

VBC INDUSTRIES LIMITED

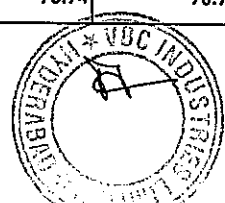
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS PERIOD ENDED 31 st DECEMBER, 2016

(₹ in Lakhs)

PART I

S.No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2016 (Unaudited)	30.09.2016 (Unaudited)	31.12.2015 (Unaudited)	31.12.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2016 (Audited)
1	Income from Operations:						
	a) Net Sales / Income from Operations	-	-	-	-	415.87	415.87
	b) Other Operating Income	1.96	5.96	13.97	21.88	34.16	48.12
	Total Income	1.96	5.96	13.97	21.88	450.03	463.99
2	Expenses:						
	a) Cost of materials consumed	-	-	-	-	82.40	82.40
	b) Changes in Inventories of finished goods	-	-	-	-	338.43	338.43
	c) Employee benefit expenses	40.21	38.00	41.30	116.30	154.67	195.03
	d) Power	-	-	-	310.45	179.90	179.90
	e) Other Expenses (Net)	14.97	8.64	14.73	28.16	50.19	66.24
	f) Depreciation	59.64	57.91	62.93	178.93	188.80	251.64
	Total Expenses	114.82	104.55	118.96	633.84	994.39	1,113.64
3	Profit from operations before other Income , Finance Cost and exceptional items	(112.86)	(98.59)	(104.99)	(611.96)	(544.36)	(649.65)
4	Other income	-	-	-	-	5.51	11.18
5	Profit / (Loss) from ordinary activities before finance cost	(112.86)	(98.59)	(104.99)	(611.96)	(538.85)	(638.47)
6	Finance Cost	446.14	439.13	336.49	1,309.21	1,148.77	1,498.39
7	Profit / (Loss) from ordinary activities after finance cost	(559.00)	(537.72)	(441.48)	(1,921.17)	(1,687.62)	(2,136.86)
8	Exceptional Items:						
	Remission of Interest allowed by ARC in respect of borrowings assigned to it by the banker	-	-	-	-	690.99	690.99
9	Profit / (Loss) after finance cost and exceptional items before Tax	(559.00)	(537.72)	(441.48)	(1,921.17)	(996.63)	(1,445.87)
10	Provision for Taxation :						
	Deferred Tax	-	-	-	-	-	234.39
11	Profit / (Loss) after tax	(559.00)	(537.72)	(441.48)	(1,921.17)	(996.63)	(1,211.48)
12	Paid up equity Share Capital	4,518.35	4,518.35	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						(2,086.49)
14	Diluted EPS (Not annualised)-`	(1.24)	(1.19)	(0.98)	(4.27)	(2.21)	(2.69)

S.No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2016 (Unaudited)	30.09.2016 (Unaudited)	31.12.2015 (Unaudited)	31.12.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2016 (Audited)
Part II	Select information:						
A.	Particulars of share holding :						
1	Public share holding						
	-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	Promoters and Promoter group shareholding						
	a). Pledged / Encumbered						
	-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). Non-Encumbered						
	-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



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 14th February, 2017 and the statutory auditors have carried out limited review of the above financial results

2) The Company has re-started its manufacturing activities from 04.01.2017.

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. 8,11,14,714/-, 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 for the quarter under review. The Statutory Auditors have qualified of the same for the year ended 31st March, 2016.

4) Southern Power Distribution company of AP Ltd (SPDCL), vide its letter dated 03.08.2016, raised a demand of Rs.6,65,16,966/- 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 for the quarter under review. The Company has also received a demand of Rs.5,90,81,616/- 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 qualified of the same for the year ended 31st March, 2016.

5) Due to steep increase in the power tariff, the cost of production of Ferro Silicon has far exceeded the market prices, resulting in non recovery of even variable cost of production. Accordingly the company has closed down its production unit at Dinnedavarapadu, Kurnool Dist since June 2015. Further the company has defaulted in payment of rescheduled loan installments to an Asset reconstruction company, who has taken over the all the loan facilities extended by the company's banker. However, the books of account are maintained under "going concern" concept, as the State Govt of AP has announced reduction in power tariff from 1st April 2016 and the company has started its manufacturing activities from 04th January, 2017 onwards.. The Statutory Auditors have qualified of the same for the year ended 31st March, 2016.

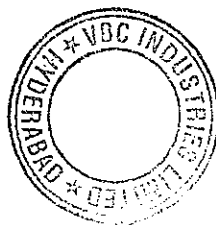
6) The company has considered the diminution as temporary in nature as stated in note No 2.34 to the standalone financial statements the value of its investment of Rs 113,13,88,989 in the equity of Konaseema Gas Power Ltd, whose net-worth has completely eroded and not in operation for more than three years. The statutory auditors have also qualified the above matter in their report for the year ended 31st March 2016.

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

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

for VBC Industries Limited

Place: Hyderabad
Date: 14.02.2017



M.S. Rao
M S Lakshman Rao
Managing Director