

VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

Phone: (+91-674) 2552 479, Fax: (+91-674) 2554 661

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

Phone: (+91-33) 30119 000, Fax: (+91-33) 30119 002

website: www.visasteel.com

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

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2016

Part-I

Sl. No.	Particulars	(Rs. in Lakhs except EPS)				
		Quarter Ended			Nine Months Ended	
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income From Operations					
	Net Sales/Income from Operations	36,511.30	30,848.03	28,621.42	93,554.10	78,184.52
	Less: Excise Duty	(2,689.66)	(1,938.64)	(2,135.87)	(6,295.92)	(5,464.97)
	(a) Net Sales/Income from Operations net of Excise Duty	33,821.64	28,909.39	26,485.55	87,258.18	72,719.55
	(b) Other Operating Income	131.80	570.63	46.85	998.30	553.75
	Total Income from operations (net)	33,953.44	29,480.02	26,532.40	88,256.48	73,273.30
2	Expenses					
	(a) Cost of materials consumed	23,922.05	18,369.75	19,695.70	58,228.15	52,939.20
	(b) Purchases of stock-in-trade	23.38	176.74	22.64	1,436.08	2,142.94
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,177.81)	(68.15)	43.38	(2,973.05)	(1,134.02)
	(d) Employee benefits expense	1,672.94	1,577.91	1,560.72	4,725.16	4,477.44
	(e) Depreciation and amortisation expense	3,179.45	3,179.58	3,077.37	9,542.29	9,236.99
	(f) Other expenses	9,326.57	9,367.98	5,805.54	26,792.10	16,598.44
	Total expenses	36,946.58	32,603.81	30,205.35	97,750.73	84,260.99
3	Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)	(2,993.14)	(3,123.79)	(3,672.95)	(9,494.25)	(10,987.69)
4	Other Income	557.26	773.37	672.04	2,117.32	2,492.73
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(2,435.88)	(2,350.42)	(3,000.91)	(7,376.93)	(8,494.96)
6	Finance costs	710.81	410.01	11,319.10	1,554.97	33,449.10
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(3,146.69)	(2,760.43)	(14,320.01)	(8,931.90)	(41,944.06)
8	Exceptional Items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7+8)	(3,146.69)	(2,760.43)	(14,320.01)	(8,931.90)	(41,944.06)
10	Tax expense	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9- 10)	(3,146.69)	(2,760.43)	(14,320.01)	(8,931.90)	(41,944.06)
12	Other Comprehensive Income, Net of Income Tax					
	A. Items that will not be reclassified to Profit and Loss	3.22	3.21	3.22	9.64	9.64
	B. Items that will be reclassified to Profit and Loss	-	-	-	-	-
13	Total Comprehensive Income for the period (11+12)	(3,143.47)	(2,757.22)	(14,316.79)	(8,922.26)	(41,934.42)
14	Paid-up equity share capital (face value of Rs.10/- each)	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
15	Earnings Per Share (of Rs.10/-each) (not annualised)					
	(a) Basic	(2.86)	(2.51)	(13.02)	(8.12)	(38.13)
	(b) Diluted	(2.86)	(2.51)	(13.02)	(8.12)	(38.13)



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**Standalone Segment Wise Revenue, Results, Assets and Liabilities.
For the Quarter and Nine Months Ended 31 December 2016 (Refer Note 5 below)**

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended	
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1)	Segment Revenue					
	a) Special Steel	17,632.56	13,382.14	13,690.48	41,674.46	38,345.50
	b) Ferro Chrome	17,095.21	16,692.64	13,111.84	48,141.50	35,766.08
	Total	34,727.77	30,074.78	26,802.32	89,815.96	74,111.58
	Less: Inter-Segment Revenue	774.33	594.76	269.92	1,559.48	838.28
	Net Sales / Income From Operations	33,953.44	29,480.02	26,532.40	88,256.48	73,273.30
2)	Segment Results					
	Profit / (Loss) before tax and interest from Each segment					
	a) Special Steel	(2,169.45)	(3,248.20)	(2,303.12)	(8,637.85)	(5,109.57)
	b) Ferro Chrome	565.33	1,647.30	1,482.19	3,591.68	2,322.09
	Total	(1,604.12)	(1,600.90)	(820.93)	(5,046.17)	(2,787.48)
	Less: i) Finance Costs	710.81	410.01	11,319.10	1,554.97	33,449.10
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	831.76	749.52	2,179.98	2,330.76	5,707.48
	Total Profit / (Loss) Before Tax	(3,146.69)	(2,760.43)	(14,320.01)	(8,931.90)	(41,944.06)
3)	Segment Assets					
	a) Special Steel	218,658.04	214,777.31	218,148.19	218,658.04	218,148.19
	b) Ferro Chrome	54,765.99	54,433.46	54,087.22	54,765.99	54,087.22
	c) Unallocated	63,407.24	63,880.15	71,896.62	63,407.24	71,896.62
	Total Assets	336,831.27	333,090.92	344,132.03	336,831.27	344,132.03
4)	Segment Liabilities					
	a) Special Steel	20,882.61	13,424.52	14,565.64	20,882.61	14,565.64
	b) Ferro Chrome	7,405.60	8,455.91	7,993.12	7,405.60	7,993.12
	c) Unallocated	403,340.63	402,864.49	390,312.78	403,340.63	390,312.78
	Total Liabilities	431,628.84	424,744.92	412,871.54	431,628.84	412,871.54



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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 10 February 2017.
- 2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Company has for the first time adopted Ind AS with a transition date of 1 April 2015.
- 3 The format for Un-audited three months and nine months ended Results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with requirements of SEBI's circular dated 5 July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 4 This Statement does not include Results for the previous year ended 31 March 2016 as the same is not mandatory as per SEBI's circular dated 5 July 2016.
- 5 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 6 The Board of Directors of the Company at its meeting held on 12 August 2013 had approved transfer of its Special Steel Undertaking on going concern basis to its wholly owned subsidiary, VISA Special Steel Limited with effect from 1 April 2013 under a Scheme of Arrangement (the Scheme) pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. Pursuant to the application made by the Company for sanction of the Scheme, the Hon'ble High Court of Orissa at Cuttack directed holding of the meeting of the shareholders of the Company for consideration and approval of the Scheme. The Scheme was approved by the requisite majority of the shareholders by special resolution on 10 June 2014. While the Scheme was pending sanction of the High Court, the jurisdiction for sanction of the same has in the meantime with the promulgation of the respective provisions on schemes of arrangement under the Companies Act, 2013 has now shifted to National Company Law Tribunal (NCLT). Accordingly, the Company will now be approaching the NCLT at Kolkata which has jurisdiction over the State of Odisha for taking up the matter. Pending the sanction of the Scheme, accounting adjustments necessary pursuant to the Scheme have not been considered at the time of the compilation of the above results.
- 7 The Company has incurred net loss during the three and nine months ended 31 December 2016 and the period end current liabilities exceeded the current assets as on 31 December 2016 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 restructuring as may be agreed with lenders, 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 opinion in their limited review report.
- 8 The Board of Directors of the Company at its meeting held on 21 August 2015 had approved amalgamation of VISA BAO Limited with the Company with effect from 1 April 2015 under a Scheme of Arrangement (the Scheme) pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. The Scheme was approved by the requisite majority of the shareholders by special resolution on 8 July 2016. While the Scheme was pending sanction of the High Court, the jurisdiction for sanction of the same has in the meantime with the promulgation of the respective provisions on schemes of arrangement under the Companies Act, 2013 has now shifted to National Company Law Tribunal (NCLT). Accordingly, the Company will now be approaching the NCLT at Kolkata which has jurisdiction over the State of Odisha for taking up the matter. Pending the sanction of the Scheme, accounting adjustments necessary pursuant to the Scheme have not been considered at the time of the compilation of the above results.



- 9 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 debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest not provided stands at Rs. 11,904.53 Lakhs and Rs.33,002.65 Lakhs for the quarter and nine months ended 31 December 2016 and accordingly the same has not been considered for compilation of results of the said quarter and nine months. The Statutory Auditors have qualified their limited review report in respect of this matter.
- 10 The reconciliation of Net Loss reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind AS is given below:

Particulars	Quarter ended 31 December 2015 (Rs. in Lakhs) (Unaudited)	Nine Months ended 31 December 2015 (Rs. in Lakhs) (Unaudited)
Net profit/(loss) after tax reported under previous GAAP (Indian GAAP)	(14,121.99)	(41,344.30)
Add/(Less): Adjustment on account of :		
i. Fair Valuation of derivative financial instruments	(9.80)	(4.06)
ii. Application of effective interest method on borrowing cost	(167.57)	(540.62)
iii. Actuarial gain on defined benefit plans considered under Other Comprehensive	(3.22)	(9.64)
iv. Recognition of interest income on non-current financial asset at amortized cost	37.56	112.69
v. Recognition of interest expenses on non-current financial liabilities at amortized cost	(72.78)	(211.53)
vi. Amortization of deferred rent expenses	(40.27)	(120.81)
vii. Recognition of deferred rent income	57.48	172.45
viii. Depreciation on capitalization of spares	(1.22)	(3.64)
ix. Investment to VISA BAO Ltd.	1.80	5.40
Net profit/(loss) as per Ind AS	(14,320.01)	(41,944.06)
Other Comprehensive Income	3.22	9.64
Total Comprehensive Income for the period	(14,316.79)	(41,934.42)

Date: 10 February 2017
Place: Kolkata



By Order of the Board
For VISA Steel Limited

Vishal Agarwal
Vishal Agarwal
Vice Chairman and Managing Director

