



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



VBCFAL / SEC / 2017

30th May 2017

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 30th day of May , 2017 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 2017.
2. Review the affairs of the Company.

We are herewith annexed the financial results for the year ended 2016-17 for the records of Exchange.

This is for your information and records.

Yours faithfully
for VBC Ferro Alloys Limited


V.V.V.S.N. Murty
Authorized Signatory



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



PART I

Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2017 (₹ in Lakhs)

SL. No	Particulars	Quarter Ended			Current Year Ended	Previous Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Net Sales / Income from Operations	0	0	0	0	0
	Total Income	0	0	0	0	0
2	Expenses					
	a) Cost of materials consumed	912.54	0	0	912.54	0
	b) Changes in Inventories of finished goods	0	0	0		0
	c) Employee benefit expenses	4.93	2.25	4.19	11.92	16.29
	d) Power	0	0	0	0	0
	e) Other Expenses	15.33	1.29	4.23	18.89	25.87
	f) Depreciation	14.04	14.04	14.05	56.18	56.20
	Total Expenses	946.84	17.58	22.47	999.53	98.36
3	Profit/ (Loss) from operations before other Income , Interest,exceptional items and taxes	(946.84)	(17.58)	(22.47)	(999.53)	(98.36)
4	Other income	20.06	0	0	31.46	7.99
5	Profit/(Loss) before Interest,extraordinary items and taxes	(926.78)	(17.58)	(22.47)	(968.07)	(90.37)
6	Finance Costs	68.14	67.94	109.97	273.92	435.16
7	Profit/(Loss) after interest, before extraordinary items and taxes	(994.92)	(85.52)	(132.44)	(1241.99)	(525.53)
8	Extraordinary items : Profit on sale of Land	0	0	0	1123.92	0
	Provision towards interest on cash credit facilities reversed on OTS	0	0	0	267.37	0
9	Profit /(Loss) before Tax	(994.92)	(85.52)	(132.44)	149.30	(525.53)
10	Tax Expenses	0	0		0	
11	Profit /(Loss)after tax	(994.92)	(85.52)	(132.44)	149.30	(525.53)
12	Surplus brought forward from previous year					
13	Surplus available for appropriation					
14	Paid up equity Share Capital	439.50	439.50	439.50	439.50	439.50
15	Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year					
16	Diluted EPS (Not annualised)	(22.64)	(1.95)	(3.01)	3.40	(11.96)
Part II						
A. Particulars of share holding :						
1	Public share holding					
	-Number of shares	2779891	2779891	2779891	2779891	2779891
	-% of shareholding	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
	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
	Percentage of shares (as a % total share capital of the company)	20.00	20.00	20.00	20.00	20.00
	b). Non-Encumbered					
	-Number of shares	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
	Percentage of shares (as a % total share capital of the company)	16.74	16.74	16.74	16.74	16.74

Regd. Office : S-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad - 500 004. TS, India.

Tel. : +91-40-23320904 - 7, 23301206 - 8, 23301226 Fax : +91-4023390721

Telegrams : VEBECEEE Web. : www.vbcindia.co.in

E-mail : hyd1_vbcfal@sanchamet.in

Factory : Rudraram Village, Patancheru Mandal, Medak District, TS, India.

Tel. : +91-8455-22084, 220130

Fax : +91-8455-220142



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



Sno.	Particulars	Quarter Ended 31.03.2017
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

Statement of Assets and Liabilities as at 31st March,2017			(₹ in Lakhs)	
	Particulars	As at	As at	
		31.03.2017	31.03.2016	
		Audited	Audited	
A.	EQUITY AND LIABILITIES			
1	Shareholders' Funds :			
	(a). Share Capital	439.50		439.50
	(b). Reserves & Surplus	10134.54		10218.27
	Sub-total - Shareholders' Funds	10574.04		10657.77
2	Share application money pending allotment	0		0
3	Non-current liabilities:			
	(a). Long term borrowings	3265.05		3063.07
	(b). Deferred Tax Liability	321.81		321.80
	(c). Other Long Term Liabilities	4.00		4.00
	(d). Long term provisions	0		0
	Sub-total - Non -current Liabilities	3590.86		3388.87
4	Current Liabilities:			
	(a). Short term borrowings	0		850.75
	(b). Trade payables	2151.42		2268.78
	(c). Other current Liabilities	2515.26		2817.11
	(d). Short term Provisions	47.87		47.48
	Sub-total - Current Liabilities	4714.55		5984.12
	TOTAL - EQUITY AND LIABILITIES	18879.45		20030.76
B.	ASSETS			
1	Non-current Assets			
	(a). Fixed Assets	2140.97		2412.53
	(b). Non-current Investments	15496.84		15499.11
	(c). Long term Loans and advances	449.50		449.51
	Sub-total - Non-Current Assets	18087.31		18361.15
2	Current Assets :			
	(a). Inventories	477.01		1389.55
	(b). Trade receivables	79.28		79.28
	(c). Cash and Bank balances	121.34		124.92
	(d). Short term Loans and Advances	103.17		75.86
	(e). Other current Assets	11.34		0
	Sub-total - Current Assets	792.14		1669.61
	TOTAL - ASSETS	18879.45		20030.76



Regd. Office : 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad - 500 004. TS, India.

Tel. : +91-40-23320904 - 7, 23301206 - 8, 23301226 Fax : +91-4023390721

Telegrams : VEBECEE Web. : www.vbcindia.co.in

E-mail : hyd1_vbcfal@sanchamet.in

Factory : Rudraram Village, Patancheru Mandal, Medak District, TS, India.

Tel. : +91-8455-22084, 220130

Fax : +91-8455-220142



VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



:: 3 ::

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 29th May, 2017 and has been subjected to Limited Review by the Statutory Auditors.

2) 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 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 qualified of the same for the year ended 31st March, 2017.

3) 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.


4) The consumption of raw materials represents the storage 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.

5) The Company operates in only one business segment of manufacturing ferro alloys.

6) Figures of the previous year / earlier periods have been regrouped, wherever necessary to confirm to the current figures classifications.

Place: Hyderabad
Date: 30.05.2017

for VBC Ferro Alloys Limited


M S Lakshman Rao
Managing Director





BRAHMAYYA & CO.

Chartered Accountants

at VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU

AUDITOR'S REPORT ON QUARTERLY FINANCIAL RESULTS AND YEAR TO DATE RESULTS OF THE COMPANY PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
Board of Directors,
VBC Ferro Alloys Limited, Hyderabad.

1. We have audited the quarterly financial results of VBC Ferro Alloys Limited ('the Company') for the quarter ended 31st March 2017 and the year to date financial results for the period 1st April 2016 to 31st March 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.
2. These quarterly financial results as well as year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. We draw attention to:
 - i) Non-provision of FSA charges for the years 2010-11 to 2012-13 totaling to Rs 19,06,53,769, pending resolution of the appeals pending before various judicial authorities as stated in Note No. 2.25(a) to the standalone financial statements, has resulted in understatement of the loss for the year.
 - ii) Non-provision of load shortfall charges for earlier years amounting to Rs 42,42,75,760, pending disposal of company's objections by the various administrative authorities as per the directions of "Forum for Redressal of



Consumer grievances" of CPDCL as stated in Note No. 2.25(b) to the standalone financial statements has resulted in understatement of the loss for the year.

- iii) As stated in Note No 2.27 to the standalone financial statements, the books of account are maintained under "going concern" concept, though the Ferro Alloys plant of the company did not carry out any production activities during the entire year, due to commercially unviable operations because of high power tariff, besides the entire workmen have been retrenched in earlier years.
- iv) The company has considered the diminution as temporary in nature as stated in note No 2.32 to the standalone financial statements the value of its investment of Rs 143,06,46,210 in the equity of Konaseema Gas Power Ltd, whose net-worth has completely eroded and not in operation for more than four years.
- v) In Note No. 2.34 to the standalone financial statements that balances lying in some of the lenders', suppliers' customers' accounts are subject to confirmation.
- vi) No physical verification of inventories has been carried out during the year. Further the inventory is lying with the company for more than four years. Accordingly, we are unable to express our opinion on the realisability of the amount at which the same are stated in the books of account.

5. 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 matter described in the paragraphs 4 above, these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March 2017 as well as the year to date results for the period from 1st April 2016 to 31st March 2017.

Camp: Hyderabad
Date: 30.05.2017

For BRAHMAYYA & CO.,
Chartered Accountants
(Firm Registration No. 000513S)


(C. V. RAMANA RAO)
Partner
Membership No.018545

