

# VISA STEEL LIMITED

## VISA STEEL

CORPORATE OFFICE  
VISA HOUSE,  
8/10, ALIPORE ROAD  
KOLKATA - 700 027  
Tel : +91-33-3011 9000  
Fax : +91-33-3011 9002  
Website : www.visasteel.com  
CIN NO : L51109OR1996PLC004601

27 May 2016

BSE Limited 25 Floor P J Towers Dalal Street, Mumbai 400 001  <b>Fax no: 91 – 22 – 2272 3121</b>  <b><u>BSE SCRIP CODE: 532721</u></b>	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051  <b>Fax no: 91 – 22 – 2659 8237 / 38</b>  <b><u>NSE SYMBOL: VISASTEEL</u></b>
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**Sub: Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir / Madam,

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed the Standalone and Consolidated Audited Financial Results of the Company for the financial year ended 31 March 2016, together with the Auditors Report thereon and the requisite Form – A for Standalone and Consolidated Audited Financial Results.

Please note that the meeting concluded 18:15 hours.

This is for your information.

Thanking You,

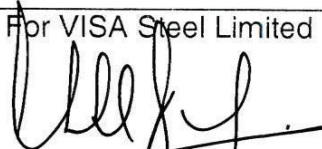
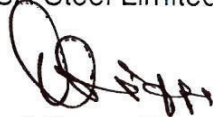
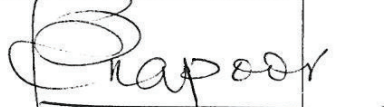


Yours truly,  
For VISA Steel Limited

  
Keshav Sadani  
Company Secretary &  
Compliance Officer  
FCS 8410



Encl: As above

**Form A**  
**(for audit report with unmodified opinion)**

1	Name of the company	VISA Steel Limited
2	Annual financial statements for the year ended	Standalone Financial Statement for the financial year ended 31 March 2016
3	Type of Audit observation	Un-Modified / Emphasis of Matter
4	Frequency of observation	Since Financial Year Ended 31 March 2015
5	To be signed by-	
	• CEO / Managing Director	For VISA Steel Limited  Vishal Agarwal Vice Chairman & Managing Director
	• CFO	For VISA Steel Limited  Manoj Kumar Digga Director (Finance) & Chief Financial Officer
	• Audit Committee Chairman	For VISA Steel Limited  Shiv Dayal Kapoor Chairman - Audit Committee
	• Auditor of the company	For Lovelock & Lewes Firm Registration Number : 301056E Chartered Accountants   Pradip Law Membership No. 51790

Date: 27 May 2016

Place: Kolkata

# Lovelock & Lewes

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VISA STEEL LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **VISA Steel Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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# Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
To the Members of Visa Steel Limited  
Report on the Standalone Financial Statements  
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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2016, and its loss and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to Note 44 to the standalone financial statements, regarding the presentation of the same ongoing concern basis. The Company has incurred a net loss of Rs. 5,835.47 Million during the year ended March 31, 2016 and, as of that date, the Company's current liabilities exceeds its current assets by Rs. 15,843.22 Million and the Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.
10. We draw your attention to Note 14 to the standalone financial statements regarding the decline in the value of the Company's long term strategic investment in Visa SunCoke Limited (a subsidiary), whose net-worth has partially eroded as on March 31, 2016 and for which a provision for other than temporary decline in the value of the investment in accordance with Accounting Standard (AS) 13 'Accounting for Investments' is not considered necessary by the Management for the reasons stated therein. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.




# Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter mentioned in paragraph 9 of Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 22.
  - ii) The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses as at March 31, 2016.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants



**Pradip Law**

Partner  
Membership Number 51790

Kolkata  
May 27, 2016

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website: www.visasteel.com

Email ID for registering Investor Grievances: investors@visasteel.com

## Statement of Standalone Audited / Unaudited Financial Results for the Quarter and Year Ended 31 March 2016

Part-I

(Rs.In Lakhs except EPS)

Sl. No.	Particulars	Quarter Ended			Financial Year Ended	
		31 March	31 December	31 March	31 March	31 March
		2016	2015	2015	2016	2015
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income From Operations</b>					
	(a) Net Sales/Income from Operations (Net of excise duty)	27,625.18	26,485.57	18,706.50	100,344.73	90,186.71
	(b) Other Operating Income	220.47	46.83	543.43	774.22	2,028.89
	<b>Total income from operations (net)</b>	<b>27,845.65</b>	<b>26,532.40</b>	<b>19,249.93</b>	<b>101,118.95</b>	<b>92,215.60</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	19,012.87	19,695.60	11,164.76	71,952.07	59,895.52
	(b) Purchases of stock-in-trade	90.73	22.66	619.33	2,233.67	5,712.16
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(389.89)	43.18	3,156.59	(1,523.91)	2,579.45
	(d) Employee benefits expense	1,377.08	1,537.03	841.00	5,772.53	3,526.60
	(e) Depreciation and amortisation expense	3,035.22	3,076.14	2,130.99	12,268.57	5,740.91
	(f) Other expenses	7,662.92	5,776.26	6,459.61	24,208.84	20,707.34
	<b>Total expenses</b>	<b>30,788.93</b>	<b>30,150.87</b>	<b>24,372.28</b>	<b>114,911.77</b>	<b>98,161.98</b>
3	<b>Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)</b>	<b>(2,943.28)</b>	<b>(3,618.47)</b>	<b>(5,122.35)</b>	<b>(13,792.82)</b>	<b>(5,946.38)</b>
4	Other Income	519.65	575.08	699.98	2,721.84	2,885.24
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(2,423.63)</b>	<b>(3,043.39)</b>	<b>(4,422.36)</b>	<b>(11,070.98)</b>	<b>(3,061.14)</b>
6	Finance costs	11,840.09	11,078.40	7,281.64	44,537.05	20,618.95
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(14,263.72)</b>	<b>(14,121.79)</b>	<b>(11,704.00)</b>	<b>(55,608.03)</b>	<b>(23,680.09)</b>
8	Exceptional Items	-	-	-	-	-
9	<b>Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(14,263.72)</b>	<b>(14,121.79)</b>	<b>(11,704.00)</b>	<b>(55,608.03)</b>	<b>(23,680.09)</b>
10	Tax expense (Refer Note -8)	2,747.05	-	-	2,747.05	463.92
11	<b>Net Profit / (Loss) from ordinary activities after tax (9- 10)</b>	<b>(17,010.77)</b>	<b>(14,121.79)</b>	<b>(11,704.00)</b>	<b>(58,355.08)</b>	<b>(24,144.01)</b>
12	Extraordinary Item	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11-12)</b>	<b>(17,010.77)</b>	<b>(14,121.79)</b>	<b>(11,704.00)</b>	<b>(58,355.08)</b>	<b>(24,144.01)</b>
14	Paid-up equity share capital (face value of Rs.10/- each)	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(57,111.39)	1,242.98
16.i	<b>Earnings Per Share (before extraordinary items) (of Rs.10/-each) (not annualised)</b>					
	(a) Basic	(15.46)	(12.84)	(10.64)	(53.05)	(21.95)
	(b) Diluted	(15.46)	(12.84)	(10.64)	(53.05)	(21.95)
16.ii	<b>Earnings Per Share (after extraordinary items) (of Rs.10/-each) (not annualised)</b>					
	(a) Basic	(15.46)	(12.84)	(10.64)	(53.05)	(21.95)
	(b) Diluted	(15.46)	(12.84)	(10.64)	(53.05)	(21.95)



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Part-II

## Standalone Segment Wise Revenue, Results and Capital Employed For the Quarter and Year Ended 31 March 2016 (Refer Note 2 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Financial Year Ended	
		31 March	31 December	31 March	31 March	31 March
		2016	2015	2015	2016	2015
		Audited	Unaudited	Audited	Audited	Audited
1)	<b>Segment Revenue</b>					
	a) Special Steel	12,392.95	13,690.48	10,345.58	50,738.45	48,089.59
	b) Ferro Alloys	15,800.70	13,111.84	9,010.71	51,566.78	45,054.52
	<b>Total</b>	<b>28,193.65</b>	<b>26,802.32</b>	<b>19,356.29</b>	<b>102,305.23</b>	<b>93,144.11</b>
	Less: Inter-Segment Revenue	348.00	269.92	106.36	1,186.28	928.51
	<b>Net Sales / Income From Operations</b>	<b>27,845.65</b>	<b>26,532.40</b>	<b>19,249.93</b>	<b>101,118.95</b>	<b>92,215.60</b>
2)	<b>Segment Results</b>					
	Profit / (Loss) before tax and interest from Each segment					
	a) Special Steel	(2,456.92)	(2,995.90)	(3,014.55)	(9,847.83)	(608.33)
	b) Ferro Alloys	951.23	616.64	(841.34)	1,291.18	2,673.40
	<b>Total</b>	<b>(1,505.68)</b>	<b>(2,379.26)</b>	<b>(3,855.89)</b>	<b>(8,556.65)</b>	<b>2,065.07</b>
	Less: i) Finance Costs	11,840.09	11,078.40	7,281.64	44,537.05	20,618.95
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	917.95	664.14	566.48	2,514.33	5,126.21
	<b>Total Profit / (Loss) Before Tax</b>	<b>(14,263.73)</b>	<b>(14,121.80)</b>	<b>(11,704.01)</b>	<b>(55,608.03)</b>	<b>(23,680.09)</b>
3)	<b>Capital Employed</b>					
	(Segment assets-Segment liabilities)					
	a) Special Steel	202,133.10	203,585.22	202,070.93	202,133.10	202,070.93
	b) Ferro Alloys	54,399.24	46,083.93	40,381.33	54,399.24	40,381.33
	<b>Total capital employed in segments</b>	<b>256,532.34</b>	<b>249,669.15</b>	<b>242,452.26</b>	<b>256,532.34</b>	<b>242,452.26</b>
	c) Unallocated	(72,195.70)	(41,071.59)	10,355.07	(72,195.70)	10,355.07
	<b>Total</b>	<b>184,336.64</b>	<b>208,597.55</b>	<b>252,807.33</b>	<b>184,336.64</b>	<b>252,807.33</b>



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(Rs. in Lakh)

Particulars	Standalone	
	Financial Year Ended	
	31 March	31 March
	2016	2015
	Audited	Audited
<b>A. EQUITY &amp; LIABILITIES</b>		
<b>1 Shareholders' Fund</b>		
(a) Share Capital	11,000.00	11,000.00
(b) Reserves and Surplus	(57,112.10)	1,243.01
(c) Money received against share warrants	-	-
<b>Sub-total -Shareholders' funds</b>	<b>(46,112.10)</b>	<b>12,243.01</b>
<b>2 Share application money pending allotment</b>	-	-
<b>3 Non current liabilities</b>		
(a) Long-term borrowings	222,420.21	232,543.00
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	7,872.00	7,872.00
(d) Long-term provisions	156.52	149.12
<b>Sub-total - Non-current liabilities</b>	<b>230,448.73</b>	<b>240,564.12</b>
<b>4 Current liabilities</b>		
(a) Short-term borrowings	76,245.88	43,972.30
(b) Trade payables	26,660.33	32,225.00
(c) Other current liabilities	91,624.53	57,063.60
(d) Short-term provisions	171.91	132.77
<b>Sub-total- Current liabilities</b>	<b>194,702.65</b>	<b>133,393.67</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>379,039.29</b>	<b>386,200.90</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	292,247.48	304,377.54
(b) Non-current investments	45,113.89	45,113.89
(c) Deferred tax assets(net)	-	-
(d) Long-term loans and advances	5,407.71	8,518.70
(e) Other non-current assets	-	11.37
<b>Sub-total - Non-current assets</b>	<b>342,769.08</b>	<b>358,021.50</b>
<b>2 Current assets</b>		
(a) Inventories	11,841.61	11,248.70
(b) Trade receivables	14,833.52	5,611.70
(c) Cash and cash equivalents	513.80	506.00
(d) Short-term loans and advances	8,715.91	9,937.10
(e) Other current assets	365.35	875.90
<b>Sub-total - Current assets</b>	<b>36,270.21</b>	<b>28,179.40</b>
<b>TOTAL - ASSETS</b>	<b>379,039.29</b>	<b>386,200.90</b>





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**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held
- The Company has identified primary business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information
- The Board of Directors of the Company at its meeting held on 12 August 2013, had approved the transfer of its Special Steel Undertaking on a going concern basis to its wholly owned subsidiary VISA Special Steel Limited by way of Scheme of Arrangement (the Scheme) with effect from 1 April, 2013 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to sanction of Jurisdictional High Court. Pending such sanction, no accounting adjustment in respect of the Scheme has been considered for the compilation of the above result. Profit/(Loss) from the aforesaid discontinuing operations as included in the above results and details thereof are set out below:

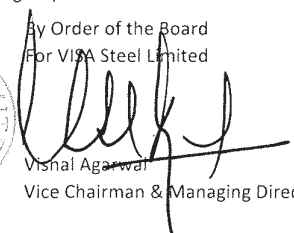
(Rs. In Lakhs)

Particulars	Quarter Ended			Financial Year Ended	
	31 March	31 December	31 March	31 March	31 March
	2016	2015	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Income from Operations	12,392.95	13,690.48	10,345.58	50,738.45	48,089.59
Other Income	78.27	96.94	144.34	411.08	741.45
Total Expenses	22,808.06	23,653.61	18,321.34	91,096.82	63,897.67
Profit before taxation	(10,336.84)	(9,866.19)	(7,831.43)	(39,947.29)	(15,066.63)
Tax Expenses	-	-	-	-	60.93
Profit after taxation	(10,336.84)	(9,866.19)	(7,831.43)	(39,947.29)	(15,127.56)

- The Company has incurred net loss during the quarter and year ended 31 March 2016 and the year-end current liabilities exceeded the current assets as on 31 March 2016 which has adversely impacted the net worth of the Company. The Company's financial performance has been adversely affected mainly due to non-availability of raw materials at viable prices, depressed market condition and other external factors beyond the Company's control. With the substantial improvement in raw material availability, likely improvement in market scenario with notification of Minimum Import Price on Steel, and the restructuring plan as may be agreed with lenders, it is expected that the overall financial health of the Company would improve considerably. Considering the above developments and favorable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.
- The Board of Directors of the Company at its meeting held on 21 August 2015 had approved the amalgamation of VISA BAO Limited with the Company by way of Scheme of Arrangement (the Scheme) with effect from 1 April, 2015 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to the sanctions/approval of Jurisdictional High Court, lenders and other concerned authorities, as may be applicable. Pending such sanction/approval, no accounting adjustment in respect of the Scheme has been considered for the compilation of the above result.
- The Company holds long term strategic investment with 51% stake in VISA SunCoke Limited (VSCL), a Subsidiary Company, since March 2013. VSCL has incurred Cash losses during the current year and previous year and its net worth has been partially eroded as at 31 March 2016 due to adverse external factors beyond VSCL's control, such as lower market demand for its product, due to downturn in the steel sector, declining selling prices and temporary availability of cheaper imports of its product. The Company believes that the aforesaid factors are temporary in nature and it is expected that the overall financial results of VSCL would improve with the recent improvement in selling prices of product, industry representations for imposition of anti-dumping duty. Thus considering the facts stated above and long term nature of strategic investment in VSCL, the impact on financial performance of VSCL is considered temporary in nature for the period ended 31 March 2016 and does not require provisioning towards diminution as per applicable accounting standard to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.
- The figures for the last quarter of the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31 March and the unaudited published figures upto the third quarter ended 31 December.
- Tax expense represents deferred tax asset and reversal of MAT credit
- Figures for the corresponding period of the previous periods have been re-classified / re-grouped wherever considered necessary.

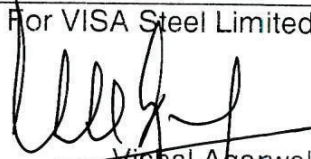

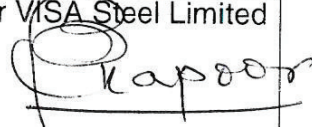


Date: 27 May 2016  
Place: Kolkata

By Order of the Board  
For VISA Steel Limited



Vishal Agarwal  
Vice Chairman & Managing Director

**Form A**  
**(for audit report with unmodified opinion)**

1	Name of the company	VISA Steel Limited
2	Annual financial statements for the year ended	Consolidated Financial Statement for the financial year ended 31 March 2016
3	Type of Audit observation	Un-Modified / Emphasis of Matter
4	Frequency of observation	Since Financial Year Ended 31 March 2015
5	To be signed by-	
	<ul style="list-style-type: none"> <li>CEO / Managing Director</li> </ul>	<p>For VISA Steel Limited</p>  <p>Vishal Agarwal Vice Chairman &amp; Managing Director</p>
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	<p>For VISA Steel Limited</p>  <p>Manoj Kumar Digga Director (Finance) &amp; Chief Financial Officer</p>
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	<p>For VISA Steel Limited</p>  <p>Shiv Dayal Kapoor Chairman - Audit Committee</p>
	<ul style="list-style-type: none"> <li>Auditor of the company</li> </ul>	<p>For Lovelock &amp; Lewes Firm Registration Number : 301056E Chartered Accountants</p>   <p>Pradip Law Membership No. 51790</p>

Date: 27 May 2016

Place: Kolkata

# Lovelock & Lewes

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VISA STEEL LIMITED

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of VISA Steel Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity (refer Note 2.2 (vii) to the attached consolidated financial statements), comprising the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement,

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Kolkata - 700 091

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# Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
To the Members of VISA Steel Limited  
Report on the Consolidated Financial Statements  
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including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2016 and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

8. We draw your attention to the following matters:
  - (a) Note 37 (a) to the consolidated financial statements, regarding the presentation of the financial statements of the Parent Company on going concern basis. The Parent Company has incurred a net loss of Rs. 5,835.47 Million during the year ended March 31, 2016 and, as of that date, the Parent Company's current liabilities exceeds its current assets by Rs. 15,843.22 Million and the Parent Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid Note, indicate the existence of a material uncertainty that may cast significant doubt about the Parent Company's ability to continue as a going concern.
  - (b) The financial statements of VISA SunCoke Limited for the year ended March 31, 2016, a subsidiary of VISA Steel Limited, was audited by another firm of chartered accountants, who vide their report dated May 25, 2016 have reported as follows :

"We draw attention to Note 40 in the financial statements which, indicates that the Company has accumulated losses, it has incurred cash loss during the current and previous years and its current liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters said forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern"

Further, the standalone financial statements of the Parent Company and the aforesaid subsidiary reflect total assets of Rs. 35,728.64 Million (94.63%) and net assets of Rs. (7,235.77) Million (96.91%) as at March 31, 2016, total revenue of Rs. 13,161.15 Million (99.98%), net loss of Rs. 6,081.27 Million (94.81%) and net cash flows amounting to Rs. 632.62 Million (99.88%) for the year ended March 31, 2016, which have been considered in the consolidated financial statements



# Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
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of the Group and its jointly controlled entity. Consequently, this indicates the existence of a material uncertainty that may cast significant doubt about the Group and its jointly controlled entity's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

## Other Matter

9. We did not audit the financial statements of five subsidiaries, and one jointly controlled entity whose financial statements reflect total assets of Rs. 2,377.08 Million and net assets of Rs. 535.47 Million as at March 31, 2016, total revenue of Rs. 2,936.63 Million, net loss of Rs. 1,403.10 Million and net cash flows amounting to Rs. 62.23 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matter mentioned under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and its jointly controlled entity. Further, the audit report on the financial statements of VISA SunCoke Limited, a subsidiary of the Holding



# Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
To the Members of VISA Steel Limited  
Report on the Consolidated Financial Statements  
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Company, issued by an independent firm of Chartered Accountants vide its report dated May 25, 2016 contains the following remark, which is reproduced by us as under:

"We draw attention to Note 40 in the financial statements which, indicates that the Company has accumulated losses, it has incurred cash loss during the current and previous years and its current liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters said forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern"

- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and jointly controlled entity— Refer Note 22 to the consolidated financial statements.
  - ii. The Group and jointly controlled entity had long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled company incorporated in India during the year ended March 31, 2016.

For Lovelock & Lewes  
Firm Registration Number - 301056E  
Chartered Accountants



**Pradip Law**  
Partner  
Membership Number 51790

Kolkata  
May 27, 2016

# VISA STEEL

## VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

Registered Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha

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website: [www.visasteel.com](http://www.visasteel.com)

Email ID for registering Investor Grievances: investors@visasteel.com

### Statement of Consolidated Audited/Unaudited Financial Results for the Quarter and Year Ended 31 March 2016

Part - I

(Rs. In Lakhs except EPS)

Particulars	Quarter Ended			Financial Year Ended		
	31 March	31 December	31 March	31 March	31 March	
	2016	2015	2015	2016	2015	
	Audited	Unaudited	Audited	Audited	Audited	
1	<b>Income From Operations</b>					
	(a) Net Sales/Income from Operations (Net of excise duty)	33,602.99	33,022.95	27,362.20	129,539.45	126,000.79
	(b) Other Operating Income	220.37	46.67	543.43	773.97	2,026.56
	<b>Total Income from Operations (net)</b>	<b>33,823.36</b>	<b>33,069.62</b>	<b>27,905.63</b>	<b>130,313.42</b>	<b>128,027.35</b>
2	<b>Expenses</b>					
	(a) Cost of Materials consumed	24,968.89	26,547.81	15,569.29	99,675.30	95,788.07
	(b) Purchases of stock-in-trade	90.74	22.66	739.14	2,233.67	5,831.97
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(638.88)	(344.89)	3,188.03	(1,814.28)	(1,408.31)
	(d) Employee benefits expense	1,514.10	1,787.58	1,124.88	6,675.87	4,681.77
	(e) Depreciation and amortisation expense	3,629.97	3,561.83	2,465.04	14,318.85	7,673.02
	(f) Other expenses	7,622.75	5,821.23	9,566.81	24,393.61	21,544.99
	<b>Total Expenses</b>	<b>37,187.57</b>	<b>37,396.22</b>	<b>32,653.19</b>	<b>145,483.02</b>	<b>134,111.51</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(3,364.21)</b>	<b>(4,326.60)</b>	<b>(4,747.56)</b>	<b>(15,169.60)</b>	<b>(6,084.16)</b>
4	Other Income	129.85	269.07	328.01	1,319.10	1,487.01
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(3,234.36)</b>	<b>(4,057.53)</b>	<b>(4,419.55)</b>	<b>(13,850.50)</b>	<b>(4,597.15)</b>
6	Finance costs	12,610.72	11,959.50	7,891.69	47,544.44	22,936.00
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(15,845.08)</b>	<b>(16,017.03)</b>	<b>(12,311.24)</b>	<b>(61,394.94)</b>	<b>(27,533.15)</b>
8	Exceptional Items (Refer Note 5)	-	-	(22.34)	-	(2,403.79)
9	<b>Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(15,845.08)</b>	<b>(16,017.03)</b>	<b>(12,333.58)</b>	<b>(61,394.94)</b>	<b>(29,936.94)</b>
10	<b>Tax expense</b>					
	Current Tax	0.53	(0.03)	74.37	0.54	74.40
	Mat Credit Entitlement (Reversal)	2,747.05	-	308.99	2,747.05	386.80
	Deferred Tax	-	-	-	-	140.57
	Tax Adjustment for earlier years	0.10	-	-	0.34	-
11	<b>Net Profit / (Loss) from ordinary activities after tax (9- 10)</b>	<b>(18,592.76)</b>	<b>(16,017.00)</b>	<b>(12,716.94)</b>	<b>(64,142.87)</b>	<b>(30,538.71)</b>
12	Extraordinary Items	-	-	-	-	(274.33)
13	<b>Net Profit / (Loss) for the period (11-12)</b>	<b>(18,592.76)</b>	<b>(16,017.00)</b>	<b>(12,716.94)</b>	<b>(64,142.87)</b>	<b>(30,264.38)</b>
14	Share of profit / (loss) of associates	-	-	-	-	-
15	Minority Interest	(708.88)	(868.02)	(371.31)	(2,590.03)	(2,973.41)
16	<b>Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14-15)</b>	<b>(17,883.88)</b>	<b>(15,148.98)</b>	<b>(12,345.63)</b>	<b>(61,552.84)</b>	<b>(27,290.97)</b>
17	Paid-up equity share capital (Face Value of Rs.10/- each)	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(93,217.88)	(31,476.95)
19.i	<b>Earnings Per Share (before extraordinary items) (of Rs.10/-each) (not annualised)</b>					
	(a) Basic	(16.26)	(13.77)	(11.22)	(55.96)	(25.06)
	(b) Diluted	(16.26)	(13.77)	(11.22)	(55.96)	(25.06)
19.ii	<b>Earnings Per Share (after extraordinary items) (of Rs.10/-each) (not annualised)</b>					
	(a) Basic	(16.26)	(13.77)	(11.22)	(55.96)	(24.81)
	(b) Diluted	(16.26)	(13.77)	(11.22)	(55.96)	(24.81)

# VISA STEEL

## VISA STEEL LIMITED

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website: [www.visasteel.com](http://www.visasteel.com)

Email ID for registering Investor Grievances: [investors@visasteel.com](mailto:investors@visasteel.com)

### Consolidated Segment Wise Revenue, Results and Capital Employed for the Quarter and Year Ended 31 March 2016 (Refer Note 3)

(Rs. In Lakhs)

Particulars	Quarter Ended			Year Ended	
	31 March	31 December	31 March	31 March	31 March
	2016	2015	2015	2016	2015
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
a) Special Steel	12,392.95	13,690.48	10,345.58	50,738.45	48,089.59
b) Ferro Alloys	15,800.70	13,111.84	9,010.71	51,566.78	45,054.52
c) Coke	8,661.31	10,031.50	9,361.01	40,457.80	42,833.22
<b>Total</b>	<b>36,854.96</b>	<b>36,833.82</b>	<b>28,717.30</b>	<b>142,763.03</b>	<b>135,977.33</b>
Less: Inter Segment Revenue	3,031.60	3,764.20	811.67	12,449.61	7,949.98
<b>Net Sales/ Income From Operations</b>	<b>33,823.36</b>	<b>33,069.62</b>	<b>27,905.63</b>	<b>130,313.42</b>	<b>128,027.35</b>
<b>2. Segment Results</b>					
Profit/(Loss) before tax and interest from Each segment					
a) Special Steel	(2,453.35)	(2,998.17)	(1,056.15)	(9,840.19)	(600.09)
b) Ferro Alloys	1,129.91	831.25	870.87	2,117.62	3,655.39
c) Coke	(1,003.25)	(1,315.26)	(406.19)	(3,794.56)	(5,094.16)
<b>Total</b>	<b>(2,326.69)</b>	<b>(3,482.18)</b>	<b>(591.48)</b>	<b>(11,517.14)</b>	<b>(2,038.86)</b>
Less: i) Finance Cost	12,610.72	11,959.50	7,891.69	47,544.44	22,936.00
ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	907.67	575.35	3,850.42	2,333.36	4,687.75
<b>Total Profit/(Loss) Before Tax #</b>	<b>(15,845.08)</b>	<b>(16,017.03)</b>	<b>(12,333.58)</b>	<b>(61,394.94)</b>	<b>(29,662.61)</b>
<b>3. Capital Employed</b>					
(Segment assets-Segment liabilities)					
a) Special Steel	202,130.33	203,583.81	198,370.29	202,130.33	198,370.29
b) Ferro Alloys	74,996.94	66,475.84	63,837.74	74,996.94	63,837.74
c) Coke	22,896.06	25,666.92	31,381.51	22,896.06	31,381.51
<b>Total Capital Employed in segments</b>	<b>300,023.33</b>	<b>295,726.57</b>	<b>293,589.54</b>	<b>300,023.33</b>	<b>293,589.54</b>
Add : Unallocable Corporate assets less Corporate liabilities	(138,632.13)	(107,243.63)	(54,587.69)	(138,632.13)	(54,587.69)
<b>Total capital employed</b>	<b>161,391.21</b>	<b>188,482.94</b>	<b>239,001.85</b>	<b>161,391.20</b>	<b>239,001.85</b>

# After considering Extraordinary item (Gross of Tax) Rs.274.33 lakhs for the year ended 31 March 2015.



# VISA STEEL

VISA STEEL LIMITED

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Email ID for registering Investor Grievances: investors@visasteel.com

## Consolidated Statement of Assets and Liabilities

Particulars	(Rs. In Lakhs)	
	As at	
	31 March 2016	31 March 2015
	Audited	Audited
<b>A EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' funds</b>		
(a) Share capital	11,000.00	11,000.00
(b) Reserves and surplus	(93,217.88)	(31,476.95)
(c) Money received against share warrants	-	-
<b>Sub-total - Shareholders' funds</b>	<b>(82,217.88)</b>	<b>(20,476.95)</b>
<b>2. Share application money pending allotment</b>	-	-
<b>3. Minority interest</b>	7,553.74	10,324.50
<b>4. Non-current liabilities</b>		
(a) Long-term borrowings	235,705.57	248,796.54
(b) Deferred tax liabilities (net)	10.84	10.84
(c) Other long-term liabilities	181.98	177.59
(d) Long-term provisions	156.95	169.33
<b>Sub-total - Non-current liabilities</b>	<b>236,055.34</b>	<b>249,154.30</b>
<b>5. Current liabilities</b>		
(a) Short-term borrowings	92,086.23	63,081.40
(b) Trade payables	22,174.29	32,065.23
(c) Other current liabilities	101,736.27	61,313.43
(d) Short-term provisions	187.49	360.31
<b>Sub-total - Current liabilities</b>	<b>216,184.28</b>	<b>156,820.37</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>377,575.48</b>	<b>395,822.22</b>
<b>B ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed assets	324,418.84	338,578.47
(b) Goodwill on consolidation		
(c) Non-current investments		
(d) Deferred tax assets (net)	1.00	1.00
(e) Long-term loans and advances	6,632.37	9,691.36
(f) Other non-current assets	64.19	195.80
<b>Sub-total - Non-current assets</b>	<b>331,116.40</b>	<b>348,466.63</b>
<b>2. Current assets</b>		
(a) Current investments		
(b) Inventories	19,141.90	27,412.32
(c) Trade receivables	14,929.19	5,823.90
(d) Cash and cash equivalents	2,568.32	1,934.94
(e) Short-term loans and advances	9,265.60	11,096.31
(f) Other current assets	554.07	1,088.12
<b>Sub-total - Current assets</b>	<b>46,459.08</b>	<b>47,355.59</b>
<b>TOTAL - ASSETS</b>	<b>377,575.48</b>	<b>395,822.22</b>

# VISA STEEL

## VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

Registered Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha

Phone: (+91-674) 255 2479, Fax: (+91-674) 255 4661

Corporate Office: VISA House, 8/10 Alipore Road, Kolkata 700 027

Phone: (+91-33) 3011 9000, Fax: (+91-33) 3011 9002

website: [www.visasteel.com](http://www.visasteel.com)

Email ID for registering Investor Grievances: [investors@visasteel.com](mailto:investors@visasteel.com)

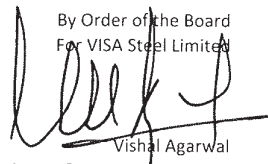
### Notes:

- 1) The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 May 2016.
- 2) The Consolidated Financial Results include the results of the business operations of VISA Steel Group, and results have been prepared in accordance with applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014. VISA Steel Group comprises the Parent Company i.e. VISA Steel Limited, its seven Subsidiaries (includes two step down subsidiaries) and one Joint Venture Company.
- 3) VISA Steel Group has identified primary business segments namely "Special Steel", "Ferro Alloys" and "Coke" and has disclosed segment information accordingly.
- 4)(a) The Parent Company has incurred net loss during the quarter and year ended 31 March 2016 and the year-end current liabilities exceeded the current assets as on 31 March 2016 which has adversely impacted the net worth of the Parent Company. The Parent Company's financial performance has been adversely affected mainly due to non-availability of raw materials at viable prices, depressed market condition and other external factors beyond the Parent Company's control. With the substantial improvement in raw material availability, likely improvement in market scenario with notification of Minimum Import Price on Steel, and the restructuring plan as may be agreed with lenders, it is expected that the overall financial health of the Parent Company would improve considerably. Considering the above developments and favorable impact thereof on the Parent Company's operations and financials, The Parent Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.
- 4)(b) VISA SunCoke Limited (VSCL), a subsidiary Company, has incurred cash loss during the current year and previous year and its current liabilities exceeds its current assets as at 31 March 2016. VSCL's financial performance has been adversely affected by external factors beyond VSCL's control, such as lower market demand for its finished goods due to downturn in the steel sector, declining selling prices and temporary availability of cheaper imports of its finished goods. VSCL feels that these factors are temporary and it is expected that the overall financial results and cash flows of VSCL would improve with the recent improvement in selling prices of finished goods, industry representations for imposition of anti-dumping duty and with support from lenders. Based on the above developments, VSCL has prepared the financial statements on the basis of going concern assumption, to which their Statutory Auditors have also drawn attention, without qualifying their opinion in VSCL's audit report.
- 5) Figures for the corresponding period of the previous periods have been re-classified / re-grouped wherever considered necessary.

Date : 27 May 2016

Place: Kolkata



By Order of the Board  
For VISA Steel Limited  
  
Vishal Agarwal  
Vice Chairman & Managing Director