



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company)



VBCFAL / SEC / 2020/

14th August 2021

The Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
MUMBAI – 400 001.

Dear Sir/Madam,

Sub: Outcome of the Board Meeting -reg
Ref: Scrip Code - 513005

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the meeting of the Board of Directors of the Company held on 14th August, 2021 at the Registered Office of the Company and outcome of the meeting is as follows:

- A) Board considered and approved the Un- Audited Financial Results for the quarter ended 30th June, 2021.
- B) Board decided to conduct 39th Annual General Meeting of the Company on 30th September 2021 at 11.30 A.M. through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM").

We are herewith annexed the financial results for the quarter ended 30th June 2021 for the records of Exchange.

Meeting started at 3.30 PM and concluded at 5.30 PM

This is for your information and records.

Thanking You,
Yours faithfully
for VBC Ferro Alloys Limited


M.V. Ananthakrishna
Whole-Time Director



OFFICE: 6-2-913/914, 3rd Floor, Progressive Towers,
Khairatabad, Hyderabad - 500 004. T.S. India.
Tel: +91 40 23301200 / 1230; Web: www.vbcfal.in
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FACTORY: Rudraram Village, Patancheru Mandal,
Sangareddy District - 502 329, Telangana State, India.
Tel: +91 8455 221802/4/5/6
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CIN: L27101TG1981PLC003223



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

(Amount in Lacs)

Particulars	Quarter Ended			Previous Year Ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	UnAudited	Audited	UnAudited	Audited
Income from Operations				
I Sales / Income from Operations	33.44	32.04	9.84	176.42
II Other income	0.15	687.39	0.84	1999.21
III Total Income from Operations (I+II)	33.59	719.43	10.68	2175.63
IV Expenses				
a) Cost of materials consumed	-	-	-	-
b) Changes in inventories of finished goods, work-in-progress	14.64	30.09	9.60	41.03
c) Power and Fuel	-	1863.32	-	4824.43
d) Employee benefits expense	22.22	71.28	22.39	160.37
e) Finance costs	1.19	48.31	0.26	54.82
f) Depreciation and amortization expense	160.43	162.62	167.15	661.33
g) Other expenses	14.00	901.25	13.26	994.29
Total expenses (IV)	212.48	3076.87	212.66	6736.27
V Loss from Operations before Exceptional Items and Tax (III-IV)	(178.89)	(2357.44)	(201.98)	(4560.64)
VI Exceptional items	-	-	-	-
VII Profit/(Loss) before Tax (VIII+IX)	(178.89)	(2357.44)	(201.98)	(4560.64)
VIII Tax expenses	-	-	-	-
IX Profit/(Loss) for the Quarter (X+XI)	(178.89)	(2357.44)	(201.98)	(4560.64)
X Total Other Comprehensive Income [(Gains)/Losses]	-	-	-	-
XI Changes in property plant and equipment recognised to Revaluation Surplus	-	-	-	-
XII Total Comprehensive Income/(Loss) for the Quarter (XIII+XIV)	(178.89)	(2357.44)	(201.98)	(4560.64)
(Comprising Profit/(Loss) and other comprehensive income for the period)				
Paid-up equity share capital (Face Value Rs.10/- each)	1639.50	1639.50	1639.50	1639.50
Earnings per equity share (of Rs 10/- each)				
Basic	(1.09)	(14.38)	(1.23)	(27.82)
Diluted	(1.09)	(14.38)	(1.23)	(27.82)

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Notes:

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- 1 The above unaudited financial results of the Company have been approved by the Board of Directors on recommendations of the Audit Committee at its meetings held on 14th August, 2021.
- 2 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The company has complied with all the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules.
- 4 **The auditors have qualified in their report for the Quarter ended 30th June, 2021 regarding the,**
 1. 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), the impact of the same on the loss of the company is not ascertainable.
 2. 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 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.
 3. The balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation, reconciliation. The impact of the same on reconciliation on the statement of affairs of the company is not ascertainable.
 4. The company during the period has not provided Liability towards "Employer contribution to Provident fund, ESI, Gratuity, Leave encashment". The impact of the same on the loss of the company is not ascertainable
- 5 Production activities have been closed given the non-remunerative market price, since sales at non-remunerative price will erode the net worth of the company. The Company is making all out efforts to restart its operations during the 3rd Quarter of Financial Year 2021-22, by which time market stabilization expected to take place. The company is confident of its growth along with steel industry. The company is also its making efforts to secure power tariff concessions from the state government to make operations more viable and for which is organising necessary funds to restart operations and to clear outstanding power dues for which the company is also hoping to secure instalment payment facility from TSSPDCL. Hence the company had prepared its books of accounts and finalized the financial statements as a "going concern."
- 6 Segmental reporting as per Ind AS-108 is not applicable, as the Company is engaged in manufacture of a single line of product.

7 Investor Complaints :

SL. No.	Particulars	Quarter Ended 30.06.2021
1	Pending at the beginning of the quarter	Nil
2	Received during the quarter	0
3	Disposed of during the quarter	0
4	Remaining unresolved at the end of the quarter	Nil

- 8 Figures for the previous periods/year have been regrouped/reclassified wherever necessary.

Place: Hyderabad

Date: 14.08.2021



For VBC Ferro Alloys Limited

M.V. Ananthkrishna

Whole Time Director

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CIN: L27101TG1981PLC003223



PAVULURI & Co.

CHARTERED ACCOUNTANTS

Plot No.48, Flat No.301,
MICASA, Phase - I, Kavuri Hills,
Hyderabad - 500 033.
Ph : 040-2970 2638 / 2639 / 2640
Email : mail@pavuluriandco.com

LIMITED REVIEW REPORT

REVIEW REPORT TO THE BOARD OF DIRECTORS OF VBC FERRO ALLOYS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **M/s. VBC FERRO ALLOYS LIMITED** (“the Company”) for the quarter ended June 30th, 2021 (hereinafter referred to as “the Statement”), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable. This Statement is the responsibility of the Company’s management and has been approved by the Board of Directors at its meeting held on 14th August, 2021. Our responsibility is to express a conclusion on the 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 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 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 the following
 - i. The Company has not measured its Investment in Equity Instruments which are to be measured at Fair Value through OCI at fair values as required by IND AS “Financial Instruments” (IND AS 109), the impact of the same on the loss of the company is not ascertainable.
 - ii. 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 the standalone Ind AS financial statements has resulted in understatement of the loss for the year.
 - iii. The balances lying in the lenders, sundry creditors like suppliers, service providers, employees and customer’s accounts are subject to confirmation, reconciliation. The impact of the same on reconciliation on the statement of affairs of the company is not ascertainable.





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- iv. Provision towards present liability in respect of future payments of gratuity and leave encashment has not been made as required by IND AS 19 "Employee Benefits" which is non-compliance with provisions of section 133 of the companies Act, 2013.
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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting standards('Ind AS') specified under section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Pavuluri & Co

Chartered Accountants

(Firm's Reg No: 012194S)

K.V.N. Deepthi

CA.V N DEEPTHI KONERU

Partner

M.No: F-228424

UDIN: **21228424AAAHD6464**



Place: Hyderabad

Date: 14.08.2021

Branches :

Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Apparel Park, **Visakhapatnam** - 530049.

D.No.54-20/7-1B, Plot No.10,Road No.2, Kanakadurga Gazetted Officers colony, Gurunank Nagar, **Vijayawada**-520007. Ph: 0866-2545418



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ANNEXURE -I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial period ended June 30, 2021

Sl no.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	33,44,225	33,44,225
2	Total Expenditure	2,12,49,268	55,57,97,427
3	Net Profit /(Loss)	-1,78,89,681	-55,24,37,840
4	Earnings Per Share	-1.09	-33.70
5	Total Assets	2,48,05,23,929	2,48,05,23,929
6	Total Liabilities	1,34,35,58,755	1,87,81,06,914
7	Net Worth	1,13,69,65,174	60,24,17,015
8	Any other financial items(s) (as felt appropriate by the management)		

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Deepti R Dhanu



For PAVULURI & CO.
Chartered Accountants
Firm Reg. No. 012194S
HYDERABAD
CA. V.N. Deepthi Koneru
Partner
M.No. 228424

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S.L. No	II. Details of Audit Qualification;	Company's Reply:	Type of Audit Qualification	Frequency of qualification	For Audit Qualification(s)	For Audit Qualification(s) where the impact is not quantified by the auditor
1	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.	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 is not providing any liability. We take into consideration of Rs 53,44,77,378 for Adjusted Figures (audited figures after adjusting for qualifications)	Qualified Opinion	Fourth time	where the impact is quantified by the auditor, Management's Views: Impact assessed	NA

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Deborah *[Handwritten signature]*



For PAVULURI & CO.
Chartered Accountants
Firm Reg. No: 012194S
[Handwritten signature]
CA. V.N. Deepthi
Partner
M.No. 228424



2	<p>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.</p>	<p>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 their finalisation of accounts and related matters. Therefore, we could not comply the said requirement. As per the Board's view all the investments are considered as wrathful. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications).</p>	Qualified Opinion	Fourth time	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	NA
3	<p>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</p>	<p>Company send the balance confirmation letter to the respective parties as per the standard audit practice. But Company is yet to receive the response from them. As per the Board's view all the balances are correct as per our books of accounts. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications)</p>	Qualified Opinion	Fourth time	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	NA
4	<p>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 noncompliance with the provisions of section 133 of the Companies Act, 2013.</p>	<p>An amount of Rs.11,16,708/- has been quantified for the said liability. Accordingly we have taken consideration of the said amount in Adjusted Figures (audited figures after adjusting for qualifications)</p>	Qualified Opinion	Fourth time	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	NA

W.P. No. 558/154
 19/01/2021
 CV. A. N. Deshmukh
 01/12/2020
 SINGH & CO.

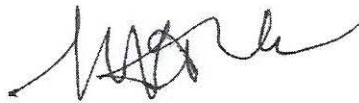


[Handwritten Signature] Deshmukh *[Handwritten Signature]* R. Dharmarajan



5	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 noncompliance 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. As per the Board's view all the balances are correct as per our books of accounts. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications	Qualified Opinion	Fourth time	where the impact is quantified by the auditor, Management's Views: Impact assessed	NA
6	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, this year end we could not conduct physical verification due to COVID-19 pandemic.	Qualified Opinion	Fourth time	where the impact is quantified by the auditor, Management's Views: Impact assessed	NA

For and on behalf of the Board



M V ANANTHAKRISHNA
Whole Time Director




DESHRAJU REKHA
Chairman of Audit Committee

R.DHARMENDER
Chief Financial Officer

Place : Hyderabad
Date : 14.08.2021

As per our report of even date
For M/s PAVULURI & Co.,
Chartered Accountants
FRN No. 135780W

K.V.N. Deepthi
CA V N DEEPTHI KONERU
Partner

Membership Number F-228424

