

Limited Review Report on Unaudited Quarterly and Year-to-date Standalone Financial Results of VISA Steel Limited for the quarter ended September 30, 2018 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors
VISA Steel Limited
VISA House
8/10, Alipore Road
Kolkata - 700 027

1. We have reviewed the accompanying unaudited standalone financial results of M/s. VISA Steel Limited ("the Company") for the quarter ended September 30, 2018 and the year-to-date results for the period from April 01, 2018 to September 30, 2018 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initialled by us for identification purpose.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on October 29, 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.
3. 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," specified under Section 143 (10) of the Companies Act, 2013. 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

4. We draw attention to Note 5 of the accompanying statement with regard to non-recognition of interest expense on the borrowings of the company. The accumulated interest not provided as on September 30, 2018 is Rs. 95,650.72 lakhs (including Rs. 38,409.60 lakhs for FY 2016-17, Rs. 38,745.50 lakhs for FY 2017-18 and Rs. 18,495.62 lakhs up to September, 2018 of FY-2018-19) 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 half-year ended September 30, 2018 would have been Rs. 9,793.91 lakhs and Rs. 19,425.14 lakhs instead of the reported amount of Rs. 410.44 lakhs and Rs. 929.52 lakhs respectively.



Total expenses for the quarter and half-year ended September 30, 2018 would have been Rs. 47,826.05 lakhs and Rs. 100,627.74 lakhs instead of the reported amount of Rs. 38,442.58 lakhs and Rs. 82,132.12 lakhs. Net loss after tax for the quarter and half-year ended September 30, 2018 would have been Rs. 13,430.70 lakhs and Rs. 25,328.59 lakhs instead of the reported amount of Rs. 4,047.23 lakhs and Rs. 6,832.97 lakhs. Total Comprehensive Income for the quarter and half-year ended September 30, 2018 would have been Rs. (13,425.82) lakhs and Rs. (25,318.83) lakhs instead of the reported amount of Rs. (4,042.35) lakhs and Rs. (6,823.21) lakhs. Other Equity would have been Rs. (1,93,388.44) lakhs instead of the reported amount of Rs. (97,737.72) lakhs. Other Current financial liabilities would have been Rs. 3,01,053.18 lakhs instead of the reported amount of Rs. 2,05,402.46 lakhs. Loss per share for the quarter and half-year ended September 30, 2018 would have been Rs. 11.60 and Rs. 21.87 instead of the reported amount of Rs. 3.50 and Rs. 5.90.

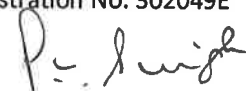
The above reported interest has been calculated using Simple Interest rate.

Qualified Conclusion

5. 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 statement of 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following matters:
 - (a) Note 4 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 ended September 30, 2018. As on date, the Company's current liabilities exceeded its current 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) The comparative figures for the quarter and year-to-date results for the period from April 01, 2017 to September 30, 2017 of the Company are based on the previously issued standalone financial statement, prepared in accordance with the Ind AS, that were reviewed by the predecessor Auditor. The review report dated November 13, 2017 on the reviewed standalone financial statement of the Company for the quarter and year-to-date results for the period from April 01, 2017 to September 30, 2017 issued by predecessor auditor expressed a qualified opinion.

Our conclusion is not modified in respect of these matters.

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



(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Date: October 29, 2018



VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

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

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Website: www.visasteel.com

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

Statement of Standalone Unaudited Financial Results for the Quarter and Six Months Ended 30 September 2018

(Rs in Lakhs Except EPS)

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30 September	30 June	30 September	30 September	30 September	31 March
		2018	2018	2017	2018	2017	2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue From operations	33,919.99	40,384.31	37,340.50	74,304.30	80,323.70	163,155.20
II	Other Income	475.36	519.49	596.60	994.85	1,409.29	2,219.56
III	Total Income (I +II)	34,395.35	40,903.80	37,937.10	75,299.15	81,732.99	165,374.76
IV	Expenses						
	Cost of materials consumed	24,063.65	28,213.86	25,399.70	52,277.51	53,983.20	105,257.44
	Purchases of Stock-in-Trade	10.22	0.01	-	10.23	192.90	219.68
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	969.82	(158.28)	1,274.50	811.54	1,538.90	4,650.46
	Excise Duty	-	-	-	-	2,875.10	2,875.13
	Employee benefit expense	1,601.16	1,797.49	1,872.85	3,398.65	3,743.92	7,415.15
	Finance costs	410.44	519.08	564.19	929.52	1,077.25	2,733.40
	Depreciation and amortization expense	3,364.82	3,327.90	3,683.38	6,692.72	7,468.46	14,087.36
	Other expenses	8,022.47	9,989.48	8,979.62	18,011.95	19,615.11	42,697.90
	Total expenses (IV)	38,442.58	43,689.54	41,774.24	82,132.12	90,494.84	179,936.52
V	Profit/(Loss) before exceptional items and tax (III-IV)	(4,047.23)	(2,785.74)	(3,837.14)	(6,832.97)	(8,761.85)	(14,561.76)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	(4,047.23)	(2,785.74)	(3,837.14)	(6,832.97)	(8,761.85)	(14,561.76)
VIII	Tax Expenses	-	-	-	-	-	-
IX	Profit /(Loss) for the period (VII-VIII)	(4,047.23)	(2,785.74)	(3,837.14)	(6,832.97)	(8,761.85)	(14,561.76)
X	Other comprehensive income, Net of Income Tax						
	A (i) Items that will not be reclassified to profit or loss	4.88	4.88	(5.80)	9.76	(11.60)	19.52
	(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	Total Comprehensive Income for the period (IX+X)	(4,042.35)	(2,780.86)	(3,842.94)	(6,823.21)	(8,773.45)	(14,542.24)
XII	Paid up equity Share Capital (face value of Rs.10/- each)	11,578.95	11,578.95	11,000.00	11,578.95	11,000.00	11,578.95
XIII	Other Equity						(90,914.50)
XIV	Earnings per equity share (of Rs.10/- each)						
	1) Basic	(3.50)	(2.41)	(3.49)	(5.90)	(7.97)	(12.94)
	2) Diluted	(3.50)	(2.41)	(3.49)	(5.90)	(7.97)	(12.94)



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Standalone Segment Wise Revenue, Results, Assets and Liabilities. For the Quarter Ended 30 September 2018 (Refer Note 3 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30 September	30 June	30 September	30 September	30 September	31 March
		2018	2018	2017	2018	2017	2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1)	Segment Revenue						
	a) Special Steel	13,237.39	16,931.14	20,774.57	30,168.53	44,443.94	79,831.27
	b) Ferro Alloys	21,079.53	23,994.98	16,975.30	45,074.51	37,237.56	86,326.36
	Total	34,316.92	40,926.12	37,749.87	75,243.04	81,681.50	166,157.63
	Less: Inter-Segment Revenue	396.93	541.81	409.37	938.74	1,357.80	3,002.43
	Net Sales / Income From Operations	33,919.99	40,384.31	37,340.50	74,304.30	80,323.70	163,155.20
2)	Segment Results						
	Profit / (Loss) before tax and interest from Each segment						
	a) Special Steel	(3,173.70)	(1,399.06)	(3,258.19)	(4,572.76)	(6,635.51)	(11,598.23)
	b) Ferro Alloys	(180.54)	(759.25)	575.92	(939.79)	296.09	1,664.72
	Total	(3,354.24)	(2,158.31)	(2,682.27)	(5,512.55)	(6,339.42)	(9,933.51)
	Less: i) Finance costs	410.44	519.08	564.19	929.52	1,077.25	2,733.40
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	282.55	108.35	590.68	390.90	1,345.18	1,894.85
	Total Profit / (Loss) Before Tax	(4,047.23)	(2,785.74)	(3,837.14)	(6,832.97)	(8,761.85)	(14,561.76)
3)	Segment Assets						
	a) Special Steel	189,744.59	196,503.20	204,736.59	189,744.59	204,736.59	195,584.34
	b) Ferro Alloys	102,145.29	104,278.94	122,549.75	102,145.29	122,549.75	108,140.57
	c) Unallocated	47,840.82	49,030.32	56,777.25	47,840.82	56,777.25	51,557.13
	Total Assets	339,730.70	349,812.46	384,063.59	339,730.70	384,063.59	355,282.04
4)	Segment Liabilities						
	a) Special Steel	5,609.92	9,044.93	21,110.91	5,609.92	21,110.91	7,347.63
	b) Ferro Alloys	5,109.73	3,872.94	23,918.90	5,109.73	23,918.90	5,213.03
	c) Unallocated	415,169.82	419,011.02	412,601.05	415,169.82	412,601.05	422,056.93
	Total Liabilities	425,889.47	431,928.89	457,630.86	425,889.47	457,630.86	434,617.59



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Notes :

1. Statement of Standalone Assets and Liabilities

Particulars	As at	As at
	30 September	31 March
	2018	2018
	Unaudited	Audited
ASSETS		
1) Non-current Assets		
(a) Property, Plant and Equipment	286,921.94	293,312.01
(b) Capital work-in-progress	29,478.32	29,786.06
(c) Intangible Assets	19.26	21.40
(d) Financial Assets		
(i) Investments	429.34	518.34
(ii) Loans	1,158.26	3,048.23
(iii) Other Financial Assets	142.30	181.32
(e) Deferred Tax Assets (Net)	-	-
(f) Other Non current Assets	175.87	271.87
	318,325.29	327,139.23
2) Current Assets		
(a) Inventories	11,042.64	12,149.81
(b) Financial Assets		
(i) Trade receivables	1,848.92	6,658.15
(ii) Cash and cash equivalents	706.25	1,664.48
(iii) Bank balances [Other than (ii) above]	278.74	288.35
(iv) Loans	1,214.16	82.00
(v) Others Financial Assets	23.68	70.52
(c) Current Tax Assets (Net)	1,213.20	1,186.85
(d) Other current Assets	5,077.82	6,042.65
	21,405.41	28,142.81
Total Assets	339,730.70	355,282.04
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	11,578.95	11,578.95
(b) Other Equity	(97,737.72)	(90,914.50)
	(86,158.77)	(79,335.55)
LIABILITIES		
1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	124,599.50	147,599.22
(b) Provisions	430.91	430.91
	125,030.41	148,030.13
2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	76,917.18	82,236.61
(ii) Trade Payables	10,874.00	12,239.94
(ii) Other financial liabilities	205,402.46	182,998.80
(b) Other current liabilities	7,503.41	9,016.20
(c) Provisions	162.01	95.91
Current Liabilities	300,859.06	286,587.46
Total Equity and Liabilities	339,730.70	355,282.04



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Notes :

- 2 The above standalone unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 October 2018. The statutory auditors have conducted the limited review of the above standalone unaudited financial results.
- 3 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 4 The Company has incurred net loss during the quarter ended 30 September 2018, which has adversely impacted the net worth of the Company. The Company's financial performance has been adversely affected due to non-availability of working capital for operations and other external factors beyond the Company's control including high prices of raw materials during e-auction. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital. Accordingly, 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 observation 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 amount of interest expenses not provided for is estimated at Rs. 9,383.47 Lakhs for the quarter ended 30 September 2018 and the accumulated interest not provided as on 30 September 2018 is estimated at Rs 95,650.72 Lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.
- 6 Subsequent to introduction of Goods and Service Tax (GST) w.e.f. 1 July 2017, Revenue is required to be disclosed net of GST. Accordingly, the figures of Revenue from operations for the six months ended 30 September 2018 is not comparable with the figures of six months ended 30 September 2017.
- 7 Previous periods figures have been regrouped / rearranged wherever necessary.

Date: 29 October 2018

Place: Kolkata



By Order of the Board
For VISA Steel Limited

Vishal Agarwal

Vice Chairman & Managing Director

DIN 00121539