



VBC FERRO ALLOYS LIMITED

(An ISO 9001-2000 Company)



VBCFAL / SEC / 2018

14th August 2018

The Bombay Stock Exchange Limited
Department of Corporate Services
P J Towers, Fort
Dalal Street
MUMBAI – 400 001.

Kind Attn: Mr. Naresh Pandya/Vivek Dabe

Sir,

Sub: Compliance of Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: **Scrip Code – 513005 & SCRIP ID- VBCFERROQ**

Pursuant to the provisions of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith attaching un-Audited financial results for the quarter ended 30th June 2018 after it has been reviewed and approved by the Board of Directors at their meeting held on 14th August, 2018.

This is for your information and records.

Thanking you,

Yours faithfully
For VBC Ferro Alloys Limited


V.V.V.S.N. Murty
Authorized Signatory



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2018

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	UnAudited	Audited	UnAudited	Audited
Income from Operations				
I Sales / Income from Operations	0.00	0.00	0.00	0.00
II Other Operating Income	0.00	0.00	0.00	0.00
III Total Income from Operations (I+II)	0.00	0.00	0.00	0.00
IV Expenses				
a) Cost of materials consumed	0.00	0.00	0.00	0.00
b) Changes in inventories of finished goods, work-in-progress	0.00	0.00	0.00	0.00
c) Employee benefits expense	41.02	74.26	3.37	108.94
d) Depreciation and amortization expense	14.60	18.18	14.05	58.40
e) Other expenses	55.40	302.62	4.09	381.34
Total expenses (IV)	111.02	395.06	21.51	548.68
V Loss from Operations before Other Income, Finance Costs and Exceptional Item (III-IV)	(111.02)	(395.06)	(21.51)	(548.68)
Other income	0.00	0.00	0.00	0.00
Loss from ordinary activities before Finance Costs and Exceptional Item (V+VI)	(111.02)	(395.06)	(21.51)	(548.68)
VII Finance costs	82.11	79.37	72.83	306.36
Loss from ordinary activities after Finance Costs but before Exceptional Item (VI+VII)	(193.13)	(474.43)	(94.34)	(855.04)
IX Exceptional items				
Profit on sale of Fixed assets	0.00	0.16	0.00	807.59
FSA Charges for earlier years	0.00	2134.75	0.00	2134.75
Provision towards interest on cash credit facilities reversed on OTS	0.00	0.00	0.00	0.00
X Loss from ordinary activities before Tax (VIII+IX)	(193.13)	(2609.02)	(94.34)	(2182.20)
XI Tax expenses	0.00	0.00	0.00	0.00
XII Profit/(Loss) for the Quarter (X+XI)	(193.13)	(2609.02)	(94.34)	(2182.20)
XIII Other Comprehensive Income (net of tax)	0.00	0.00	0.00	0.00
XIV Total Comprehensive Income for the Quarter (XIII+XIV)	(193.13)	(2609.02)	(94.34)	(2182.20)
(Comprising Profit/(Loss) and other comprehensive income for the period)				
Paid-up equity share capital (Face Value Rs.10/- each)	439.50	439.50	439.50	439.50
Earnings per equity share (of Rs 10/- each)				
Basic	(4.39)	(59.36)	(2.15)	(49.65)
Diluted	(4.39)	(59.36)	(2.15)	(49.65)

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Notes:

- 1 The above audited financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th August, 2018. The statutory auditors of the Company have conducted a "Limited Review" of the above unaudited financial results.
- 2 The Company has adopted the Indian Accounting Standards (Ind AS) from 1st April, 2017 and these financial results have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 Due to the steep increase in power tariff, by TSSPDCL, the cost of production of Ferro Silicon has far exceeded the market prices, resultant in non recovery of even variable cost of production. Accordingly the company has closed down its production unit at Rudraram Village, Medak district since 19.06.2013. Further the company has entered into an agreement with the workers union for their retrenchment and necessary provisions has been made in the books of Accounts. However, the books of account are maintained under "going concern" concept, as the company has initiated effective steps to restart its manufacturing operations by availing the power subsidiary is to be given by the Government of Telangana to Ferro Alloys Industry. The Statutory Auditors have qualified of the same for the year ended 31st March, 2018.
- 4 The auditors have qualified in their report for the year ended 31st March, 2018 regarding the non provision of Rs 42,42,75,762/- towards load shortfall charged, as the matters are pending before various judicial/administrative authorities.
- 5 The Company operates in only one business segment of manufacturing ferro alloys.

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Sno.	Particulars	Quarter Ended 30.06.2018
B.	Investor Complaints :	
1	Pending at the beginning of the quarter	Nil
2	Received during the quarter	9
3	Disposed of during the quarter	9
4	Remaining unresolved at the end of the quarter	Nil

Place: Hyderabad

Date: 14.08.2018

For VBC Ferro Alloys Limited

M.V. Ananthkrishna
Whole Time Director



REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF 'VBC FERRO ALLOYS LIMITED, HYDERABAD' FOR THE QUARTER ENDED 30th JUNE 2018.

1. We have reviewed the accompanying statement of standalone unaudited financial results of "VBC Ferro Alloys Limited, Hyderabad" for the quarter ended 30th June 2018. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw attention to:
 - i) Non-provision of load shortfall charges for earlier years amounting to Rs 42,60,26,056, pending disposal of company's objections by various administrative authorities as per the directions of Forum for Redressal of Consumer grievances of CPDCL.
The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2018.
 - ii) Non-provision of FSA charges for the year 2008-09 totaling to Rs 5,28,19,683, pending resolution of the appeals pending before various judicial authorities.
The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2018.



iii) The books of account are maintained under "going concern" concept, though the Ferro Alloys plant of the company did not carry out any production activities during the entire year, due to commercially unviable operations because of high power tariff, besides the entire workmen have been retrenched in earlier years.

The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2018.

iv) The company has considered the diminution as temporary in nature in respect of the value of its investment of Rs 14306.46 in the equity of Konaseema Gas Power Ltd, whose net-worth has completely eroded and not in operation for more than five years.

The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2018.

4. Based on our review conducted as above, except for the possible effects of our observations in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies for the quarter ended 30th June 2018, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Visakhapatnam
Date: 14.08.2018

For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Registration Number: 0029175


(KATYAYANI K)
Partner
Membership Number: 225030

