



VBC INDUSTRIES LIMITED

(An ISO 9001-2008 Company) CIN.L28113TG1971PLC001437



VBCFAL / SEC / 2017

15th September 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

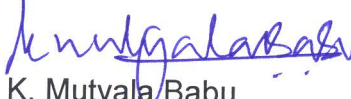
Ref: Scrip Code - 524310

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 originally held on 14th September 2017 and the same has been adjourned to 15th September 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 June 2017 are reviewed and taken on record.
2. Company appointed Shri M.S. Lakshman Rao, Managing Director as compliance officer of the Company under the regulations of SEBI.

This is for your information and records.

Yours faithfully
for VBC Industries Limited


K. Mutyala Babu
General Manager(Finance)



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE . 2017

₹ in lakhs

| S.No | Particulars | Quarter Ended | | | Previous Year Ended |
|------|--|------------------|------------------|------------------|---------------------|
| | | 30.06.2017 | 31.03.2017 | 30.06.2016 | 31.03.2017 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | a) Sales / Income form Operations | 1,061.26 | 628.93 | - | 628.93 |
| | b) Other Operating Income | 14.60 | 8.73 | 13.96 | 30.60 |
| | Total Income from Operations | 1,075.86 | 637.66 | 13.96 | 659.53 |
| 2 | Expenses | | | | |
| | a) Cost of materials consumed | 358.50 | 403.36 | - | 403.36 |
| | b) Changes in Inventories of finished goods & Work in Progress | 283.77 | (389.60) | - | (389.60) |
| | c) Employee benefit expenses | 70.88 | 65.77 | 38.08 | 182.06 |
| | d) Power | 518.18 | 556.48 | 310.45 | 866.94 |
| | e) Other Expenses (Net) | 54.64 | 148.81 | 4.54 | 201.72 |
| | f) Depreciation | 58.47 | 58.54 | 61.38 | 237.47 |
| | Total Expenses | 1,344.44 | 843.36 | 414.45 | 1,501.95 |
| 3 | (Loss) from operations before other Income, finance cost and exceptional items | (268.58) | (205.70) | (400.49) | (842.42) |
| 4 | Other income | 2.70 | 2.91 | - | 2.91 |
| 5 | (Loss) before finance cost and exceptional items | (265.88) | (202.79) | (400.49) | (839.51) |
| 6 | Finance Cost | 488.69 | 702.95 | 423.95 | 2,012.16 |
| 7 | (Loss) after finance cost, but before exceptional items and Tax | (754.57) | (905.74) | (824.44) | (2,851.67) |
| 8 | Exceptional items: | - | - | - | - |
| 9 | (Loss) after finance cost and exceptional items and Tax | (754.57) | (905.74) | (824.44) | (2,851.67) |
| 10 | Provision for Taxation : Deferred Tax | - | (28.54) | - | (20.89) |
| 11 | (Loss) after tax | (754.57) | (934.28) | (824.44) | (2,872.56) |
| 12 | Paid up equity Share Capital - (Face value of Rs.10/- each) | 4,518.35 | 4,518.35 | 4,518.35 | 4,518.35 |
| 13 | Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year | | | | (4,968.23) |
| 14 | Earnings per Share (of Rs.10/-each) -not annualised) - a) Basic b) Diluted | (1.67) (1.67) | (2.07) (2.07) | (1.82) (1.82) | (6.36) (6.36) |



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| S No. | Particulars | Quarter Ended |
|-------|---|---------------|
| | Investor Complaints : | 30.06.2017 |
| 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 | NIL |

Note: 01. The above results have been reviewed by the audit committee and approved by the board of directors at its meeting held on 14th September, 2017.

02. The above results have been prepared based on Indian GAAP, though the company has to mandatorily adopt Indian Accounting Standards from 01st April, 2017 as per clause (iii) of sub-rule (1) of the Rule 4 of The Companies (Indian Accounting Standards) Rules, 2015. The company shall implement and publish the Ind-AS compliant financial results for the quarter ended 30th September, 2017.

03. 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.

04. The company operates in only one segment of manufacturing ferro alloys.

for VBC Industries Limited

Place: Hyderabad

Date: 14.09.2017

M S Lakshman Rao
Managing Director

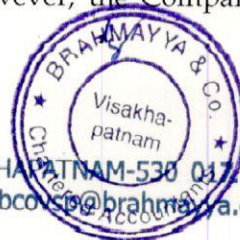
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REPORT ON THE LIMITED REVIEW CARRIED OUT ON THE UNAUDITED FINANCIAL RESULTS OF VBC INDUSTRIES LIMITED, HYDERABAD FOR THE QUARTER ENDED 30th JUNE, 2017.

- 1) We have reviewed the accompanying statement of unaudited financial results of "VBC Industries Limited, Hyderabad" for the quarter ended 30th June, 2017. 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 standalone financial statements based on our review.
- 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) The Company has prepared its financial results for the quarter based on Indian GAAP, though the company has to mandatorily adopt Indian Accounting Standards from 01st April, 2017 as per clause (iii) of sub-rule (1) of the Rule 4 of The Companies (Indian Accounting Standards) Rules, 2015.
- 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



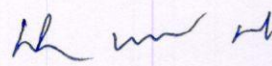
above demand, hence no provision has been made in the books of account. The Company has also received a demand of Rs. 6,17,10,747/- towards load factor shortfall deemed energy charges for the years 2014-15 & 2015-16. The said demand has been disputed by the Company. Hence no provision has been made during 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 3 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.

Place: Visakhapatnam
Date: 14th September, 2017

For **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Regd. No. 000513 S


(C V RAMANA RAO)
Partner
Membership No.018545

