



# VBC INDUSTRIES LIMITED

(An ISO 9001 - 2008 Certified Company)



## VBC INDUSTRIES LIMITED

### STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS PERIOD ENDED 31<sup>st</sup> DECEMBER, 2015

#### PART I

(₹ in Lakhs)

S.No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	<b>Income from Operations:</b>						
	a) Net Sales / Income form Operations	-	60.48	349.43	415.87	349.43	1,484.11
	b) Other Operating Income	13.97	14.42	14.00	34.16	41.68	55.68
	<b>Total Income</b>	<b>13.97</b>	<b>74.90</b>	<b>363.43</b>	<b>450.03</b>	<b>391.11</b>	<b>1,539.79</b>
2	<b>Expenses:</b>						
	a) Cost of materials consumed	-	-	342.41	82.40	342.41	647.98
	b) Changes in Inventories of finished goods	-	123.67	(757.55)	338.43	(757.55)	(353.64)
	c) Employee benefit expenses	41.30	52.38	49.98	154.67	143.06	219.20
	d) Power	-	0.20	590.72	179.90	590.72	1,131.96
	e) Other Expenses (Net)	14.73	21.08	130.96	50.19	156.95	190.02
	f) Depreciation	62.93	62.98	65.27	188.80	195.80	276.87
	<b>Total Expenses</b>	<b>118.96</b>	<b>260.31</b>	<b>421.79</b>	<b>994.39</b>	<b>671.39</b>	<b>2,112.39</b>
3	<b>Profit from operations before other Income , Finance Cost and exceptional items</b>	<b>(104.99)</b>	<b>(185.41)</b>	<b>(58.36)</b>	<b>(544.36)</b>	<b>(280.28)</b>	<b>(572.60)</b>
4	<b>Other income</b>	-	2.73	14.69	5.51	27.56	40.16
5	<b>Profit / ( Loss ) from ordinary activities before finance cost</b>	<b>(104.99)</b>	<b>(182.68)</b>	<b>(43.67)</b>	<b>(538.85)</b>	<b>(252.72)</b>	<b>(532.44)</b>
6	<b>Finance Cost</b>	<b>336.49</b>	<b>414.14</b>	<b>1,140.36</b>	<b>1,148.77</b>	<b>1,755.20</b>	<b>2,200.14</b>
7	<b>Profit / ( Loss ) from ordinary activities after finance cost</b>	<b>(441.48)</b>	<b>(596.82)</b>	<b>(1,184.03)</b>	<b>(1,687.62)</b>	<b>(2,007.92)</b>	<b>(2,732.58)</b>
8	<b>Exceptional Items:</b>						
	Remission of Interest allowed by ARC in respect of borrowings assigned to it by the banker	-	-	-	690.99	-	-
9	<b>Profit / ( Loss ) after finance cost and exceptional items before Tax</b>	<b>(441.48)</b>	<b>(596.82)</b>	<b>(1,184.03)</b>	<b>(996.63)</b>	<b>(2,007.92)</b>	<b>(2,732.58)</b>
10	<b>Provision for Taxation :</b>						
	Deferred Tax	-	-	-	-	-	62.61
11	<b>Profit / ( Loss ) after tax</b>	<b>(441.48)</b>	<b>(596.82)</b>	<b>(1,184.03)</b>	<b>(996.63)</b>	<b>(2,007.92)</b>	<b>(2,669.97)</b>
12	<b>Paid up equity Share Capital</b>	<b>4,518.35</b>	<b>4,518.35</b>	<b>4,518.35</b>	<b>4,518.35</b>	<b>4,518.35</b>	<b>4,518.35</b>
13	<b>Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year</b>						<b>(1,962.28)</b>
14	<b>Diluted EPS (Not annualised)-`</b>	<b>(0.98)</b>	<b>(1.32)</b>	<b>(2.62)</b>	<b>(2.21)</b>	<b>(4.44)</b>	<b>(5.91)</b>
Part II	<b>Select information:</b>						
A.	<b>Particulars of share holding :</b>						
1	<b>Public share holding</b>						
	-Number of shares	13,181,005	13,181,005	13,181,005	13,181,005	13,181,005	13,181,005
	-% of shareholding	29.26	29.26	29.26	29.26	29.26	29.26
2	<b>Promoters and Promoter group shareholding</b>						
a).	<b>Pledged / Encumbered</b>						
	-Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share holding of promoters and promoter Group)	NA	NA	NA	NA	NA	NA
	-Percentage of shares (as a % total Share capital of the company)	NA	NA	NA	NA	NA	NA
b).	<b>Non-Encumbered</b>						
	-Number of shares	31,862,804	31,862,804	31,862,804	31,862,804	31,862,804	31,862,804
	-Percentage of shares (as a % of the total share holding of promoters and promoter Group)	100.00	100.00	100.00	100.00	100.00	100.00
	-Percentage of shares (as a % total share capital of the company)	70.74	70.74	70.74	70.74	70.74	70.74





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## B. Investor Complaints:

Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

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 13th February, 2016 and the statutory auditors have carried out limited review of the above financial results

2) The company has entered into an agreement for settlement of its dues to UCO bank, which are assigned by the said banker to Phoenix ARC Private limited on 21.07.2015, which has resulted in remission of interest on the said dues upto 31.03.2015. The same has been recognised as an exceptional item in the above unaudited results for the quarter ended 30.06.2015

3) The company has received demands for fuel surcharge adjustment (FSA) from Central Power Distribution Company of AP Ltd (CPDCL) 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. 8,28,93,739/- 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 qualified the above matter in their report for the year ended 31st March 2015.

4) By its order dated 29th April 2014, the single member bench of Hon'ble High Court of AP, has allowed the writ petition filed by the company and set aside the demands raised by Southern Power Distribution company of AP Ltd (SPDCL), previously part of Central Power Distribution company of AP Ltd (CPDCL) totaling to Rs. 52,80,34,663/- towards load factor shortfall charges for the period from September 2005 to August 2006, during which the Ferro alloy unit was closed and for the years from 2008-09 to 2012-13 & 2014-15 during load reliefs and ordered CPDCL to pass a detailed order after giving proper notice indicating the amounts due and by considering the explanations/ pleas raised by the company. Accordingly SPDCL has revised the said demands to Rs 43,49,01,815/- ( which includes surcharge of Rs 15,39,74,345/-) based on the explanations/ pleas by the company, which are still contested by the company. In view of the above, no provision has been made in the books of account against the same. SPDCL has adjusted Rs. 4,28,99,805/-, being the consumption deposit against the said demands, which are shown under other current assets as "Taxes & Power dues paid under Protest.

The Statutory Auditors have qualified the above matter in their report for the year ended 31st March 2015.

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

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

Place: Hyderabad  
Date: 13.02.2016

for VBC Industries Limited



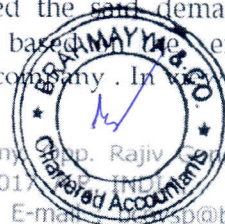
  
M S Lakshman Rao  
Managing Director





**REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF VBC INDUSTRIES LIMITED, HYDERABAD FOR THE QUARTER ENDED 31<sup>st</sup> DECEMBER, 2015 IN TERMS OF CLAUSE 41 OF THE LISTING AGREEMENT.**


- 1) We have reviewed the accompanying statement of unaudited financial results of "VBC Industries Limited, Hyderabad" for the quarter ended 31<sup>st</sup> December, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
- 2) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements 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 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) 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. 828.94 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 matter in their report for the year ended 31<sup>st</sup> March 2015.
- 4) By its order dated 29th April 2014, the single member bench of Hon'ble High Court of AP has allowed the writ petition filed by the company and set aside the demands raised by Southern Power Distribution Company of AP Ltd (SPDCL) previously part of Central Power Distribution Company of AP Ltd (CPDCL) totaling to Rs. 5280.35 Lakhs towards load factor shortfall charges for the period from September 2005 to August 2006, during which the Ferro alloy unit was closed and for the years from 2008-09 to 2011-12 during load reliefs and ordered CPDCL to pass a detailed order after giving proper notice indicating the amounts due and by considering the explanations/ pleas raised by the company. Accordingly SPDCL has revised the said demands to Rs 2797.12 (which includes surcharge of Rs 1539.74 Lakhs) based on the explanations/ pleas by the company, which are still contested by the company. In view of the above, no provision



has been made in the books of account against the same. SPDCL has adjusted Rs. 4,28,99,805/-, being the consumption deposit against the said demands, which are grouped under other current assets as "Taxes & Power dues paid under Protest". The Statutory Auditors have also qualified the above matter in their report for the year ended 31<sup>st</sup> March 2015.

- 5) Based on our review conducted as above, subject to paragraphs 3 and 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 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.

Camp: Hyderabad  
Date: 13<sup>th</sup> February, 2016

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regd.   
(CV RAMA RAO)  
Partner  
Membership No.018545



# VBC INDUSTRIES LIMITED

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## Extract of the Unaudited Financial Results for the Quarter and Nine months ended 31<sup>st</sup> December, 2015

(Rs. in Lakhs)


Particulars	Quarter Ended 31-12-2015	Nine Months Ended 31-12-2015	Quarter Ended 31-12-2014
Total Income from operations(net)	13.97	450.03	363.43
Net Profit/(Loss) from Ordinary Activities after tax	(441.48)	(1687.62)	(1184.03)
Net Profit/(Loss) for the period after tax (after Extraordinary items)	(441.48)	(996.63)	(1184.03)
Equity Share Capital	4518.35	4518.35	4518.35
Reserves(Excluding Revaluation Reserves as shown in the Balance Sheet of previous year)	(1962.28) (As at 31.03.2015)	(1962.28) (As 31.03.2015)	(1962.28) (As at 31.03.2015)
Earnings per share (before extraordinary items) (of Rs. 10/- each)			
Basic:	(0.98)	(3.75)	(2.62)
Diluted:	(0.98)	(3.75)	(2.62)
Earnings per share (after extraordinary items) (of Rs. 10/- each)			
Basic:	(0.98)	(2.21)	(2.62)
Diluted:	(0.98)	(2.21)	(2.62)

### Notes:

The above is an extract of the detailed format of Quarterly and Nine Months Financial Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Nine Months Financial Results are available on the stock exchange website [www.bseindia.com](http://www.bseindia.com) and on the company's website [www.vbcil.com](http://www.vbcil.com).

for VBC INDUSTRIES LIMITED

Place: Hyderabad  
Date: 13-02-2016

  
M.S. LAKSHMAN RAO  
MANAGING DIRECTOR

