

Limited Review Report on Unaudited Quarterly Standalone Financial Results of VISA Steel Limited for the quarter ended June 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 - 700027

1. We have reviewed the accompanying unaudited quarterly standalone financial results of **M/s. VISA Steel Limited** ("the Company") for the quarter ended June 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 initialed by us for identification purpose. Attention is drawn to the fact that figures for the three months period ended March 31, 2018 as reported in the accompanying unaudited quarterly standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the end of the third quarter of the previous financial year. The figures up to the end of the third quarter of the previous financial year had only been reviewed and not subjected to audit.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on August 06, 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 4 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 June 30, 2018 is Rs. 86,267.25 lakhs (including Rs. 38,409.60 lakhs for FY 2016-17, Rs. 38,745.50 lakhs for FY 2017-18 and Rs. 9,112.15 lakhs for Quarter 1 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 ended June 30, 2018 would have been Rs. 9,631.23 lakhs instead of the reported amount of Rs. 519.08 lakhs. Total expenses for the quarter ended June 30, 2018 would have been Rs. 52,801.69 lakhs instead of the reported amount of Rs. 43,689.54 lakhs. Net loss after tax for the quarter ended June 30, 2018 would have been Rs. 11,897.89 lakhs instead of the reported amount of Rs. 2,785.74 lakhs. Total Comprehensive Income for the quarter ended June 30, 2018 would have been Rs. (11,893.01) lakhs instead of the reported amount of Rs. (2,780.86) lakhs and Loss per share for the quarter ended June 30, 2018 would have been Rs. 10.28 instead of the reported amount of Rs. 2.41.

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 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 ended June 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 revised comparative standalone financial results of the Company for the quarter ended June 30, 2017 has been prepared after giving accounting impact of amalgamation of VISA BAO Limited (subsidiary of the Company) with the company as per NCLT order dated October 12, 2017. This revised statement was prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 and were reviewed by the predecessor auditor who expressed qualified opinion vide their report dated November 13, 2017.

Our conclusion is not qualified in respect of these matters.



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

Navindra Kumar Surana
Navindra Kumar Surana
Partner
Membership No. 53816

Place: Kolkata

Date: August 06, 2018

VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

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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 2018

(Rs in Lakhs Except EPS)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		30 June 2018	31 March 2018	30 June 2017	31 March 2018
		Unaudited	Audited	Unaudited	Audited
I	Revenue From operations	40,384.31	44,196.08	42,983.20	163,155.20
II	Other Income	519.49	144.42	812.69	2,219.56
III	Total Income (I +II)	40,903.80	44,340.50	43,795.89	165,374.76
IV	Expenses				
	Cost of materials consumed	28,213.86	27,908.90	28,583.50	105,257.44
	Purchases of Stock-in-Trade	0.01	3.94	192.90	219.68
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(158.28)	150.72	264.40	4,650.46
	Excise Duty	-	-	2,875.10	2,875.13
	Employee benefit expense	1,797.49	1,858.70	1,871.07	7,415.15
	Finance costs	519.08	721.11	513.06	2,733.40
	Depreciation and amortization expense	3,327.90	3,271.22	3,785.08	14,087.36
	Other expenses	9,989.48	13,152.28	10,635.49	42,697.90
	Total expenses (IV)	43,689.54	47,066.87	48,720.60	179,936.52
V	Profit/(Loss) before exceptional items and tax (III-IV)	(2,785.74)	(2,726.37)	(4,924.71)	(14,561.76)
VI	Exceptional items	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	(2,785.74)	(2,726.37)	(4,924.71)	(14,561.76)
VIII	Tax Expenses	-	-	-	-
IX	Profit / (Loss) for the period (VII-VIII)	(2,785.74)	(2,726.37)	(4,924.71)	(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	37.02	(5.80)	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)	(2,780.86)	(2,689.35)	(4,930.51)	(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
XIII	Other Equity				(90,914.50)
XIV	Earnings per equity share (of Rs.10/- each)				
	1) Basic	(2.41)	(2.35)	(4.48)	(12.94)
	2) Diluted	(2.41)	(2.35)	(4.48)	(12.94)

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Standalone Segment Wise Revenue, Results, Assets and Liabilities. For the Quarter Ended 30 June 2018 (Refer Note 2 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended		Year Ended	
		30 June 2018	31 March 2018	30 June 2017	31 March 2018
		Unaudited	Audited	Unaudited	Audited
1) Segment Revenue					
a) Special Steel	16,931.14	17,895.58	23,669.37	79,831.27	
b) Ferro Alloys	23,994.98	26,889.62	20,262.26	86,326.36	
Total	40,926.12	44,785.20	43,931.63	166,157.63	
Less: Inter-Segment Revenue	541.81	589.12	948.43	3,002.43	
Net Sales / Income From Operations	40,384.31	44,196.08	42,983.20	163,155.20	
2) Segment Results					
Profit / (Loss) before tax and interest from Each segment					
a) Special Steel	(1,399.06)	(1,926.57)	(3,377.32)	(11,598.23)	
b) Ferro Alloys	(759.25)	225.43	(279.83)	1,664.72	
Total	(2,158.31)	(1,701.14)	(3,657.15)	(9,933.51)	
Less: i) Finance costs	519.08	721.11	513.06	2,733.40	
ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	108.35	304.12	754.50	1,894.85	
Total Profit / (Loss) Before Tax	(2,785.74)	(2,726.37)	(4,924.71)	(14,561.76)	
3) Segment Assets					
a) Special Steel	196,503.20	195,584.34	208,712.66	195,584.34	
b) Ferro Alloys	104,278.94	108,140.57	110,515.15	108,140.57	
c) Unallocated	49,030.32	51,557.13	62,363.21	51,557.13	
Total Assets	349,812.46	355,282.04	381,591.02	355,282.04	
4) Segment Liabilities					
a) Special Steel	9,044.93	7,347.63	20,305.99	7,347.63	
b) Ferro Alloys	3,872.94	5,213.03	25,801.54	5,213.03	
c) Unallocated	419,011.02	422,056.93	405,207.78	422,056.93	
Total Liabilities	431,928.89	434,617.59	451,315.31	434,617.59	

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Notes :

- 1 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 6 August 2018. The statutory auditors have conducted the limited review of the above standalone unaudited financial results.
- 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 ended 30 June 2018 and the current liabilities exceeded the current assets as on 30 June 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. It is expected that the overall financial health of the Company would improve considerably 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.
- 4 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 has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of interest expenses not provided for is estimated at Rs. 9,112.15 Lakhs for the quarter ended 30 June 2018 and the same has not been considered for compilation of results of the said quarter. The accumulated interest not provided as on 30 June 2018 is estimated at Rs 86,267.25 Lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.
- 5 Revenue from operations for the current quarter ended 30 June 2018 is not comparable with quarter ended 30 June 2017, since sales in current quarter is net of GST whereas sales in corresponding quarter in previous year was gross of excise duty.
- 6 The figures for the quarter ended 31 March 2018 is the balancing figures between the audited figures in respect of the full financial year ended 31 March 2018 and the unaudited published figures up to nine months ended 31 December 2017.
- 7 Previous periods figures have been regrouped / rearranged wherever necessary.

Date: 6 August 2018
Place: Kolkata



By Order of the Board
For VISA Steel Limited

Vishal Agarwal
Vice Chairman and Managing Director