



NOTICE OF 36TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

By Order of the Board
for VBC Ferro Alloys Limited

Sd/-

M.V. Ananthakrishna
Whole-Time Director

Place: Hyderabad
Date: 01.06.2018

NOTES:

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



10. The dividend, if remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund (IEPF). For the financial year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 the Company has transferred the unclaimed dividend to IEPF and filed necessary forms with Registrar of Companies, Telangana and A.P. Members who wish to claim dividends of past years, which remain unclaimed, are requested to correspond with Registrars & Share Transfer Agents of the Company.
11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications
13. Voting through electronic means;
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
 - b. The instructions for e-voting are as under:
The instructions for members for voting electronically are as under:- In case of members receiving e-mail:
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period.
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (vi) Now, fill up the following details in the appropriate boxes:
 - * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.
 - # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
 - (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password



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

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 30.06.2018 (9.00 a.m.) and ends on 02.07.2018 (5.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (Record Date) of 28.06.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com. The e-voting period commences on 30.06.2018 (9.00 a.m.) and ends on 02.07.2018 (5.00 p.m).

During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th June, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 28th June, 2018.

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

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

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

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

By Order of the Board
for VBC Ferro Alloys Limited

Place: Hyderabad
Date: 01.06.2018

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



EXPLANATORY STATEMENT

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

ITEM NO.3: APPOINTMENT OF Sri R K R GONELA AS AN INDEPENDENT DIRECTOR

Sri R.K.R Gonela, a graduate from Madras University is also possessing a degree in law from Delhi University. He joined the Indian Administrative Service in 1963 in AP Cadre. During the tenure of his services, he held the positions of Secretary to Government of Andhra Pradesh, Secretary for Finance, Industries and Social Welfare, Chairman VPT, Vice-Chairman and Managing Director of APIDC, Managing Director of Godavari Fertilizers and Chemicals Limited, Commissioner of Land Revenue. He retired in the year 1997 as Special Chief Secretary to Government of Andhra Pradesh. While holding the positions in different capacities, Sri R.K.R. Gonela was involved in Industrial Policy, Industrial Development and Industrial Management of Andhra Pradesh Government.

Board of Directors has appointed Sri R.K.R Gonela as an Additional Director and his term expires on the date ensuing Annual General Meeting.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri R.K.R Gonela, is proposed to be appointed as an Independent Director of the Company, to hold office for a term of 5(Five) years. A notice has been received from a Member proposing Sri R.K.R Gonela, as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri R.K.R Gonela, fulfills condition specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Sri R.K.R Gonela, as an Independent Director, setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company on any working day, (Monday to Saturday), during the business hours of the Company up to the date of the Meeting.

The Board considers that his appointment as an Independent Director would be of immense benefit to the Company and it desirable to avail services of Sri R.K.R Gonela as an Independent Director of the Company.

Sri R.K.R Gonela, does not hold any shares in the Company and is not related to any other Director of the Company.

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

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

**ITEM NO.4: APPOINTMENT OF SMT. DESHRAJU REKHA AS AN INDEPENDENT DIRECTOR:**

Deshraju Rekha has a Bachelor of Electrical Engineering Degree (1982) from Government Engineering college, Jabalpur, Madhya Pradesh. She is the Director of Deear Group since 2006. With experience in Transmission and System Operation she joined hands with her husband to work for Open Access and Regulatory Advisory Services post Electricity Act and has successfully took assignments of first open access of Captive from Andhra Pradesh to Chhattisgarh, Sugar Plant (Karnataka through Tata Power Trading), Chhattisgarh (Sterlite-BALCO to Maharashtra), Bio Mass (Yash Agro), DVC (Corporate Steel), Meghalaya (Shyam Century) in the country which enabled Surplus Power Plants to sell Electricity to needy states.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Smt. Deshraju Rekha, is proposed to be appointed as an Independent Director of the Company, to hold office for a term of 5 (Five) years. A notice has been received from a Member proposing Smt. Deshraju Rekha as a candidate for the office of Director of the Company.

In the opinion of the Board, Smt. Deshraju Rekha fulfills condition specified in the Companies Act, 2013 and the Rules made thereunder for her appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Smt. Deshraju Rekha, as an Independent Director, setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company on any working day, (Monday to Saturday), during the business hours of the Company upto the date of the Meeting.

The Board considers that her appointment as an Independent Director would be of immense benefit to the Company and it desirable to avail services of Smt. Deshraju Rekha as an Independent Director of the Company.

Smt. Deshraju Rekha does not hold any shares in the Company and is not related to any other Director of the Company.

The Board of Directors of your Company recommends the Ordinary Resolution set out at the item 4 of the Notice for approval by the Shareholders.

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

ITEM NO.5: APPOINTMENT OF Sri. M.V.ANANTHAKRISHNA AS WHOLE-TIME DIRECTOR:

Board of Directors has appointed Sri. M.V. Ananthakrishna as a Whole-Time Director for a period of three years effective from 07th April 2018.

Sri. M.V. Ananthakrishna is an MBA from the University of Michigan, Ann Arbor, USA and a BE in Electronics and Communications Engineering from the College of Engineering Guindy, University of Madras. He worked as a consultant for the Environmental Protection Agency in USA and was responsible for setting up the Design Automation Center for Texas Instruments Inc. USA in Bangalore in 1986. He is actively involved in developing Renewable Energy Projects using biomass gasification technology from USA. He is a member of the Rotary Club of Madras, Executive Committees of Andhra Chamber of Commerce. He is a certified Management Consultant (CMC), Fellow of Institute of Consultants of India (FIMC). CMC & FIMC are international credentials of a professional management consultant, awarded



in accordance with global standards of the International Council of Management Consulting Institutes (ICMCI). He was the Immediate Past President of the Institute of Management Consultants, Chennai Chapter. He is a Director of M.K.Raju Consultants Private Limited (MKRC) which has completed over 100 CHP studies and implemented 121MW of CHP Projects with an annual savings of Rs 125 Crores. MKRC has carried out over 500 Energy Studies with an annual savings of Rs.250 Crores. He is also a Director in VBC Industries Limited.

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

As on date, Sri. M.V. Ananthakrishna is not holding any equity shares in the Company.

The Board of Directors of your Company recommends the Ordinary Resolution set out at the item 4 of the Notice for approval by the Shareholders.

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

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1	Nature of Industry: Manufacture of Ferro Alloys			
2	Date or expected date of re-commencement of commercial production: July 2018			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
	Turnover	Nil	Nil	Nil
	Net profit/ (Loss) after Tax	(3098.28)	(916.08)	(1065.39)
5.	Foreign investments or collaborations, if any: Not Applicable			

II. INFORMATION ABOUT THE APPOINTEE:

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

ITEM NO. 6: ISSUE OF 1,20,00,000 CONVERTIBLE WARRANTS TO THE PROMOTERS AND OTHERS ON PREFERENTIAL BASIS:

The special resolution as mentioned above proposes to authorize the Board of directors to issue and allot up to 1,20,00,000 convertible warrants in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. To meet the increasing Working Capital requirements of the company, the promoters and / or directors from time to time have infused unsecured loans into the company and the same was duly certified and recognized by the auditors. At present, the company does not have surplus funds to repay the unsecured loans. Now as per the request of the promoters and directors, the Board decided to convert the said unsecured loans into convertible warrants.



The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is as stated below:

(I) Objective of the Issue through preferential Allotment:

To mobilize funds for current / future expansion plans / activities directly of the Company, working capital and general corporate purposes including conversion of unsecured loans brought in by the promoter directors of the company into equity shares / convertible warrants.

(II) Pricing of the Issue and Relevant Date:

The price of the convertible warrants proposed to be issued will be determined in accordance given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e., 01.06.2018 (03.06.2018 and 02.06.2018 being nontrading days), which is thirty days prior to the date of Annual General Meeting (03.07.2018).

A Certificate has been obtained from the Statutory Auditor of the company / Practicing company Secretary confirming the minimum price for the preferential issue is as per Preferential Issue Regulations in chapter VII of SEBI (ICDR) Regulations, 2009 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company. The minimum issue price has been arrived at Rs.43.72/- which is less than the issue price of Rs.45/- per warrant.

(III) the proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer:

The proposed allottees would fall under Promoters and Public categories as mentioned under point No (IV). The said allottees propose to subscribe for 1,20,00,000 convertible warrants. Out of the 1,20,00,000 convertible warrants, promoters, directors and key management personnel will subscribe for 50,00,000 convertible warrants. The requirement of issue of securities on preferential basis is necessitated to fulfill the objectives as mentioned in point (I) above.

(IV) the identity of the natural persons who are the ultimate beneficial owners of convertible warrants proposed to be allotted and/or who ultimately control the proposed allottees; and percentage of pre and post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

List of proposed allottees: All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

PRE ISSUING HOLDING				POST ISSUE HOLDING ON CONVERSION [^]	
Identity of Proposed Preferential Allottee	Pre issue holding	% of shares	Warrants proposed to be allotted	No. of Shares after conversion	% of shares on conversion
A. PROMOTERS					
Dr. MVVS Murthi	1,57,769	3.59	24,10,000	25,67,769	15.66
Sri. M S LakshmanRao	78,300	1.78	3,90,000	4,68,300	2.86



Sri. MSP Rama Rao	2,02,900	4.62	17,45,000	19,47,900	11.88
M. Aishwarya	9,950	0.23	2,30,000	2,39,950	1.46
M Bhardwaj	60,000	1.38	2,25,000	2,85,000	1.74
B. PUBLIC					
OPL RENEWABLE ENERGEE PRIVATE LIMITED	-	-	9,00,000	9,00,000	5.49
SOURYA VIDYUT NIGAM PRIVATE LIMITED	-	-	7,50,000	7,50,000	4.57
MAHA INFRASTRUCTURE INDIA LIMITED	-	-	8,50,000	8,50,000	5.18
KSR ENTREPRENEURS PRIVATE LIMITED	-	-	7,00,000	7,00,000	4.27
FRONTLINE MINERALS PRIVATE LIMITED	-	-	6,50,000	6,50,000	3.96
SILICON MINES PRIVATE LIMITED	-	-	5,50,000	5,50,000	3.35
FRONTLINE ENTERPRISES LIMITED	-	-	9,00,000	9,00,000	5.49
BHADRACHALAM POWER & ALLOYS LIMITED	-	-	5,00,000	5,00,000	3.05
AMARAVATHI INFRASTRUCTURE PRIVATE LIMITED	-	-	6,00,000	6,00,000	3.66
AMARAVATHI RESOURCES PRIVATE LIMITED	-	-	6,00,000	6,00,000	3.66

Share holding details of the above said companies are given below:

No	NAME OF COMPANY	NAME OF SHAREHOLDER	% SHARES
1	OPL RENEWABLE ENERGEE PRIVATE LIMITED	K SIVA SANKARA RAO	98%
		C S CHOWDARY	2%
2	SOURYA VIDYUT NIGAM PRIVATE LIMITED	G SEETHARAM	50%
		S DAS KUMAR PATNAIK	50%
3	MAHA INFRASTRUCTURE INDIA LIMITED	K V V SATYA NARAYANA	20%
		D NARAYANA MURTHY	20%
		D PRABHAKARA RAO	3%
		K V CHANDRASEKHARA	20%
		D VEERA RAGHAVULU	20%
		K KAILASHNATHA REDDY	2%
		B VENKATESWARA RAO	15%



4	KSR ENTREPRENEURS PRIVATE LIMITED	S PHANEENDRA VARMA	50%
		J R K CHOWDARY	50%
5	FRONTLINE MINERALS PRIVATE LIMITED	K RADHAKRISHNA	50%
		A SRIMALI	50%
6	SILICON MINES PRIVATE LIMITED	E RAMA RAO	25%
		CH SRIHARI	25%
		K ANJANEYA PRASAD	2%
		A V D PRASAD	2%
		J TRIVENI	23%
		A LALITHA KUMARI	23%
7	FRONTLINE ENTERPRISES LIMITED	M MADHUSUDAN RAO	0.004%
		G SATISH KUMAR	0.004%
		J MALLIKARJUNUDU	0.004%
		P HARI KRISHNA	0.004%
		N C S H BOSE	0.004%
		C VENKATA ATCHUTA RAO	0.004%
		V SEETARAMAIAH	0.004%
		V SRINIVAS CHOUDHARY	0.50%
		K SATYANARAYANA	0.32%
		U NAGESWARA RAO	0.32%
		K DURGA PRASAD	0.17%
		K SUJATHA	0.162%
		B S NEELAKANTA	98.5%
8	BHADRACHALAM POWER COMPANY LIMITED	B SEKHAR	0.17%
		N V PRAVEEN KUMAR	0.17%
		V P RAMA RAO	0.17%
		B K RAO	0.17%
		M N RAO	0.17%
		K S REDDY	0.17%
		M V V SATYANARAYANA	8.980%
		M SRINIVAS	90%
9	AMARAVATHI INFRASTRUCTURE PRIVATE LIMITED	K ANJANEYULU	90%
		ROHIT KUMAR	10%
10	AMARAVATHI RESOURCES PRIVATE LIMITED	OM PRAKASH VARMA	90%
		D BRAHMAM	10%

As a result of the proposed preferential allotment of convertible warrants, neither there will be change in the composition of the Board of Directors and nor any changes in control of the Company.



(V) Shareholding pattern before and after preferential issue of the capital would be as follows: (assuming all warrants are convertible into equity shares)

Sl. No.	Category	Pre Issue Holding			Post Issue Holding	
		No. of shares	% of shares	Proposed Issue	No. of shares	% of Shares
				Shares Warrants		
A	Promoter Shareholding					
1	Indian Promoters	16,14,459	36.74	50,00,000	66,14,459	40.35
2	Foreign Promoters	-	-	-	-	-
	Sub-Total (A)	16,14,459	36.74	50,00,000	66,14,459	40.35
B	Public Shareholding					
1	Institutions	7,310	0.17	-	7,310	0.04
2	Non-Institutions	-	-	-	-	-
(i)	Bodies Corporate	5,21,047	11.86	70,00,000	7,52,1047	45.88
(ii)	Individuals	21,18,701	48.21	-	21,18,701	12.92
(iii)	NRIs& Clearing Members	1,32,833	3.03	-	1,32,833	0.81
	Sub-Total (B)	27,79,891	63.26	70,00,000	97,79,891	59.65
Grand Total (A+B)		43,94,350	100	1,20,00,000	1,63,94,350	100.00

* Shareholding has been provided assuming that all the convertible warrants are converted into equity shares.

(VI) Proposed time within which the allotment shall be completed:

The allotment of convertible equity warrants shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable before allotment of the warrants. The convertible warrants would be allotted on the following terms:

- The holder of warrants will have an option to apply for and be allotted 1 (one) Equity Share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of convertible warrants, in one or more tranches.
- Upon receipt of the payment as above, the Board shall allot one Equity Share per Warrant by appropriating Rs. 10/- towards Equity Share Capital and the balance amount paid against each



Warrant, towards the Securities Premium.

- c. If the entitlement against the warrants to apply for the Equity Share is not exercised within the period specified, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- d. The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Members of the Company for the time being.
- e. The warrants by itself do not give to the holder thereof any rights of the Members of the Company.

(VII) Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares/convertible warrants.

(VIII) SEBI Takeover code:

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

(IX) Holding of shares in demat form, non-disposal of shares by the proposed allottees and lock-in period of shares:

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

(X) Lock-in Period:

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchange/s where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

(XI) Auditor Certificate:

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of convertible warrants is being made in accordance with the SEBI (ICDR) Regulations, 2009 is obtained and the same will be made available for inspection at the Registered Office of the Company on any working day.

(XII) Disclosure regarding willful defaulter:

Neither the issuer, nor its promoters and directors are willful defaulters.

(XIII) Undertakings:

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.



- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

(XIV) Compliances:

The company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 maintaining a minimum of 25% of the paid up capital in the hands of the public.

(XV) Approval under the Companies Act:

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares/convertible warrants, such shares/convertible warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot convertible warrants as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice in item No 6.

Except M.S. Lakshman Rao, none of the other directors, key managerial personnel or their relatives is concerned or interested (financial or otherwise) in the above said resolution.

By Order of the Board
for VBC Ferro Alloys Limited

Sd/-

M.V. Ananthakrishna
Whole-Time Director

Place: Hyderabad
Date: 01.06.2018