



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



VBCFAL / SEC / 2017

16th December 2017

The Bombay Stock Exchange Limited
Department of Corporate Services
P J Towers, Fort
Dalal Street
MUMBAI – 400 001.

Kind Attn: Mr. Naresh Pandya/Vivek Dabe

Sir,

Sub: Compliance of Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: **Scrip Code – 513005 & SCRIP ID- VBCFERROQ**

Pursuant to the provisions of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith attaching un Audited financial results for the quarter ended 30th September 2017 after it has been reviewed and approved by the Board of Directors at their adjourned meeting held on of 16th December 2017

This is for your information and records.

Thanking you,

Yours faithfully
For VBC Ferro Alloys Limited

M.V. Ananthakrishna
Director



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2017

(Rs. in lakhs)

Particulars	Quarter Ended			Six months ended	
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Income from Operations					
I Sales / Income from Operations	0.00	0.00	0.00	0.00	0.00
II Other Operating Income	0.00	0.00	0.00	0.00	0.00
III Total Income from Operations (I+II)	0.00	0.00	0.00	0.00	0.00
IV Expenses					
a) Cost of materials consumed	0.00	0.00	0.00	0.00	0.00
b) Changes in inventories of finished goods, work-in-progress	0.00	0.00	0.00	0.00	0.00
c) Employee benefits expense	3.37	3.37	2.25	6.74	4.62
d) Depreciation and amortization expense	13.08	14.05	14.04	27.13	28.08
e) Other expenses	10.41	4.09	0.87	14.50	2.27
Total expenses (IV)	26.86	21.51	17.16	48.37	34.97
V Loss from Operations before Other Income, Finance Costs and Exceptional Item (III-IV)	(26.86)	(21.51)	(17.16)	(48.37)	(34.97)
Other income	0.00	0.00	0.00	0.00	6.30
VI Loss from ordinary activities before Finance Costs and Exceptional Item (V+VI)	(26.86)	(21.51)	(17.16)	(48.37)	(28.67)
VII Finance costs	76.02	72.83	16.12	148.85	137.84
VIII Loss from ordinary activities after Finance Costs but before Exceptional Item (VI+VII)	(102.88)	(94.34)	(33.28)	(197.22)	(166.51)
IX Exceptional items					
Profit on sale of Fixed assets	807.43	0.00	0.00	807.43	0.00
Profit on sale of Land	0.00	0.00	1123.92	0.00	1123.92
Provision towards interest on cash credit facilities reversed on OTS	0.00	0.00	267.38	0.00	267.38
X Loss from ordinary activities before Tax (VIII+IX)	704.55	(94.34)	1358.02	610.21	1224.79
XI Tax expenses	0.00	0.00	0.00	0.00	0.00
XII Profit/(Loss) for the Quarter (X+XI)	704.55	(94.34)	1358.02	610.21	1224.79
XIII Other Comprehensive Income (net of tax)	0.00	0.00	0.76	0.00	1.53
XIV Total Comprehensive Income for the Quarter (XIII+XIV)	704.55	(94.34)	1358.78	610.21	1226.33
(Comprising Profit/(Loss) and other comprehensive income for the period)					
Paid-up equity share capital (Face Value Rs.10/- each)	439.50	439.50	439.50	439.50	439.50
Earnings per equity share (of Rs 10/- each)					
Basic	16.03	(2.15)	30.90	13.88	27.87
Diluted	16.03	(2.15)	30.90	13.88	27.87



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



(Rs. in lakhs)

Statement of Assets and Liabilities as at 30.09.2017	
ASSETS	
Non-current assets	
a)Property, plant and equipment	760.65
b)Capital work-in-progress	1,260.63
c)Financial assets	
i) Investments	15,751.51
ii) Others	527.14
d)Other non-current assets	10.22
Current assets	
a)Inventories	477.01
b)Financial assets	
i) Trade receivables	79.27
ii) Cash and cash equivalents	221.36
iii) Others	95.55
c)Current Tax Assets (net)	24.69
d)Other current assets	78.66
Total Assets	19,286.68
EQUITY AND LIABILITIES	
Equity	
a)Equity Share capital	439.50
b)Other equity	10,982.43
LIABILITIES	
Non-current liabilities	
a)Financial liabilities	
i)Borrowings	3,379.20
ii)Other financial liabilities	4.00
b)Provisions	0.00
c)Deferred tax liability(Net)	321.80
Current liabilities	
a)Financial liabilities	
i) Trade payables	2,174.60
ii) Other financial liabilities	226.24
b)Other current liabilities	1,732.30
c)Provisions	26.61
Total Equity and Liabilities	19,286.68



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



Notes:

- The above unaudited financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th December, 2017. The statutory auditors of the Company have conducted a "Limited Review" of the above unaudited financial results for the quarter and half year ended September 30, 2017.
- 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.
- The financial results and other financial information for the quarter and half year ended September 30, 2016 have not been audited or reviewed by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- Reconciliation of net profit/(loss) for the quarter and half year ended September 30, 2016 under Indian GAAP (Previous GAAP) and Ind AS is as under:

(' in Lakhs)

Particulars	Quarter ended	Half year ended
	30.09.2016	30.09.2016
	Unaudited	Unaudited
Net Profit for the quarter as per Previous GAAP	1357.90	1229.77
Add / (Less) : Adjustments for GAAP Differences		
Fair Valuation of Investments	0.00	(5.10)
Other comprehensive Income	0.76	1.53
Employee benefits - Remeasurement	0.12	0.12
Net Profit for the quarter as per Ind AS	1358.79	1226.32

- Due to the steep increase in power tariff, by TSSPDCL, the cost of production of Ferro Silicon has far exceeded the market prices, resultant in non recovery of even variable cost of production. Accordingly the company has closed down its production unit at Rudram 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 qualified of the same for the year ended 31st March, 2017.
- The auditors have qualified in their report for the year ended 31st March, 2017 regarding the non provision of Rs 19,06,53,769/- towards fuel surcharge adjustment and Rs 42,42,75,762/- towards load shortfall charged, as the matters are pending before various judicial/administrative authorities.
- The Company operates in only one business segment of manufacturing ferro alloys.

8

Sno. Particulars	Quarter Ended 30.09.2017
B. Investor Complaints :	
1 Pending at the beginning of the quarter	Nil
2 Received during the quarter	3
3 Disposed of during the quarter	3
4 Remaining unresolved at the end of the quarter	Nil

Place: Hyderabad
Date: 16.12.2017

For VBC Ferro Alloys Limited

M.V. Ananthakrishna
Director



LIMITED REVIEW REPORT ON THE UNAUDITED FINANCIAL RESULTS OF "VBC FERRO ALLOYS LIMITED" FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER 2017 PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

1. We have reviewed the accompanying statement of unaudited financial results of VBC Ferro Alloys Limited ("the Company") for the quarter and six months ended 30th September 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 14th December 2017. Our responsibility is to issue a report on this statement, based on our review.
3. 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 statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to:
 - i) The company has received demands for fuel surcharge adjustment (FSA) from Southern Power Distribution Company of TS Ltd (SPDCL) 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 Andhra Pradesh High Court 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 Andhra Pradesh High Court



respectively. With respect to the levy for the years 2010-11 to 2012-13 totalling 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.

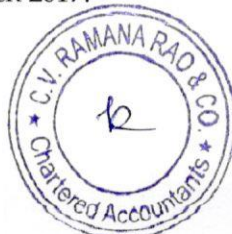
The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2017.

- ii) The company has filed its objections before the various administrative authorities of CPDCL as per the directions given by Forum for Redressal of Consumer Grievances of CPDCL towards load shortfall charges for the period upto 31.03.2012 totalling to Rs 1510.14. Further the company received demand towards load shortfall charges for the years 2012-13 & 2013-14 totalling to Rs 2732.62 in January 2015. Pending disposal of its objections by the authorities, no provision towards load shortfall charges totalling to Rs 4242.76 has been made by the company. The company has not received any further demands for the years 2014-15, 2015-16 and 2016-17.

The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2017.

- iii) Due to steep increase in the power tariff, 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, Sangareddy district since June 2013. Further the company has entered into a memorandum of settlement with the workers' union on 30.06.2014 for their retrenchment. 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 Mandel, Komaram Bheem District through a separate company, by transferring its power unit by way of demerger.

The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2017.



- iv) The company has considered the diminution as temporary in nature in respect of the value of its investment of Rs 14306.46 in the equity of Konaseema Gas Power Ltd, whose net-worth has completely eroded and not in operation for more than four years.

The Statutory Auditors have also qualified the above matters in their report for the year ended 31st March 2017.

5. Based on our review conducted as above, except for the possible effects of our observations in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") 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 and six months ended 30th September 2017, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For C V RAMANA RAO & CO.,
Chartered Accountants
(Firm Registration Number: 000513 S)


(K.KATYAYANI)
Partner
Membership Number: 225030



Place: Visakhapatnam
Date : 16.12.2017