

VISA STEEL LIMITED

VISA STEEL

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

14 August 2017

BSE Limited 25 Floor P J Towers Dalal Street, Mumbai 400 001 <u>BSE Scrip Code: 532721</u>	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051 <u>NSE SYMBOL: VISASTEEL</u>
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Sub: Outcome of the Board Meeting - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Please be informed that Board of Directors at its Meeting held on 14 August 2017 has, *inter-alia*,

- i. Approved pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Unaudited Standalone Financial Results of the Company for the quarter ended 30 June 2017 in the specified format along with the Limited Review Report.

Further, we would like to inform that the Company under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 opts to continue to submit/publish Unaudited Standalone Financial Results for every quarter end and shall submit the Audited Financial Results on both Standalone and consolidated basis, for the financial year end.



- ii. Approved to increase the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non-Resident Indian ("NRI") shareholding limit in the paid up share capital of the Company from 24% to 74%, subject to necessary approvals.
- iii. Approved the Postal Ballot Notice for seeking approval of the shareholders of the Company for the following item
 - a. To increase the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non-Resident Indian ("NRI") shareholding limit in the paid up share capital of the Company from 24% to 74%.

Further in compliance with the provisions of the Companies Act, 2013 read with applicable rules and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has decided to provide the facility to the shareholders of the Company to exercise their rights to vote by electronic means and avail the services of Karvy Computershare Private Limited for the same.

- iv. Approved that since the Whole time Directors of the Company are responsible for managing the business of the Company as managers in addition to their powers as members of the Board of the Director of the Company, Mr. Vishambhar Saran shall act as Chief Executive Officer of the Company in addition to being the Whole time Director designated as the Chairman, Mr. Vishal Agarwal shall act as Deputy Chief Executive Officer in addition to being the Vice Chairman & Managing Director and Mr. Manoj Kumar, shall act as Chief Operating Officer in addition to being the Whole time Director designated as Director (Kalinagnagar).

The meeting commenced at 1130 hours and concluded at 1645 hours.

This is for your information.

Thanking You,
For VISA Steel Limited

Sudhir Kumar Banthiya

Sudhir Kumar Banthiya
Company Secretary &
Compliance Office



Lovelock & Lewes

Chartered Accountants

The Board of Directors
VISA Steel Limited
VISA House,
8/10 Alipore Road
Kolkata 700027

1. We have reviewed the unaudited financial results of VISA Steel Limited (the "Company") for the quarter ended June 30, 2017 which are included in the accompanying "Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June, 2017" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), read with SEBI Circular dated July 5, 2016 which has been initialled by us for identification purposes. The 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 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 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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We draw your attention to Note 5 to the Statement with regard to non – recognition of interest expense amounting to Rs. 11948.10 Lakhs on the borrowings of the Company for the quarter ended June 30, 2017 which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.

Had the aforesaid interest expense been recognised, Finance costs for the quarter ended June 30, 2017 would have been Rs. 12544.41 Lakhs instead of the reported amount of Rs. 596.31 Lakhs ; Profit /(Loss) before exceptional items and tax for the quarter ended June 30, 2017 would have been Rs. (16853.25) Lakhs instead of the reported amount of Rs. (4905.15) Lakhs ; Profit/(Loss) before tax for the quarter ended June 30, 2017 would have been Rs. (16853.25) Lakhs instead of the reported amount of Rs. (4905.15) Lakhs ; Net Profit /(Loss) for the quarter ended June 30, 2017 would have been Rs. (16853.25) Lakhs instead of the reported amount of Rs. (4905.15) Lakhs; Total Comprehensive Income for the quarter ended June 30, 2017 would have been Rs. (16859.07) Lakhs instead of the reported amount of Rs. (4910.97) Lakhs and Earning Per Share for the quarter ended June 30, 2017 would have been Rs. (15.32) instead of the reported amount of Rs. (4.46).



Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar
Kolkata - 700 091
T: +91 (33) 44001111 / 44662000, F: +91 (33) 44043065

Lovelock & Lewes

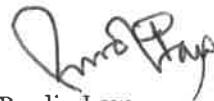
Chartered Accountants

To the Board of Directors of VISA Steel Limited
Report on review of Unaudited Financial Results for the quarter ended June 30, 2017
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5. Based on our review conducted as above, except for the matter referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to Note 4 to the Statement regarding the preparation of the same on going concern basis. The Company has reported a net loss of Rs. 4905.15 Lakhs during the quarter ended June 30, 2017 and as of that date, the Company's current liabilities exceeded its current assets and the Company's net worth has also been eroded. 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 conclusion is not qualified in respect of this matter.

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



Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: August 14, 2017

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

Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June 2017

		(Rs. In Lakhs except EPS)			
Sl. No.	Particulars	Quarter Ended		Year Ended	
		30 June	31 March	30 June	31 March
		2017	2017	2016	2017
		Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	42,983.22	54,952.44	26,490.64	149,504.84
II	Other income	868.15	904.64	786.69	3,021.95
III	Total Income [I+II]	43,851.37	55,857.08	27,277.33	152,526.79
IV	Expenses				
	(a) Cost of materials consumed	28,583.48	35,951.45	15,936.35	94,179.60
	(b) Purchases of stock-in-Trade	192.91	4,757.92	1,235.96	6,194.00
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	264.26	(1,478.79)	(1,727.09)	(4,451.94)
	(d) Excise duty	2,875.13	3,490.93	1,667.62	9,786.86
	(e) Employee benefits expense	1,868.60	1,670.16	1,474.31	6,395.32
	(f) Finance costs	596.31	662.39	434.15	2,217.36
	(g) Depreciation and amortisation expense	3,200.14	3,331.98	3,183.26	12,874.27
	(h) Other expenses	11,175.69	10,437.45	8,097.55	37,229.56
	Total expenses (IV)	48,756.52	58,823.49	30,302.11	164,425.03
V	Profit / (Loss) before exceptional items and tax (III-IV)	(4,905.15)	(2,966.41)	(3,024.78)	(11,898.24)
VI	Exceptional Items	-	-	-	-
VII	Profit / (Loss) before tax (V-VI)	(4,905.15)	(2,966.41)	(3,024.78)	(11,898.24)
VIII	Tax expense	-	-	-	-
IX	Net Profit / (Loss) for the period (VII-VIII)	(4,905.15)	(2,966.41)	(3,024.78)	(11,898.24)
X	Other Comprehensive Income, Net of Income Tax				
	(i) Items that will not be reclassified to Profit and Loss	(5.82)	(32.92)	3.21	(23.28)
XI	Total Comprehensive Income for the period (IX+X)	(4,910.97)	(2,999.33)	(3,021.57)	(11,921.52)
XII	Paid-up equity share capital (face value of Rs.10/- each)	11,000.00	11,000.00	11,000.00	11,000.00
XIII	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(116,752.22)
XIV	Earnings Per Share (of Rs.10/-each)				
	(a) Basic	(4.46)	(2.70)	(2.75)	(10.82)
	(b) Diluted	(4.46)	(2.70)	(2.75)	(10.82)



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Standalone Segment Wise Revenue, Results, Assets and Liabilities. For the Quarter Ended 30 June 2017 (Refer Note 2 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		2017	2017	2016	2017
		Unaudited	Unaudited	Unaudited	Audited
1)	Segment Revenue				
	a) Special Steel	23,669.37	34,464.87	11,948.24	81,201.09
	b) Ferro Alloys	20,262.26	21,303.25	14,732.78	70,678.91
	Total	43,931.63	55,768.12	26,681.02	151,880.00
	Less: Inter-Segment Revenue	948.41	815.68	190.38	2,375.16
	Net Sales / Income From Operations	42,983.22	54,952.44	26,490.64	149,504.84
2)	Segment Results				
	Profit / (Loss) before tax and interest from Each segment				
	a) Special Steel	(3,377.32)	(2,561.37)	(3,220.20)	(11,199.22)
	b) Ferro Alloys	(177.18)	1,277.59	1,379.05	4,869.28
	Total	(3,554.50)	(1,283.78)	(1,841.15)	(6,329.94)
	Less: i) Finance Costs	596.31	662.39	434.15	2,217.36
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	754.34	1,020.24	749.48	3,350.94
	Total Profit / (Loss) Before Tax	(4,905.15)	(2,966.41)	(3,024.78)	(11,898.24)
3)	Segment Assets				
	a) Special Steel	208,712.66	216,040.51	217,202.94	216,040.51
	b) Ferro Alloys	55,789.88	60,453.81	63,908.46	60,453.81
	c) Unallocated	62,422.31	56,734.15	102,136.53	56,734.15
	Total Assets	326,924.85	333,228.47	383,247.93	333,228.47
4)	Segment Liabilities				
	a) Special Steel	20,305.99	19,653.90	18,880.37	19,653.90
	b) Ferro Alloys	12,074.97	9,089.34	21,843.93	9,089.34
	c) Unallocated	405,207.78	410,237.45	391,659.53	410,237.45
	Total Liabilities	437,588.74	438,980.69	432,383.83	438,980.69



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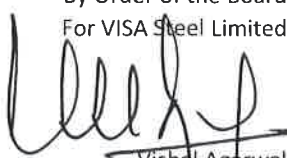
Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 August 2017.
- 2 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 3 The Board of Directors and Lenders of the Company had approved the amalgamation of VISA BAO Limited with the Company under a Scheme of Amalgamation (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. The matter was heard by National Company Law Tribunal (NCLT) on 31 July 2017 and order is reserved. Pending sanction of the Scheme by NCLT, accounting adjustments necessary pursuant to the Scheme have not been considered at the time of the compilation of the above results.
- 4 The Company has incurred net loss during the quarter ended 30 June 2017 and the quarter end current liabilities exceeded the current assets as on 30 June 2017 which has adversely impacted the net worth of the Company. The Company's financial performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, continued stress in steel sector with weak demand and prices, and other external factors beyond the Company's control. With the improvement in raw material availability, likely improvement in market scenario and debt resolution plan which is under discussion, 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 conclusion in their Review Report.
- 5 The majority of lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non-Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debt to a sustainable level including waiver of unpaid interest. In view of the above, pending finalisation of the debt resolution plan, the Company has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of interest expenses (including penal interest and charges thereof) not provided for is estimated at Rs. 11948.10 Lakhs for the quarter ended 30 June 2017 and accordingly the same has not been considered for compilation of results of the said quarter ended 30 June 2017. The Statutory Auditors have qualified their Review Report in respect of this matter.
- 6 The figures for the quarter ended 31 March 2017 is the balancing figures between the audited figures in respect of the full financial year ended 31 March 2017 and the unaudited published figures up to the nine months ended 31 December 2016.
- 7 Figures for the corresponding period of the previous periods have been re-classified / re-grouped wherever considered necessary.

Date: 14 August 2017

Place: Kolkata



By Order of the Board
For VISA Steel Limited

Vishal Agarwal
Vice Chairman and Managing Director

