

THIRTY NINTH ANNUAL REPORT 2020-2021



VBC FERRO ALLOYS LIMITED

(AN ISO 9001 - 2008 COMPANY)

CIN No: L27101TG1981PLC003223

6-2-913/914, Third Floor, Progressive Towers, Khairatabad,
Hyderabad - 500 004, Telangana, INDIA.

Tel +91 40 23301200/1230,

Mail: vbcsilicon@gmail.com / info@vbcfal.in

Web: www.vbcfal.in

CONTENTS

Notice	2-6
Directors' Report	7-36
Management Discussion & Analysis	37-38
Corporate Governance.....	39-49
Independent Auditors' Report.....	50-58
Significant Accounting Policies.....	59-68
Balance Sheet.....	69
Statement of Profit & Loss	70
Cash Flow Statement.....	71-72
Notes.....	73-91

THIRTY NINTH ANNUAL GENERAL MEETING

Day : Tuesday
Date : 30.11.2021
Time : 11.30 A.M.
Venue : Through Audio/Videos(AV) Means,

REGISTERED OFFICE

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

WORKS

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

MEETING THROUGH AUDIO/VIDEO(AV) MODE



BOARD OF DIRECTORS

Shri K V ANJANEYULU	Chairman
Shri INDOORI NARSING RAO	Director
Smt DESHRAJU REKHA	Director
Shri VIJAY GOVIND GEJJI	Director
Shri M SIDDARTHA	Director (upto 13-09-2021)
Shri M.V. ANANTHAKRISHNA	Whole-Time Director

MANAGEMENT TEAM

Shri VVVS N MURTY	Group Company Secretary
Shri K. SRINIVAS	General Manager
Shri R. DHARMENDER	CFO
Ms. SONALI SOLANKI	Company Secretary & Compliance Officer

AUDITORS:

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

BANKERS:

BANK OF INDIA
Nampally Station Road,
Hyderabad.

SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LIMITED

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

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

e-mail: info@vccilindia.com



NOTICE OF 39TH ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the shareholders of VBC Ferro Alloys Limited will be held on Tuesday, 30th November 2021 at 11.30 A.M. through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Vijay Govind Gejji (DIN:07781207) who retires by rotation and being eligible offers himself for re-appointment.

By Order of the Board for VBC Ferro Alloys Limited

Place: Hyderabad
Date: 30.10.2021

Sd/-
Sonali Solanki
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" collectively referred to as "MCA Circulars" and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE



A MEMBER OF THE COMPANY. PURSUANT TO THE MCA CIRCULARS, PROVISION FOR APPOINTMENT OF PROXIES BY THE MEMBERS ARE NOT AVAILABLE FOR THE AGM HELD THROUGH VC. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXY FOR THIS AGM HAS NOT BEEN PROVIDED TO THE MEMBERS AND THE PROXY FORM IS NOT ANNEXED TO THIS NOTICE.

3. Members attending the AGM through VC shall only be counted for the purpose of quorum under Section 103 of the Act and the attendance of the members shall be reckoned accordingly. No separate attendance form is being enclosed with the notice.
4. The place of the AGM for the statutory purposes shall be the registered office of the Company.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2021 is being sent only through electronic mode to those Members whose e-mail address are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021 will also be available on the Company's Website i.e., www.vbcfal.in and website of the BSE Limited, bseindia.com.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the certificate from the Auditors under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 will be available electronically for inspection by members during the AGM.
7. The Institutional and Corporate Investors (i.e. other than individuals, HUF, NRI, etc.) are encouraged to attend the AGM through VC by sending a scanned copy (PDF / JPG Format) of its Board / Governing body resolution / Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution / authorization shall be sent to the Scrutinizer by email to info@vbcindia.in/anath.vbcfal@gmail.com
8. The members present at the AGM who have not cast their votes by availing the remote e-voting facility may cast their votes during the AGM.
9. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the results of the voting forthwith.
10. The results declared along with the report of the Scrutinizer will be placed on the website of the Company, www.vbcfal.in after the declaration of the results by the Chairman or a person authorized by him. The results will also be immediately forwarded to the stock exchanges where the shares of the Company are listed. In addition, the results will also be displayed on the Notice Board of the Registered Office of the Company.
11. 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 November 23, 2021 to November 30, 2021(both days inclusive) in connection with the Annual General Meeting.
12. Members who wish to seek any further information / clarification at the meeting, on the annual accounts of the Company are requested to send their queries at least one week in advance from



the date of the Meeting to the Whole-Time Director at the Registered Office of the Company to his mail ID ananth.vbcfal@gmail.com

13. 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.
14. 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.
15. 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.
16. 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.
17. 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 dropdown 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 27.11.2021 (9.00 a.m.) and ends on 29.11.2021 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (Record Date) of 24.11.2021, 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 27.11.2021 (9.00 a.m.) and ends on 29.11.2021 (5.00 p.m.).



During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th November 2021, 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 24th November 2021.

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 Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the thirteenth e-AGM and announce the start of the casting of vote through the e-voting system of CDSL.

The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

The Scrutinizer shall submit his report to the Chairman or in his absence Whole-Time Director of the Company, who shall declare the result of the voting. The voting results declared along with the Scrutinizer's Report will be placed on the company's website www.vbcfal.in immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd.

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

By Order of the Board for VBC Ferro Alloys Limited

Place: Hyderabad
Date: 30.10.2021

Sd/-
Sonali Solanki
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 39th Director's Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2021.

FINANCIAL RESULTS:

(Rs. Lakhs)

PARTICULARS	Current Year 2020-21	Previous Year 2019-20
Gross Revenue from operations	176.42	4245.95
Profit/(Loss) Before Interest, Depreciation & Tax(PBIDT)	(3844.49)	(1450.69)
Finance Charges	54.82	78.24
Profit/(Loss) before Depreciation and Tax(PBDT)	(3899.31)	(1528.93)
Depreciation	661.33	695.86
Profit/(Loss) Before Tax(PBT)	(4560.64)	(2224.80)
Provision for Tax	-	17.24
Profit/(Loss) After Tax (PAT)	(4560.64)	(2242.04)
Profit/(Loss) brought forward from previous year	(18009.79)	(17295.50)
Adjustment in Depreciation	3278.60	1527.75
Profit/(Loss) carried to Balance Sheet	(19291.83)	(18009.79)

Industry Overview:

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

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

Performance of your Company:

During the financial year under review, the total revenue for the Company was Rs.2175.63 Lakhs against Rs.4384.13 Lakhs in the previous year. The Company incurred an operational loss of Rs.4560.64 Lakhs compared to Rs.2224.80 Lakhs in the previous year.

**Prospects:**

The medium to long-term economic outlook in India continues to look promising and though there is slowdown in economy due to COVID-19, it is important to note that the Government's initiative to continue to liberalize the economy and focus on social sector spending in building both hard and soft infrastructure. Steel is the most crucial ingredient in industrial development, infrastructure and construction industry and is, therefore, of strategic importance for national transformation. The progress in domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make-in India'. This presents good potential growth of Ferro Alloys industry in the Country as it solely depends on steel industry hence Ferro Alloy Industry can run its industry profitably subject to other market driven factors.

Outlook of your Company:

Your Company suspended its manufacturing operations from 10th October 2019 due to unfavorable market and other conditions. However, keeping in view of the increasing trend in metal prices and also encouragement given by the Telangana Government by way of giving uninterrupted and quality power supply along with reasonable power tariff to Ferro Alloy Industry, we hope that your company will resume its manufacturing operations shortly.

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

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

Dividend & Reserves:

As the Company incurred losses during the year under review, the Directors could not recommend dividend for the Financial Year 2020-21, also due to inadequate profits and no amount has been transferred to Reserves.

Share Capital:

The Paid-up Share Capital as on 31st March, 2021 was Rs.16.39 Cr. During the year under review, the Company did not issue any Shares.

Deposits:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal and interest was outstanding as on 31st March, 2021.

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

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

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

Investment in KGPL 445 MW Gas Based Power Plant:

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

Investment in OPCL 20 MW Dam Based Hydel Power Plant:

20 MW Dam Based Hydro Electric Power Project by Orissa Power Consortium Limited (OPCL), in which your Company has invested in equity has generated 89.97 MU million units during the financial year 2020-21. OPCL established 3.42 MWp Solar Power Project and achieved COD on 31.10.2016 and generated 4.15 MU during the financial year under review. Your Company is holding Equity Share Capital of about 13.43% in OPCL.

Presentation of Financial Statements:

The Financial Statements for the year ended 31st March, 2021 are prepared in due compliance of the Indian Accounting Standards.

Corporate Social Responsibility Policy:

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

Cash Flow Statement:

A Cash Flow Statement for the year 2020-21 is annexed to the Statement of Accounts.

Board of Directors and Key Managerial Personnel:

- a) Resignation of Directors: No
- b) Reappointment/Change in designation of Directors: Shri Vijay Govind Gejji, Directors liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for reappointment.



As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	Vijay Govind Gejji
Date of Birth	10-01-1960
Qualification	B.E.
Expertise in specific functional areas	Shri Vijay Govind Gejji, aged about 60 years, did Mechanical Engineering from Karnataka University. He also completed his Post Graduate Diploma in Operations Management from All India Institute of Management, New Delhi. He worked in India and abroad for more than 30 years in various Managerial & Senior Managerial capacities in reputed organizations such as Voltas Limited, BPL Limited and PZ Cussons PLC (UK) etc. He is the Managing Director of Orissa Power Consortium Limited.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Shareholding of non- executive directors.	Nil
No. of Shares held in the Company	Nil
Interse-relationship with any Director	Nil

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:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule, Evaluation has been carried out without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- Review of the performance of non-independent directors and the Board as a whole;
- Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 (two) non-independent directors namely:

- Shri. Vijay Govind Gejji-Director
- Shri M . Siddhartha – Director

**The Meeting also reviewed and evaluated the performance of the Executive Director:**

- iii.) The meeting recognized the significant contribution made by Shri. M.V. Ananthakrishna Whole- Time Director and is satisfied with his performance.

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

The meeting also noted that Shri. K.V. Anjaneyulu, Chairman of the Board of Directors of the company has performed exceptionally well by attending board meetings regularly, by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

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.vbcfal.in

Auditors:

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

The Auditors, M/s Pavuluri & Associates, Chartered Accountants were appointed as Statutory Auditors to hold office till the conclusion of AGM to be held in the year 2026, since there is no requirement of annual ratification of appointment of Statutory Auditors, the Board has not recommended for ratification of Statutory Auditors in the Notice of 39th AGM.

**Auditors' Report:**

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

No	Audit Qualification	Reply given by the Board
a	Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 56,54,81,522/-, pending disposal of company's petition before TSERC as stated in Note No. 2.33 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.	Company approached Telangana State Electricity Regulatory Commission(TSERC) with a request to waive the demand as the said amounts relating to deemed energy charges. As the TSSPDCL imposed said deemed energy charges even period relating to power cuts/ power holidays/non supply of power due to acute power shortage in the erstwhile undivided state of Andhra Pradesh. Therefore the company is confident to get a favourable decision from TSERC/TSSPDCL and hence, the Board did not provide for any liability.
b	As stated in Note No. 2.04c the company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109) which is not in compliance with the provisions of section 133 of the Companies Act, 2013.	We approached by the investment companies and they informed that due to COVID-19 and consequential lockdown and absence of public transport system etc., the qualified staff is not available for the finalisation of matters relating to investments.
c	As stated in Note No. 2.41 that balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation.	Company is yet to receive conformations from parties.
d	Provision towards present liability in respect of future payments of gratuity and leave encashment has not been made using Projected Unit Credit method as required by Ind AS 19 "Employee Benefits", which is non compliance with the provisions of section 133 of the Companies Act, 2013.	As per the company's assessment, the required liability has been created. Hence no impact on Financial Statements.
e	As stated in Note No. 2.40 the company has not conducted the impairment test of its cash generating assets despite of the indication of asset remaining idle as required by Ind AS 36 "Impairment of Assets", which is non compliance with the provisions of section 133 of the Companies Act, 2013.	Non availability of technical staff due to COVID-19, we could not conduct impairment status of assets. However, the Board is confident to get benefits from all the assets in future, therefore no provision has been made for impairment.



f	No physical verification of inventories has been carried out during the year. Accordingly, we are unable to express our opinion on the realisability of the amount at which the same are stated in the books of account.	The company is having a system to make periodical physical verification of stock / inventories and also arriving at the values. However, we could not conduct physical verification due to COVID-19 pandemic for the Financial Year ended 31 st March, 2021.
---	--	---

Cost Audit Report:

The requirement of appointment of cost auditor depends up on the turnover of the previous financial year and consequently the Company have not appointed Cost Auditors for the Financial Year 2021-22.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M. Nagakishore, Practicing Company Secretary to conduct the Secretarial Audit and give a Secretarial Audit Report for the Financial Year 2020-21 to be annexed to the Report of Board of Directors.

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

Internal Audit & Controls:

The Company appointed M/s K.S.Rao & Co., Chartered Accountants, Hyderabad, as its Internal Auditors. Their scope of work includes review of Records, Ledgers, voucher checking and the internal controls applied and practiced by the Company to ensure the Assets are safeguarded and payments are made only for the benefits received and also review of operational expenditure, effectiveness of internal control procedures and systems, and assessing the internal control strengths in all areas.

The internal control procedures and systems are adequate commensurate with the nature and size of the operations of the Company.

Internal Auditors findings are discussed, and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

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 in this Annual Report as Annexure-II.

Particulars of Employees:

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



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

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

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

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

- (iii) the percentage increase in the median remuneration of employees in the financial year: Nil
- (iv) the number of permanent employees on the rolls of company: 20.
- (v) the explanation on the relationship between average increase in remuneration and company performance;

There is no increase of the salary of the employees during the year under review.

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

The Remuneration to Key Managerial Personnel is below the norms being practiced in Comparable Industries for such experienced persons.

- (vii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: There is no increase of salaries to the employees.
- (viii) the key parameters for any variable component of remuneration availed by the Directors: There is no variable component of remuneration availed by Directors
- (ix) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable as Company paid only sitting fees to Non-executive Directors.
- (x) Affirmation that the remuneration is as per the remuneration policy of the company. The Company affirms remuneration is as per the remuneration policy of the Company. None of the employees



are drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Management Discussion & Analysis

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

Corporate Governance:

Pursuant to Reg. 27 of SEBI (LODR), Regulations, 2015 Report on Corporate together with the Practicing Company Secretary Certificate regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report forms part of this Report.

Familiarization Programmes:

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

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.vbcfal.in. There are no related party transactions except mentioned in the Financial Statements.

Accordingly, the details of Related Party Transactions are annexed in Form AOC-2 is not applicable.

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 as of date:

Smt. Rekha Deshraj	Chairman	Independent Non-executive Director
Shri. K. V. Anjaneyulu	Member	Independent Non-executive Director
Shri. I Narsingh Rao	Member	Independent Non-executive Director

All the members of the Audit Committee are independent Directors.



NOMINATION & REMUNERATION COMMITTEE

Terms of reference:

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

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

Remuneration Policy:

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

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

Composition of the Committee as on 31st March, 2021:

Shri. I Narsingh Rao	Chairman	Independent Non-executive Director
Shri M Siddhartha	Member	Non-executive Director
Smt. Deshraj Rekha	Member	Independent Non-executive Director

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

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

2. Terms and References:

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

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

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

3. Policy:

Qualifications and criteria

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



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

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

The proposed appointee shall also fulfil the following requirements:

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

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

Criteria of independence

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

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

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

Other Directorships/ Committee Memberships

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



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

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

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

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

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

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

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

3. Policy:

Remuneration to Executive Director and Key Managerial Personnel

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

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

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

- (i) Basic pay
- (ii) Perquisites and Allowances



- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual performance Bonus

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

Remuneration to Non – Executive Directors

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

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

Remuneration to other employees

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

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below:

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

B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

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

The Company has designated an exclusive e-mail ID called vbcfalhyd@gmail.com for complaints/grievances.



VII. RISK MANAGEMENT COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below:

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

B) RISK MANAGEMENT POLICY:

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

UNPAID / UNCLAIMED DIVIDEND:

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

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR. : Nil

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There have been no frauds reported by the auditors u/s 143(12).

VIGIL POLICY

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

The Board has appointed M/s K.S.Rao & Co, Chartered Accountant, Hyderabad as Internal Auditors for the year 2020-21. Deviations are reviewed periodically and due compliances are ensured. Summary of



significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A separate section on Corporate Governance for fiscal 2021 forms part of this Annual Report as Annexure-IV.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

MATERIAL CHANGES AND COMMITMENTS:

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report which affecting Financial position of the Company as on 31.03.2021.

MATERIAL ORDERS, IF ANY, PASSED BY THE REGULATORS, COURTS ETC.:

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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

In order to prevent sexual harassment of women at workplace as per provisions of the 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, the company has not received any complaints.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

a) Conservation of Energy

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

b) Technology Absorption

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

(c) Foreign exchange earnings and outgo.

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

(d) Expenditure on Research and Development

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

**HUMAN RESOURCES:**

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts for the year ended 31st March 2021, 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 2021 and of the profit and loss of the company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Sd/-

K.V. Anjaneyulu
Chairman

Place: Hyderabad
Date: 30.10.2021



ANNEXURES TO DIRECTORS' REPORT ANNEXURE

FORM - A (See Rule 2)

Form of Disclosure of Particulars with respect to Conservation of Energy

A. CONSERVATION OF ENERGY:

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

POWER AND FUEL CONSUMPTION	Current year 2020-21	Previous Year 2019-20
1 Electricity		
a Purchase Units (KWH)	NIL	4,79,50,800
Total Amount (Rs. in lacs)	NIL	2920.25
Rate / Unit (in Rs.) b Own Generation		6.09
i) Through diesel generator:		
Units (KWH)	NIL	NIL
Units per ltrs. of Diesel Oil	NIL	NIL
Cost / Unit (Rs.) (Fuel + Oil)	NIL	NIL
ii) Through steam Turbine / Generation: Units		
Units per ltrs. of fuel oil / gas	NIL	NIL
Cost / Unit	NIL	NIL
2 Coal (specify quality & where used) Quantity (Tones)	NIL	NIL
Total Cost Average Rate	NIL	NIL
3 Furnace Oil Quantity (K.ltrs.) Total Amount Average Rate	NIL	NIL
4 Other internal generation	NIL	NIL
CONSUMPTION PER UNIT OF PRODUCTION		
Electricity KWH/MT - Ferro Silicon	NIL	10899
- Silico Manganese	-	-
Furnace Oil	NIL	NIL
Coal (specify quality)	NIL	NIL
Others (specify)	NIL	NIL

B. TECHNICAL ABSORPTION:

1 RESEARCH AND DEVELOPMENT (R&D)

- Specify areas in which R&D is carried out by the Company NIL Company has successfully substituted coal as reductant in place of charcoal and coke
- Benefits derived as a result of the above R&D
Replacement of imported coke with local reductants and reduction in cost of the same.



- a) Production of low aluminium grade Ferro Silicon for high grade Steels and
 c) Future plan of action low phosphorus silico manganese
- b) Improvements in preparation of raw material facilities.
 d) Expenditure on R&D
- | | | |
|---------------|-----|-----|
| i) Capital | NIL | NIL |
| ii) Recurring | NIL | NIL |
| iii) Total | NIL | NIL |
- iv) Total R&D Expenditure as a percentage of Total Turnover

2 TECHNOLOGY ABSORPTION ADOPTION & INNOVATION:

- a) Efforts, in brief, made towards technology absorption, adaptation and innovation
 Successfully used coal in place of coke for manufacture of Manganese Alloys Benefits derived as a result of the above efforts, e.g., product
- b) improvement, cost reduction, product development, import substitution, etc.
 In case of imported technology (imported during the last 5
- c) years reckoned from the beginning of the financial year), following information may be furnished: Reduction in cost of reductants
- | | | |
|---|-----|-----|
| i) Technology Imported | NIL | NIL |
| ii) Year of Import | NIL | NIL |
| iii) Has technology been fully absorbed | NIL | NIL |
- iv) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action
- d) Foreign Exchange Earnings & Outgo
 Not Applicable
- | | | |
|---|-----|----------------|
| i) Foreign Exchange Earnings at FOB Value | - | - |
| ii) Foreign Exchange Outgo - | | |
| A] CIF Value of Imports: | | |
| Raw Materials, Components and Spares | NIL | Rs.71.50 Lakhs |
| Capital Goods | | NIL |
| B] Others | | NIL |

for and on behalf of the Board

Sd/-

K V Anjaneyulu
 Chairman

Place: Hyderabad
 Date : 30.10.2021



ANNEXURE-II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

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, Khairatabad, 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-500 018. 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

III. 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 2020]				No. of Shares held at the end of the year [As on 31- March-2021]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	631779	5143500	5775279	35.23	631779	5143500	5775279	35.23	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	640863	200000	840863	5.13	640863	200000	840863	5.13	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other—	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1272642	5343500	6616142	40.36	1272642	5343500	6616142	40.36	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	1272642	5343500	6616142	40.36	1272642	5343500	6616142	40.36	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-



a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1410	1410	0.01	-	1410	1410	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	5960	-	5960	0.03	5960	-	5960	0.03	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	5960	1410	7370	0.04	5960	1410	7370	0.04	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	436909	7004650	7441559	45.40	443173	7004650	7447823	45.44	-0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	1230448	252786	1483234	9.05	1165322	252001	1417323	8.64	0.41
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	757502	-	757552	4.62	815862	-	815862	4.98	0.36
c) Others: NRI & Clearing Members	68008	20535	88543	0.53	69345	20485	89830	0.55	-0.02
Sub-total (B)(2):-	2492867	7277971	9770838	59.60	2493702	7277136	9770838	59.60	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	2498827	7279381	9778208	59.64	2499662	7278546	9778208	59.64	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3771469	12622881	16394350	100.00	3772304	12622046	16394350	100.00	-

**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	0.43	0.42	70000	0.43	0.42	NIL
2	M Siddhartha	73500	0.45	0.45	73500	0.45	0.45	NIL
3	Padmakshi Investments Private Limited	200000	1.22	1.22	200000	1.22	1.22	NIL
4	Techno Infratech Projects (India) Private Limited	350865	2.15	-	350865	2.15	-	NIL
5	VBC Industries Limited	25000	0.15	-	25000	0.15	-	NIL
6	Yasaswini Investments Private Limited	202315	1.23	1.23	202315	1.23	1.23	NIL
7	VBC Industrial Holdings Private Limited	36000	0.22	-	36000	0.22	-	NIL
8	Konaseema Infra-Structure Private Limited	25000	0.15	-	25000	0.15	-	NIL
9	MSP Rama Rao	1947900	11.88	1.23	1947900	11.88	1.23	NIL
10	M V V S Murthi	2567769	15.66	-	2567769	15.66	-	NIL
11	M S Lakshman Rao	468300	2.86	-	468300	2.86	-	NIL
12	Mathukumilli Sri Mani	120010	0.73	0.98	120010	0.73	0.98	NIL
13	Surya Mathukumilli	2850	0.02	-	2850	0.02	-	NIL
14	M Aishwarya	239950	1.46	-	239950	1.46	-	NIL
15	Bharadwaj Mathukumilli	285000	1.75	-	285000	1.75	-	NIL
	Total	6616142	40.36	6.98	6616142	40.36	6.98	NIL

* Conversion of their loans into equity (by converting their convertible warrants).

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

The following is the change in the Promoters' shareholding during the Financial Year 2020-21: No



D. Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year/ end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Amaravathi Infrastructure Pvt Limited	600000	3.66	600000	3.66
2	OPL Renewable Energy Private Limited	900000	5.49	900000	5.49
3	Sourya Vidyut Nigam Private Limited	750000	4.57	750000	4.57
4	Frontline Minerals Private Limited	650000	3.96	650000	3.96
5	KSR Entrepreneurs Private Limited	700000	4.27	700000	4.27
6	Maha Infrastructure India Limited	850000	5.18	850000	5.18
7	Bhadrachalam Power & Alloys Limited	500000	3.05	500000	3.05
8	Frontline Enterprises Ltd	900000	5.49	900000	5.49
9	Amaravathi Resources Pvt Ltd	600000	3.66	600000	3.66
10	Silicon Mines Pvt Ltd	550000	3.35	550000	3.35

Note:

1. The shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/ decrease in shareholding is not provided.
2. The details of date wise increase/decrease will be provided at the request of shareholder.

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	K.V. Anjaneyulu -Director	-	-	-	-
2	I Narsingh Rao-Director	-	-	-	-
3	Smt. Rekha Deshraj	-	-	-	-
4	Vijay Govind Gejji	-	-	-	-
5	M.V Ananthakrishna	-	-	-	-
6	M Siddhartha	73,500	0.45	73,500	0.45
7	R. Dharmender-CFO	44	-	44	-
	Total	73,544	0.45	73,544	0.45



	Increase / Decrease in Share holding during the year				
1	K.V. Anjaneyulu -Director	-	-	-	-
2	I Narsingh Rao-Director	-	-	-	-
3	Smt. Deshrajuk Rekha	-	-	-	-
4	Vijay Govind Gejji	-	-	-	-
5	M.V Ananthakrishna	-	-	-	-
6	M Siddhartha	-	-	-	-
7	R. Dharmender-CFO	-	-	-	-
	Total	-	-	-	-
	At the End of the year	-	-	-	-
1	K.V. Anjaneyulu -Director	-	-	-	-
2	I Narsingh Rao-Director	-	-	-	-
3	Smt. Deshrajuk Rekha	-	-	-	-
4	Vijay Govind Gejji	-	-	-	-
5	M.V Ananthakrishna	-	-	-	-
6	M Siddhartha	73,500	0.45	73,500	0.45
7	R. Dharmender-CFO	44	-	44	-
	Total	73,544	0.45	73,544	0.45

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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
- Addition	-	-	-	-



- Reduction	-			
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-			

xi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director & Whole-Time Director:

SN.	Particulars of Remuneration	M.V.Ananthakrishna Whole-Time Director	MSP Ramarao Chief Executive
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	24,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission- as % of profit- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	6,00,000	24,00,000

B. Remuneration to other Directors

S.L. No	Name of the Director	Fee for Attending Meeting	Commission	Others	Total
1	M. Siddhartha	Nil	Nil	Nil	Nil
2	Rekha Deshraj	Nil	Nil	Nil	Nil
3	K.V. Anjaneyulu	Nil	Nil	Nil	Nil
4	I. Narsingh Rao	Nil	Nil	Nil	Nil
5	Vijay Govind Gejji	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel
	R. Dharmender	CFO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,27,156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,71,816
	(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	7,98,972

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					

for and on behalf of the Board
Sd/-

K.V. Anjaneyulu
Chairman

Place : Hyderabad
Date : 18.09.2020



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To
The Members,
VBC Ferro Alloys Limited

Corporate Identity Number (CIN)	: L27101TG1981PLC003223
Authorised Capital	: Rs. 20,00,00,000/-
Paid up capital	: Rs. 16,39,43,500/-

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

Based on my verification of the M/s. VBC Ferro Alloys Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



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

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

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

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

1. The Company is due and payable in respect of Income Tax, Sales Tax, Service Tax, duty of Excise, value added tax, EPF, ESI or cess which are arrears as at 31st March, 2021.
2. The Company is defaulted in filing of various forms with Ministry of Corporate Affairs.
- 3.

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 6 of the SEBI (LODR), 2015	Company Secretary was appointed for the part of the year.	During the part of the year, Company Secretary was not acting as Compliance officer of the Company.



5. Other laws:

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

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

I further report that

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

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

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

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

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

Place: Hyderabad
Dated: 30-10-2021

Sd/-
(M.Naga Kishore)
Company Secretary in Practice
M.No.: F7684
CP No.: 13597
ICSI UDIN: F007684C001339729
dated 31/03/2021



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

ANNEXURE -A

To,
The Members,
VBC Ferro Alloys Limited

Corporate Identity Number (CIN): L27101TG1981PLC003223
Authorised Capital : Rs.20.00 Crores
Paid up capital : Rs.16,39,43,500/-

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

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

Place: Hyderabad
Dated: 30-10-2021

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



ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. BACKGROUND

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

2. INDUSTRY STRUCTURE

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

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

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

OPPORTUNITIES:

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

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

THREATS:

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

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

4. SEGMENT-WISE PERFORMANCE OR PRODUCT-WISE PERFORMANCE

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

5. OUTLOOK

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

The Company is in the process of setting up Captive Power Plant of 120 MW (2x60MW) capacity at



Bodepalli Village, Sirpur Kaghaznagar Mandal, Adilabad District in the State of Telangana State through VBC Power Company Limited, a Special Purpose Vehicle (SPV) Company and exploring the possibilities to invest in existing Captive Power Plants to get early captive power supply.

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. HUMAN RESOURCE DEVELOPMENT

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

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

10. INDUSTRIAL RELATIONS

This has been dealt with in the Directors' Report.

Cautionary Statement:

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

for and on behalf of the Board
Sd/-

K.V. Anjaneyulu
Chairman

Place: Hyderabad
Date: 30.10.2021



ANNEXURE-IV

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 31.03.2021

Category	No. of Directors	%
Executive Directors	1	16.67
Non-Executive Promoter Directors	2	33.33
Independent Non-Executive Directors	3	50.00
Total	6	100.00

The Attendance record of the Directors at the Board Meetings held during the financial year ended on 31st March, 2021 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	Atten- dance at Last AGM (YES/NO)	Attendance in Board Meetings		No. of Directorships and No. of Committee positions in other public companies		
				No. of Board Meet- ings held during his tenure	Present	Other Direc- tor- ships	Com- mittee Mem- ber- ships#	Com- mittee Chair- man- ships
Shri K.V. Anjaneyulu	Non Executive Inde- pendent	Chairman	No	6	6	-	-	-
Smt. Deshraj Rekha	Non Executive Inde- pendent	Director	Yes	6	6	-	-	-
Shri I.Narsingh Rao	Non Executive Inde- pendent	Director	No	6	6	-	-	-
Shri M Siddhartha	Non Executive Promoter	Director	Yes	6	6	-	-	-
Shri Vijay Govind Gejji*	Non Executive	Director	Yes	6	6	-	-	-
Shri. M.V. Ananthakrishna	Executive	Whole-Time Director	Yes	6	6	-	-	-

* Resigned as Managing Director w.e.f 21.08.2020.



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

3. Number of Board Meetings held, dates on which held:

Six Board Meetings were held during the financial year 2020-21 and adjourned some meetings for which details is as follows: The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

S.L. No	Original Meeting	Adjourned Meeting
1	31.07.2020	03-08-2020, 08-08-2020
2	21.08.2020	-
3	18.09.2020	-
4	13.11.2020	-
5	03.12.2020	-
6	13.02.2021	-

4. Formal letter of appointment to independent directors:

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

5. Separate meeting of independent directors:

The Independent Directors held their separate meeting on 18th September 2020 as mandated by the provisions of the Companies Act, 2013 and Listing Agreement.

6. Familiarization program for independent directors:

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

7. 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, 2021*

Smt. Deshrajuk Rekha	Chairman	Independent Non-executive Director
Shri. K.V.Anjaneyulu	Member	Independent Non-executive Director
Shri. I. Narsingh Rao	Member	Independent Non-executive Director

- Meetings and Attendance during the year 2020-21:

Date of Meeting	K.V. Anjaneyulu	Deshrajuk Rekha	I. Narsingh Rao
31.07.2020	YES	YES	YES
18.09.2020	YES	YES	YES
13.11.2020	YES	YES	YES
13.02.2021	YES	YES	YES

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

8. 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, 2021

Shri I. Narsingh Rao	Chairman	Independent non-executive Director
Smt.Deshrajuk Rekha	Member	Independent Non-executive Director
Shri M. Siddehartha	Member	Non-executive Director

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

- Nomination and Remuneration Committee met on 31.07.2020 & 13.02.2021. All the members of the said committee as of date were attended.
- Remuneration policy
The remuneration policy is to pay remuneration and benefits adequately so as to attract, motivate and retain talent.


Remuneration of Directors:

Details of remuneration paid to Directors during the financial year 2020-21.

(in Rupees)

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

*Resigned as Managing Director w.e.f. from 21-08-2020.

There was no Employee Stock Option Scheme during the financial year ended 31st March, 2021.

9. Mechanism for evaluation of the Board:

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/ P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted therecommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory, and they are recommended for continuation as Directors of the Company.



10. Stakeholders Relationship Committee:

- The Stakeholders Relationship Committee met 3 times during the financial year 2020-21 on 31st July 2020, 13th November, 2020 and 13th February, 2021.

The Constitution of the Committee as on 31.03.2021 and attendance of each Member is as given below:

Name of the Director	Designation	Category	No. of Meetings Attended
Smt. Rekha Deshraj	Chairman	Independent Non- Executive Director	3
Shri. I. Narsingh Rao	Member	Independent Non- Executive Director	3
Shri. M.V. Ananthakrishna	Member	Whole-Time Director	3

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

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

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 2020-21 and pending as on 31.03.2021

Nature of Grievances	Received	Attended	Pending
1. Non-receipt of dividend warrants	-	-	-
2. Non-receipt of Annual Report	4	4	-
3. Other Miscellaneous	2	2	-

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

11. General Body Meetings:

a) Details of the Last 3 AGMs

- The last 2 Annual General Meeting (AGMs) were held at the Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad- 500 004 and for the financial year 2019-20 conducted through Audio-Video (AV) Mode.
- Date, Time and Special Resolutions passed:

S.No.	Financial Year	Date	Time	Special Resolutions
36 th AGM	2017-18	03.07.2018	11.00 AM	Allotment of convertible warrants on preferential basis
37 th AGM	2018-19	30.09.2019	11.00AM	-NIL-
38 th AGM	2019-20	27.12.2020	11.30 AM	Audio-Video (AV) Mode



- 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 2020-21.

12. Management Discussion & Analysis Report:

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

13. Disclosures:

- There are no transactions, which may have potential conflict with the interests of the Company. Note No - 2.37 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.
- **Whistle Blower Policy** (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

14. Means of Communication:

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

15. 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 Code of Conduct is available on the Company's website i.e. www.vbcfal.in.

16. Disclosure of Accounting Treatment:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under the Companies Act.



17. Non-Executive Directors' Compensation and Disclosures:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

18. CEO/ CFO Certification:

Company obtained a certificate on the financial statements for the financial year 2020-21 cum CEO/ CFO.

19. General Shareholders' Information

- i) Date, Time and Venue of the 39th Annual General Meeting:
30th November 2021 at 11.30 a.m. through Video Conference and other Audio Visual (AV) means.

- iii) Financial Calendar (tentative and subject to change)

Financial Reporting for the quarter ended 30 th September, 2021	14 th November, 2021
Financial Reporting for the quarter ended 31 st December, 2021	14 th February, 2022
Financial Reporting for the year ended 31 st March, 2022	30 th May, 2022
Financial Reporting for the year ended 31 st June, 2022	14 th August, 2022

- iii) Dates of Book Closure:
November 23, 2021 to November 30, 2021 (Both days inclusive).

vi) Listing on Stock Exchanges:

The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 021.	The Calcutta Stock Exchange Association Ltd* 7, Lyons Range, Kolkatta – 700 001.
---	--

*Application for de-listing from The Calcutta Stock Exchange Association Limited is under process.

v) Listing Fees

The Company has paid annual listing fee for the year 2020-21 to the Bombay Stock Exchange Limited, where the securities are listed.

vi) Stock Code and Electronic connectivity

- 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 Bombay Stock Exchange Limited, Mumbai (There is no trading of shares on Calcutta Stock Exchange):

Month	High (₹)	Low (₹)	Close (₹)	No. of Shares
Apr-20	17.60	14.50	14.60	1,672
May-20	16.09	14.60	16.00	840
Jun-20	18.45	13.35	14.00	6,195
Jul-20	18.67	12.65	17.64	20,097
Aug-20	18.60	14.20	18.60	29,759
Sep-20	21.35	17.30	17.85	27,459
Oct-20	17.85	12.40	14.25	4,597
Nov-20	17.00	14.45	16.15	2,130
Dec-20	16.80	13.49	16.37	10,983
Jan-21	18.40	14.45	14.50	23,905
Feb-21	15.04	12.44	13.75	13,060
Mar-21	14.73	12.00	12.08	52,228

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

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

There are no pending share transfer requests as on 31st March 2021.

**(x) (a) Distribution of Shareholding as on 31st March 2021**

Category		No. of shareholders	%	Shares held	%
From	To				
Upto	500	6067	91.52	594117	3.62
501	1000	261	4.05	201284	1.23
1001	2000	107	1.72	161589	0.99
2001	3000	55	0.82	138291	0.84
3001	4000	21	0.31	72518	0.44
4001	5000	16	0.24	74253	0.45
5001	10000	28	0.42	196499	1.2
10001	And above	61	0.91	14955799	91.23
Total		6616	100	16394350	100

(b) Distribution of Shareholding according to categories of shareholders as on 31st March 2021.

Categories	No. of Shares	% to Total
Promoters, Directors / Relatives and associated Persons	66,16,142	40.36
Financial Institutions & Banks/Mutual Funds/Central & State Governments	7370	0.04
Foreign Institutional Investors	---	---
Non-resident Indians	88,750	0.53
Private Corporate Bodies	74,47,823	45.40
Indian Public	22,34,265	13.67
TOTAL	1,63,94,350	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 2021, 23.01% of the Equity Share Capital, representing 37,72,934 shares were held in demat mode. Investors who wish to exercise the option of dematerialisation of their shares are required



to submit Dematerializations Request Form (DRF) duly filled in along with the original share certificate to the Depository Participant (DP).

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

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

xiii) Plant Location:

Rudram Village, Patancheru Mandal,
Sanga Reddy District, Telengana.
Web: www.vbcfal.in

Contact Numbers:

08455-221802, 221806
Mail: vbcsilicon@gmail.com / info@vbcfal.in

xiii) Address for Correspondence

Company Secretary
VBC Ferro Alloys Limited, 6-2-913/914,
3rd Floor, Progressive Towers, Khairatabad,
Hyderabad 500 004, Telengana, India

Contact Numbers:

040-23301200, 1230
Mail: vbcsilicon@gmail.com / info@vbcfal.in
Web: www.vbcfal.in

For and on behalf of the Board

Place : Hyderabad
Date : 30.10.2021

Sd/-
K. V.Anjaneyulu
Chairman



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 31st March, 2021 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the "Listing Agreement" of the said company with stock exchanges.

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

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

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

Place: Hyderabad
Dated: 30.10.2021

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



INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF
VBC Ferro Alloys Limited,
Hyderabad

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion:

We have audited the accompanying standalone Ind AS financial statements of VBC Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 53,44,77,378/-, pending disposal of company's petition before TSERC as stated in Note No. 2.33 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.
- b) As stated in Note No. 2.04c the company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109) which is not in compliance with the provisions of section 133 of the Companies Act, 2013.
- c) As stated in Note No. 2.41 that balances lying in the lenders', sundry creditors, like, suppliers' service providers', employees' and customers' accounts are subject to confirmation.
- d) Provision towards present liability in respect of future payments of gratuity and leave encashment has not been made using Projected Unit Credit method as required by Ind AS 19 "Employee Benefits", which is non compliance with the provisions of section 133 of the Companies Act, 2013.
- e) As stated in Note No. 2.40 the company has not conducted the impairment test of its cash generating assets despite of the indication of asset remaining idle as required by Ind AS 36 "Impairment of Assets", which is non compliance with the provisions of section 133 of the Companies Act, 2013.
- f) No physical verification of inventories has been carried out during the year. Accordingly, we are unable to express our opinion on the realisability of the amount at which the same are stated in the books of account.



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

Emphasis of Matter Paragraphs:

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

- a. Further to the continuous spreading of COVID -19 across India, the Telangana Government announced a strict lockdown on May 12, 2021, which was further extended till 19th June 2021 across the state to control the spread of the virus. This has resulted in restriction on physical visits to the registered office and factory premises of the company and to rely on alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).
- b. As a result of the above, the statutory audit of the company has been carried out based on remote access of the data as provided at our office premises. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the Whole Time Director of the company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.
- c. If we have carried out the audit physically at the client locations, we might have been able to verify further sufficient appropriate audit evidence regarding the documentation supporting the financial transactions.
- d. Note No. 2.04 with marks (#) that 124.589 Lakhs of shares acquired by the company in Konaseema Gas Power Limited, the title in respect of which is not transferred in the name of the company.
- e. Note No. 2.26a that cost of materials consumed includes the loss of the raw materials due to the loss of the technical properties and usability of the materials in the production due to passage of time besides consumption.

Our opinion is not modified in respect of these matters.

Material Uncertainty related to Going Concern

We draw attention to Note 2.35 in the financial statements, the events or conditions mentioned in the said note indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in preparation of accounts on "going concern" basis for the year under report.

Key Audit Matters

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



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

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

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

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

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

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

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

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

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



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure- A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and, except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) As written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, have not been provided to us, we are unable to state whether any of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we are unable to express any opinion as required under section 143 (3) of the Act 2013, as we could not carry -out any verification or review of its internal financial controls over financial reporting due to covid 19 lockdown restrictions.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. The unpaid dividend amounting to Rs 563,316/- has not been transferred to the Investor Education and Protection Fund as required to be transferred by the Company.

For PAVULURI & Co.
Chartered Accountants
Firm Regn No. 012194S

(CA V N DEEPTHI KONERU)
Partner
Membership No. F-228424
UDIN: 21228424AAAAFN1558

Place: Hyderabad
Date: 30-06-2021



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our Independent Auditor's report of even date, to the members of VBC Ferro Alloys Limited, Hyderabad, for the year ended 31 March 2021 we report that:

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.



Sr. No.	Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates
1.	Employee state Insurance Corporation Act 1948	Employer's contribution	1,00,000	From 01.04.2012 to 31.03.2015
2.	Employee state Insurance Corporation Act 1948	Employees' contribution	26,216	From 01.07.2013 to 31.03.2015
3.	Professional Tax 1975	Employees' contribution	4,42,530	From 01.07.2012 to 31.03.2017
4	Central Sales Tax Act	Central Sales Tax	28,65,469	For the year 2013-14
5.	Income Tax Act, 1961	Dividend Distribution Tax	21,38,620 excluding interest	For the financial year 2011-12
6.	. Income Tax Act, 1961	Income tax deducted at source	1,51,33,083	From 01.04.2012 to 31.08.2019
7.	Greater Hyderabad Municipal Corporation Act	Property Tax	5,97,730	From 01.04.2012 to 31.03.2020

- b) As at 31st March 2021, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Amount* (in Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Central Sales Tax Act	Non submission of 'C' and 'F' forms	18, 68,890	1996-97	Dy. Commissioner (Appeals)
2.	Central Sales Tax Act	Non submission of 'H' forms	11, 86,633	2008-09	Appellate Dy. Commissioner (CT)
3	Employees' State Insurance Act, 1948	Non-payment of contribution	25,98,486	September 2013 onwards.	High Court

(*) Net of Pre deposits made

- viii) In our opinion, the company has not obtained any Term Loans during the financial year under report. Consequently, the clause 3(viii) of the order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under report. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) 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 by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The company has provided for managerial remuneration during the financial year in accordance with the provisions of the Section 197 of the Act.
- xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.



- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the Standalone Ind AS Financial Statements.
- xiv) According to the information and explanations given to us and on overall examination of the records of the Company, we report that the preferential allotment/private placement of shares made are in compliance with the provisions of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3(xvi) of the order is not applicable.

For PAVULURI & Co.
Chartered Accountants
Firm Reg No. 012194S

(CA V N DEEPTHI KONERU)
Partner
Membership No. F-228424

Place: Hyderabad
Date: 30-06-2021



1. Significant Accounting Policies

1.1 Company overview

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

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

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on 14th August, 2021.

1.2 Basis of preparation of financial statements

1.2.1 Statement of Compliance with Ind AS

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

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

1.2.2 Recent Accounting Pronouncements –Standards issued but not yet effective

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

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

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

Amendment to Ind AS 40:

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

**Amendment to Ind AS 21:**

The appendix clarifies that the date of transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. The effect of this amendment on the financial statements of the Company will be evaluated.

Amendment to Ind AS 12:

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

Amendment to Ind AS 28:

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

Amendment to Ind AS 112:

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

The Company will adopt these amendments from their applicability date.

1.2.3 Basis of Preparation

For all periods up to and including year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These financial statements for the year ended 31st March, 2021 are the fourth financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 5 (First-time Adoption).

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

1.3 Use of Estimates:

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



aware of changes in circumstances surrounding the estimates. Changes in estimates are effected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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

1.5 Property, Plant and Equipment:

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

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

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



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

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

1.6 Investment in Associates:

Investments in associates are carried at cost.

1.7 Inventories:

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

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

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

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

1.8 Cash and cash equivalents:

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

1.9 Trade receivables:

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

**1.10 Trade payables:**

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

1.11 Provisions, contingent assets and contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

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

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

12.12 Revenue recognition:

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

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

a. Sale of products:

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



- b. Dividend income:
Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.
- c. Unbilled income:
Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

12.13 Expenses:

All expenses are accounted for on accrual basis.

1.14 Employee Benefits include:

(i) Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

(ii) Post employment benefits-

The company operates the following post-employment schemes:

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

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

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

1.15 Income Taxes:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for



current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

1.16 Prior period items

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

17.17 Earnings Per Share:

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

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

1.18 Cash flow statement:

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

1.19 Impairment of assets:

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

1.20 Non Derivative Financial Instruments:

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



1.20.1 Initial Recognition-

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

1.20.2 Subsequent measurement-

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

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

(i) Debt instruments at amortised cost

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

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

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

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

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

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

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



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

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

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

The Company has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognised in the Profit & Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Financial liabilities are classified in two measurement categories:

- Financial liability measured at amortised cost
- Financial liability measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(ii) Financial liability measured at amortised cost

All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.20.3 Reclassification of financial assets-

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

1.20.4 Derecognition of financial instruments-

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

1.20.5 Impairment of financial assets-

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



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

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

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

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

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

1.20.6 Offsetting of financial instruments-

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

1.20.7 Fair Value of Financial instruments-

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

For and on behalf of the Board
For PAVULURI & CO.,
Chartered Accountants
Firm Registration No. 012194S

Sd/-
(CA V N DEEPTHI KONERU)
Partner
Membership No.F-228424

Place: Hyderabad
Date: 30.06.2021



BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rupees)

Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
ASSETS			
1.Non-current assets			
a)Property, plant and equipment	2.01	1,37,49,56,977	1,77,23,15,171
b)Capital work-in-progress	2.02	19,05,79,614	16,80,16,549
c) Right of use asset	2.03	31,16,430	41,55,242
d)Financial assets			
i)Investments	2.04	15,72,88,190	15,72,88,190
ii)Loans and advances	2.05	41,68,73,975	14,75,59,062
e)Other non-current assets	2.06	40,22,000	40,22,000
		2,14,68,37,186	2,25,33,56,214
2.Current assets			
a)Inventories	2.07	6,83,55,266	7,36,56,892
b)Financial assets			
i)Trade receivables	2.08	-	1,25,57,470
ii)Cash and cash equivalents	2.09	22,48,454	13,10,686
iii)Bank balances other than above	2.10	1,18,48,672	2,09,72,853
c)Current Tax Assets (Net)	2.11	29,18,393	26,07,832
d)Other current assets	2.12	20,75,83,543	34,17,01,391
		29,29,54,328	45,28,07,124
Total Assets		2,43,97,91,514	2,70,61,63,338
EQUITY AND LIABILITIES			
1.Equity			
a)Equity Share capital	2.13	16,39,49,875	16,39,49,875
b)Other equity	2.14	99,09,04,980	1,44,69,69,393
		1,15,48,54,855	1,61,09,19,268
2.LIABILITIES			
Non-current liabilities			
a)Financial liabilities			
i)Borrowings	2.15	15,87,12,556	15,87,12,556
iii)Other financial liabilities	2.16	25,46,28,120	48,58,29,961
b) Lease liabilities	2.17	45,43,834	45,43,834
c)Deferred tax liability(Net)	2.18	3,21,80,456	3,21,80,456
Current liabilities			
a)Financial liabilities			
i)Borrowings	2.19	1,44,05,121	76,76,162
ii)Trade payables	2.20	64,05,80,716	27,24,87,621
iii)Other financial liabilities	2.21	1,27,34,373	1,23,69,305
b) Lease liabilities	2.17	15,39,398	10,90,126
c)Other current liabilities	2.22	16,28,73,982	11,76,43,177
d)Provisions	2.23	27,38,103	27,10,872
		1,28,49,36,659	1,09,52,44,070
Total Equity and Liabilities		2,43,97,91,514	2,70,61,63,338

For and on behalf of the Board

As per our report of even date annexed
For PAVULURI & Co.
CHARTERED ACCOUNTANTS
Firm Registration Number: 012194S

M.V.ANANTHAKRISHNA
Whole Time Director

DESHRAJUREKHA
Director

R.DHARMENDER
CFO

CA V N DEEPTHI KONERU
Partner
Membership Number: F-228424

Place : HYDERABAD
Date: 30.06.2021

Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in Rupees)

Particulars	Note No.	Current Year	Previous Year
I. REVENUE			
Revenue from operations	2.23	1,76,41,610	42,45,95,315
Other income	2.24	19,99,21,275	1,38,17,797
Total Revenue		21,75,62,885	43,84,13,112
II. EXPENSES			
Cost of materials consumed	2.25	-	12,57,02,739
Change in inventories of finished goods	2.26	41,03,078	5,65,56,106
Power	2.27	48,24,43,506	29,20,25,400
Employee benefit expenses	2.28	1,60,37,009	3,30,54,720
Finance cost	2.29	54,81,669	78,24,537
Depreciation & Amortization	2.30	6,61,33,362	6,95,86,909
Other expenses	2.31	9,94,28,674	7,61,43,441
Total expenses		67,36,27,298	66,08,93,852
III. Profit/(Loss) before Exceptional items and tax (I-II)		(45,60,64,413)	(22,24,80,740)
IV. Exceptional Items :			
V. Profit/(Loss) after Exceptional items and before tax		(45,60,64,413)	(22,24,80,740)
VI. Tax expense :			
Current tax		-	-
Income tax paid for earlier year		-	17,24,000
Deferred tax		-	-
VII. Profit/ (loss) for the period		(45,60,64,413)	(22,42,04,740)
VIII. Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement gains/(losses) on the defined benefit plans		-	-
(ii) Gains/(losses) on sale of Equity Instruments measured at FVTOCI		-	-
(iii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI		-	-
(iv) Changes in Property, Plant & equipment recognised to Revaluation Surplus		-	-
Income tax effect on above			
B Items that may be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
IX. Total comprehensive income for the period		(45,60,64,413)	(22,42,04,740)
X. Earnings per equity share	2.38		
Basic		(27.82)	(16.32)
Diluted		(27.82)	(16.32)
Significant accounting policies and other accompanying notes form an integral part of the financial statements			
	1		

For and on behalf of the Board

As per our report of even date annexed
For PAVULURI & Co.
CHARTERED ACCOUNTANTS
Firm Registration Number: 0121945

M.V.ANANTHAKRISHNA
Whole Time Director

DESHRAJUREKHA
Director

R.DHARMENDER
CFO

CA V N DEEPTHI KONERU
Partner
Membership Number: F-228424

Place : HYDERABAD
Date: 30.06.2021



STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees)

Particulars	31-MAR-2021	31-Mar-2020
A) Cash Flow from Operating Activities:		
Profit/(Loss) before tax and after exceptional items:	(45,60,64,413)	(22,24,80,740)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and amortisation	6,50,94,550	6,85,48,099
Amortisation of Right of Use assets (Intangible)	10,38,812	10,38,810
Finance costs (including fair value change in financial instruments)	45,54,313	19,01,480
Loss / (Profit) on disposal of property, plant and equipment	(19,80,77,669)	3,71,79,158
Excess provision of earlier years written back	(556)	(31,892)
Debit balances written off	-	3,430
Provision for Diminution of Investment	-	-
Finance charge on leasehold land	4,49,272	4,39,907
Operating Profit before Working Capital changes	(58,30,05,691)	(11,34,01,748)
Working capital adjustments:		
Movements in provisions, gratuity and government grants	27,231	19,788
Decrease/(Increase) in trade and other receivables & Pre payments	(11,35,15,414)	(33,55,45,597)
Decrease / (Increase) in inventories	53,01,626	4,63,48,303
Increase /(Decrease) in trade and other payables	18,24,87,683	28,44,25,032
Cash generated from operations	(50,87,04,565)	(11,81,54,222)
Income Tax (paid)/refund	(3,10,561)	(43,31,832)
Net Cash generated in operations	(50,90,15,126)	(12,24,86,054)
Insurance proceeds received	-	-
Net cash flows from operating activities	(50,90,15,126)	(12,24,86,054)
B) Cash Flow from Investing Activities:		
Purchase of property, plant and equipments	(6,58,687)	(18,25,853)
Proceeds from sale of property, plant and equipments	53,10,00,000	5,53,00,000
Increase/(decrease) in Capital Work in Progress	(2,25,63,065)	(36,63,682)
Net cash flows used in investing activities	50,77,78,248	4,98,10,465



C) Cash Flow from Financing Activities:		
Proceeds from issue of Equity shares	-	-
Securities premium from issue of Equity shares	-	-
Proceeds from issue of share warrants	-	9,04,46,600
Interest paid	(45,54,313)	(19,01,480)
Proceeds from borrowings	-	17,02,626
Repayments of borrowings	67,28,959	(2,22,04,250)
Net Cash flows/(used in) Financing Activities	21,74,646	6,80,43,496
Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	9,37,768	(46,32,093)
Opening balance of Cash & Cash equivalents	13,10,686	59,42,779
Closing balance of Cash & Cash equivalents	22,48,454	13,10,686

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

Cash and cash equivalent comprises of the following

Particulars	31-MAR-2021	31-Mar-2020
Cash and cash equivalents	22,48,454	13,10,686
Bank Overdrafts	-	-
Balance as per statement of cash flows	22,48,454	13,10,686

For and on behalf of the Board

M.V.ANANTHAKRISHNA
Whole Time Director

DESHRAJUREKHA
Director

R.DHARMENDER
CFO

As per our report of even date annexed
For PAVULURI & Co.
CHARTERED ACCOUNTANTS
Firm Registration Number: 012194S

CA V N DEEPTHI KONERU
Partner
Membership Number: F-228424

Place : HYDERABAD
Date: 30.06.2021


Statement of Changes in Equity for the year ended 31st March, 2021

A			(Amount in Rs.)
Equity share capital	As at 31-03-2021	As at 31-03-2020	
Balance at the beginning of the reporting period	16,39,49,875	12,16,75,775	
Changes in equity share capital during the year	-	4,22,74,100	
Balance at the end of the reporting period	16,39,49,875	16,39,49,875	

B. Other Equity						(Amount in Rs.)
Particulars	Balance as on 01.04.2020	Total comprehensive income for the year	Transfer to retained earnings *	Any other change (to be specified) #	Balance as on 31.03.2021	
Capital Reserve	15,00,000				15,00,000	
Reserves and surplus						
Securities Premium Reserve	53,91,79,000				53,91,79,000	
General Reserve	96,40,00,000				96,40,00,000	
Retained Earnings	(1,80,09,79,825)	(45,60,64,413)		32,78,60,836	(1,92,91,83,402)	
Asset Revaluation Surplus	1,70,50,19,198	-	(32,78,60,836)		1,37,71,58,362	
Equity Instruments through Other Comprehensive Income	3,82,51,020				3,82,51,020	
Total	1,44,69,69,393	(45,60,64,413)	(32,78,60,836)	32,78,60,836	99,09,04,980	

*** Represents:**

1. Transfer of revaluation surplus from other comprehensive income(OCI) to retained earnings on sale of part of land amounting to Rs.26,60,77,888/-, Buildings amounting to Rs. 6,17,82,948/-
2. Depreciation on revaluation of property, plant & equipment amounting to Rs. 6,17,82,948/-

Represents:

1. Transfer of revaluation surplus from other comprehensive income(OCI) to retained earnings on sale of part of land amounting to Rs.26,60,77,888/-, Buildings amount to Rs. 6,17,82,948/-
2. Depreciation on revaluation of property, plant & equipment amounting to Rs.6,17,82,948/-



Note No 2.01:
Property, Plant & Equipment as on 31.03.2021

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	As at 1 st April, 2020	Additions	Disposals	As at 31 st Mar, 2021	Up to 1 st April, 2020	Depreciation charge for the year	On disposals	Up to 31 st Mar, 2021	As at 31 st Mar, 2021	As at 31 st March, 2020
Land	76,51,20,842	-	27,42,30,470	49,08,90,372	-	-	-	-	49,08,90,372	76,51,20,842
Buildings *	30,42,99,127	-	8,01,35,415	22,41,63,712	7,47,37,607	78,26,390	2,14,43,554	6,11,20,443	16,30,43,269	22,95,61,520
Plant & Machinery	1,44,89,49,696	-	-	1,44,89,49,696	67,27,10,464	5,68,30,302	-	72,95,40,766	71,94,08,930	77,62,39,232
Furniture&Fixtures	39,17,471	3,78,687	-	42,96,158	36,22,571	1,61,810	-	37,84,381	5,11,777	2,94,900
Office Equipment	1,03,86,907	-	-	1,03,86,907	99,72,886	64,479	-	1,00,37,365	3,49,542	4,14,021
Vehicles	1,62,88,470	2,80,000	-	1,65,68,470	1,56,03,814	2,11,569	-	1,58,15,383	7,53,087	6,84,656
Total	2,54,89,62,513	6,58,687	35,43,65,885	2,19,52,55,315	77,66,47,342	6,50,94,550	2,14,43,554	82,02,98,338	1,37,49,56,977	1,77,23,15,171

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

Note 2.01a: Disclosure about carrying amount of temporarily idle property, plant and equipment
The plant & equipment were kept idle from 10th October 2019, as the company stopped its production activities.

**Note No 2.02: Capital work in progress**

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Capital Works in Progress:				
a. Civil works under progress		7,00,14,077		7,00,14,077
b. Heat Exchanger & Pollution Equipment		6,07,49,525		3,81,86,460
c. Capital Stock in Stores		13,90,518		13,90,518
Expenditure incidental to construction awaiting allocation (Vide Note No.2.03(a)):		5,84,25,494		5,84,25,494
		19,05,79,614		16,80,16,549

Note No. 2.02(a): Expenditure incidental to construction awaiting allocation:

a. Balance at the beginning of the year:		5,84,25,494		5,74,91,812
b. Net Expenditure incurred during the year:				
Bank charges and guarantee commission	-		9,33,682	
	-		9,33,682	
Less: Miscellaneous income	-	-	-	9,33,682
Total		5,84,25,494		5,84,25,494

Note 2.03 Right-of-Use assets

Particulars	Balance as at 01-04-2020	Additions	(Amortization)	Balance as at 31-03-2021
Building - Office Accommodation	41,55,242		10,38,812	31,16,430
Total	41,55,242	-	10,38,812	31,16,430

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Non Trade:				
1) Investment in Associates measured at cost				
# 140141414 Equity Shares of Rs.10/- each fully paidup in Konaseema Gas Power Ltd.	1,43,06,46,210		1,43,06,46,210	
5596047 Equity Shares of Rs.10/- each fully paidup in Karthik Rukmini Alloys & Energy Ltd	5,59,60,470	1,48,66,06,680	5,59,60,470	1,48,66,06,680
2) Investment in equity instruments measured at Fair Value through Other Comprehensive Income				
i) Unquoted				
(a) 135000 Equity Shares of Rs.10/-each fully paidup in Basil Infrastructure Projects Ltd.	25,65,000		25,65,000	
(b) 100000 Equity Shares of Rs.10/- each fully paid up in Konaseema Power Corporation Ltd.	-		-	
* (c) 6172670 Equity Shares of Rs.10/- each fully paidup in Orissa Power Consortium Ltd.	9,87,62,720	10,13,27,720	9,87,62,720	10,13,27,720
Sub Total		1,58,79,34,400		1,58,79,34,400
3) Provision for Diminution in the value Investment of Konaseema Gas Power Ltd.		(1,43,06,46,210)		(1,43,06,46,210)
TOTAL		15,72,88,190		15,72,88,190

includes 124.589 Lakhs (PY.124.589 Lakhs) shares acquired, the title in respect of which is in the process of transfer.

10 crore equity shares of Konaseema Gas Power Ltd have been pledged with various financial institutions as a collateral security against the term loans sanctioned to the said company.

*6172670 Equity shares of Orissa Power Consortium Ltd have been pledged with various financial institutions as a collateral security against the term loans sanctioned to the said company.

Note No. 2.04a Details of Material Associates

Name of the Associate	Proportion of Ownership interest	Method of accounting adopted	Principal Place of Business
Konaseema Gas Power Ltd	26.06%	Cost	Devarapalli Village, Ravulapalem Mandal, East Godavari District, Andhra Pradesh, India
Karthik Rukmini Alloys & Energy Ltd	25.37%	Cost	Balaji Nagar, Sirpur Kaghaznagar Town, Adilabad, Telangana, India


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

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

Note No. 2.04c Fair valuation of Equity Instruments measured at Fair Value through Other Comprehensive Income

The company is unable to determine the fair value as on 31.03.2021 of its investments in various unlisted companies due to non availability of financial statements of the said unlisted entities as at 31.03.2021.

Note No 2.05: Loans and advances

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Long term advances		8,99,39,930		4,26,29,830
Others		32,69,34,045		10,49,29,232
Total		41,68,73,975		14,75,59,062

Note No 2.06: Other Non Current Assets

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Capital advances		40,22,000		40,22,000
Total		40,22,000		40,22,000

Note No 2.07: Inventories

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
(As Valued and Certified by the Management)				
Stores & spares		2,85,24,052		2,97,22,600
Raw materials		3,45,50,096		3,45,50,096
Finished goods		52,81,118		93,84,196
Total		6,83,55,266		7,36,56,892

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

**Note No .2.08: Trade receivables**

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Unsecured:				
Debts, outstanding over six months				
Considered good	-		9,43,724	
Considered doubtful	-	-	79,27,444	88,71,168
Other debts considered good		-		36,86,302
Total		-		1,25,57,470

Note No 2.09: Cash and cash equivalents

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
a. Balances with banks		22,16,537		10,32,798
This includes:				
(Earmarked Balances towards Unpaid Dividend accounts - more than seven years)	5,63,316		5,63,316	
b. Cash on hand		31,917		2,77,888
Total		22,48,454		13,10,686

Note No. 2.10: Bank balances other than above

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Margin Money Deposit with bank (Towards guarantees taken)		1,18,48,672		2,09,72,853
Total		1,18,48,672		2,09,72,853

Note No 2.11: Current tax assets (net)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Prepaid taxes (Income Tax Deducted at Source)		29,18,393		26,07,832
Total		29,18,393		26,07,832

**Note No 2.12: Other current assets**

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
(Unsecured, considered good)				
Advances paid to Suppliers		4,47,87,808		9,55,60,804
Prepaid expenses		3,07,724		2,18,079
Deposits recoverable		3,21,17,871		3,21,17,871
Other Advances Recoverable		9,95,07,242		6,85,20,715
Income Tax Refund Receivable		35,13,502		13,40,434
GST paid-in-Advance		50,37,089		44,03,622
Power Subsidy receivable from Telangana State Govt.		2,23,12,307		2,23,12,307
Surcharge on power receivable from Telangana State Govt.		-		11,72,27,559
Total		20,75,83,543		34,17,01,391

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
a) Authorised :				
Equity Shares of Rs.10/- each	2,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000
b) (i) Issued :				
Equity Shares of Rs.10/- each (includes 12000000 number of issue of equity shares on conversion of warrants)	1,63,96,450	16,39,64,500	1,63,96,450	16,39,64,500
b) (ii) Subscribed and Fully Paid up:				
Equity Shares of Rs.10/- each fully paid up (includes 12000000 number of issue of equity shares on conversion of warrants)	1,63,94,350	16,39,43,500	1,63,94,350	16,39,43,500
Add: Amount received on 2100 forfeited shares		6,375		6,375
		16,39,49,875		16,39,49,875

Terms/ rights attached to equity shares

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


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

Particulars	As at 31-03-2021		As at 31-03-2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MVVS MURTHI	2567769	15.66	2567769	15.66
MSP Rama Rao	1947900	11.88	1947900	11.88
OPL Renewable energy pvt ltd	900000	5.49	900000	5.49
Frontline Minerals Private Limited	900000	5.49	900000	5.49
Maha Infrastructure India Limited	850000	5.18	850000	5.18

Note 2.14: Other Equity

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
a) Capital Reserve		15,00,000		1,500,000
b) Securities Premium:				
Balance at the beginning of the year	53,91,79,000		39,12,19,650	
Received during of the year	-	53,91,79,000	14,79,59,350	53,91,79,000
c) General Reserve		96,40,00,000		96,40,00,000
d) Asset Revaluation Surplus		1,37,71,58,362		1,70,50,19,198
e) Retained Earnings		(1,92,91,83,402)		(1,80,09,79,825)
f) Other Comprehensive Income -				
Equity Instruments through Other Comprehensive Income		3,82,51,020		3,82,51,020
g) Money received against Share warrants				-
Total		99,09,04,980		1,44,69,69,393

Nature of reserves:

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

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of: items that will not be reclassified to profit and loss

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

**Note No 2.15: Non current Financial liabilities- Borrowings**

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Unsecured Loans :				
From other body corporates		14,54,58,273		14,54,58,273
From Others		1,32,54,283		1,32,54,283
Total		15,87,12,556		15,87,12,556

Note No 2.16: Non current Financial liabilities- others

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Deposits refundables		4,00,000		4,00,000
Advance for sale of land		-		16,65,00,001
FSA Charges Payable		16,23,76,554		16,23,76,554
Liabilities Payable		9,18,51,566		15,65,53,406
Total		25,46,28,120		48,58,29,961

Note No 2.17: Leases**Change in Accounting Policy**

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for accounting lease contract as detailed below.

Particulars	As at 31-03-2021	As at 31-03-2020
	Amount in Rupees	Amount in Rupees
Lease commitments as at 1 April 2020	45,43,834	-
Add/(less): contracts reassessed as lease contracts	15,39,398	51,94,052
Lease liabilities as on 1 April 2021	60,83,232	51,94,052
Current lease liability	15,39,398	10,90,126
Non current lease liabilities	45,43,834	45,43,834

Right of use assets of Rs.5194052 and lease liabilities of Rs.5194052 have been recognised as on 1st April 2019 in respect of leased office accommodation


**As Lessee
Movement in lease liabilities**

Particulars	As at 31-03-2021	As at 31-03-2020
	Lease Liabilities	Lease Liabilities
Balance at beginning of the year	56,33,959	-
Charged/ (credited) to profit/loss account	-	-
Additional liability recognised	-	51,94,052
Unused amounts reversed	-	-
Interest expense on lease liabilities	4,49,272	4,39,907
Amounts used during the year	-	-
Balance at the end of the year	60,83,231	56,33,959

Maturity analysis of lease liabilities

Particulars	Office accommodation	Office accommodation
Less than 1 year		12,60,000
1 to 5 years		13,23,000
More than 5 years		28,47,758
Total undiscounted lease liabilities at 31 March 2020		54,30,758
Lease liabilities included in the statement of financial position at 31 March 2020		49,82,960
Current	15,39,398	10,90,126
Non Current	45,43,834	45,43,834
Total	60,83,232	56,33,960

Amounts recognised in profit or loss

Particulars	Amount in Rupees	Amount in Rupees
Interest on lease liabilities	4,49,272	4,39,907
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

**Note No 2.18: Deferred tax liability**

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Deferred tax liability:				
Timing difference between book and tax depreciation	14,92,927		14,92,927	
Items of contingent liability in nature claimed as expenditure for tax purpose	4,30,88,278	4,45,81,205	4,30,88,278	4,45,81,205
Deferred tax asset:				
Items covered under section 43B of the Income Tax Act	80,90,853		80,90,853	
Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes	-		-	
Provision for doubtful debts	25,79,127		25,79,127	
Unabsorbed depreciation under Income Tax Act	17,30,769	1,24,00,749	17,30,769	1,24,00,749
Total		3,21,80,456		3,21,80,456

Note No 2.19: Current financial Liabilities- Borrowings

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Unsecured Loans :				
From Body Corporates	1,44,05,121		68,14,121	
From Others	-	1,44,05,121	8,62,041	76,76,162
Total		1,44,05,121		76,76,162

Note No 2.20: Current Financial liabilities- Trade payables

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Total outstanding dues of micro enterprises and small enterprises		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		64,05,80,716		27,24,87,621
Total		64,05,80,716		27,24,87,621

Dues to Small and Medium Enterprises:

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

NIL

NIL

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Advances from customers refundable		-		-
Un-Paid Dividends		5,63,316		5,63,316
Other current liabilities		1,21,71,057		1,18,05,989
Total		1,27,34,373		1,23,69,305

Note No 2.22: Other Current Liabilities

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Liability towards statutory dues		3,84,45,760		7,43,84,715
Tax on Equity dividend		21,38,620		21,38,620
Other Liabilities		11,19,82,169		3,11,77,053
Advance received from customers		1,03,07,433		99,42,789
Total		16,28,73,982		11,76,43,177

Note No 2.23: Short term provisions

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rupees	Details	Rupees
Provision for Gratuity		12,22,063		11,94,832
Provision for leave encashment		15,16,040		15,16,040
Total		27,38,103		27,10,872

**Note No 2.24: Revenue From Opreations**

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Revenue from sale of Ferro Silicon		1,76,41,610		42,45,95,315
Total		1,76,41,610		42,45,95,315

Note No 2.25: Other income

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Interest received from Banks		1,37,150		11,13,744
Interest received from Others		17,05,900		17,84,244
Profit on Sale of Property		19,80,77,669		-
Relief gained on availing benefit under" SVLDRS" in respect of various disputed indirect tax demands		-		1,08,87,917
Sundry Credit balances writtn back		556		31,892
Total		19,99,21,275		1,38,17,797

Note No 2.26: Cost of materials consumed

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Opening Stock		3,45,50,096		2,30,30,553
Add: Purchases (Net)		-		13,72,22,282
		3,45,50,096		16,02,52,835
Less: Closing stock		3,45,50,096		3,45,50,096
Debit to profit & loss account		-		12,57,02,739

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

Note No 2.27: Change in inventories of finished goods

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Opening stock		93,84,196		6,59,40,302
Less: Closing stock		52,81,118		93,84,196
Increase / (Decrease) in Finished Goods		(41,03,078)		(5,65,56,106)

**Note No 2.28: Power**

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Power		48,24,43,506		29,20,25,400
Total		48,24,43,506		29,20,25,400

Note No 2.29: Employee benefit expenses

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Salaries, Wages & Bonus		1,30,04,720		2,74,94,483
Contribution to Gratuity fund		27,231		19,788
Staff Welfare Expenses		5,058		13,40,449
Managerial remuneration		30,00,000		42,00,000
Total		1,60,37,009		3,30,54,720

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

Note No 2.29 (b): Employee benefit plans:

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

Defined Contributions Plans:

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

	2020-21	2019-20
Employer's Contributions to Provident and Pension Funds	-	-
Employer's Contributions to Employees State Insurance	-	-

Defined Benefit Plans:

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

**Note No 2.30: Finance cost**

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Interest - Others		45,54,313		19,01,480
Interest under the provisions of Income Tax Act		-		37,75,576
Interest paid on statutory dues		3,36,050		1,800
Interest on Trade deposit		60,000		60,000
Bank charges		82,034		57,332
LC charges		-		15,88,441
Interest expense on lease liabilities		4,49,272		4,39,907
Total		54,81,669		78,24,537

Note 2.31: Depreciation and Amortisation expenses

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Depreciation on plant, property and equipment		6,50,94,550		6,85,48,099
Amortisation on right-of-use assets		10,38,812		10,38,810
Total		6,61,33,362		6,95,86,909

Note No .2.32: Other expenses

Particulars	For the year end 31-03-2021		For the year end 31-03-2020	
	Details	Rupees	Details	Rupees
Consumption of Stores and Spares		68,72,612		59,33,384
Consumption of Packing Material		-		34,64,460
Repairs and Maintenance		14,51,920		59,56,054
Factory Expenses & Licence fee		3,56,787		14,91,554
Rates & Taxes		5,42,164		2,99,831
Directors' sitting Fees		-		-



Payment to Auditor's:

As Auditor's	1,00,000	1,18,000	
corporate Law services	72,000	1,72,000	- 1,18,000
Computer Maintenance Charges		1,47,919	3,67,709
Listing and filing fees		5,77,369	4,60,183
Printing & stationery		64,462	2,08,028
Transportation Charges		1,20,094	71,47,861
Communication expenses		1,43,911	3,96,113
Travelling & conveyance		2,42,003	24,00,840
Legal & professional charges		5,49,700	22,63,127
Advertisement Expenses		18,648	5,000
Insurance on Vehicles & others		-	263
Rent & Maintenance		30,000	-
Office maintenance		17,39,581	19,65,700
Sales Commission		-	14,91,363
Prior Period Expenses		34,59,375	-
Loss on sale of land		-	3,71,79,158
Claims paid		7,42,46,193	-
Bad debts written off		79,27,444	
Miscellaneous expenses		7,66,492	49,94,813
Total		9,94,28,674	7,61,43,441
Expenditure in foreign currency during the financial year on account of travelling.		-	-

Note No: 2.33

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

**Note No: 2.34**

Contingent liabilities and commitments	As at 31-03-2021	As at 31-03-2020
a) Unexpired Bank Guarantees and letters of Credit	5,24,29,000	5,24,29,000
b) Unexpired Corporate Guarantees given to Financial Institutions and strategic Investors on behalf of Body Corporates	65,00,00,000	65,00,00,000
c) Disputed Sales Tax Demands for non submission of "C" & "F" Forms	-	34,59,375
d) Demand notice for payment of contribution, interest, damages & further interest under Employees' State Insurance Act, 1948 from September 2013 onwards.	27,35,286	27,35,286
e) Demand notice u/s 220(2) of Income Tax Act, 1961 for the assessment year 2011-12.	10,25,456	3,76,86,000

Note No: 2.35

The production activities have been closed due to un-remunerative market price and the same is continued due to Pandemic/COVID-19. However, the books of account are maintained under "going concern" concept, as the Company is planning to restart its activities in the month of October 2021 hoping for stability in market conditions and remunerative market prices due to the Central Governments initiatives to boost the steel industry with mega projects. We anticipate a recovery from the Pandemic conditions by that time.

Note No: 2.36

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

Note No: 2.37**Related parties in terms of IND AS 24****a) Associates:**

Konaseema Gas Power Ltd
VBC Industries Limited
Orissa power Consortium Limited.

b) Key Managerial Personnel:

Sri Vijay Govind Gejji, Director
Sri M S P Rama Rao, Chief Executive
Sri M. V. Ananthakrishna, Whole Time Director
Sri R.Dharmender-Chief Finance Officer

c) Others: Enterprises in which key Managerial

Personnel or their relatives have substantial interest
VBC Exports Ltd.
Techno Infratech project (India) Pvt. Ltd.
BASIL Infrastructure projects Ltd.
VBC Power Company Limited


Transactions carried with related parties:

Nature of Transactions	Current Year	Previous Year
I) Transactions pertaining to Key Management Personnel:		
Remuneration to Vijay Govind Gejji, Director	-	12,00,000
Remuneration to M.S.P. Rama Rao, Chief Executive	24,00,000	24,00,000
Remuneration to M.V. Ananthakrishna, Whole Time Director	6,00,000	6,00,000
II) Transactions with Relatives of the Key Managerial Personnel:		
a) Interest paid to M.S.P. Rama Rao	-	18,91,806
b) Rent paid to: Smt. M.Srimani	12,00,000	12,00,000
c) Amounts payable to the end of the year		
M.S.P. Rama Rao	1,32,54,283	1,32,54,283
M.Srimani	8,03,018	8,36,018
III) Transactions pertaining to Companies/Firms/Other concerns in which Key Managerial Personnel or his relatives holds substantial interest:		
a) Amount payable as at the end of the year		
VBC Exports Ltd	38,20,993	38,20,993
Techno Infratech Project (India) Pvt. Ltd.	89,37,080	89,37,080
BASIL Infrastructure Projects Ltd.,	-	56,94,337
VBC Power Company Ltd	98,57,400	98,57,400
b) Amount Invested up to the end of the year in		
BASIL Infrastructure Projects Ltd.,	13,50,000	13,50,000
Konaseema Gas Power Ltd	1,43,06,46,210	1,43,06,46,210
Orissa Power Consortium Ltd.	6,17,26,700	6,17,26,700

Note No: 2.38: Earning Per Share (EPS)

Particulars	Current Year	Previous year
Profit attributable to equity holders:		
Continuing operations	(45,60,64,413)	(22,42,04,740)
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	(45,60,64,413)	(22,42,04,740)
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	(45,60,64,413)	(22,42,04,740)



Particulars	Current Year	Previous year
Weighted average number of Equity shares for basic EPS*	1,63,94,350	1,37,40,666
Effect of dilution	-	-
Share options	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	1,63,94,350	1,37,40,666
* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements		
Earnings per equity share (for continuing operations)	Current Year	Previous year
Basic Earnings per Share of Rs. 10/-each	(27.82)	(16.32)
Diluted Earnings per share of Rs.10/-each	(27.82)	(16.32)

Note No: 2.39

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: 2.40

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

Note No: 2.41

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

Note No: 2.42

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

Note No: 2.43

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

For and on behalf of the Board

As per our report of even date annexed
For PAVULURI & Co.
CHARTERED ACCOUNTANTS
Firm Registration Number: 012194S

M.V.ANANTHAKRISHNA
Whole Time Director

DESHRAJUREKHA
Director

R.DHARMENDER
CFO

CA V N DEEPTHI KONERU
Partner
Membership Number: F-228424

Place : HYDERABAD
Date: 30.06.2021

PRINTED MATTER

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.

Contact Numbers: 040-23301200, 1230

Mail: vbcsilicon@gmail.com / info@vbcfal.in

Web: www.vbcfal.in

Printed at: Deepu Printers, Raghava Ratna Towers, Chirag Ali Lane, Nampally, Hyderabad - 500 001. Ph.: 040-66666086