



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223

28th April, 2016



The Bombay Stock Exchange Limited

Department of Corporate Services

P J Towers, Fort

Dalal Street

MUMBAI – 400 001.

Dear Sir,

Sub: Notice of Postal Ballot -reg.

In compliance with the Listing Agreement, we are herewith attaching the copy of the notice of postal ballot, which is going to circulate to the Shareholders for their approval, for the perusal of exchange.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours sincerely,

For VBC Ferro Alloys Limited

V.V.V.S.N. Murty

Authorised Signatory

VBC FERRO ALLOYS LIMITED

(CIN: L27101TG1981PLC003223)

Regd. Off: 6-2-913/914, Third Floor, Progressive Towers, Khairatabad, Hyderabad – 500 004

Ph: 040-23320905-7, 23301206/8 Fax:: 23390721, E-mail: vbcfalhyd@gmail.com

POSTAL BALLOT NOTICE

(Notice pursuant to Section 110 of the Companies Act, 2013)

To
The Members

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of postal ballot / e-voting. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the “Form”) for your consideration. The Board of Directors of the Company (the “Board”) has appointed Shri A.J. Sarma , Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed keeping the same in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Saturday the 28th May 2016. Any postal ballot received beyond the said date will not be valid.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ Managing Director. The result of the postal ballot would be announced by the Managing Director of the Company on 30th May 2016 at the registered office of the Company. The Postal Ballot result will be displayed at the registered office of the Company and is intimated to the Stock Exchanges where the shares of the Company are listed besides published in the newspapers.

RESOLUTIONS:

1. Borrowing Limit under the provisions of section 180 of the Companies Act, 2013:

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

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on 12th September 2011, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1,000 crores (Rupees One Thousand Crores Only).

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to clarify and settle any question that may arise with regard to borrowings as aforesaid.”

2. Creation of charge/mortgage/pledge on Assets of the Company :

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

“RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof constituted for this purpose) to create such charges including subservient charges, mortgages, pledge and hypothecations in addition to existing charges, mortgages, pledges and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such form and manner as the Board may deem fit in favor of Banks/ Financial Institutions/Agents/Trustees etc. (hereinafter referred to as “Lenders”) for securing the borrowings availed/to be availed by way of rupee/foreign currency loans, by the Company or providing security for the loans availed by Associated Companies/others on such terms and conditions as may be mutually agreed with the Lenders of the Company towards security for borrowing of funds for the purposes of business of the Company or providing security for the borrowings availed by its associated companies/others shall not at any time exceed Rs. 1,000 crores (Rupees One Thousand Crores Only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges/pledges/hypothecations as aforesaid.

3. Providing Guarantee /Securities in favor of IREDA/others for the loans availed by OPCL

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

“RESOLVED that pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), Consent of the Company be and is hereby accorded to the Board to give guarantee or provide security in connection with the Financial Assistance availed of/being/proposed to be availed by Orissa Power Consortium Limited(OPCL) from Indian Renewable Energy Development Agency Limited (IREDA) or from others by way of extending security/ pledge of the Company's properties as detailed below.”

- i) Pledge- Equity shareholdings of the Company in OPCL up to Rs.10 crores (Rupees Ten Crores only) and
- ii) Corporate guarantee up to Rs 100 crores (Rupees Hundred Crores only).

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Place: Hyderabad
Date: 26-04-2016

By Order of the Board of Directors
For VBC Ferro Alloys Limited

Sd/-
M.S. Lakshman Rao
Managing Director

NOTES:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolutions at Item Nos. 1 to 3 above, are appended herein below together with the Postal Ballot form for your consideration.
2. As per Section 110(1) of the Companies Act 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the items of business set out in the attached Notice is proposed to be passed by Postal Ballot. The items of business may be transacted also through electronic voting system and the Company is providing facility for voting by electronic means.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”) as on 22nd April 2016.
4. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching the Form. E-voting is optional. The instructions for e-voting are as follows:
 - (i) The E-voting period begins on 29-04-2016 at 09.00 A.M. and ends on 28-05-2016 at 5.00 PM. During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd April 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) 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.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN and choose VBC Ferro Alloys Limited
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
5. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through post/courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may send the same (the ballot) to the Company. The members may submit their queries/ grievances, etc connected to postal ballot by e-mail to vbcfalhyd@gmail.com
 6. Kindly note that the Shareholders can opt for only one mode of voting, i.e., either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Shareholders cast their vote by both Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by evoting will be treated as invalid.

EXPLANATORY STATEMENT

Explanatory Statement for Resolutions mentioned under Item Nos. 1 to 3 pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the “Act”)

Item No. 1:

Under the erstwhile Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtain by an Ordinary Resolution, borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, in excess of the paid up capital and free reserves of the Company.

The shareholders of the Company had accorded their consent to the Board of Directors for borrowing up to Rs. 1000 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher in 29th Annual General Meeting of the Company held on 12th September 2011.

As on 31st March, 2015, the net-worth of the Company was approximately Rs. 111.83 Crores. It is proposed to pass an enabling resolution to maintain the borrowing limits and also to enable the Directors to further borrow monies for Company's business plans, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1000 crores or the aggregate of the paid up capital and free reserves of the

Company, whichever is higher, under the aegis of section 180(1)(c) of the Act. For this purpose, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution. It is also proposed to ratify under section 180(1)(c) of the Act, the existing borrowings made by your Company.

The Board recommends the Resolution at Item No.1 of the Notice for approval of the shareholders by way of a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.1 of the Notice.

Item No. 2:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favor of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh enabling approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favor of the lenders, to secure the repayment of monies borrowed by the Company.

The standard market terms of long term debt finance include conditions whereby lenders in certain circumstances (such as non-payment or other events of default) can take over the management of the Company, to recover their dues. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/subservient charges/mortgages/ hypothecations/security and in the event of default to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 2 of the Notice.

Item No. 3:

Your Company is associated with several Bodies Cooperates by way of its investment in their Equity Share Capital and management and/or by having regular dealing in the course of its Business. By virtue of such association, the Company is sometimes called upon to assist these bodies corporate by way of giving loans/advances/guarantees/investments in Share Capital or providing securities in connection with the loans made by such other persons to such bodies corporate.

Your Company as one of the promoters has invested to the extent of about 13% in the equity capital of Orissa Power Consortium Limited (OPCL). Indian Renewable Energy Development Agency Limited (IREDA) has sanctioned term loans of Rs.65 Crores (consisting of takeover of the existing loans of OPCL of Rs.59 Crores and Securitization Loan of Rs.6 Crores). While granting the loans to OPCL, IREDA stipulates that VBC Ferro Alloys Limited has to provide Corporate Guarantee of Rs.65 Crores (including the transfer of existing Corporate Guarantees of Rs.57.10 from the existing lenders) and to continue the existing pledge of equity share capital in OPCL in favor of IREDA.

None of the Directors and key managerial personnel of the Company or their respective relatives except Shri V.S. Rao and Shri M.S. Lakshman Rao as Directors of OPCL are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

Place: Hyderabad
Date: 26th April 2016

By Order of the Board of Directors
For VBC Ferro Alloys Limited

Sd/-
M.S.Lakshman Rao
Managing Director



VBC FERRO ALLOYS LIMITED

(CIN: L27101TG1981PLC003223)

Regd. Off: 6-2-913/914, Third Floor, Progressive Towers, Khairatabad, Hyderabad – 500 004
Ph: 040-23320905-723301206/8 Fax:: 23390721, E-mail: vbcfalhyd@gmail.com

POSTAL BALLOT FORM

(To be returned to the Company)

Postal Ballot No.

1. Name(s) of Shareholder(s) : (in block letters) including joint holders, if any :
2. Registered address of the Sole / First named Shareholder :
3. Registered Folio No. / DP ID No. / Client ID No. * (*Applicable to investor holding Shares in dematerialized form) :
4. Number of equity shares held :
5. I / We hereby exercise my / our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by sending my / our assent or dissent to the said resolutions by placing (✓) mark at the appropriate box below.

S. No.	Description	No. of Equity Shares	I / We assent to the resolution	I / We dissent to the resolution
1.	Special Resolution for Borrowing Limit upto Rs.1000 Crores under the provisions of section 180 of the Companies Act, 2013			
2.	Special Resolution for Creation of Charge/ Mortgage/Pledge on Assets of the Company			
3.	Special Resolution for Providing Guarantee / Securities in favor of IREDA/others for the loans availed by OPCL			

Place :

Date :

Signature of the Shareholder(s)



Note : Please read carefully the instructions printed overleaf before exercising the vote.

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However envelopes containing Postal Ballots, if sent by courier at the expense of the Registered Shareholder will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This Form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
4. Incomplete and Unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the Company at its Registered Office not later than close of business hours i.e. 5.00 p.m. on Saturday the 28th May 2016. All Postal Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of despatch of the Notice.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed pre-paid envelope in as much as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
9. A Shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item no. 5 above.
10. A Shareholder need not use all his votes nor needs him to cast all his votes in the same way.