

# VISA STEEL LIMITED

## VISA STEEL

CORPORATE OFFICE  
VISA HOUSE,  
8/10, ALIPORE ROAD  
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Website: www.visasteel.com  
CIN NO : L51109OR1996PLC004601

14 February 2018

BSE Limited 25 Floor P J Towers Dalal Street, Mumbai 400 001  <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><u>NSE SYMBOL: VISASTEEL</u></b>
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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 the Board of Directors at its Meeting held on 14 February 2018 has inter-alia:

- i) Approved, pursuant to Regulations 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Standalone Unaudited Financial Results of the Company for the quarter and nine months ended 31 December 2017, duly reviewed by the Statutory Auditors together with the copy of Limited Review Report of the Company for the quarter and nine months ended 31 December 2017, issued by them.
- ii) Reviewed the status of the Scheme of Arrangement between the Company and VISA Special Steel Limited and its respective Shareholders & Creditors and extended its validity.

Further, the meeting commenced at 1500 hours and concluded at 1835 hours.

This is for your information & record.

Thanking You,  
For VISA Steel Limited

*Sudhir K. Banthiya*

Sudhir Kumar Banthiya  
Company Secretary &  
Compliance Officer  
F8460



**Independent Auditor's Report on Unaudited Standalone Financial Results for the quarter and nine month ended 31<sup>st</sup> December 2017 of Visa Steel Limited pursuant to regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.**

To,  
The Board of Directors,  
Visa Steel Limited  
VISA HOUSE  
8/10 Alipore Road  
Kolkata – 700 027

We have reviewed the unaudited standalone financial results of M/s. Visa Steel Limited ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2017 together with the notes thereon (the "statement") attached herewith. The statement is being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and has been initialed by us for identification purpose.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on 14<sup>th</sup> February 2018, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the statement 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 (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.

**Basis of qualified conclusion**

We draw attention to Note no. 4 of the accompanying statement with regard to non-recognition of interest expense amounting to Rs. 12,951.47 lakhs and Rs. 38,960.02 lakhs on the borrowing of the company for the quarter and nine month ended 31<sup>st</sup> December 2017 which is not in accordance with the requirement of Ind AS -23: Borrowing Cost read with Ind AS 109: Financial Instruments. Had the aforesaid interest expense been recognized finance cost for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been Rs. 13,886.51 lakhs and Rs. 40,972.31 instead of the reported amount of Rs.935.04 lakhs; and Rs. 2,012.29 lakhs. Total expenses for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been Rs. 55,326.26 lakhs and Rs.1,71,829.67 lakhs instead reported amount of Rs. 42,374.79 lakhs and Rs 1,32,869.65 lakhs; loss before exceptional items and tax for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been Rs. 16,024.99 lakhs and Rs. 50,795.41 lakhs instead of the reported amount of Rs. 3,073.52 lakhs and Rs 11,835.39 lakhs; Loss before tax for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been Rs. 16,024.99 lakhs and Rs. 50,795.41 lakhs instead of the reported amount of Rs. 3,073.52 lakhs and Rs 11,835.39 lakhs; Net loss after tax for the quarter and nine month ended 31<sup>st</sup> December,2017 would have been Rs. 16,024.99 lakhs and Rs. 50,795.41 lakhs instead of the reported amount of Rs. 3,073.52 lakhs and Rs 11,835.39 lakhs; Total Comprehensive Income for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been (Rs. 16,030.89 lakhs) and (Rs. 50,812.91 lakhs) instead of the reported amount of (Rs.3,079.42) lakhs and (Rs. 11,852.89) and Loss per share for the quarter and nine month ended 31<sup>st</sup> December, 2017 would have been Rs. 14.01 and Rs. 45.58 instead of the reported amount of Rs .2.69 and Rs. 10.62.



**Qualified Conclusion**

Based on our review conducted as above, except for the matter described in the Basis of Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.


We draw your attention to the following matters:

- (a) Note 3 to the statement regarding the preparation of the statement on going concern basis. The Company has accumulated losses and has also incurred losses during the quarter and nine months ended 31<sup>st</sup> December 2017. As on date, the Company's total liabilities exceeded its total assets and the Company's net worth has also been eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.
- (b) (i) Note 5 to the statement regarding the accounting for amalgamation of Visa BAO Ltd, the erstwhile subsidiary of Visa Steel Limited with the company in accordance with the scheme of amalgamation approved by National Company Law Tribunal (NCLT) vide its order dated 12<sup>th</sup> October, 2017. As specified in the said scheme, the company has recorded assets and liabilities of the transferor company at their respective fair values with effect from the appointed date of 1<sup>st</sup> April, 2015
- (ii) The comparative standalone financial results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2016 have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 and were reviewed by the predecessor auditor who expressed modified opinion vide their report dated 10<sup>th</sup> February, 2017. Subsequently management has revised the above results after giving accounting impact of amalgamation of Visa BAO Limited (subsidiary of the Company) with the company as per NCLT order dated 12<sup>th</sup> October, 2017. We have relied on these management certified financial results.
- (c) The statement includes standalone Ind AS financial results and other financial information for the immediately preceding three months ended 30<sup>th</sup> September, 2017 which were reviewed by the predecessor auditor who has, vide their review report dated 13<sup>th</sup> November 2017, expressed modified conclusion.
- (d) The comparative standalone financial results of the Company for the year ended 31<sup>st</sup> March 2017, have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 after giving the accounting impact of amalgamation of Visa BAO Limited (subsidiary of the Company) with the company as per NCLT order dated 12<sup>th</sup> October, 2017, were audited by predecessor auditor, who vide their audit report dated 9<sup>th</sup> November, 2017 expressed modified opinion on these financial statements.

Our conclusion is not modified in respect of these matters.



For Singhi & Co.  
Chartered Accountants  
Firm Registration No.302049E

  
(Navindra Kumar Surana)  
Partner  
Membership No. 053816

Place: Kolkata  
Dated: 14th February 2018

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

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2017

Sl. No.	Particulars	(Rs in Lakhs Except EPS)					
		Quarter Ended			Nine Months Ended		Year ended
		31 December	30 September	31 December	31 December	31 December	31 March
		2017	2017	2016	2017	2016	2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
I	Revenue From operations	38,635.42	37,340.50	36,643.10	118,959.12	94,552.40	149,504.84
II	Other Income	665.85	596.60	504.06	2,075.14	1,953.13	2,803.80
III	<b>Total Income (I +II)</b>	<b>39,301.27</b>	<b>37,937.10</b>	<b>37,147.16</b>	<b>121,034.26</b>	<b>96,505.53</b>	<b>152,308.64</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	23,365.34	25,399.70	23,922.05	77,348.54	58,228.15	94,179.60
	Purchases of Stock-in-Trade	22.84	-	23.38	215.74	1,436.08	6,194.00
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	2,960.84	1,274.50	(1,177.81)	4,499.74	(2,973.15)	(4,451.94)
	Excise Duty	-	-	2,689.58	2,875.13	6,295.92	9,786.66
	Employee benefit expense	1,812.52	1,872.85	1,675.96	5,556.45	4,734.15	6,404.18
	Finance costs	935.04	564.19	1,425.81	2,012.29	3,615.89	3,658.85
	Depreciation and amortization expense	3,347.67	3,683.38	3,606.27	10,816.14	11,162.15	15,042.61
	Other expenses	9,930.54	8,979.62	8,875.80	29,545.62	25,443.62	35,760.07
	<b>Total expenses (IV)</b>	<b>42,374.79</b>	<b>41,774.24</b>	<b>41,041.04</b>	<b>132,869.65</b>	<b>107,942.81</b>	<b>166,574.03</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(3,073.52)</b>	<b>(3,837.14)</b>	<b>(3,893.88)</b>	<b>(11,835.39)</b>	<b>(11,437.28)</b>	<b>(14,265.39)</b>
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(3,073.52)</b>	<b>(3,837.14)</b>	<b>(3,893.88)</b>	<b>(11,835.39)</b>	<b>(11,437.28)</b>	<b>(14,265.39)</b>
VIII	Tax Expenses	-	-	-	-	-	-
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>(3,073.52)</b>	<b>(3,837.14)</b>	<b>(3,893.88)</b>	<b>(11,835.39)</b>	<b>(11,437.28)</b>	<b>(14,265.39)</b>
X	Other comprehensive income, Net of Income Tax						
	A (i) Items that will not be reclassified to profit or loss	(5.90)	(5.80)	3.21	(17.50)	9.64	(23.28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B (i) Items that be reclassified to Profit and Loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(3,079.42)</b>	<b>(3,842.94)</b>	<b>(3,890.67)</b>	<b>(11,852.89)</b>	<b>(11,427.64)</b>	<b>(14,288.67)</b>
XII	Paid up equity Share Capital (face value of Rs.10/- each)	11,578.95	11,000.00	11,000.00	11,578.95	11,000.00	11,000.00
XIII	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						(76,372.08)
XIV	<b>Earnings per equity share (of Rs. 10/- each)</b>						
	1) Basic	(2.69)	(3.49)	(3.54)	(10.62)	(10.40)	(12.97)
	2) Diluted	(2.69)	(3.49)	(3.54)	(10.62)	(10.40)	(12.97)



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Standalone Segment Wise Revenue, Results, Assets and Liabilities.  
For the Quarter and Nine Months Ended 31 December 2017 (Refer Note 2 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year ended
		31 December	30 September	31 December	31 December	31 December	31st March
		2017	2017	2016	2017	2016	2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1)	<b>Segment Revenue</b>						
	a) Special Steel	17,491.76	20,774.57	19,839.74	61,935.70	46,736.19	81,201.09
	b) Ferro Alloys	22,199.17	16,975.30	17,577.69	59,436.74	49,375.65	70,678.91
	<b>Total</b>	<b>39,690.93</b>	<b>37,749.87</b>	<b>37,417.43</b>	<b>121,372.44</b>	<b>96,111.84</b>	<b>151,880.00</b>
	Less: Inter-Segment Revenue	1,055.51	409.37	774.33	2,413.32	1,559.44	2,375.16
	<b>Net Sales / Income From Operations</b>	<b>38,635.42</b>	<b>37,340.50</b>	<b>36,643.10</b>	<b>118,959.12</b>	<b>94,552.40</b>	<b>149,504.84</b>
2)	<b>Segment Results</b>						
	Profit / (Loss) before tax and interest from Each segment						
	a) Special Steel	(3,036.13)	(3,258.19)	(2,169.45)	(9,671.67)	(8,637.85)	(11,199.22)
	b) Ferro Alloys	1,143.18	575.92	533.36	1,439.29	3,147.15	3,943.25
	<b>Total</b>	<b>(1,892.95)</b>	<b>(2,682.27)</b>	<b>(1,636.09)</b>	<b>(8,232.38)</b>	<b>(5,490.70)</b>	<b>(7,255.97)</b>
	Less: i) Finance costs	935.04	564.19	1,425.81	2,012.29	3,615.89	3,658.85
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	245.53	590.68	831.98	1,590.72	2,330.69	3,350.57
	<b>Total Profit / (Loss) Before Tax</b>	<b>(3,073.52)</b>	<b>(3,837.14)</b>	<b>(3,893.88)</b>	<b>(11,835.39)</b>	<b>(11,437.28)</b>	<b>(14,265.39)</b>
3)	<b>Segment Assets</b>						
	a) Special Steel	199,894.90	204,736.59	218,658.04	199,894.90	218,658.04	216,040.51
	b) Ferro Alloys	112,840.00	122,549.75	112,466.96	112,840.00	112,466.96	115,804.72
	c) Unallocated	59,716.84	56,777.25	55,879.63	59,716.84	55,879.63	56,675.00
	<b>Total Assets</b>	<b>372,451.74</b>	<b>384,063.59</b>	<b>387,004.63</b>	<b>372,451.74</b>	<b>387,004.63</b>	<b>388,520.23</b>
4)	<b>Segment Liabilities</b>						
	a) Special Steel	19,466.07	21,110.91	20,882.61	19,466.07	20,882.61	19,653.90
	b) Ferro Alloys	5,360.38	7,674.03	6,457.39	5,360.38	6,457.39	7,770.31
	c) Unallocated	424,271.45	428,845.92	421,688.47	424,271.45	421,688.47	425,889.38
	<b>Total Liabilities</b>	<b>449,097.90</b>	<b>457,630.86</b>	<b>449,028.47</b>	<b>449,097.90</b>	<b>449,028.47</b>	<b>453,313.59</b>



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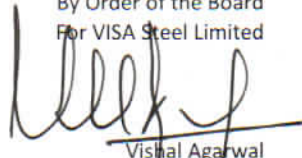
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- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2018.
- 2 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 3 The Company has incurred net loss during the quarter and nine months ended 31 December 2017 and the period end current liabilities exceeded the current assets as on 31 December 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, and other external factors beyond the Company's control. With the improvement in raw material availability, likely improvement in market scenario and debt resolution, 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. The Statutory Auditors have also drawn attention to the above matter without qualifying their conclusion in their limited review report.
- 4 The major lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non-Performing Asset. In view of the proposed debt resolution, 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. 12,951.47 Lakhs and Rs. 38,960.02 Lakhs for the quarter ended and nine months ended 31 December 2017 respectively and accordingly the same has not been considered for compilation of results of the said quarter ended and nine months ended 31 December 2017. The accumulated interest not provided as on 31 December 2017 is estimated at Rs 85,893.42 Lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.
- 5 Pursuant to the Scheme of Amalgamation of VISA Bao Limited (VBL), an erstwhile subsidiary of the Company, with VISA Steel Limited (the Company) sanctioned by the National Company Law Tribunal, Kolkata (NCLT) vide its Order dated 12 October 2017, all the assets and liabilities of VBL stand transferred to and vested in the Company with effect from the Appointed Date of 1 April 2015. Accordingly, the financial statements for the year ended and as at 31 March 2017 had been revised and audited by the erstwhile statutory auditors, to give effect to the Scheme. The amalgamation has been accounted for in accordance with the Scheme sanctioned by NCLT wherein the assets and liabilities of VBL have been recorded at their fair values. As a result, both depreciation and loss are higher for the quarter ended 31 December 2017 by Rs 394.88 Lakhs (30 September 2017 - Rs 394.92 Lakhs, 31 December 2016 - Rs 393.81 Lakhs), for the nine months ended 31 December 2017 by Rs 1,180.44 Lakhs (31 December 2016 - Rs 1,177.22 Lakhs) and for the year ended 31 March 2017 by Rs 1,566.84 Lakhs. Further, pursuant to the revision of aforesaid annual financial statements, figures for the quarter and nine month ended 31 December 2016 have also been restated to make the figures comparable. The Statutory Auditors have also drawn attention to the above matter without qualifying their conclusion in their limited review report.
- 6 Revenue from operations for the current quarter and nine months ended 31 December 2017 are not comparable with quarter and nine month ended 31 December 2016, since sales are net of GST whereas in previous periods sales were gross of Excise Duty.
- 7 Previous periods figures have been regrouped / rearranged, wherever necessary.

Date: 14 February 2018  
Place: Kolkata



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