

Limited Review Report on Unaudited Quarterly and Year-to-date Standalone Financial Results of VISA Steel Limited 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 statement of unaudited standalone financial results of **VISA Steel Limited** ("the Company") for the quarter ended December 31, 2018 and the year-to-date results for the period from April 01, 2018 to December 31, 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 January 22, 2019 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 December 31, 2018 is Rs. 1,05,075.78 lakh (including Rs. 38,409.60 lakh for FY 2016-17, Rs. 38,745.50 lakh for FY 2017-18, Rs. 9,425.06 lakh and Rs. 27,920.68 lakh for the quarter and nine months ended December 31, 2018 respectively) 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 months ended December 31, 2018 would have been Rs. 9,883.10 lakh and Rs. 29,308.24 lakh instead of the reported amount of Rs. 458.04 lakh and Rs. 1387.56 lakh respectively.

Total expenses for the quarter and nine months ended December 31, 2018 would have been Rs. 52,295.60 lakh and Rs. 1,52,923.34 lakh instead of the reported amount of Rs. 42,870.54 lakh and Rs. 1,25,002.66 lakh. Net loss after tax for the quarter and nine months ended December 31, 2018 would have been Rs. 14,793.20 lakh and Rs. 40,121.79 lakh instead of the reported amount of Rs. 5,368.14 lakh and Rs. 12,201.11 lakh. Total Comprehensive Income for the quarter and nine months ended December 31, 2018 would have been Rs. (14,788.32) lakh and Rs. (40,107.15) lakh instead of the reported amount of Rs. (5,363.26) lakh and Rs. (12,186.47) lakh. Loss per share for the quarter and nine months ended December 31, 2018 would have been Rs. 12.78 and Rs. 34.65 instead of the reported amount of Rs. 4.64 and Rs. 10.54.

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 matter:

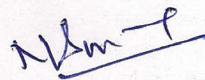
Note 3 to the statement regarding the preparation of the statement on going concern basis, consequently assets and liabilities are being carried at their book value. The Company has accumulated losses and has also incurred losses during the quarter ended December 31, 2018. As on date, the Company's current 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.

Our conclusion is not modified in respect of this matter.

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



Place: Kolkata
Date: January 22, 2019


(Navindra Kumar Surana)
Partner
Membership No. 53816

VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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website: www.visasteel.com

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

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2018

| | | (Rs in Lakhs Except EPS) | | | | | |
|---------|---|--------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Sl. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year ended |
| | | 31 December | 30 September | 31 December | 31 December | 31 December | 31st March |
| | | 2018 | 2018 | 2017 | 2018 | 2017 | 2018 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I | Revenue from operations | 37,058.67 | 33,919.99 | 38,635.42 | 111,362.97 | 118,959.12 | 163,155.20 |
| II | Other Income | 443.73 | 475.36 | 665.85 | 1,438.58 | 2,075.14 | 2,219.56 |
| III | Total Income (I + II) | 37,502.40 | 34,395.35 | 39,301.27 | 112,801.55 | 121,034.26 | 165,374.76 |
| IV | Expenses | | | | | | |
| | Cost of materials consumed | 30,106.69 | 24,063.65 | 23,365.34 | 82,384.20 | 77,348.54 | 105,257.44 |
| | Purchases of Stock-in-Trade | 133.19 | 10.22 | 22.84 | 143.42 | 215.74 | 219.68 |
| | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | (846.27) | 969.82 | 2,960.84 | (34.73) | 4,499.74 | 4,650.46 |
| | Excise Duty | - | - | - | - | 2,875.13 | 2,875.13 |
| | Employee benefit expense | 1,512.30 | 1,601.16 | 1,812.52 | 4,910.95 | 5,556.45 | 7,415.15 |
| | Finance costs | 458.04 | 410.44 | 935.04 | 1,387.56 | 2,012.29 | 2,733.40 |
| | Depreciation and amortization expense | 3,360.19 | 3,364.82 | 3,347.67 | 10,052.91 | 10,816.14 | 14,087.36 |
| | Other expenses | 8,146.40 | 8,022.47 | 9,930.54 | 26,158.35 | 29,545.62 | 42,697.90 |
| | Total expenses (IV) | 42,870.54 | 38,442.58 | 42,374.79 | 125,002.66 | 132,869.65 | 179,936.52 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | (5,368.14) | (4,047.23) | (3,073.52) | (12,201.11) | (11,835.39) | (14,561.76) |
| VI | Exceptional items | - | - | - | - | - | - |
| VII | Profit/(Loss) before tax (V-VI) | (5,368.14) | (4,047.23) | (3,073.52) | (12,201.11) | (11,835.39) | (14,561.76) |
| VIII | Tax Expenses | - | - | - | - | - | - |
| IX | Profit / (Loss) for the period (VII-VIII) | (5,368.14) | (4,047.23) | (3,073.52) | (12,201.11) | (11,835.39) | (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 | (5.90) | 14.64 | (17.50) | 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) | (5,363.26) | (4,042.35) | (3,079.42) | (12,186.47) | (11,852.89) | (14,542.24) |
| XII | Paid up equity Share Capital (face value of Rs.10/- each) | 11,578.95 | 11,578.95 | 11,578.95 | 11,578.95 | 11,578.95 | 11,578.95 |
| XIII | Other Equity | | | | | | (90,914.50) |
| XIV | Earnings per equity share (of Rs. 10/- each) | | | | | | |
| | 1) Basic | (4.64) | (3.50) | (2.69) | (10.54) | (10.62) | (12.94) |
| | 2) Diluted | (4.64) | (3.50) | (2.69) | (10.54) | (10.62) | (12.94) |



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Standalone Segment Wise Revenue, Results, Assets and Liabilities. For the Quarter and Nine Months Ended 31 December 2018 (Refer Note 2 below)

| Sl. No. | Particulars | Quarter Ended | | | Nine Months Ended | | (Rs. In Lakhs) |
|---------|--|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| | | 31 December | 30 September | 31 December | 31 December | 31 December | Year ended |
| | | 2018 | 2018 | 2017 | 2018 | 2017 | 31st March |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1) | Segment Revenue | | | | | | |
| | a) Special Steel | 18,332.28 | 13,237.39 | 17,491.76 | 48,500.81 | 61,935.70 | 79,831.27 |
| | b) Ferro Alloys | 19,195.61 | 21,079.53 | 22,199.17 | 64,270.12 | 59,436.74 | 86,326.36 |
| | Total | 37,527.89 | 34,316.92 | 39,690.93 | 112,770.93 | 121,372.44 | 166,157.63 |
| | Less: Inter-Segment Revenue | 469.22 | 396.93 | 1,055.51 | 1,407.96 | 2,413.32 | 3,002.43 |
| | Net Sales / Income From Operations | 37,058.67 | 33,919.99 | 38,635.42 | 111,362.97 | 118,959.12 | 163,155.20 |
| 2) | Segment Results | | | | | | |
| | Profit / (Loss) before tax and interest from Each segment | | | | | | |
| | a) Special Steel | (2,018.35) | (3,173.70) | (3,036.13) | (6,591.11) | (9,671.67) | (11,598.23) |
| | b) Ferro Alloys | (2,588.20) | (180.54) | 1,143.18 | (3,527.99) | 1,439.29 | 1,664.72 |
| | Total | (4,606.55) | (3,354.24) | (1,892.95) | (10,119.10) | (8,232.38) | (9,933.51) |
| | Less: i) Finance costs | 458.04 | 410.44 | 935.04 | 1,387.56 | 2,012.29 | 2,733.40 |
| | ii) Other Un-allocable Expenditure (Net off Un-allocable Income) | 303.55 | 282.55 | 245.53 | 694.45 | 1,590.72 | 1,894.85 |
| | Total Profit / (Loss) Before Tax | (5,368.14) | (4,047.23) | (3,073.52) | (12,201.11) | (11,835.39) | (14,561.76) |
| 3) | Segment Assets | | | | | | |
| | a) Special Steel | 185,365.71 | 189,744.59 | 199,894.90 | 185,365.71 | 199,894.90 | 195,584.34 |
| | b) Ferro Alloys | 102,062.56 | 102,145.29 | 112,840.00 | 102,062.56 | 112,840.00 | 108,140.57 |
| | c) Unallocated | 47,758.91 | 47,840.82 | 59,716.84 | 47,758.91 | 59,716.84 | 51,557.13 |
| | Total Assets | 335,187.18 | 339,730.70 | 372,451.74 | 335,187.18 | 372,451.74 | 355,282.04 |
| 4) | Segment Liabilities | | | | | | |
| | a) Special Steel | 5,850.28 | 5,609.92 | 19,466.07 | 5,850.28 | 19,466.07 | 7,347.63 |
| | b) Ferro Alloys | 3,957.82 | 5,109.73 | 5,360.38 | 3,957.82 | 5,360.38 | 5,213.03 |
| | c) Unallocated | 416,901.11 | 415,169.82 | 424,271.45 | 416,901.11 | 424,271.45 | 422,056.93 |
| | Total Liabilities | 426,709.21 | 425,889.47 | 449,097.90 | 426,709.21 | 449,097.90 | 434,617.59 |



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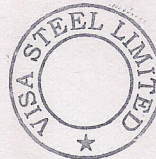
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- 1 The above standalone unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 22 January 2019. The statutory auditors have conducted the limited review of 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 and nine months ended 31 December 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.
- 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 amount of interest expenses not provided for is estimated at Rs. 9,425.06 Lakhs for the quarter ended 31 December 2018 and the accumulated interest not provided as on 31 December 2018 is estimated at Rs 1,05,075.78 Lakhs. The Statutory Auditors have qualified their Review Report in respect of this matter.
- 5 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 nine months ended 31 December 2018 is not comparable with the figures of nine months ended 31 December 2017.
- 6 Previous periods figures have been regrouped / rearranged, wherever necessary.

Date: 22 January 2019
Place: Kolkata



By Order of the Board
For VISA Steel Limited

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539