VISA STEEL

Registered Office: 11, Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Orissa
Corporate Office: Brooke House, 2nd Floor, 9 Shakespeare Sarani, Kolkata 700071

Q2 & H1 FY2011 Results Release

In Q2 FY2011

Net Sales at Rs. 3,300 million

EBITDA stands at Rs. 433 million

PAT amounted to Rs. 103 million, Cash Profit at Rs. 240 million

EPS 0.94, Cash EPS 2.18

Kolkata, November 1, 2010: VISA Steel Ltd. (VISA Steel), an emerging Integrated Special Steel Company, reported its financial performance for the second quarter and half year ended September 30, 2010. Highlights of the financial results as compared to the corresponding period of the previous year are:

Rs. in million

	Q2 FY2011	Q2 FY2010	H1 FY2011	H1 FY2010
Turnover	**3,300**	**2,528**	**5,521**	**5,097**
PBDIT	**433**	**442**	**838**	**778**
PBDIT%	***13%***	***18%***	***15%***	***15%***
PBT	**151**	**191**	**267**	**307**
PAT	**103**	**87**	**179**	**188**
Cash Profit	**240**	**313**	**460**	**540**

Overview of the Q2 & H1 FY2011 Performance

- VISA Steel continues to maintain healthy operating margins driven largely by operational efficiency and captive power.

  - The production figures of Q2 & H1 FY'10-11 versus FY'09-10 were as follows:-

Products	Q2 FY2011	Q2 FY2010	% Change	H1 FY2011	H1 FY2010	% Change
Hot Metal (in MT)	**0**	**45,512**	--	**0**	**83,640**	--
LAM Coke (in MT)	**78,995**	**85,105**	*(7)%*	**156,032**	**175,688**	*(11)%*
Ferro Chrome (in MT)	**11,340**	**11,325**	*0%*	**22,274**	**21,130**	*5%*
Sponge Iron (in MT)	**38,249**	**30,303**	*26%*	**76,187**	**63,278**	*20%*
Power (in Mn Units)	**59.53**	**53.12**	*12%*	**110.37**	**98.73**	*12%*

- Coke continues to remain a key contributor to the overall income in the quarter with net realisation of Rs 18,119 per tonne. Production of Coke for the quarter has been marginally lower on y-o-y basis.
- Blast Furnace & Sponge Iron production continued to be hindered by the disruption in supplies of Iron Ore due to temporary closure of OMC mines
  - Heating of Blast Furnace has begun and hot metal production is expected from mid November as OMC's Daitari mines are expected to start production shortly.
- Work on 0.5 million TPA Steel Melt Shop, additional 25MW Power Plant and Rolling Mill is progressing well.

Steel Melt Shop

Progress Till date	% Progress
Civil	98%
Structural Fabrication	99%
Structural Erection	95%
Technology Partner	SMS Siemag

Rolling Mill

Progress Till date	% Progress
Civil	92%
Structural Fabrication	100%
Structural Erection	99%
Technology Partner	SMS Meer

  - The commencement of the 0.5 million TPA Steel Melt Shop and additional 25 MW power generation by Q3 FY2011 and Bar & Wire Rod Mill by Q4 FY2011 shall improve the revenues and profitability further.

- VISA Steel has signed an MoU with the Government of Madhya Pradesh for setting up a 1.25 million TPA Steel Plant, 100,000 TPA Manganese Alloy Plant and 300 MW Captive Power Plant in Madhya Pradesh.

Financial Performance Review and Analysis

Q2 FY2011 Financial Performance (compared with Q1 FY2011)

- Revenues amounted to Rs. 3,300 million compared to Rs. 2,222 million
- PBDIT amounted to Rs. 433 million compared to Rs. 405 million
- PAT for the quarter was Rs. 103 million compared to Rs. 76 million
- Cash Profit reported at Rs. 240 million compared to Rs. 220 million
- EPS stands at Rs. 0.94
- Cash EPS at Rs.2.18

Q2 FY2011 Financial Performance (compared with Q2 FY2010)

- Revenues amounted to Rs. 3,300 million compared to Rs. 2,528 million
- PBDIT amounted to Rs. 433 million compared to Rs. 442 million
- PAT for the quarter was Rs. 103 million compared to Rs. 87 million
- Cash Profit reported at Rs. 240 million compared to Rs. 313 million
- EPS stands at Rs. 0.94
- Cash EPS at Rs.2.18

H1 FY2011 Financial Performance (compared with H1 FY2010)

- Revenues amounted to Rs. 5,521 million compared to Rs. 5,097 million
- PBDIT amounted to Rs. 838 million compared to Rs. 778 million
- PAT for the quarter was Rs. 179 million compared to Rs. 188 million
- Cash Profit reported at Rs. 460 million compared to Rs. 540 million
- EPS stands at Rs. 1.63
- Cash EPS at Rs. 4.18

Operational Performance Review and Analysis (Q2 FY2011)

- Coke plant
  - Production of Coke for the quarter was approximately 78,995 tonnes.
  - Coke Sales in the quarter were 61,833 tonnes
  - Net realisation was Rs. 18,119 per tonne for the quarter
- Blast Furnace
  - Hot Metal (Pig Iron & Scrap) production was affected due to restricted supply of the Iron Ore and production for the quarter was Nil
  - 1,085 tonnes of Pig Iron & Scrap was sold
  - Net Realizations for the quarter was Rs. 12,578 per tonne
- Ferro Chrome
  - 11,340 tonnes of Ferro Chrome was produced
  - Sales of Ferro Chrome was reported at 16,287 tonnes
  - Net Average realizations was Rs. 56,996 per tonne for the quarter
- Sponge Iron
  - 38,249 tonnes was produced in Q2 FY 2011
  - 39,312 tonnes of Sponge Iron was sold in the quarter
  - Net Realisation of Sponge Iron was Rs 14,766 per tonne for the quarter
- Power Plant
  - 59.54 million units of Power was generated

Commenting on the performance for Q2 & H1 FY2011, Mr. Vishal Agarwal, Managing Director of VISA Steel Limited, said:

"The prices for iron and steel products have been weak whereas raw material prices have increased, putting pressure on our margins. In addition, the disruption in supplies of iron ore due to closure of OMC's iron ore mines in Orissa has impacted our Blast Furnace operations. We expect supplies to commence shortly and Blast Furnace production to start from mid November 2010. With forward integration of Steel Melt Shop and Bar & Wire Rod Mill and additional power generation, revenues and profitability are expected to improve."

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About VISA Steel Limited

VISA Steel Limited (VISA Steel) is an emerging Integrated Special Steel Company with captive mineral resources and power which currently manufactures products such as Pig Iron, Lam Coke, Ferro Chrome, Sponge Iron and generates Power.

VISA Steel is setting up an integrated 0.5 million TPA Special Steel Plant at Kalinganagar, Orissa of which it has already commissioned facilities of Pig Iron, Coke Oven, Ferro Chrome, Sponge Iron and Power.

VISA Steel has its Registered Office in Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar and Golagaon and branch offices across India. VISA Steel has a strong backing of experienced promoters, reputed Board of Directors and qualified team of professionals.

For further information please contact:

Manoj Digga / Jyoti Jhunjhunwala
VISA Steel Limited
Tel: +91 33 3051 9000
Fax: +91 33 3051 9001
Email: manoj.digga@visasteel.com
j.jhunjhunwala@visasteel.com

Anoop Poojari / Parveen Goyal
Citigate Dewe Rogerson
Tel: +91 22 6645 1211/ 1223
Fax: +91 22 6645 1213
Email: anoop@cdr-india.com
parveen@cdr-india.com

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. VISA Steel Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

VISA STEEL LIMITED

Registered Office : 11, Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Orissa
Corporate Office: Brooke House, 2nd Floor, 9, Shakespeare Sarani, Kolkata 700 071
website: www.visasteel.com
Email ID for registering Investor Grievances: investors@visasteel.com

UNAUDITED FINANCIAL RESULTS FOR THE THREE & SIX MONTHS ENDED 30 SEPTEMBER 2010

(₹ In Lakhs)

	Particulars	3 Months Ended		6 Months Ended		Financial Year Ended
		30 September 2010	30 September 2009	30 September 2010	30 September 2009	31 March 2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	32,476.01	25,123.43	54,529.06	50,533.17	115,694.17
	Other Operating Income	521.04	157.36	685.18	434.26	1,454.07
	Total	32,997.05	25,280.79	55,214.24	50,967.43	117,148.24
2	Expenditure					
	a. Increase/decrease in stock in trade and work in progress	(1,252.26)	(1,111.86)	(6,359.44)	4,663.14	(1,768.20)
	b. Consumption of raw materials	21,997.96	16,091.21	41,548.99	29,651.19	68,661.79
	c. Purchase of traded goods	4,512.54	2,697.85	4,512.54	2,697.85	14,472.40
	d. Employees cost	1,025.83	642.72	2,027.02	1,289.40	3,278.84
	e. Depreciation	1,208.30	1,216.42	2,410.03	2,315.54	4,681.78
	f. Other expenditure	2,383.05	2,537.27	5,100.42	4,881.47	12,739.80
	Total	29,875.42	22,073.61	49,239.56	45,498.59	102,066.41
3	**Profit from Operations before Interest and Exceptional Items (1-2)**	**3,121.63**	**3,207.18**	**5,974.68**	**5,468.84**	**15,081.83**
4	Other Income	-	-	-	-	-
5	**Profit before Interest and Exceptional Items(3+4)**	**3,121.63**	**3,207.18**	**5,974.68**	**5,468.84**	**15,081.83**
6	Interest (Net)	1,611.70	1,295.72	3,303.55	2,402.65	6,513.98
7	**Profit after Interest but before Exceptional Items(5-6)**	**1,509.93**	**1,911.46**	**2,671.13**	**3,066.19**	**8,567.85**
8	Exceptional Items	-	-	-	-	-
9	**Profit (+)/Loss (-) before tax (7+8)**	**1,509.93**	**1,911.46**	**2,671.13**	**3,066.19**	**8,567.85**
10	Tax expenses					
	Current Tax	383.40	76.50	614.83	120.00	960.00
	MAT Credit Entitlement	(477.02)	-	(696.88)	-	-
	Deferred Tax	572.72	973.86	959.86	1,068.84	2,866.16
	Fringe Benefit Tax	-	(10.00)	-	-	-
11	**Net Profit (+)/Loss (-) from Ordinary Activities after tax (9- 10)**	**1,030.83**	**871.10**	**1,793.32**	**1,877.35**	**4,741.69**
12	Extraordinary Item (net of tax expenses)					**-**
13	**Net Profit (+)/Loss (-) for the period (11-12)**	**1,030.83**	**871.10**	**1,793.32**	**1,877.35**	**4,741.69**
14	Paid-up equity share capital (face value of ₹10/- each)	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
15	Reserve excluding Revaluation Reserves	-	-	-	-	20,469.33
16	Earnings Per Share (EPS)					
	a) Basic and diluted EPS	0.94	0.79	1.63	1.71	4.31
17	Public shareholding					
	- Number of shares	28,600,000	30,000,000	28,600,000	30,000,000	30,000,000
	- Percentage of shares	26.00%	27.27%	26.00%	27.27%	27.27%
18	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-		-		-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-		-		-
	- Percentage of shares (as a % of the total share capital of the Company)	-		-		-
	b) Non-encumbered					
	- Number of shares	81,400,000	80,000,000	81,400,000	80,000,000	80,000,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	74.00%	72.73%	74.00%	72.73%	72.73%

Notes:

1 As the Company's business activity falls within a single business segment, viz. "Iron & Steel products", the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006, are not applicable.

2 No. of Investors' complaints: Pending at the Beginning of the Quarter: NIL, Received: 10, Disposed: 9, Pending at the end of the Quarter: 1.

3 VISA Infrastructure Limited, the Holding Company, has acquired 11,00,000 Equity Shares of the Company from the open market taking its total shareholding to 5,76,12,167 Equity Shares (52.375%) in the Company.

4 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 29 October 2010. The Statutory Auditors have carried out a limited review of the results for the three & six months ended 30 September 2010 pursuant to Clause 41 of the Listing Agreement.

5 Previous period's figures have been regrouped/ rearranged wherever found necessary.

By Order of the Board
For VISA Steel Limited

Date: 29 October 2010
Place: Kolkata

Vishal Agarwal
Managing Director

6 **STATEMENT OF ASSETS & LIABILITIES**

(₹ In Lakhs)

Particulars	6 Months Ended	
	30 September 2010	30 September 2009
	Unaudited	Unaudited
Shareholders' Funds		
(a) Share Capital	11,000.00	11,000.00
(b) Reserves and Surplus	22,262.23	18,897.21
Loan Funds	132,916.16	106,887.10
Deferred Tax	3,970.85	1,213.68
Total	**170,149.24**	**137,997.99**
Application of Funds		
Fixed Assets	180,077.98	142,838.27
Investments	6,104.00	3,046.50
Current Assets, Loans and Advances		
(a) Inventories	41,382.92	32,240.94
(b) Sundry Debtors	6,340.18	5,787.19
(c) Cash and Bank Balances	7,459.15	5,010.23
(d) Interest Accrued on Deposits	241.05	212.93
(e) Loans and Advances	12,939.22	15,799.14
Less: Current Liabilities and Provisions		
(a) Liabilities	84,364.42	67,196.58
(b) Provisions	142.47	120.00
Net Current Assets	**(16,144.37)**	**(8,266.15)**
Miscellaneous Expenditure	111.63	379.37
[To the extent not written off or adjusted]		
Profit And Loss Account	-	-
Total	**170,149.24**	**137,997.99**

By Order of the Board
For VISA Steel Limited

Date: 29 October 2010
Place: Kolkata

Vishal Agarwal
Managing Director