



VBC INDUSTRIES LIMITED
(An ISO 9001-2008 Company) CIN.L28113TG1971PLC001437



VBCFAL / SEC / 2017

16th December 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 - 524310

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that a meeting of the Board of Directors of the Company was held on 14th December 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(s) is as follows:

1. Taken on record the un-audited financial results for the quarter ended 30th September 2017 are reviewed and taken on record and the same has been enclosed for your perusal and records.

This is for your information and records.

Yours faithfully
for VBC Industries Limited

V.V.V.S.N. Murthy
Authorized Signatory



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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER,2017

PART I		(Rs. in Lakhs)				
S.No	Particulars	Quarter Ended			Half Year Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
1	a) Net Sales / Income form Operations	(Unaudited) 598.52	(Unaudited) 1,175.27	(Unaudited) -	(Unaudited) 1,773.79	(Unaudited) -
	b) Other Operating Income	14.55	14.60	5.96	29.15	19.92
	Total Income	613.07	1,189.87	5.96	1,802.94	19.92
2	<u>Expenses</u>					
	a) Cost of materials consumed	281.21	358.50	-	639.71	-
	b) Changes in Inventories of finished goods	(70.36)	283.77	-	213.41	-
	c) Employee benefit expenses	79.14	70.88	38.00	150.02	76.08
	d) Power	409.53	518.18	-	927.71	310.45
	e) Excise duty paid	-	114.01	-	114.01	-
	f) Other Expenses (Net)	116.63	54.64	8.64	171.27	13.18
	g) Depreciation	59.91	59.62	59.06	119.53	121.59
	Total Expenses	876.06	1,459.60	105.70	2,335.66	521.30
3	Profit / (Loss) from operations before other Income , finance costs and exceptional items	(262.99)	(269.73)	(99.74)	(532.72)	(501.38)
4	Other income	14.71	2.70	-	17.41	-
5	Profit / (Loss) from ordinary activities before Finance Costs	(248.28)	(267.03)	(99.74)	(515.31)	(501.38)
6	Finance Costs	502.72	488.69	439.13	991.41	863.08
7	Profit / (Loss) from ordinary activities after finance Costs	(751.00)	(755.72)	(538.87)	(1,506.72)	(1,364.46)
8	Exceptional Items:	-	-	-	-	-
9	Profit / (Loss) after interest and exceptional items and Tax	(751.00)	(755.72)	(538.87)	(1,506.72)	(1,364.46)
10	Provision for Taxation:					
	Tax Expense	-	-	-	-	-
11	Profit / (Loss) after tax	(751.00)	(755.72)	(538.87)	(1,506.72)	(1,364.46)
12	Other Comprehensive Income (net of tax)	(1.69)	(2.28)	(2.61)	(3.96)	(0.30)
13	Total Comprehensive Income for the Quarter (11+12)	(752.69)	(758.00)	(541.48)	(1,510.68)	(1,364.76)
	(Comprising Profit/(Loss) and other comprehensive income for the period)					
14	Paid-up equity share capital (Face Value Rs.10/- each)	4,518.35	4,518.35	4,518.35	4,518.35	4,518.35
15	Earnings per equity share of Rs 10/- each					
	Basic	(1.66)	(1.67)	(1.19)	(3.33)	(3.02)
	Diluted	(1.66)	(1.67)	(1.19)	(3.33)	(3.02)





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Statement of Assets and Liabilities as at 30.09.2017

		Rs. in Lakhs
Particulars		As at 30 September 2017
ASSETS		
1	Non-current assets	
a	Property, plant and equipment	1,255.19
b	Capital work-in-progress	2,020.25
c	Investment in Property	160.56
d	Financial assets:	
i	- Investments	2,708.57
ii	- Others	306.37
e	Other non-current assets	151.81
f	Deferred Tax Asset(Net)	450.23
2 Current assets		
a	Inventories	1,749.32
b	Financial assets:	
i	- Trade receivables	51.26
ii	- Cash and cash equivalents	67.40
iii	- Others	164.81
iv	Current Tax Assets (Net)	6.27
c	Other current assets	766.68
Total Assets		9,858.72
EQUITY AND LIABILITIES		
Equity		
a	Equity Share capital	4,518.35
b	Other Equity	(18,192.86)
LIABILITIES		
1 Non-current liabilities		
a	Financial liabilities:	
i	- Borrowings	14,502.51
ii	- Other financial liabilities	29.22
b	Provisions	52.74
2 Current liabilities		
a	Financial liabilities:	
i	- Trade payables	2,772.18
ii	- Other financial liabilities	4,511.13
b	Other current liabilities	1,665.46
Total Equity and Liabilities		9858.72





VBC INDUSTRIES LIMITED

Note: (An ISO 9001-2008 Company) CIN.L28113TG1971PLC001437



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 December, 2017 and the statutory auditors have carried out limited review of the above financial results

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) 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.

4) 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:

Particulars	(` in Lakhs)	
	Quarter ended 30.09.2016	Half year ended 30.09.2016
	Unaudited	Unaudited
Net Profit for the quarter as per Previous GAAP	(537.72)	(1362.16)
Add / (Less) : Adjustments for GAAP Differences		
Reversal of transfer from Revaluation Reserve	(1.15)	(2.30)
Loss on Remeasurement of Equity Investments measured at FVTOCI	(2.61)	(0.30)
Net Profit for the quarter as per Ind AS	(541.48)	(1364.76)

5) The auditors have qualified in their report regarding the non-provision of Rs 11,37,88,762/- towards fuel surcharge adjustment and Rs 13,23,18,506/- towards load factor short fall charges including surcharge, as the matters are pending before various judicial/ administrative authorities.

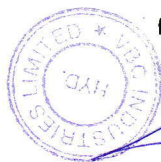
6) The Company operates in only one business segment of manufacturing ferro alloys.

7) Investor Complaints:

Particulars	Quarter Ended 30.09.2017
1. Pending at the beginning of the quarter	NIL
2. Received during the quarter	NIL
3. Disposed of the quarter	NIL
4. Remaining unresolved at the end of the quarter	NIL

8) Figures of the previous period / year have been regrouped, wherever necessary to confirm to the current year figures classifications.

Place: Hyderabad
Date: 14.12.2017



for VBC Industries Limited

J K Sarma
Director



REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF VBC INDUSTRIES LIMITED, HYDERABAD FOR THE QUARTER ENDED 30th SEPTEMBER, 2017.

1. We have reviewed the accompanying statement of unaudited financial results of "VBC Industries Limited, Hyderabad" for the quarter 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 July 5, 2016.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IND AS 34), prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on financial 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 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.
4. 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 the 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 totaling to Rs. 11,37, 88,762/- (including surcharge), the Hon'ble Supreme Court of India has pronounced its judgement on the same in favour of DISCOMS in Civil Appeal No. 5542/2016 dated. 05.07.2016. However, as advised by the senior counsel, the Company is pursuing to file a review



application before the Hon'ble Supreme Court of India for the said demand. 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 matter in their report for the year ended 31st March 2017.

5. Southern Power Distribution company of AP Ltd (SPDCL), vide its letter dated 03.08.2016, raised a demand of Rs.7,06,07,759/- towards Surcharge on Deemed Energy Charges for the years from 2003-04 to 2012. However, the Company is disputing the above demand, hence no provision has been made in the books of account. The Company has also received a demand of Rs. 6,17,10,747/- towards load factor shortfall deemed energy charges for the years 2014-15 & 2015-16. The said demand has been disputed by the Company. Hence no provision has been made during the quarter under review.

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

6. The company has considered the diminution as temporary in nature as stated in note No 2.34 to the standalone financial statements the value of its investment of Rs 113,13,88,989/- in the equity of Konaseema Gas Power Ltd, whose net-worth has completely eroded and not in operation for more than three years.
The Statutory Auditors have also qualified of the above matter for the year ended 31st March, 2017.
7. Though, the company's entire net worth has been completely eroded and has incurred huge cash losses and most of the lenders have initiated coercive steps for recovery of their dues, the books of account are maintained under "going concern concept". We are unable to express an opinion on the same.
8. Based on our review conducted as above, subject to paragraphs 4 to 7 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies 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.



9. Other Matter:

We have not reviewed the accompanying financial results and other financial information for the three months ended 30th September, 2016 which have been presented solely based on the information compiled by the management.

Place: Visakhapatnam
Date: 14th December, 2017

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


(KATYAYANI K)

Partner

Membership No.225030

