



VBCFAL / SEC / 2019

15<sup>th</sup> November, 2019

The BSE Limited,  
P J Towers,  
Dalal Street,  
MUMBAI – 400 001.

Dear Sir/Madam,

**Sub: Outcome of the adjourned Board Meeting held on 15.11.2019 - Reg.**

**Ref: Scrip Code - 513005**

Pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that a meeting of the Board of Directors of the Company held on 13<sup>th</sup> November, 2019 and the same was adjourned and held on 15<sup>th</sup> November 2019 at the Registered Office and the board considered and approved the following:

1. The Board reviewed and taken on record the Un-Audited Financial Results for the quarter/half year ended 30<sup>th</sup> September 2019
2. Board approved the valuation report and scheme for merger of Orissa Power Consortium Limited with VBC Ferro Alloys Limited.
3. Board approved the valuation report and scheme for demerger of Power Project Division in VBC Power Company Limited.
4. Authorized Shri M.V. Ananthakrishna Whole-Time Director to file scheme of Merger and Demerger with Bombay Stock Exchange and to do all other required works as may be required in this regard

The Un-audited Financial Results and the brief Information on Merger and Demerger are annexed.

The meeting of the board of directors commenced at 4.30 PM and concluded at 7.45 PM.

This is for your information and records.

Yours faithfully

for VBC Ferro Alloys Limited

M.V. Ananthakrishna  
Whole-Time Director





# VBC FERRO ALLOYS LIMITED

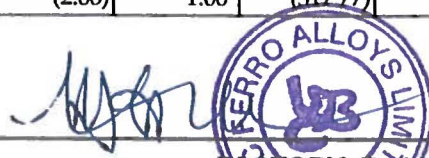
(An ISO 9001-2008 Company)



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2019

Amounts in Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
<b>Income from Operations</b>						
I Sales / Income from Operations	1,842.57	2,149.57	-	3,992.14	-	418.57
II Other Operating Income	-	-	-	-	-	-
III Total Income from Operations (I+II)	1,842.57	2,149.57	-	3,992.14	-	418.57
IV Expenses						
a) Cost of materials consumed	538.65	649.93	-	1,188.58	-	442.66
b) Changes in inventories of finished goods, work-in-progress	307.20	229.77	-	536.97	-	(626.11)
c) Power and Fuel	998.71	1,250.29	-	2,249.00	-	759.02
d) Employee benefits expense	120.23	121.45	42.38	241.68	83.40	305.61
e) Depreciation and amortization expense	176.63	171.03	173.04	347.66	187.64	645.43
f) Other expenses	123.30	104.80	1.72	228.10	57.12	245.67
Total expenses (IV)	2,264.72	2,527.27	217.14	4,791.99	328.16	1,772.28
V Loss from Operations before Other Income, Finance Costs and Exceptional Item (III-IV)	(422.15)	(377.70)	(217.14)	(799.85)	(328.16)	(1,353.71)
Other income	2.80	12.17	-	14.97	-	225.09
VI Loss from ordinary activities before Finance Costs and Exceptional Item (V+VI)	(419.35)	(365.53)	(217.14)	(784.88)	(328.16)	(1,128.62)
VII Finance costs	16.83	16.71	64.12	33.54	146.24	173.26
VIII Loss from ordinary activities after Finance Costs but before Exceptional Item (VI+VII)	(436.18)	(382.24)	(281.26)	(818.42)	(474.40)	(1,301.88)
IX Exceptional items						
Profit on sale of Fixed Assets	-	528.65	-	528.65	-	-
IT paid for earlier years	-	17.24	-	17.24	-	-
Provisions no longer required	-	-	621.70	-	621.70	619.73
* Impairment of value of Investment (Note No.6)	-	-	14,306.46	-	14,306.46	14,306.46
X Profit/(Loss) from ordinary activities before Tax (VIII+IX)	(436.18)	129.17	(13,966.02)	(307.01)	(14,159.16)	(14,988.61)
XI Tax expenses	-	-	-	-	-	-
XII Profit/(Loss) for the Quarter (X+XI)	(436.18)	129.17	(13,966.02)	(307.01)	(14,159.16)	(14,988.61)
XIII Total Other Comprehensive Income [Gains/ (Losses)]	-	(900.44)	-	(900.44)	-	1.23
XIV Changes in property plant and equipment recognised to Revaluation Surplus	-	-	-	-	-	19,165.50
XV Total Comprehensive Income/(Loss) for the Quarter (XIII+XIV)	(436.18)	(771.27)	(13,966.02)	(1,207.45)	(14,159.16)	4,175.65
(Comprising Profit/(Loss) and other comprehensive income for the period)						
Paid-up equity share capital (Face Value Rs.10/- each)	1,419.09	1,216.75	439.50	1,419.09	439.50	1,216.75
Earnings per equity share (of Rs 10/- each)						
Basic	(3.07)	1.06	(317.77)	(2.16)	(322.17)	(312.07)
Diluted	(2.66)	1.06	(317.77)	(1.87)	(322.17)	(205.19)



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Web: www.vbcfal.in, CIN: L27101TG1981PLC003223

FACTORY: Rudram Village, Patancheru Mandal  
Sangareddy District - 502 329, Telangana State, India.  
Tel: +91 8455 221802/4/5/6  
Mail: vbcfalplant@gmail.com / plant@vbcfal.in





# VBC FERRO ALLOYS LIMITED

(An ISO 9001-2008 Company)



Rs.in Lakhs

STATEMENT OF ASSETS & LIABILITIES		
Particulars	As at	As at
	30.09.2019	31.03.2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>A. Non-Current Assets</b>		
Property, Plant and Equipment	18,065.79	19,315.17
Capital Work-In-Progress	1,670.83	1,643.53
Intangible Assets	47.07	-
<b>Financial Assets</b>		
Investments	1,572.88	1,572.88
Loans and Advances	0	0
Other Non-Current Assets	10.22	10.22
<b>Sub Total (A)</b>	<b>21,366.79</b>	<b>22,541.80</b>
<b>B. Current Assets</b>		
Inventories	680.24	1,200.05
<b>Financial Assets</b>		
Trade Receivables	1,161.88	227.18
Cash and Cash Equivalents	70.82	59.43
Bank Balances other than Cash and Cash Equivalents	206.37	194.07
Current Tax Assets (net)	-	-
Other Current Assets	2,494.61	1,481.24
<b>Sub Total (B)</b>	<b>4,613.93</b>	<b>3,161.97</b>
<b>Total Assets (A+B)</b>	<b>25,980.72</b>	<b>25,703.76</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
Equity Share Capital	1,419.09	1,216.76
Other Equity	15,067.73	16,230.02
<b>Sub Total (A)</b>	<b>16,486.82</b>	<b>17,446.77</b>
<b>B. Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	1,575.83	1,570.10
Other Financial Liabilities	3,309.42	3,340.91
Deferred Tax Liability (Net)	321.80	321.80
<b>Sub Total (B)</b>	<b>5,207.06</b>	<b>5,232.82</b>
<b>C. Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	517.48	298.80
Trade Payables	1,980.90	1,217.50
Other Financial Liabilities	260.61	256.42
Other Current Liabilities	1,500.95	1,224.54
Provisions	26.91	26.91
<b>Sub Total (C)</b>	<b>4,286.84</b>	<b>3,024.17</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>25,980.72</b>	<b>25,703.76</b>



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# VBC FERRO ALLOYS LIMITED

(An ISO 9001-2008 Company)



Statement of Cash flows for the Half year ended 30th September, 2019

Rs.in Lakhs

Sl No	Particulars	For the half year ended 30th September, 2019	For the half year ended 30th September, 2018
A)	<b>Cash Flow from Operating Activities:</b>		
	Profit/(Loss) before tax and after exceptional items:	(307.01)	(14,988.60)
	<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
	Depreciation of property, plant and equipment and amortisation	347.65	645.43
	Finance costs	33.53	126.82
	Gain on disposal of property, plant and equipment	(528.65)	-
	Excess provision of earlier years written back	-	(619.73)
	Provision for Diminution of Investment	-	14,306.46
	<b>Operating Profit before Working Capital changes</b>	<b>(147.47)</b>	<b>14,458.99</b>
	<u>Working capital adjustments:</u>		
	Movements in provisions, gratuity and government grants	-	0.20
	Decrease/(Increase) in trade and other receivables & Pre payment	(1,960.38)	(863.91)
	Decrease / (Increase) in inventories	519.81	(685.30)
	Increase / (Decrease) in trade and other payables	1,031.40	480.37
	<b>Cash generated from operations</b>	<b>(556.64)</b>	<b>13,390.34</b>
	Income Tax (paid)/refund	-	-
	<b>Net Cash generated in operations</b>	<b>(556.64)</b>	<b>13,390.34</b>
	<b>Net cash flows from operating activities</b>	<b>(863.66)</b>	<b>(1,598.26)</b>
B)	<b>Cash Flow from Investing Activities:</b>		
	Purchase of property, plant and equipments	(17.85)	(64.42)
	Increase/(decrease) in Capital Work in Progress	(27.30)	(198.29)
	Proceeds from sale of land	553.00	-
	<b>Net cash flows used in investing activities</b>	<b>507.85</b>	<b>(262.71)</b>
C)	<b>Cash Flow from Financing Activities:</b>		
	Proceeds from issue of Equity shares	247.50	1,452.42
	Proceeds from issue of share warrants	-	997.87
	Interest paid	(30.92)	(126.82)
	Proceeds from borrowings	218.68	114.13
	Repayments of borrowings	(68.07)	(533.54)
	<b>Net Cash flows/(used in) Financing Activities</b>	<b>367.18</b>	<b>1,904.05</b>
	Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	11.38	43.08
	Opening balance of Cash & Cash equivalents	59.43	16.34
	Closing balance of Cash & Cash equivalents	70.81	59.43



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**REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF 'VBC FERRO ALLOYS LIMITED', HYDERABAD FOR THE QUARTER ENDED 30<sup>TH</sup> SEPTEMBER, 2019.**

To  
The Board of Directors of VBC FERRO ALLOYS LIMITED

1. We have reviewed the unaudited financial results of VBC Ferro Alloys Limited (the "Company") for the quarter ended 30th September 2019 (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. The statement is the responsibility of the Company's management and has been approved by the Board of Directors at its meeting held on 15th November, 2019. Our responsibility is to issue a report 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 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 the following,
  - a. Non-provision for deemed energy charges and surcharge of earlier years amounting to Rs.5654.82 Lakhs pending outcome on the aforesaid issue with TSERC has resulted in understatement of the loss for the period.
  - b. 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.
  - c. 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. 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 September





**Statement on Impact on observation mentioned in Report on Limited Review carried out on Un-audit Financial Results for the quarter ended 30<sup>th</sup> September 2019 by the Statutory Auditors**

Audit Qualification	Reply given by the Board
3a. Non-provision of load shortfall charges for earlier years amounting to Rs 56,54,81,522, pending disposal of company's objections by various administrative authorities as per the directions of Forum for Redressal of Consumer grievances of CPDCL as stated in Note No. 2.28(a) 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. Hope that Company will get a favourable decision from TSERC/TSSPDCL and hence, the Board is not providing any liability.
3b. 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.	The financial results of Investee Companies not yet received. Therefore, we could not comply the said requirement.
3c. that balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation.	Company is yet to receive.






To  
The Manager  
Department of Corporate Services  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400001.

Date: 15.11.2019

Dear Sir/Madam,

**Sub: Brief Information on Merger and also Demerger- reg.**  
**Ref: Scrip Code: 530881**

In compliance with the Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide CIR/CFD/CMD/4/2015, dated September 09, 2015, we wish to inform you the following are brief details on the merger as well as demerger proposals of VBC Ferro Alloys Limited

**MERGER:**

**1) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;**

**I) Name of the Entity forming part of the amalgamation/merger:**

- i) Orissa Power Consortium Limited(OPCL) –Transferor Company
- ii) VBC Ferro Alloys Limited (VBCFAL)- Transferee Company.

**i) Details of OPCL:**

**a) Details of Incorporation and business of the Company:**

Orissa Power Consortium Limited engaged in business of renewable power generation such as 20MW dam based hydro electric power and 3.42 MWp Solar Power activities was incorporated as a Public Limited Company on 29<sup>th</sup> June, 1995. The CIN of the company is U40101OR1995PLC004059. The Corporate office is at No 6 2 913/914 3rd Floor, Progressive Towers, Khairatabad, Opposite ICICI Bank, Main Road, Hyderabad-500004 and registered office of the Company is situated at Mouza, Sahar, Plot No.76, Surya Nagar, Bhubaneswar, Odisha-751003.



## **b) OPERATIONS FOR THE YEAR 2019**

### **20 MW SAMAL HYDRO POWER PLANT**

Power Generation during the year 2018-19 is 75.55 MU as against 76.35 MU of the previous year (2017-18). However, there is a decrease of 12.77 MU against the Designed Energy of 88.32 MU due to failure of monsoon and restricted operations of the upstream Rengali HEPP as per the directions of Government of Odisha to conserve water level in the Rengali Dam.

### **3.42 MW SOLAR PV POWER PLANT**

Power Generation during the year 2018-19 is 4.55 MU as against 4.84 MU of the previous year (2017-18). The decrease of 0.77 MU as against net annual estimated gross power generation of 5.34 MU is due to frequent grid failures and climatic variations.

## **c) FINANCIAL PERFORMANCE**

During the financial year under review, the total revenue from the operations of the Company was Rs.3,066.11 Lakhs against Rs.3,114.69 Lakhs in the previous year. The Company earned a Profit After Tax (PAT) of Rs.616.45 Lakhs compared to Rs.497.60 Lakhs in the previous year.

### **ii) Details of VBC Ferro Alloys Limited:**

#### **a) Details of Incorporation and business of the Company:**

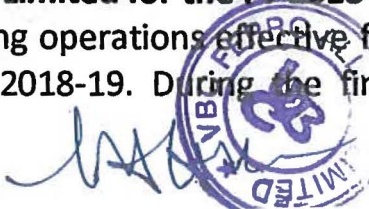
VBC Ferro Alloys Limited / Transferee Company was incorporated as a Limited Company in the State of Andhra Pradesh on 3rd October 1981 under with Certificate of Incorporation No. 01-3223 of 1981-82.

The company has its registered office at 3rd Floor 6-2-913/914, Progressive Tower, Khairatabad, Khairatabad, Hyderabad, Telangana 500004

The company has set up its plant at Rudraram Village, Patancheru Mandal, Sangareddy District, Telangana State with two 16.5 MVA Arc Furnaces imported from Russia with a production capacity of 32,400 TPA of Ferro Silicon/48000 TPA of Silico Manganese / Ferro chrome. Currently, the Company is focusing on manufacture of Ferro Silicon.

#### **Performance of VBC Ferro Alloys Limited for the FY 2018-19:**

VBCFAL resumed its manufacturing operations effective from 18th February 2019 during the Financial Year 2018-19. During the financial year under





review, the total revenue for the Company was Rs.1263.39 Lakhs against Rs.8075.87 Lakhs in the previous year. The Company incurred an operational loss of Rs.682.14 Lakhs compared to Rs.47.46 Lakhs in the previous year.

**Prospects:**

The medium to long-term economic outlook in India continues to look promising and though there is slowdown in economy, it is important to note that the Government's initiative to continue to liberalize the economy and focus on social sector spending in building both hard and soft infrastructure. Steel is the most crucial ingredient in industrial development, infrastructure and construction industry and is, therefore, of strategic importance for national transformation. The progress in domestic steel industry is a prerequisite for India to succeed in its industrial vision for 'Make-in India'. This presents good potential growth of Ferro Alloys industry in the Country as it solely depends on steel industry hence Ferro Alloy Industry can run its industry profitably subject to other market driven factors.

**Outlook of VBC Ferro Alloys Limited:**

Keeping in view of the encouragement given by the Telangana Government by way of giving uninterrupted and quality power supply along with reasonable power tariff to Ferro Alloy Industry, we hope that your company runs profitably in coming years.

- 2) **whether the transaction would fall within related party transactions?** If yes, whether the same is done at "arms length": VBC Ferro Alloys Limited is one of the Promoter of OPCL and transaction has been finalized based on the Valuation Report submitted by Registered Valuer.
- 3) **Area of business of the entity(ies):**
  - A) Orissa Power Consortium Limited(OPCL) –Transferor Company - Generation of Hydro and Solar Power
  - B) VBC Ferro Alloys Limited (VBCFAL)- Transferee Company – Manufacturing of Ferro Alloys.
- 4) **Rationale for amalgamation/ merger:** Ferro Alloy Industry is a power incentive and also cyclic industry and the revenue stream under existing business is depends upon various external factors. Therefore, the proposed merger will strengthen the revenue stream/continuous flow of revenues of the VBCFAL.





- 5) in case of cash consideration – amount or otherwise share exchange ratio:  
**100 share held in OPCL will get 5.80 shares of VBCFAL**

CALCULATION OF SWAP RATIO FOR MERGER OF OPCL AND VBCFAL		
S.NO.	Particulars	Figures
A	Value per share of VBCFAL (INR)	276.37
B	Value per share of OPCL (INR)	16.11
C	Swap ratio (B/A)	0.058

- 6) Brief details of change in shareholding pattern (if any) of listed entity:

S.L. No	Category	Pre Merger		Post Merger	
		No. of Shares	%	No. of Shares	%
A	Promoter Shareholdings				
1	Indian Promoters	6094442	42.95	8184696	48.56
2	Foreign Promoters	-	-	-	-
	Sub Total(A)	6094442	42.95	8184696	48.56
B					
1	Institutions	7310	0.05	523510	3.11
2	Non-Institutions				0.00
a	Body Corporate	5761737	40.60	5761737	34.18
	Individuals	2236805	15.76	2295417	13.62
	Clearing Members & others	89946	0.63	89946	0.53
	Sub Total(B)	8095798	57.05	8670610	51.44
	Total(A+B)	14190240	100.00	16855306	100.00

### DEMERGER:

Brief details of the division(s) to be demerged: Thermal Power Project Division

- I) Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year: **The Power Project is not yet constructed and there is no business revenue from the said division.**

- II) **Rationale for demerger:** The Ferro Alloys industry is a power intensive industry and 60% cost of production is power/electricity. The sustainability of the Ferro Alloys depends upon the reliable and continuous power supply at





cheaper rate. Therefore, Board of Directors decided to establish power plant on priority basis through VBC Power Company Limited(VBCPCL), a special purpose vehicle(SPV) Company from which VBCFAL is going to get power at cheaper rate than the existing power arrangements.

III) **brief details of change in shareholding pattern (if any)of all entities:** There is no change in the existing shareholding pattern of the VBC Ferro Alloys Limited as SPV Company will allot equity shares to VBC Ferro Alloys Limited for consideration.

IV) **in case of cash consideration – amount or otherwise share exchange ratio:** There is no exchange ratio as ***VBCPL will issue 3,52,80,000 Equity Shares of Rs.10/- each to VBCFAL for transfer of power division***

CALCULATION OF SWAP RATIO FOR MERGER OF POWER DIVISION OF VBCFAL WITH VBCPL	
PARTICULARS	Figures
Value of the power division (INR crs)	35.28
NAV per share of VBCPAL (INR)	10.00
<b><i>No. of shares of VBCPL issued to VBCFAL for transfer of power division (crores)</i></b>	<b>3.53</b>

V) Whether listing would be sought for the resulting entity: No.

Kindly take the same on record.

Thanking you.

Yours Faithfully,  
For VBC Ferro Alloys Limited




M.V. Ananthakrishna  
Whole-Time Director