



VBC FERRO ALLOYS LIMITED
(An ISO 9001-2000 Company)



VBCFAL / SEC / 2019 /

19th June 2019

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 a adjourned meeting of the Board of Directors of the Company was held on 15th day of June, 2019 at the Registered Office of the Company at 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad- 500004 and outcome of the meeting is as follows:

1. Approved the Audited Financial Statements –Standalone for the quarter ended/year ended 31st March 2019.
2. Review the affairs of the Company.

We are herewith annexed the financial results for the year ended 2018-19 for the records of Exchange.

The meeting concluded at 8.30pm.

This is for your information and records.

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 QUARTER AND YEAR ENDED 31ST MARCH, 2019

Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Audited	Audited	Audited	Audited
Income from Operations					
Sales / Income from Operations	418.57	0.00	0.00	418.57	0.00
Other Operating Income	0.00	0.00	0.00	0.00	0.00
Total Income from Operations (I+II)	418.57	0.00	0.00	418.57	0.00
Expenses					
a) Cost of materials consumed	442.66	0.00	0.00	442.66	0.00
b) Changes in inventories of finished goods, work-in-progress	(626.11)	0.00	0.00	(626.11)	0.00
c).Power and Fuel	755.59	3.43	0.00	759.02	0.00
d) Employee benefits expense	118.82	86.39	74.26	305.61	108.94
e) Depreciation and amortization expense	320.50	137.29	18.18	645.43	58.40
f) Other expenses	133.82	71.73	302.62	245.67	381.34
Total expenses (IV)	1145.28	298.84	395.06	1772.28	548.68
Loss from Operations before Other Income, Finance Costs and Exceptional Item (III-IV)	(726.71)	(298.84)	(395.06)	(1353.71)	(548.68)
Other income	223.12	0.01	0	223.13	0.00
Loss from ordinary activities before Finance Costs and Exceptional Item (V+VI)	(503.59)	(298.83)	(395.06)	(1130.58)	(548.68)
Finance costs	14.14	12.88	79.37	173.26	306.36
Loss from ordinary activities after Finance Costs but before Exceptional Item (VI+VII)	(517.73)	(311.71)	(474.43)	(1303.84)	(855.04)
Exceptional items					
Profit on sale of Fixed assets	0.00	0.00	0.16	0.00	807.59
FSA Charges for earlier years	0.00	0.00	2134.75	0.00	2134.75
Provisions no longer required	0.00	0.00	0.00	621.70	0.00
* Impairment of value of Investment(Note No.5)	0.00			14306.46	
Loss from ordinary activities before Tax (VIII+IX)	(517.73)	(311.71)	(2609.02)	(14988.60)	(2182.20)
Tax expenses	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) for the Quarter (X+XI)	(517.73)	(311.71)	(2609.02)	(14988.60)	(2182.20)
Other Comprehensive Income (net of tax)	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income for the Quarter (XIII+XIV)	(517.73)	(311.71)	(2609.02)	(14988.60)	(2182.20)
(Comprising Profit/(Loss) and other comprehensive income for the period)					
Paid-up equity share capital (Face Value Rs.10/- each)	1216.69	489.50	439.50	1216.69	439.50
Earnings per equity share (of Rs 10/- each)					
Basic	(4.26)	(6.37)	(59.36)	(123.19)	(49.65)
Diluted	(4.26)	(6.37)	(59.36)	(123.19)	(49.65)

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Mail: vbcsilicon@gmail.com / info@vbcfal.in
Web: www.vbcfal.in, **CIN:** L27101TG1981PLC003223



FACTORY: Rudraram Village, Patancheru Mandal Sangareddy District - 502 329, Telangana State, India.
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Sno. Particulars	Quarter Ended 31.03.2019
B. Investor Complaints :	
1 Pending at the beginning of the quarter	Nil
2 Received during the quarter	2
3 Disposed of during the quarter	2
4 Remaining unresolved at the end of the quarter	Nil

Balance Sheet as at 30th September, 2018

	As at 31.03.2019	Amount in Lacs. As at 31.03.2018
ASSETS		
1.) Non-current assets		
a) Property, plant and equipment	19315.16	730.68
b) Investment Property	0	0
c) Capital work-in-progress	1,643.53	1,445.24
d) Financial assets		
i) Investments	1,572.88	15,879.34
ii) Others	319.65	439.45
e) Other non-current assets	10.22	10.22
2.) Current assets		
a) Inventories	1200.05	514.75
b) Financial assets		
i) Trade receivables	227.18	79.27
ii) Cash and cash equivalents	59.43	16.34
iii) Bank balances other than above	194.07	105.79
c) Current Tax Assets (net)	0.00	9.00
d) Other current assets	1161.59	405.06
Total Assets	25,703.76	19,635.14
EQUITY AND LIABILITIES		
Equity		
a) Equity Share capital	1216.76	439.50
b) Other equity	16,230.02	8,334.85
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	1,570.10	4,333.56
ii) Other financial liabilities	3,340.91	4,372.03
b) Provisions	0	0
c) Deferred tax liability (Net)	321.80	321.80
Current liabilities		
a) Financial liabilities		
i) Borrowings	298.80	0.00
ii) Trade payables	1217.50	2.18
iii) Other financial liabilities	256.42	140.56
b) Other current liabilities	1224.54	1663.95
c) Provisions	26.91	26.71
Total Equity and Liabilities	25,703.76	19,635.14



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tes:

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 19th June, 2019.

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.

Company resumed its manufacturing operations w.e.f. 18/02/2019

The auditors have qualified in their report for the year ended 31st March, 2019 regarding the non provision of Rs 56,54,81,522/- towards load shortfall charged, as the matters are pending before Telangana State Electricity Regulatory Commission(TSERC).

* The Lenders of KGPL have approached NCLT, Hyderabad Bench u/s 7 of the Insolvency and Bankruptcy (IBC) Code, 2016. Therefore, Company has taken into consideration of impairment of value of investments of Konaseema Gas Power Limited(KGPL).

The Board of Directors have approved the Revaluation Report of Assets of the Company.

Place: Hyderabad

Date: 19.06.2019

For VBC Ferro Alloys Limited

M.V. Ananthakrishna
Whole Time Director



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INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF VBC Ferro Alloys Limited, Hyderabad

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion:

We have audited the accompanying standalone Ind AS financial statements of VBC Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 56,54,81,522/-, pending disposal of company's petition before TSERC as stated in Note No. 2.27 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.

As stated in Note No. 2.03c 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.

As stated in Note No. 2.35 that balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation.

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.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) 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 Ind AS Financial Statements* 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 Ind AS Financial Statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter Paragraphs:

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- a. Note No. 2.03 with marks (#) that 124.589 Lakhs of shares acquired by the company in Konaseema Gas Power Limited, the title in respect of which is not transferred in the name of the company.
- b. Note No. 2.14a that trade payables are classified as non current financial liabilities pending confirmation from various creditors seeking moratorium for about two years for settlement of their dues.
- c. Note No. 2.22a that cost of materials consumed includes the loss of the raw materials due to the loss of the technical properties and usability of the materials in the production due to passage of time besides consumption.

Our opinion is not modified in respect of these matters.

Material Uncertainty related to Going Concern

We draw attention to Note 2.29 in the financial statements, the events or conditions mentioned in the said note indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

SL. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	Provisioning of electricity dues for restoration of power connection	We assessed the managements' approach to provisioning of electricity dues by performing the following procedures: • We have read the Administrative approval accorded by the State Government of Telangana for restoration of supply to 6 nos.
	The company has commenced its manufacturing activities during the month of January 2019 after being shut down for over past 5 years due to high power tariffs.	



	<p>As per Administrative approval for restoration of power supply to sick industries accorded by the Govt of Telangana vide Letter No. 582/PR (A2)/2018 dated 04.09.2018, TSSPDCL has restored the power connection subject to the following conditions:</p> <ul style="list-style-type: none"> • Initial Security Deposit of Rs. 3,00,00,000/- • FSA charges of Rs. 17,71,38,060/- shall be paid in 24 equal interest free monthly instalments with one year moratorium commencing from 1st September, 2019. • Deemed Energy charges and surcharge thereon of Rs.56,54,81,522/- shall be payable subject to the outcome on the issue pending with the TSERC. <p>Refer Note 2.29 to the Standalone Ind AS Financial Statements</p>	<p>sick industries.</p> <ul style="list-style-type: none"> • We have gone through the terms and conditions of the TSSPDCL for restoration of power supply. • We have verified the correctness and completeness of the asset/liability recognised in the books of account. • We found the disclosures in the Standalone Ind AS Financial Statements to be appropriate. <p><i>Conclusion:</i> We found management's judgment to be reasonable based on available evidence.</p>
2	Fair valuation of Land, Buildings and Plant & Machinery	
	<p>The determination and valuation of the assets involves judgment and continues to be an area of inherent risk because market prices are not readily available.</p> <p>Refer Note 4.2 to the Standalone Ind AS Financial Statements</p>	<p>Our audit procedures to assess the managements' approach to valuation included the following:</p> <ul style="list-style-type: none"> • The management has adopted the fair values determined by the External Valuer using the market comparable method which is based on active market prices significantly adjusted for difference in the nature, location or condition of the specific property. • We evaluated the reasonableness of key assumptions applied to determine the fair values. • We checked the accuracy and relevance of the input data used. • We found the disclosures in the Standalone Ind AS Financial Statements to be appropriate. <p><i>Conclusion:</i> Based on the work performed, we found management's assessment to be reasonable based on available evidence.</p>



Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above specified reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the above specified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements 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 these Standalone Ind AS Financial Statements .

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements , 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability 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 Standalone Ind AS Financial Statements 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a



reasonably knowledgeable user of the Standalone Ind AS Financial Statements 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 Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure- A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and, except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we are unable to express any opinion as required under section 143 (3) of the Act 2013, as we could not carry -out any verification or review of its internal financial controls over financial reporting as the company has not carried-out any operations during substantial period under report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There is a delay of sixty four days in transferring amount which is required to be transferred during the year to the Investor Education and Protection Fund by the Company.

For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Regn No. 0029175


(KATYAYANIK)

Partner

Membership No. 225030



Place: Visakhapatnam

Date: 19-06-2019

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of VBC Ferro Alloys Limited, Hyderabad, for the year ended 31 March 2019. We report that:

- i) a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets including capital work in progress could not be physically verified by the management during the year in accordance with phased programme of verification. Accordingly we are unable to report on any material discrepancies between the fixed asset register and the assets physically available.
- c) We could not verify the title deeds of the immovable properties as the same are not produced for our verification.
- ii) Physical verification of inventory including Capital stock of stores and spares could not be conducted during the year by the management in the entire year. As no physical verification of inventories has been carried out during the year under report, we are unable to report regarding the discrepancies between the physical stocks and the book records.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investment made by the company in an earlier year does not exceed the limits prescribed under section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

Sr. No.	Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates
1.	Employee state Insurance Corporation Act 1948	Employer contribution	1,00,000	From 01.04.2012 to 31.03.2015
2.	Employee state Insurance Corporation Act 1948	Employee contribution	26,216	From 01.07.2013 to 31.03.2015
3.	Professional Tax 1975	Employee contribution	4,42,530	From 01.07.2012 to 31.03.2017
4.	Central Sales Tax Act	Central sales tax	2,01,050	For the year 2011-12
5.	Central Sales Tax Act	Central Sales Tax	11,40,003	For the year 2013-14
6.	AP VAT Act, 2000	Value Added Tax	7,89,829	For the year 2013-14
7.	Income Tax Act, 1961	Regular assessment tax	5,07,92,344	For the financial year 2011-12
8.	Income Tax Act, 1961	Dividend Distribution Tax	21,38,620 excluding interest	For the financial year 2011-12
9.	Income Tax Act, 1961	Income tax deducted at source	1,02,32,592	From 01.04.2012 to 31.08.2019
10.	Service tax Act	Service tax including education cess	7,27,412	From 01.04.2012 to 31.08.2014
11.	Central Excise Act	Excise duty	81,81,486 excluding interest	From 01.05.2013 to 31.08.2014
12.	Greater Hyderabad Municipal Corporation Act	Property Tax	1,99,859	From 01.04.2012 to 31.03.2013



b) As at 31st March 2019, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Amount*(in Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Central Sales Tax Act	Non submission of 'C' and 'F' forms	18, 68,890	1996-97	Dy. Commissioner (Appeals)
2.	Central Sales Tax Act	Non submission of 'H' forms	11, 86,633	2008-09	Appellate Dy. Commissioner (CT)

(*)Net of Pre deposits made

- viii) In our opinion, the company has not obtained any Term Loans during the financial year under report. Consequently the clause 3(viii) of the order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under report. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The company has provided for managerial remuneration during the financial year in accordance with the provisions of the Section 197 of the Act.
- xii) In our opinion, the company is not a Nidhi Company. Consequently the clause 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the Standalone Ind AS Financial Statements.
- xiv) According to the information and explanations given to us and on overall examination of the records of the Company, we report that the preferential allotment/private placement of shares made are in compliance with the provisions of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.



- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently the clause 3(xvi) of the order is not applicable.

For C V RAMANA RAO & CO.,
Chartered Accountants
Firm Regn No. 002917S


(KATYAYANI K.)
Partner
Membership No. 225030



Place: Visakhapatnam
Date: 19-06-2019



VBC FERRO ALLOYS LIMITED

(An ISO 9001-2000 Company)



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

No	Audit Qualification	Reply given by the Board
1	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.
2	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 books of accounts of Investee Companies not yet finalized. Therefore, we could not comply the said requirement.
3	Note No. 2.35 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.
4	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 Benefit", which is non compliance with the provisions of section 133 of the Companies Act, 2013.	As per the company's assessment, the required liability has been created. However we will comply in future.
5	Other observations	The said other observations are self-explanatory.



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