



# VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) CIN No. L27101TG1981PLC003223



PART I

Statement of UnAudited Financial Results for the Quarter and Nine Months Ended 31st December, 2014

(₹ in Lakhs)

S.No	Particulars	Quarter Ended			Nine Months Ended		Previous
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	Year Ended
		(Unaudited)	(UnAudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Net Sales / Income from Operations	0	0	0	0	1260.03	1260.03
	<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1260.03</b>	<b>1260.03</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	0	0	0	0	396.83	396.83
	b) Changes in Inventories of finished goods	33.29	54.79	0	88.08	218.94	364.73
	c) Employee benefit expenses	9.86	7.43	114.24	28.67	364.71	1028.02
	d) Power	0	0	0	0	876.62	884.22
	e) Other Expenses	2.67	38.85	27.61	52.91	113.70	130.50
	f) Depreciation	18.92	18.92	17.84	56.76	53.50	66.54
	<b>Total Expenses</b>	<b>64.74</b>	<b>119.99</b>	<b>159.69</b>	<b>226.42</b>	<b>2024.30</b>	<b>2870.84</b>
3	Profit/ (Loss) from operations before other Income , Interest,exceptional items and taxes	(64.74)	(119.99)	(159.69)	(226.42)	(764.27)	(1610.81)
4	Other income	6.00	189.41	21.44	201.66	69.11	139.97
5	Profit/(Loss) before Interest,extraordinary items and taxes	(58.74)	69.42	(138.25)	(24.76)	(695.16)	(1470.84)
6	Finance Costs	207.95	140.01	130.15	436.25	336.87	516.03
7	Profit/(Loss) after interest, before extraordinary items and taxes	(266.69)	(70.59)	(268.40)	(461.01)	(1032.03)	(1986.87)
8	Extra ordinary Item: Retrenchment Compensation to the Workmen	67.65			375.65		
	Depreciation in accordance with Schedule-II of Companies Act, 2013 for the assets whose useful life has expired before 31.3.2014	0	80.92	0	80.92	0	0
9	Profit / (Loss) before Tax	(334.34)	(151.51)	(268.40)	(917.58)	(1032.03)	(1986.87)
10	Tax Expenses	0	0	0	0	0	21.56
11	Profit/(Loss)after tax	(334.34)	(151.51)	(268.40)	(917.58)	(1032.03)	(1965.31)
12	Surplus brought forward from previous year						2223.61
13	Surplus available for appropriation						258.30
14	Paid up equity Share Capital	439.50	439.50	439.50	439.50	439.50	439.50
15	Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year						11105.10
16	Diluted EPS (Not annualised)	(7.61)	(3.45)	(6.11)	(20.88)	(23.48)	(44.72)
<b>Part II</b>							
A.	<b>Particulars of share holding :</b>						
1	Public share holding						
	-Number of shares	2779891	2779891	2779891	2779891	2779891	2779891
	-% of shareholding	63.26	63.26	63.26	63.26	63.26	63.26
2	Promoters and Promoter group shareholding						
a).	Pledged / Encumbered						
	-Number of shares	878925	878925	878925	878925	878925	878925
	Percentage of shares (as a % of the total share holding of promoters and promoter Group)	54.44	54.44	54.44	54.44	54.44	54.44
	Percentage of shares (as a % total share capital of the company)	20.00	20.00	20.00	20.00	20.00	20.00
b).	Non-Encumbered						
	-Number of shares	735534	735534	735534	735534	735534	735534
	Percentage of shares (as a % of the total share holding of promoters and promoter Group)	45.56	45.56	45.56	45.56	45.56	45.56
	Percentage of shares (as a % total share capital of the company)	16.74	16.74	16.74	16.74	16.74	16.74

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Sno.	Particulars	Quarter Ended 31.12.2014
<b>B. Investor Complaints :</b>		
1	Pending at the beginning of the quarter	Nil
2	Received during the quarter	5
3	Disposed of during the quarter	5
4	Remaining unresolved at the end of the quarter	Nil

**Note:**

- 1). The above unaudited results were reviewed by the audit Committee and taken on record by the Board of Directors at its respective meeting held on 14th February, 2015 and has been subjected to Limited Review by the Statutory Auditors.
- 2). Effective from April 1, 2014 the company has charged depreciation based on the revised remaining useful life of the assets as per Scheduled II of Companies Act, 2013. Due to above, depreciation charge for the quarter ended September 30, 2014 is higher by Rs. 2.29 Lakhs. Further, the carrying amount of the assets after retaining the residual value of those assets whose useful life as provided in schedule II of the Act has expired by 31st March 2014 amounting to Rs 80.92 Lakhs has been charged as Exceptional item in the statement of Profit & Loss in accordance with the Notification No. GSR627(E) dated 29.08.2014 issued by Ministry of Corporate Affairs, GOI.
- 3). The Company operates in only one business segment of manufacturing ferro alloys.
- 4). Figures of the previous year / earlier periods have been regrouped, wherever necessary to confirm to the current figures classifications.
- 5) (a) The company has received demands for fuel surcharge adjustment (FSA) from Southern Power Distribution Company of TS Ltd (TSSPDCL) pursuant to clause 45B of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business Amendment) Regulations 2003 (FSA Regulations) The levy has been a subject matter of challenge ever since the DISCOMS made their claim in the year 2010 in respect of the period 2008.09 onwards. The challenge with respect to 2008.09 and 2009.10 were initially accepted by a single judge of the High Court of Judicature At Hyderabad and the appeals filed by Discoms with respect to 2008.09 and 2009.10 are currently pending before the Supreme Court and a full bench of the High Court of Judicature At Hyderabad respectively. With respect to the levy for the years 2010.11 to 2012.13 totaling to Rs 1906.54 Lakhs, no stay has been granted against the levy and collection of FSA charges. Pending the resolution of the legal course being pursued by the company of the dispute, no provision has been made for the said demand in the books of account.  
  
(b) Pending disposal of its objections filed before the various administrative authorities of TSSPDCL as per the directions given by "Forum for Redressal of Consumer Grievances of TSSPDCL" towards load shortfall charges for earlier years, totaling to Rs 1321 Lakhs, no provision has been made by the company for the said demand in the books of account.  
The statutory auditors have qualified the above matters in their report for the year ended 31st March, 2014.

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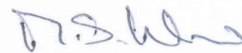
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(c) Southern Power Distribution Company of TS Ltd, has raised a demand towards load factor shortfall deemed energy charges of Rs 273261984 for the years 2012.13 & 2013.14 vide its letter dated 09.01.2015. The company is in the process of contesting the said demand before Forum for Redressal of Consumer Grievances of TSSPDCL, as during the said years the company was faced with power holidays & power cuts.

6) Due to the steep increase in power tariff, by TSSPDCL, the cost of production of Ferro Silicon has far exceeded the market prices, resulting in non recovery of even variable cost of production. Accordingly the company has closed down its production unit at Rudraram Village, Medak district since 19.06.2013. Further the company has entered into an agreement with the workers union for their retrenchment and necessary provisions has been made in the books of Accounts. However, the books of account are maintained under "going concern" concept, as the company has initiated effective steps to meet its power requirements by setting-up a 120 MW captive thermal power plant at Sirpur kagaznagar Mandal, Adilabad District through VBC Power Company Ltd, by transferring its power unit by way of demerger. The Statutory Auditors have mentioned this matter under "emphasis of matters" in their report for the year ended 31st March, 2014.

Place: Hyderabad  
Date: 14.02.2015

*for VBC Ferro Alloys Limited*

  
**M S Lakshman Rao**  
**Managing Director**

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