,21,451
Bank Charges and guarantee commission	35,34,804	-
Miscellaneous Expenses	-	11,35,949
	35,34,804	24,06,119
Less: Interest Received	-	18,49,991
	35,34,804	5,56,128
Total	5,00,82,640	4,65,47,836
Note No.2.13: NON-CURRENT INVESTMENTS (Long term Investments)		
Non Trade:		
1) Investment in Equity Shares		
i) Quoted		
a) 135000 Equity Shares of ₹.10/-each fully paidup in Basil Infrastructure Projects Ltd.	13,50,000	13,50,000
b) 3000 Equity Shares of ₹.10/- each fully paidup in BOI	1,35,000	1,35,000
c) 380 Equity Shares of ₹.10/- each fully paidup in State Bank of Tranvencore	2,28,000	2,28,000
	17,13,000	17,13,000
ii) Unquoted		
a) # 140141414 Equity Shares of ₹.10/- each fully paidup in Konaseema Gas Power Ltd.	143,06,46,210	143,06,46,210
b) 100000 Equity Shares of ₹. 10/- each fully paid up Konaseema Power Corporation Ltd.	10,00,000	10,00,000
c) * 6172670 Equity Shares of ₹.10/- each fully paidup in Orissa Power Consortium Ltd.	6,17,26,700	6,17,26,700
	149,33,72,910	149,33,72,910



(Amount in ₹)

Particulars	As at 31-03-2015		As at 31-03-2014	
iii) Share Application Money with:				
i) Indo-Us Coal Washeries Ltd	-		1,08,57,364	
ii) Orissa Hydrel Power Balimela Ltd	-		1,40,90,000	
iii) Karthik Rukmini Alloys & Energy Ltd	5,59,60,470	5,59,60,470	5,59,60,470	8,09,07,834
TOTAL(A+B)		155,10,46,380		157,59,93,744
Less: Diminution in value of Investments		10,00,000		10,00,000
Total		155,00,46,380		157,49,93,744

includes 184.589 lacs(P.Y.184.589 lacs) 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.

*5912670 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.2.14: LONG TERM LOANS AND ADVANCES

Unsecured, considered good (otherwise than stated)				
Capital Advances		6,62,000		6,62,000
Deposits Recoverable		4,39,29,211		4,39,31,116
Total		4,45,91,211		4,45,93,116

Note No.2.15: INVENTORIES

(As Valued and Certified by the Management)

Stores & Spares		3,02,11,849		3,02,11,849
Raw Materials		10,54,14,400		10,54,14,400
Finished Goods		33,29,173		1,21,37,524
Total		13,89,55,422		14,77,63,773

Inventories are valued as per Accounting Policy No. 1.6 of Note No. 1

Note No.2.16: TRADE RECEIVABLES

Unsecured:				
Debts, outstanding over six months				
Considered doubtful		79,49,228		79,49,228
Other Debts, Considered good		79,27,444		79,27,444
		1,58,76,672		1,58,76,672
Less: Provision for doubtful debts		79,49,228		79,49,228
Total		79,27,444		79,27,444



(Amount in ₹)

Particulars	As at 31-03-2015	As at 31-03-2014
Note No.2.17: CASH AND CASH EQUIVALENTS		
a. Balances with banks	23,58,714	29,43,080
This includes:		
Earmarked Balances (e.g. Unpaid Dividend accounts - less than seven years)	22,17,611	26,18,556
b. Cash on hand	52,075	45,075
c. Margin-money Deposits (maturing for a period less than 12 months)	-	83,29,474
Total	24,10,789	1,13,17,629
Note No.2.18: SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances Recoverable	53,05,088	85,50,108
Total	53,05,088	85,50,108
Note No.2.19: OTHER CURRENT ASSETS		
Claims Receivable	-	5,809
Prepaid Expenses	-	21,61,530
Interest receivable	-	43,26,068
Total	-	64,93,407
Note No.2.20: REVENUE FROM OPERATIONS		
		(Amount in ₹)
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Sale of Products - Ferro Silicon	-	14,43,16,844
Less: Excise Duty & Sales tax Collections	-	1,83,13,381
Total	-	12,60,03,463
Note No.2.21: OTHER INCOME		
Interest received : from Banks	-	34,38,716
: from Others	-	43,55,492
Rent Received	18,00,000	24,00,000
Dividends received	25,250	1,27,000
Miscellaneous Receipts	32,25,975	16,35,827
Key Man Insurance surrender value received	1,83,40,625	-
Sundry Credit Balances written back	-	11,13,383
Income tax refund received	-	9,27,056
Total	2,33,91,850	1,39,97,474

(Amount in ₹)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Note No.2.22: COST OF MATERIALS CONSUMED		
Opening Stock	10,54,14,400	10,53,14,132
Add: Purchases (Net)	-	3,97,83,056
	10,54,14,400	14,50,97,188
Less: Closing Stock	10,54,14,400	10,54,14,400
Total	-	3,96,82,788
Note No.2.22 (a): PARTICULARS OF RAW MATERIALS CONSUMED		
Indigenous:		
Char Coal	-	3,21,90,579
Quartz	-	7,68,685
Mill Scale	-	27,81,180
Electro Carbon Paste	-	24,87,812
Others	-	14,54,532
Total	-	3,96,82,788
Note No.2.23: CHANGE IN INVENTORIES OF FINISHED GOODS		
Opening Stock	1,21,37,524	4,86,10,825
Less: Closing Stock	33,29,173	1,21,37,524
Total	88,08,351	3,64,73,301
Note No.2.24: EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages & Bonus	23,01,929	2,58,96,797
Workmen compensation	2,32,30,096	7,26,85,774
Contribution to Provident fund and other funds	2,66,169	24,83,521
Gratuity	10,30,209	-
Remuneration to Managing Director	9,48,848	10,00,800
Staff Welfare Expenses	1,060	7,34,201
Total	2,77,78,311	10,28,01,093

* Represents the retrenchment compensation (net of adjustment for gratuity) as per memorandum of settlement entered by the company with the workers' union on 30th June, 2014

**Note No. 2.24 (a) EMPLOYEE BENEFIT PLANS:**

As per Accounting Standard 15 "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: (Amount in ₹)

	2014-15	2013-14
Employer's Contributions to Provident and Pension Funds	2,57,332	18,02,112
Employer's Contributions to Employees State Insurance	8,837	1,70,509
Contribution to Superannuation Scheme	-	5,10,900

Defined Benefit Plans:

A. 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.2.25: OTHER OPERATIONAL EXPENSES

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Stores & Spares consumed	-	2,35,274
Other Manufacturing Expenses	-	43,26,445
Repairs & Maintenance:		
Plant & Machinery	-	10,08,948
Buildings	-	10,08,948
Total	-	55,70,667

Note No. 2.25 (a): There are no imports of capital goods or components and spare parts during the current year and the previous year.

Note No. 2.25 (b): Details of imported and indigeneous raw materials and spares consumed:

	This Year		Previous Year	
	Amount (₹)	%	Amount (₹)	%
Stores & Spares				
Imported	-	-	-	-
Indigenous	-	-	2,35,274	100

Note No.2.26:FINANCE COST

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest on Cash Credit	2,03,64,600	1,62,34,900
Interest - Others	2,14,79,624	2,37,63,904
Interest - under the provisions of Income Tax Act	73,43,253	93,91,543
L C Charges	-	10,93,241
Bank Charges	1,18,929	11,19,209
Total	4,93,06,406	5,16,02,797



(Amount in ₹)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Note No.2.27:OTHER EXPENSES		
Rent	7,91,460	15,60,739
Insurance	15,27,244	29,49,712
Rates & Taxes	2,25,067	-29,76,523
Director's Sitting Fees	43,000	2,00,000
Payment to:		
As auditor's	1,00,000	2,00,000
for Certification Charges	-	145,000
for Cost Audit Fee	-	60,000
Transportation,Selling and Other Distribution Expenses	-	3,22,446
Commssion on Sales	-	3,26,060
Bad Debts, Irrecoverable Claims and advances Written Off	-	4,12,919
Miscellaneous Expenses	54,65,056	42,80,026
Total	81,51,827	74,80,379
Expenditure in foreign currency during the financial year on account of travelling.	-	-



Note No: 2.28:

- a The company has received demands for fuel surcharge adjustment (FSA) from Central Power Distribution Company of AP Ltd (CPDCL) pursuant to clause 45B of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business Amendment) Regulations 2003 (FSA Regulations). The levy has been a subject matter of challenge ever since the DISCOMS made their claim in the year 2010 in respect of the period 2008-09 onwards. The challenge with respect to 2008-09 and 2009-10 were initially accepted by a single judge of the Andhra Pradesh High Court and the appeals filed with respect to 2008-09 and 2009-10 are currently pending before the Supreme Court and a full bench of the Andhra Pradesh High Court respectively. With respect to the levy for the years 2010-11 to 2012-13 totaling to Rs 19,06,53,769 no stay has been granted against the levy and collection of FSA charges. Pending the resolution of the legal course being pursued by the company of the dispute no provision has been made for the said demand in the books of account.
- b The company has filed its objections before the various administrative authorities of TSSPDCL as per the directions given by Forum for Redressal of Consumer Grievances of TSSPDCL towards load shortfall charges for the period upto 31.03.2012 totaling to Rs 15,10,13,776. Further the company received demand towards load shortfall charges for the years 2012-13 & 2013-14 totalling to Rs 27,32,61,984 in January 2015. Pending disposal of its objections by the authorities, no provision towards load shortfall charges totalling to Rs 42,42,75,760 has been made by the company.

Particulars	Current Year	Previous Year
Note No: 2.29:		
Contingent liabilities and commitments		
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	157,10,00,000	157,10,00,000
c) Disputed Sales Tax Demands for non submission of "C" & "F" Forms	30,55,523	42,53,723
d) Disputed Income Tax demands for the financial years 2008.09 to 2009.10	3,04,56,364	3,04,56,364
An amount of Rs 11,98,200 (previous year Rs 5192568) Paid under protest against item nos (e) & (f) is shown under the head of "Loans and advances"		
e) claims against the company not acknowledged as debts		

Note No: 2.30:

Due to steep increase in the power tariff, the cost of production of Ferro Silicon has far exceeded the market prices, resulting in non recovery of even variable cost of production. Accordingly the company has closed down its production unit at Rudraram Village, Medak district since June 2013. Further the company has entered into a memorandum of settlement with the workers' union on 30.06.2014 for their retrenchment. However, the books of account are maintained under "going concern" concept, as the company has initiated effective steps to meet its power requirements by setting-up a 120 MW captive thermal power plant at Sirpur Kagaznagar Mandel, Adilabad District through a separate company, by transferring its power unit by way of demerger.


Note No: 2.31

Consequent to schedule II of the Companies Act 2013 becoming applicable w. e. f. 01.04.2014, depreciation for the year ended 31st March, 2015, has been provided on the basis of the useful life of all the assets as prescribed under Schedule II of the Act. Accordingly the depreciation charge for the year is higher by Rs. 9,16,235/-, when compared to previous year. Further in respect of the assets whose revised useful life has exhausted before 01.04.2014, the carrying amount of the said assets of Rs. 80,91,625/- has been adjusted to the retained earnings.

Note No: 2.32

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

Particulars	Current Year	Previous Year
Note No: 2.33		
Related parties in terms of AS 18 issued by the Institute of Chartered Accountants of India.		
a) Associates:		
Konaseema Gas Power Ltd		
VBC Industries Limited		
Orissa power Consortium Limited.		
b) Key Managerial Personnel:		
Sri M S Lakshmana Rao, Managing Director		
Sri R. Dharmender, CFO		
c) Relatives of Key Managerial Personnel:		
Dr. M V V S Murthi,		
Sri M S Rama Rao		
d) Others: Enterprises in which key Managerial Personnel or their relatives have substantial interest		
VBC Exports Ltd.		
Techno Infratech Projects (India) Pvt. Ltd.		
BASIL Infrastructure projects Ltd.		
Indo-Us Coal Washeries Ltd		
Transactions carried with related parties:		
<u>Nature of Transactions</u>		
i) Transactions pertaining to Associates:		
a) Purchases :VBC Industries Ltd	-	19,50,956
b) Sales VBC Industries Ltd	-	2,60,505
c) Rent: Received from Konaseema Gas Power Ltd	18,00,000	24,00,000
d) Rental deposit refundable at the end of the year: Konaseema Gas Power Ltd	-	4,00,000



Particulars	Current Year	Previous Year
Transactions pertaining to Key Management Personnel: Remuneration payable to M S Lakshman Rao, Managing Director	9,48,848	11,08,800
Transactions with Relatives of the Key Managerial Personne:		
a) Interest paid to Dr. M.V.V.S. Murthi	1,00,67,190	88,29,596
M.S.P. Rama Rao	63,20,280	45,79,271
b) Amounts payable to the end of the year Dr. M.V.V.S. Murthi	7,28,71,440	6,38,10,970
M.S.P. Rama Rao	4,80,56,087	4,07,62,835
Transactions pertaining to Companies/Firms/Other concerns in which Key Managerial Personnel or his relatives holds substantial interest:		
a) Rent paid to Techno Infratech Projects (India) Pvt Ltd.	1,68,540	1,68,540
b) Amount payable as at the end of the year		
VBC Exports Ltd	38,20,993	38,20,993
Techno Infratech Projects (India) Pvt. Ltd.	89,37,080	87,68,540
BASIL Infrastructure Projects Ltd.,	4,58,849	4,58,849
Indo-US Coal Washeries Ltd	-	2,40,957
VBC Power Company Ltd	98,57,400	98,57,400
c) Amount Invested up to the end of the year in		
BASIL Infrastructure Projects Ltd.,	13,50,000	13,50,000
Konaseema Gas Power Ltd	143,06,46,210	143,06,46,210
Orissa Power Consortium Ltd.	6,17,26,700	6,17,26,700
Indo-US Coal Washeries Ltd	-	1,08,57,364
Note No. 2.34 : Earning Per Share (EPS):		
a) Net Profit available for Equity Share Holders	(7,17,25,474)	(19,65,29,842)
b) Weighted Average Number of Equity Shares Used as denominator for calculating EPS	43,94,350	43,94,350
c) Basic and Diluted Earnings per Share of ₹ 10/- Each	(16.32)	(44.72)



Note No: 2.35

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: 2.36

According to an internal technical assessment, there is no impairment in the carrying cost of cash generating assets of the Company in terms of Accounting for Impairment of Asset (AS 28) of Companies (Accounting Standard) Rules, 2006.

Note No: 2.37

Balances lying in some of the lenders', suppliers', customers' accounts are subject to confirmation.

Note No: 2.38

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

For and on behalf of the Board

Per our report of even date annexed
For BRAHMAYYA & CO.,
Chartered Accountants

Sd/-
M.S.LAKSHMAN RAO
Managing Director

Sd/-
PRAMOD KUMAR THATTE
Director

Sd/-
R. DHARMENDER
CFO

Sd/-
(CA. C.V. RAMANA RAO)
Partner
Membership No. 018545

Place : Hyderabad
Date : 28.05.2015



PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Company : VBC Ferro Alloys Limited
 Registered Office : 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004.

Name of the member(s) :	
Registered Address :	
E-mail Id :	
Folio No./ Client id :	
DP ID :	

I/We being the member(s) of Shares of VBC Ferro Alloys Limited, hereby appoint:

- Name :
 Email id :
 Address :
 Signature : Or failing him
- Name :
 Email id :
 Address :
 Signature : Or failing him
- Name :
 Email id :
 Address :
 Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company to be held on the 30th September, 2015 at 2.30 P.M. at K.L.N. Prasad Auditorium of The Federation of Andhra Pradesh Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad - 500 004, any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- To receive, consider and adopt the Audited Financial Statements of the Company for Financial Year ended 31st March, 2015 together the reports of Directors and the Auditors Report thereon.
- To appoint a Director in place of Shri Pramod Kumar Thatte who retires by rotation and being eligible offer himself for re-appointment.
- Ratification of Auditors' Appointment:

Special Business:

- Re- appointment of Shri M.S. Lakshman Rao, as Managing Director of the company for a further period of Two years.
- Appointment of Dr. (Mrs.) B. Kinnera Murthy as an independent director for a period of five years.

Signed this day of 2015
 Signature of Shareholder
 Signature of Proxyholder(s)



NOTE: 1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

VBC FERRO ALLOYS LIMITED

Regd. Office : 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad - 500 004.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME & ADDRESS OF THE SHARE HOLDER

Folio No. /
 DP ID & Client ID No.

.....

.....

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company held on Monday, the 30th September, 2015 at 2.30 p.m. at K.L.N. Prasad Auditorium of The Federation of Andhra Pradesh Chambers of Commerce & Industry situated at 11-6-841, Red Hills, Hyderabad-500 004.

SIGNATURE OF THE SHAREHOLDER OR PROXY

PRINTED MATTER - COURIER

If undelivered please return to :

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.