



VBC FERRO ALLOYS LIMITED

(An ISO 9001-2000 Company)



VBCFAL / SEC / 2023/

11th May 2023

**The Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
MUMBAI – 400 001.**

Dear Sir/Madam,

Sub: Un-Audited Financial Results for the quarter ended 30.09.2023 -reg

Ref: Scrip Code - 513005

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby attaching the Un-Audited Quarterly Financial Results for the Quarter ended 30th September 2023 along with Limited Review Report and Statement of Impact of Audit Qualifications.

This is for your information and records.

Yours faithfully
for VBC Ferro Alloys Limited

VENKATESWAR
A RAO
PALADUGU
P.V. Rao
Digitally signed by
VENKATESWARA RAO
PALADUGU
Date: 2023.11.11 19:55:25
+05'30'
Whole-Time Director



VBC FERRO ALLOYS LIMITED

(An ISO 9001-2008 Company)



UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2023

(Amount in Lacs)

Particulars	Quarter Ended			Half Year Ended		Previous Year Ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
Income from Operations						
I Sales / Income from Operations	1,338.99	1,008.15	3,597.89	2,347.14	9,168.89	17,566.53
II Other income	15.66	42.23	109.72	57.89	186.71	684.79
III Total Income from Operations (I+II)	1,354.65	1,050.38	3,707.61	2,405.03	9,355.60	18,251.32
IV Expenses						
a) Cost of materials consumed	926.41	1,212.08	1,512.89	2,138.49	2,992.64	5,402.23
b) Changes in inventories of finished goods, work-in-progress	-1,818.42	-2,608.23	-1,028.99	-4,426.65	-916.25	505.29
c).Power and Fuel	1,766.19	1,965.11	2,168.41	3,731.30	4,919.16	8,994.21
d) Employee benefits expense	126.22	135.35	162.44	261.57	300.57	517.83
e) Finance costs	1.86	0.54	0.63	2.40	5.09	6.51
f) Depreciation and amortization expense	178.71	178.71	178.05	357.42	356.11	712.21
g) Other expenses	168.33	150.98	699.54	319.31	1,237.68	2,046.76
Total expenses (IV)	1,349.30	1,034.54	3,692.97	2,383.84	8,895.00	18,185.04
V Profit/(Loss) from Operations before Exceptional Items and Tax (III-IV)	5.35	15.84	14.64	21.19	460.60	66.28
VI Exceptional items						
Earlier year taxes written back	-	-	-	-	-	-
VII Profit/(Loss) before Tax (VIII+IX)	5.35	15.84	14.64	21.19	460.60	66.28
VIII Tax expenses - Current Tax						
- Earlier Year taxes			2.44		76.88	-206.49
IX Profit/(Loss) for the Quarter (X+XI)	5.35	15.84	12.20	21.19	383.72	272.77
X Total Other Comprehensive Income [(Gains)/Losses]	-	-	-	-	-	-
XI Changes in property plant and equipment recognised to Revaluation Surplus	-	-	-	-	-	-
XII Total Comprehensive Income/(Loss) for the Quarter (XIII+XIV)	5.35	15.84	12.20	21.19	383.72	272.77
(Comprising Profit/(Loss) and other comprehensive income for the period)						
Paid-up equity share capital (Face Value Rs.10/- each)	1639.50	1639.50	1639.50	1639.50	1639.50	1639.50
Earnings per equity share (of Rs 10/- each)						
Basic	0.03	0.10	0.07	0.13	2.34	1.66
Diluted	0.03	0.10	0.07	0.13	2.34	1.66



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FACTORY: Rudraram Village, Patancheru Mandal Sangareddy District - 502 329, Telangana State, India.
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Balance Sheet as at 30th September, 2023

Amount in Lacs.

	As at 30.09.2023	As at 31.03.2023
ASSETS		
1.) Non-current assets		
a) Property, plant and equipment	13,252.03	13,568.29
b) Capital work-in-progress		
c) Right of use asset	5.19	10.39
d) Financial assets		
i) Investments	1,572.88	1,572.88
ii) Loans & Advances	7,553.19	3,485.19
e) Other non-current assets	2,784.43	2,784.43
2.) Current assets		
a) Inventories	7,187.22	1,971.22
b) Financial assets		
i) Trade receivables	199.95	699.76
ii) Cash and cash equivalents	20.75	29.56
iii) Bank balances other than above	250.25	246.87
c) Current Tax Assets (net)	23.18	23.18
d) Other current assets	2,718.91	2,467.15
Total Assets	35,567.98	26,858.92
EQUITY AND LIABILITIES		
Equity		
a) Equity Share capital	1,639.50	1,639.50
b) Other equity	10,222.04	10,200.85
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	11,370.34	3,159.99
ii) Other financial liabilities	5,282.37	5,282.37
b) Lease Liabilities	2.05	1.36
c) Deferred tax liability(Net)	321.80	321.80
Current liabilities		
a) Financial liabilities		
i) Borrowings	2,127.55	1,929.79
ii) Trade payables	2,780.89	2,785.37
iii) Other financial liabilities	90.99	46.15
b) Lease Liabilities	12.47	12.47
c) Other current liabilities	1,690.09	1,451.38
d) Provisions	27.89	27.89
Total Equity and Liabilities	35,567.98	26,858.92



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Statement of Cash flows for the period ended 30th September, 2023

Amount in Lacs.

SI no.	Particulars	For the period ended 30th September, 2023	For the year ended 31st March, 2023
A)	Cash Flow from Operating Activities:		
	Profit/(Loss) before tax and after exceptional items:	21.19	66.28
	<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
	Depreciation of property, plant and equipment and amortisation	352.22	701.82
	Amortisation of Right of Use assets (Intangible)	5.20	10.39
	Finance costs	0.51	1.45
	Gain on disposal of property, plant and equipment	-	-
	Excess provision of earlier years written back		(272.52)
	Finance Charges on leasehold land	0.69	2.57
	Operating Profit before Working Capital changes	379.81	509.99
	Working capital adjustments:		
	Movements in provisions, gratuity and government grants	-	0.51
	Decrease/(Increase) in trade and other receivables & Pre payments	(3,823.32)	(1,478.39)
	Decrease / (Increase) in inventories	(5,216.00)	(238.19)
	Increase /(Decrease) in trade and other payables	279.07	(1,837.05)
	Cash generated from operations	(8,380.44)	(3,043.13)
	Income Tax (paid)/refund		204.95
	Net Cash generated in operations	(8,380.44)	(2,838.18)
	Net cash flows from operating activities	(8,380.44)	(2,838.18)
B)	Cash Flow from Investing Activities:		
	Purchase of property, plant and equipments	(35.96)	(11.71)
	Proceeds from sale of property, plant and equipments		
	Increase/ (decrease) in Capital Work in Progress	-	
	Net cash flows used in investing activities	(35.96)	(11.71)
C)	Cash Flow from Financing Activities:		
	Interest paid	(0.51)	(1.45)
	Proceeds from borrowings	8,210.35	1,098.14
	Repayments of borrowings	197.75	1,581.12
	Net Cash flows/(used in) Financing Activities	8,407.59	2,677.81
	Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	(8.81)	(172.08)
	Opening balance of Cash & Cash equivalents	29.56	201.64
	Closing balance of Cash & Cash equivalents	20.75	29.56




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Notes:

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- 1 The above unaudited financial results of the Company have been approved by the Board of Directors on recommendations of the Audit Committee at its meetings held on 11th November, 2023
- 2 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The company has complied with all the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules.
- 4 The auditors have qualified in their report for the year ended 30th September, 2023 regarding the,
 - 1.The company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109), the impact of the same on the loss of the company is not ascertainable.
 2. Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 53,44,77,378/-, pending disposal of company's petition before TSERC as stated in to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.
 3. The balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation, reconciliation. The impact of the same on reconciliation on the statement of affairs of the company is not ascertainable.
 4. The company has not made provision for future payments of gratuity and leave encashment, considering the present liability using the Projected Unit Credit method as mandated by Ind AS 19 "Employee Benefits". This constitutes non-compliance with the provisions of section 133 of the Companies Act, 2013.
 5. The company has not carried out physical verification of its inventories during the year.
- 5 Segmental reporting as per Ind AS-108 is not applicable, as the Company is engaged in manufacture of a single line of product.
- 6 Figures for the previous periods/year have been regrouped/reclassified wherever necessary.

Place: Hyderabad

Date: 11.11.2023

For VBC Ferro Alloys Limited

P.V. Rao

Whole Time Director



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LIMITED REVIEW REPORT

**REVIEW REPORT TO
THE BOARD OF DIRECTORS OF
VBC FERRO ALLOYS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **VBC FERRO ALLOYS LIMITED** ("the Company") for the quarter ended September 30th, 2023 and the year to date from 1st April 2023 to 30th September 2023 ("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 amended from time to time, to the extent applicable. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors at its meeting held on 11th November, 2023. Our responsibility is to express a conclusion on the Statement 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 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 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 the following:
 - i. The company has not accounted for the shortfall of deemed energy charges amounting to Rs 53,44,77,378/- for prior years. This is pending resolution of the company's petition before TSERC. This omission leads to an overstatement of the reported profit.
 - ii. The company has not adhered to the requirements of Indian Accounting Standard "Financial Instruments" (Ind AS 109) by failing to measure its investments in equity instruments, designed to be measured at fair value through Other Comprehensive Income, at their fair values. This is a contravention of the provisions outlined in section 133 of the Companies Act, 2013.
 - iii. The balances in the Long Term and Short-Term Borrowings, Trade Payables, Trade Receivables and other payables are subject to confirmations.
 - iv. The company has not made provision for future payments of gratuity and leave encashment, considering the present liability using the Projected Unit Credit method as mandated by Ind AS 19 "Employee Benefits". This constitutes non-compliance with the provisions of section 133 of the Companies Act, 2013.





PAVULURI & Co.

CHARTERED ACCOUNTANTS

Plot No.48, Flat No.301,
MICASA, Phase - I, Kavuri Hills,
Hyderabad - 500 033.
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Email : mail@pavuluriandco.com

- v. The company has not carried out physical verification of its inventories during the year.
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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting standards('Ind AS') specified under section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad
Date: 11.11.2023

For PAVULURI & Co.,
Chartered Accountants
(Firm's Reg No: 012194S)

K.V.N. Deepthi
CA.V N DEEPTHI KONERU
Partner
M.No: F-228424



UDIN: **23228424BGQBOC2457**



VBC FERRO ALLOYS LIMITED

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ANNEXURE - I

Statement on Impact of UnAudit Qualifications submitted along-with half year ended UnAudited Financial. Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial half year ended 30th September, 2023

Rs.in Lacs

Sl no.	Particulars	UnAudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for Qualifications)
1	Turnover / Total Income	2405.03	2405.03
2	Total Expenditure	2383.84	7728.61
3	Net Profit / (Loss) after Tax	21.19	(5323.58)
4	Earnings Per Share	0.13	(32.47)
5	Total Assets	35567.98	35567.98
6	Total Liabilities	23706.44	29051.22
7	Net Worth	11861.53	6516.76
8	Any other financial items(s) (as felt appropriate by the management)		

[Handwritten signatures]



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CIN: L27101TG1981PLC003223

S.L No	Details of Audit Qualification;	Company's Reply;	Type of Audit Qualification	Frequency of qualification	For Audit Qualification(s) where the impact is not quantified by the auditor
1	a) Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 53,44,77,378/-, pending disposal of company's petition before TSERC as stated to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.	Company approached Telangana State Electricity Regulatory Commission (TSERC) with a request to waive the demand as the said amounts relating to deemed energy charges. As the TSSPDCL imposed said deemed energy charges even period relating to power cuts/ power holidays/non supply of power due to acute power shortage in the erstwhile undivided state of Andhra Pradesh. Therefore, the company is confident to get a favourable decision from TSERC/TSSPDCL and hence, the Board is not providing any liability. We take into consideration of Rs 53,44,77,378 for Adjusted Figures (audited figures after adjusting for qualifications)	Qualified Opinion	Thirteenth	where the impact is quantified by the auditor, Management's Views: Impact assessed
2	b) The company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109) which is not in compliance with the provisions of section 133 of the Companies Act, 2013.	We approached by the investment companies and they informed that they are in the process of finalizing their accounts and related matters. Therefore, we could not comply the said requirement. As per the Board's view all the Investments are considered as good. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications).	Qualified Opinion	Tenth	where the impact is quantified by the auditor, Management's Views: Impact assessed



[Signature] H. B. B. C. R. Dharmendar



[Signature]

3	C) The balances lying in the Long Term and short term borrowings, Trade payables, Trade Receivables and other payables are subject to confirmation	Company send the balance confirmation letter to the respective parties as per the standard audit practice. But Company is yet to receive the response from them. As per the Board's view all the balances are correct as per our books of accounts. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications)	Qualified Opinion	Thirteenth	where the impact is quantified by the auditor, Management's Views: Impact assessed	NA
4	d) The Company has not made provision towards present liability in respect of future payments of gratuity and leave encashment has not been made using Projected Unit Credit method as required by Ind AS 19 "Employee Benefits", which is non-compliance with the provisions of section 133 of the Companies Act, 2013.	The Company has made necessary provisions in the books of accounts without getting the report from the Actuarial valuation. However, Board is of view that the Company is made required amounts in the Books. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications)	Qualified Opinion	Tenth	where the impact is quantified by the auditor, Management's Views: Impact assessed	NA
5	f) No physical verification of inventories has been carried out during the year. Accordingly, we are unable to express our opinion on the realisability of the amount at which the same are stated in the books of account.	The company is having a system to make periodical physical verification of stock / inventories and also arriving at the values.	Qualified Opinion	Tenth	where the impact is quantified by the auditor, Management's Views: Impact assessed	

For and on behalf of the Board


P V RAO
Whole Time Director


HIRAK KUMAR BASU
Chairman of Audit Committee


R DHARMENDER
Chief Financial Officer

For M/s PAVULURI & Co.,
Chartered Accountants
Firm No.012194S




K.V.N. DEEPTHI
Partner

Memberships Number F228424
UDIN: 2328424B9A8B0C2457

Place : Hyderabad
Date : 11-11-2023

