



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company)



VBCFAL / SEC / 2022/

25th May 2022

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 25th May, 2022 at the Registered Office of the Company and outcome of the meeting is as follows:


-Board considered and approved the Audited Financial Results for the quarter/year ended 31st March, 2022.

We are herewith annexed the financial results for the quarter/year ended 31st March 2022 for the records of Exchange.

Meeting started at 4.30 PM and concluded at 7.30 PM

This is for your information and records.

Thanking You,
Yours faithfully
for VBC Ferro Alloys Limited


M.V. Ananthakrishna
Whole-Time Director





VBC FERRO ALLOYS LIMITED

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH,2022

(Amount in Lacs)

Particulars	Quarter Ended			Current Year Ended	Previous Year Ended
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	UnAudited	Audited	Audited	Audited
Income from Operations					
I Sales / Income from Operations	7851.95	1352.19	32.04	9246.87	176.42
II Other income	444.22	2.24	687.39	465.48	1999.21
III Total Income from Operations (I+II)	8296.17	1354.43	719.43	9712.35	2175.63
IV Expenses					
a) Cost of materials consumed	2,702.00	631.55	-	3,333.55	-
b) Changes in inventories of finished goods, work-in-progress	168.64	-748.20	30.09	-564.92	41.03
c).Power and Fuel	4,030.33	631.13	1863.32	4,661.46	4824.43
d) Employee benefits expense	259.96	38.89	71.28	343.17	160.37
e) Finance costs	1.16	8.16	48.31	11.67	54.82
f) Depreciation and amortization expense	161.64	160.49	162.62	642.97	661.33
g) Other expenses	1111.67	128.97	821.97	1261.91	994.29
Total expenses (IV)	8435.40	850.99	2997.59	9689.81	6736.27
V Profit/(Loss) from Operations before Exceptional Items and Tax (III-IV)	(139.23)	503.44	(2278.16)	22.54	(4560.64)
VI Exceptional items					
Provisions no longer required	-	-	-	-	-
VII Profit/(Loss) before Tax (VIII+IX)	(139.23)	503.44	(2278.16)	22.54	(4560.64)
VIII Tax expenses	3.52	-	-	3.52	-
IX Profit/(Loss) for the Quarter (X+XI)	(142.75)	503.44	(2278.16)	19.02	(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)	(142.75)	503.44	(2278.16)	19.02	(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	1639.50
Earnings per equity share (of Rs 10/- each)					
Basic	(0.87)	3.07	(13.90)	0.12	(27.82)
Diluted	(0.87)	3.07	(13.90)	0.12	(27.82)



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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Balance Sheet as at 31st March, 2022

Amount in Lacs.

	As at 31.03.2022	As at 31.03.2021
ASSETS		
1.) Non-current assets		
a) Property, plant and equipment	14,258.40	13,749.57
b) Capital work-in-progress	-	1,905.80
c) Right of use asset	20.78	31.16
d) Financial assets		
i) Investments	1,572.88	1,572.88
ii) Loans & Advances	3,400.21	4,168.74
e) Other non-current assets	2,730.05	40.22
2.) Current assets		
a) Inventories	1,733.03	683.55
b) Financial assets		
i) Trade receivables	215.51	-
ii) Cash and cash equivalents	201.64	22.48
iii) Bank balances other than above	226.28	118.49
c) Current Tax Assets (net)	21.62	29.18
d) Other current assets	1,647.45	2,075.84
Total Assets	26,027.85	24,397.91
EQUITY AND LIABILITIES		
Equity		
a) Equity Share capital	1,639.50	1,639.50
b) Other equity	9,928.07	9,909.05
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	2,061.85	1,587.13
ii) Other financial liabilities	6,527.45	2,546.28
b) Lease Liabilities	13.27	45.44
c) Deferred tax liability (Net)	321.80	321.80
Current liabilities		
a) Financial liabilities		
i) Borrowings	348.66	144.05
ii) Trade payables	3,145.45	6,405.81
iii) Other financial liabilities	124.65	127.34
b) Lease Liabilities	12.47	15.39
c) Other current liabilities	1,873.78	1,628.74
d) Provisions	30.90	27.38
Total Equity and Liabilities	26,027.85	24,397.91



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Statement of Cash flows for the year ended 31st March, 2022

Amounts in Lacs

SL No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A)	Cash Flow from Operating Activities:		
	Profit/(Loss) before tax and after exceptional items:	22.54	-4,560.64
	<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
	Depreciation of property, plant and equipment and amortisation	632.58	650.94
	Amortisation of Right of Use assets (Intangible)	10.39	10.39
	Finance costs (including fair value change in financial instruments)	0.39	45.54
	Loss / (Profit) on disposal of property, plant and equipment	-394.94	-1,980.77
	Excess provision of earlier years written back	-2.23	-0.01
	Finance charge on leasehold land	4.36	4.49
	Operating Profit before Working Capital changes	273.09	-5,830.06
	<u>Working capital adjustments:</u>		
	Movements in provisions, gratuity and government grants	-3.52	0.27
	Decrease/(Increase) in trade and other receivables & Pre payments	-1,855.67	-1,135.15
	Decrease / (Increase) in inventories	-1,049.48	53.01
	Increase / (Decrease) in trade and other payables	965.39	1,824.87
	Cash generated from operations	-1,670.19	-5,087.06
	Income Tax (paid)/refund	11.07	-3.10
	Net Cash generated in operations	-1,659.12	-5,090.16
	Insurance proceeds received	-	-
	Net cash flows from operating activities	-1,659.12	-5,090.16
B)	Cash Flow from Investing Activities:		
	Purchase of property, plant and equipments	-1,746.46	-6.58
	Proceeds from sale of property, plant and equipments	1,000.00	5,310.00
	Increase/(decrease) in Capital Work in Progress	1,905.79	-225.63
	Net cash flows used in investing activities	1,159.33	5,077.79
C)	Cash Flow from Financing Activities:		
	Interest paid	-0.39	-45.54
	Proceeds from borrowings	474.72	-
	Repayments of borrowings	204.61	67.29
	Net Cash flows/(used in) Financing Activities	678.94	21.75
	Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	179.15	9.38
	Opening balance of Cash & Cash equivalents	22.48	13.10
	Closing balance of Cash & Cash equivalents	201.63	22.48

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Notes:

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- 1 The above audited financial results of the Company have been approved by the Board of Directors on recommendations of the Audit Committee at its meetings held on 25th May, 2022.
- 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 31st March, 2022 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 " Gratuity, Leave encashment". The impact of the same on the loss of the company is not ascertainable
- 5 Segmental reporting as per Ind AS-108 is not applicable, as the Company is engaged in manufacture of a single line of product.


6 Investor Complaints :

SL. No.	Particulars	Quarter Ended 31.03.2022
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: 25.05.2022

For VBC Ferro Alloys Limited


M.V. Ananthakrishna
Whole Time Director



VBC Ferro Alloys Limited

Si. No.	Particulars	Quarter ended			Year ended	
		31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
1	Debt Equity Ratio (Total Borrowings/ Total Equity)	0.18	0.14	0.14	0.18	0.14
2	Debt Service Coverage Ratio (Profit before tax, Exceptional items, Depreciation, Finance charges / (Finance Chares + Long Term Borrowings scheduled principal repayments (excluding prepayments/ refinancing) during the period)	0	0	0	0	0
3	Interest Service Coverage Ratio (Profit before tax, Exceptional items, Depreciation, Finance charges)/Finance	0	0	0	0	0
4	Current Ratio (Current Assets/ Current Liabilities)	0.73	0.51	0.35	0.73	0.35
5	Long Term debt to working capital (Non-current borrowings + Current maturities of long term borrowings/Current Assets - (Current Liabilities -Current maturities of long term borrowings)	0.00	0.00	0.00	0.00	0.00
6	Bad debts to Accounts receivable (Bad debts/Trade Receivables)	0	0	0	0	0
7	Current Liability Ratio (Current Liabilities /Total Liabilities)	0.38	0.70	0.65	0.38	0.65
8	Total debts to Total Assets (Total borrowings / Total Assets)	0.08	0.08	0.07	0.08	0.17
9	Debtors Turnover (no. of days)					



Si. No.	Particulars	Quarter ended			Year ended	
		31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
	(Gross Sales / Average Trade Receivables * No. of days)	43	40	34	43	34
10	Turnover (no. of days) (Average inventory / (cost of materials consumed + Purchase of stock-in-trade+ Changes in inventories + Stores and Spares & Consumables consumed + Repairs & Maintenance + Labour charges) * No.of days)	0.26	2.25	17	0.26	17
11	Operating EBIDTA Margin (%) (Profit before depreciation, Interest, Tax and exceptional items / Revenue from operations)	7%	47%	**	7%	**
12	Net Profit Margin (%) (Net Profit for the period/ year) / Revenue from Operations))	**	11.60%	**	0.21%	**
13	Paid Up Equity Share Capital (face value of Rs.10 per share)	16,39,49,875	16,39,49,875	16,39,49,875	16,39,49,875	16,39,49,875
14	Other Equity excluding Revaluation Reserves	**	**	**	**	**
15	Capital Redemption Reserve	15,00,000	15,00,000	15,00,000	15,00,000	15,00,000
16	Networth (As per Companies Act 2013)	1,15,67,57,341	1,17,10,31,771	1,15,48,54,855	1156757341	1,15,48,54,855
17	Securities Premium	53,91,79,000	53,91,79,000	53,91,79,000	53,91,79,000	53,91,79,000

** indicates negative ratios



**INDEPENDENT AUDITORS REPORT
TO THE BOARD OF DIRECTORS OF
M/S.VBC FERRO ALLOYS LIMITED**

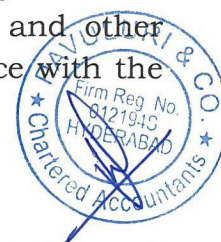
We have audited the accompanying Statement of Financial Results of M/s. VBC FERRO ALLOYS LIMITED ("the Company") for the quarter and year ended 31st March 2022 (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing regulations").

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our Qualified audit opinion.

Management's Responsibility for the standalone financials results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors, and has been approved by them for the issuance. The Statement has been compiled from the related audited Interim condensed standalone financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the





recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.





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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

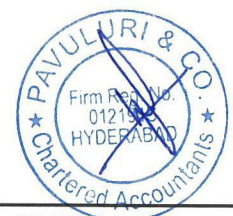
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



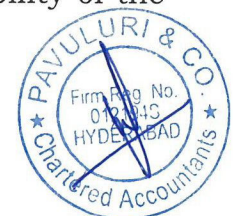


- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

Basis for Qualified Opinion

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





Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us, except for the matter as described in the Basis of Qualified opinion paragraph above, these year-to-date results:

a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

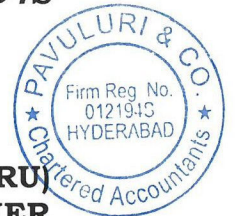
b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2022.

The statement includes the result for the quarter ended 31st March 2022 being the balancing figure between audited figures in respect of the full financial year to date and published year figures up to the third quarter of the current financial year which were subject to limited review by us.

**For PAVULURI&CO.,
Chartered Accountants
Firm Reg. No: 012194S**

**Place: Hyderabad
Date: 25.05.2022**

K.V.N. Deepthi
**(CA V N DEEPTHI KONERU)
PARTNER
M.No: 228424**



UDIN : 22228424AJPLMO6642



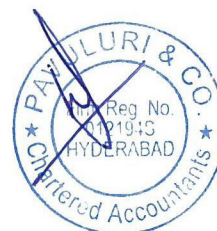
ANNEXURE – I

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 year ended 31st March,
2022

Sl no.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	92,46,86,975	92,46,86,975
2	Total Expenditure	96,89,81,044	1,50,35,29,203
3	Net Profit / (Loss)	22,54,132	-53,22,94,027
4	Earnings Per Share	0.12	-32.49
5	Total Assets	2,60,27,85,417	2,60,27,85,417
6	Total Liabilities	1,44,60,28,076	1,98,05,76,235
7	Net Worth	1,15,67,57,341	62,22,09,182
8	Any other financial items(s) (as felt appropriate by the management)		


L 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
<p>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.</p>	<p>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)</p>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	<p>NA</p>



V. B. Jayankar

R. Dharmender



<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 good. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications).</p>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	<p>NA</p>
<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>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	<p>NA</p>
<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.70,781/- 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>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	

[Signature]



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<p>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</p>	<p>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)</p>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	<p>NA</p>
<p>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.</p>	<p>The company is having a system to make periodical physical verification of stock / inventories and also arriving at the values. But, this year end we could not conduct physical verification due to COVID-19 pandemic. However, we will take up shortly.</p>	<p>Qualified Opinion</p>	<p>Seventh time</p>	<p>where the impact is quantified by the auditor, Management's Views: Impact assessed</p>	<p>NA</p>

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For and on behalf of the Board



V ANANTHAKRISHNA
Whole Time Director

Chairman of Meeting of the Audit Committee

(Signature)
PRIYANKA MAKKENA

R.DHARMENDER
Chief Financial Officer

(Signature)

CA V N DEEPTHI KONERU
Partner
Membership Number F-228424



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

Hyderabad
Date: 25.05.2022