



# VBC FERRO ALLOYS LIMITED

(An ISO 9001 - 2008 Company) - CIN L27101TG1981PLC003223



VBCFAL / SEC / 2018

12<sup>th</sup> November, 2018

The BSE Limited  
P J Towers  
Dalal Street  
MUMBAI – 400 001.

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting - Reg.**

**Ref: Scrip Code - 513005**

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that a meeting of the Board of Directors of the Company held on 12<sup>th</sup> November, 2018 at the Registered Office of the Company at 6-2-913/914, 3<sup>rd</sup> Floor, Progressive Towers, Khairatabad, Hyderabad-500004 and the following items were considered and approved by the Board of Directors Meeting:

1. Un-audited financial results for the quarter and half year ended 30<sup>th</sup> September, 2018 along with limited review report thereto given by the Statutory Auditors and the statement of Assets and Liabilities for the half year ended 30.09.2018.
2. Board noted the resignation of Shri. M.S. Lakshman Rao, as Director of the company.
3. The Board has appointed Shri. A. Mahipal Reddy as the Company Secretary and Compliance Officer of the Company.
4. The lenders of Konaseema Gas Power Limited (KGPL) had approached NCLT Hyderabad Bench under the provisions of IBC Code. Therefore, the Board of Directors has considered the impairment of Value of Investments of KGPL.
5. Report on Revaluation of Assets of the company has been approved.

The meeting of the board of directors commenced at 3.00pm and concluded at 6.15PM.

This is for your information and records.

Yours faithfully

for VBC Ferro Alloys Limited

  
M V Ananthakrishna

Whole-Time Director



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2018

(Rs. in lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
<b>Income from Operations</b>						
Sales / Income from Operations	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income from Operations (I+II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Expenses</b>						
a) Cost of materials consumed	0.00	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	0.00
c) Employee benefits expense	42.38	41.02	3.37	83.40	6.74	108.94
d) Depreciation and amortization expense	173.04	14.60	10.41	187.64	14.50	58.40
e) Other expenses	1.72	55.40	13.09	57.12	27.13	381.34
<b>Total expenses (IV)</b>	<b>217.14</b>	<b>111.02</b>	<b>26.87</b>	<b>328.16</b>	<b>48.37</b>	<b>548.68</b>
<b>Loss from Operations before Other Income, Finance Costs and Exceptional Item (III-IV)</b>	<b>(217.14)</b>	<b>(111.02)</b>	<b>(26.87)</b>	<b>(328.16)</b>	<b>(48.37)</b>	<b>(548.68)</b>
Other income	0.00	0.00	0	0.00	0.00	0.00
<b>Loss from ordinary activities before Finance Costs and Exceptional Item (V+VI)</b>	<b>(217.14)</b>	<b>(111.02)</b>	<b>(26.87)</b>	<b>(328.16)</b>	<b>(48.37)</b>	<b>(548.68)</b>
<b>Finance costs</b>	<b>64.12</b>	<b>82.11</b>	<b>76.02</b>	<b>146.24</b>	<b>148.85</b>	<b>306.36</b>
<b>Loss from ordinary activities after Finance Costs but before Exceptional Item (VI+VII)</b>	<b>(281.26)</b>	<b>(193.13)</b>	<b>(102.89)</b>	<b>(474.40)</b>	<b>(197.22)</b>	<b>(855.04)</b>
<b>Exceptional items</b>						
Profit on sale of Fixed assets	0.00	0.00	807.43	0.00	807.43	807.59
FSA Charges for earlier years	0.00	0.00	0.00	0.00	0.00	2134.75
Provisions no longer required	621.70	0.00	0.00	621.70	0.00	0.00
* Impairment of value of Investment(Note No.5)	14306.46			14306.46		
<b>Loss from ordinary activities before Tax (VIII+IX)</b>	<b>(13966.02)</b>	<b>(193.13)</b>	<b>704.54</b>	<b>(14159.16)</b>	<b>610.21</b>	<b>(2182.20)</b>
Tax expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>I Profit/(Loss) for the Quarter (X+XI)</b>	<b>(13966.02)</b>	<b>(193.13)</b>	<b>704.54</b>	<b>(14159.16)</b>	<b>610.21</b>	<b>(2182.20)</b>
<b>II Other Comprehensive Income (net of tax)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Comprehensive Income for the Quarter (XIII+XIV)</b>	<b>(13966.02)</b>	<b>(193.13)</b>	<b>704.54</b>	<b>(14159.16)</b>	<b>610.21</b>	<b>(2182.20)</b>
(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	439.50
<b>Earnings per equity share (of Rs 10/- each)</b>						
Basic	(317.77)	(4.39)	16.03	(322.17)	13.88	(49.65)
Diluted	(317.77)	(4.39)	16.03	(322.17)	13.88	(49.65)

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

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Sno. Particulars	Quarter Ended 30.09.2018
<b>B. Investor Complaints :</b>	
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

Amount in Lacs.

	As at 30.09.2018	As at 31.03.2018
<b>ASSETS</b>		
<b>1.) Non-current assets</b>		
a) Property, plant and equipment	19708.54	730.68
b) Investment Property	0	0
c) Capital work-in-progress	1,561.25	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	25.97	10.22
<b>2.) Current assets</b>		
a) Inventories	554.25	514.75
b) Financial assets		
i) Trade receivables	79.27	79.27
ii) Cash and cash equivalents	17.34	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	999.01	405.06
<b>Total Assets</b>	<b>25,032.23</b>	<b>19,635.14</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity Share capital	439.50	439.50
b) Other equity	16,225.12	8,334.85
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	2,425.47	4,333.56
ii) Other financial liabilities	4009.34	4372.03
b) Provisions	0	0
c) Deferred tax liability(Net)	321.80	321.80
<b>Current liabilities</b>		
a) Financial liabilities		
i) Borrowings	0	0
ii) Trade payables	135.47	2.18
iii) Other financial liabilities	173.56	140.56
b) Other current liabilities	1,275.16	1,663.95
c) Provisions	26.81	26.71
<b>Total Equity and Liabilities</b>	<b>25,032.23</b>	<b>19,635.14</b>





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Notes:

- 1 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 12th November, 2018. The statutory auditors of the Company have conducted a "Limited Review" of the above unaudited financial results for the quarter ended 30th September, 2018.
- 2 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.
- 3 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 restart its manufacturing operations by availing the power subsidy announced by the Government of Telangana to Ferro Alloys Industry. The Statutory Auditors have qualified of the same for the year ended 31st March, 2018.
- 4 The auditors have qualified in their report for the year ended 31st March, 2018 regarding the non provision of Rs 42,42,75,762/- towards load shortfall charged, as the matters are pending before various judicial/administrative authorities.
- 5 \* 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).
- 5 The Board of Directors have approved the Revaluation Report of Assets of the Company.

Place: Hyderabad

Date: 12.11.2018

For VBC Ferro Alloys Limited

M.V. Ananthakrishna

Whole Time Director





**REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF 'VBC FERRO ALLOYS LIMITED, HYDERABAD' FOR THE QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2018.**

1. We have reviewed the unaudited financial results of VBC Ferro Alloys Limited (the "Company") for the quarter 30<sup>th</sup> September 2018 which are included in the accompanying Statement of unaudited financial results for the quarter and half year ended 30<sup>th</sup> September, 2018 and the statement of assets and liabilities as on that date (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 modified by Circular No.CIR/CFD/FAC/62/2016 dated 5th July 2016.
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 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 standalone 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 non-provision for deemed energy charges and surcharge of earlier years amounting to Rs.5654.82 Lakhs pending outcome on the aforesaid issue with TSERC has resulted in understatement of the loss for the period.
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 of unaudited standalone financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards 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 ended 30<sup>th</sup> September,



2018, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Visakhapatnam  
Date: 12.11.2018

For C V RAMANA RAO & CO.,  
Chartered Accountants  
Firm Registration Number: 0029175

*Kalyani*  
(KATYAYANI K)  
Partner  
Membership Number: 225030

