



VBC FERRO ALLOYS LIMITED

(An ISO 9001-2000 Company)



VBCFAL / SEC / 2020 /

November 13, 2020

**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 13th November 2020 at the Registered Office of the Company and outcome of the meeting is as follows:

The Board reviewed and taken on record the Un-Audited Financial Results for the quarter/half year ended 30th September 2020.

The Un-audited Financial Results are annexed.

The Board Meeting started at 11.30 PM and continued after lunch and concluded at 4.00 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



(An ISO 9001 - 2008 Company)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2020



(Amount in Lacs)

Particulars	Quarter Ended			Half Year Ended		Previous Year Ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
Income from Operations						
I Sales / Income from Operations	88.91	9.84	1842.57	98.75	3992.14	4245.95
II Other income	1310.83	0.84	2.80	1311.67	14.97	28.98
III Total Income from Operations (I+II)	1399.74	10.68	1845.37	1410.42	4007.11	4274.93
IV Expenses						
a) Cost of materials consumed	0.00	0.00	538.65	0.00	1188.58	1257.03
b) Changes in inventories of finished goods, work-in-progress	-11.17	9.60	307.20	-1.57	536.97	565.56
c).Power and Fuel	2961.11	0	998.71	2961.11	2249	2920.25
d) Employee benefits expense	36.44	22.39	120.23	58.83	241.68	330.55
e) Finance costs	3.94	0.26	16.83	4.20	33.54	78.25
f) Depreciation and amortization expense	166.46	167.15	176.63	333.61	347.66	695.87
g) Other expenses	55.82	13.26	123.30	69.08	228.1	389.64
Total expenses (IV)	3212.60	212.66	2281.55	3425.26	4825.53	6237.15
V Loss from Operations before Exceptional Items and Tax (III-IV)	(1812.86)	(201.98)	(436.18)	(2014.84)	(818.42)	(1962.22)
VI Exceptional items						
Loss on sale of Fixed Assets	0	0	0	0	(371.79)	(371.79)
IT paid for earlier years	0	0	0	0	(17.24)	(17.24)
Provisions no longer required	0	0	0	0	0	109.20
* Impairment of value of Investment(Note No.6)	0	0	0	0	0	0.00
VII Profit/(Loss) before Tax (VIII+IX)	(1812.86)	(201.98)	(436.18)	(2014.84)	(1207.45)	(2242.05)
VIII Tax expenses	201.87	0.00	0	201.87		0.00
IX Profit/(Loss) for the Quarter (X+XI)	(2014.73)	(201.98)	(436.18)	(2216.71)	(1207.45)	(2242.05)
X Total Other Comprehensive Income [(Gains)/Losses]	0	0	0	0	0	0.00
XI Changes in property plant and equipment recognised to Revaluation Surplus	-	-	-	-	-	-
XII Total Comprehensive Income/(Loss) for the Quarter (XIII+XIV)	(2014.73)	(201.98)	(436.18)	(2216.71)	(1207.45)	(2242.05)
(Comprising Profit/(Loss) and other comprehensive income for the period)						
Paid-up equity share capital (Face Value Rs.10/- each)	1639.50	1639.50	1419.09	1639.50	1419.09	1639.50
Earnings per equity share (of Rs 10/- each)						
Basic	(12.29)	(1.23)	(3.07)	(13.52)	(8.51)	(16.32)
Diluted	(12.29)	(1.23)	(3.07)	(13.52)	(8.51)	(16.32)

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
Mail: vbcsilicon@gmail.com / info@vbcfal.in

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

CIN: L27101TG1981PLC003223



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Balance Sheet as at 30th September, 2020

Amount in Lacs.

	As at 30.09.2020	As at 31.03.2020
ASSETS		
1.) Non-current assets		
a) Property, plant and equipment	15,379.18	17,723.15
b) Capital work-in-progress	1,905.79	1,680.16
c) Right of use asset	36.36	41.55
d) Financial assets		
i) Investments	1,572.88	1,572.88
ii) Loans & Advances	3,617.73	1,475.59
e) Other non-current assets	40.22	40.22
2.) Current assets		
a) Inventories	726.16	736.57
b) Financial assets		
i) Trade receivables	124.41	125.58
ii) Cash and cash equivalents	445.24	13.11
iii) Bank balances other than above	118.21	209.73
c) Current Tax Assets (net)	49.09	26.08
d) Other current assets	3,601.01	3,417.01
Total Assets	27,616.28	27,061.63
EQUITY AND LIABILITIES		
Equity		
a) Equity Share capital	1,639.50	1,639.50
b) Other equity	12,252.98	14,469.69
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	1,587.13	1,587.13
ii) Other financial liabilities	4,593.30	4,858.30
b) Lease Liabilities	45.44	45.44
c) Deferred tax liability(Net)	321.80	321.80
Current liabilities		
a) Financial liabilities		
i) Borrowings	110.47	76.76
ii) Trade payables	5,475.83	2,724.88
iii) Other financial liabilities	124.99	123.69
b) Lease Liabilities	13.15	10.90
c) Other current liabilities	1,222.61	1,176.43
d) Provisions	229.08	27.11
Total Equity and Liabilities	27,616.28	27,061.63



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Statement of Cash flows for the Half year ended 30th September, 2020

	For the half year ended 30th September, 2020	For the half year ended 30th September, 2019
A) Cash Flow from Operating Activities:		
Profit/(Loss) before tax and after exceptional items:	(2,216.71)	(307.01)
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation of property, plant and equipment and amortisation	328.42	347.65
Finance costs	2.25	33.53
Gain on disposal of property, plant and equipment	(1,310.66)	(528.65)
	5.19	
Excess provision of earlier years written back	-	-
Provision for Diminution of Investment	-	-
Operating Profit before Working Capital changes	(3,191.51)	(147.47)
<u>Working capital adjustments:</u>		
Movements in provisions, gratuity and government grants	201.97	-
Decrease/(Increase) in trade and other receivables & Pre payments	(2,233.45)	(1,960.38)
Decrease / (Increase) in inventories	10.41	519.81
Increase / (Decrease) in trade and other payables	2,533.44	1,031.40
Cash generated from operations	(2,679.14)	(556.64)
Income Tax (paid)/refund	(23.01)	-
Net Cash generated in operations	(2,702.15)	(556.64)
Net cash flows from operating activities	(2,702.15)	(863.66)
B) Cash Flow from Investing Activities:		
Purchase of property, plant and equipments	(3.79)	(17.85)
Increase/(decrease) in Capital Work in Progress	(225.63)	(27.30)
Proceeds from sale of land	3,330.00	553.00
Net cash flows used in investing activities	3,100.58	507.85
C) Cash Flow from Financing Activities:		
Proceeds from issue of Equity shares	-	247.50
Proceeds from issue of share warrants	-	-
Interest paid	-	(30.92)
Proceeds from borrowings	-	218.68
Repayments of borrowings	33.71	(68.07)
Net Cash flows/(used in) Financing Activities	33.71	367.18
Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	432.14	11.38
Opening balance of Cash & Cash equivalents	70.81	59.43
Closing balance of Cash & Cash equivalents	502.95	70.81

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Notes:

- 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 13th November, 2020.
- 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.
- 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.
- The auditors have qualified in their report for the Quarter ended 30th June, 2020 regarding the,**
 - 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.
 - 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.
 - 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
- 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 2020-21, by which time market stabilization expected to take place. It is further stated the Central Government is expected to announce initiatives, incentives to boost the steel industry, in line with the incentives offered to MSMEs to make steel industry competitive in the global market. Therefore 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."
- 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 30.09.2020
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

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

Place: Hyderabad
Date: 13.11.2020

For VBC Ferro Alloys Limited

M.V. Ananthkrishna
Whole Time Director



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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 : pavuluriandco@gmail.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 **VBC FERRO ALLOYS LIMITED** ("the Company") for the quarter ended September 30th, 2020 and the year to date from 1st April 2020 to 30th September 2020 ("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 13th November, 2020. 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. 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.
 - iii. 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.





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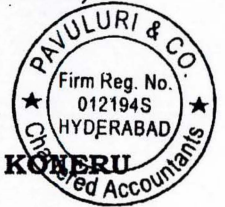
Email : pavuluriandco@gmail.com

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 section133 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 KONGERU

Partner

M.No: F-228424

UDIN: 20228424AAAAFY4540

Place: Hyderabad

Date: 13.11.2020



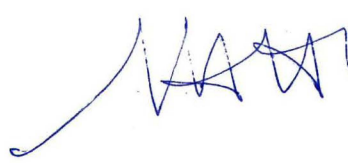

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Statement on Impact of Audit Observation/Qualifications

Audit Qualification	Reply given by the Board
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.	We approached the investment companies who informed us that due to COVID-19 Pandemic impact, qualified staff was not available for their finalization of accounts and related matters. Therefore, we could not comply with the said requirement.
that 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 not ascertainable.	Company is yet to receive.
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	As per the companies' assessment, the required liability has been created. Hence there is no impact on Financial Statements.

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