

VISA STEEL LIMITED

VISA STEEL

CORPORATE OFFICE
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8/10, ALIPORE ROAD
KOLKATA - 700 027
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Fax : +91-33-3011 9002
Website: www.visasteel.com
CIN NO : L51109OR1996PLC004601

13 September 2016

BSE Limited 25 Floor P J Towers Dalal Street, Mumbai 400 001 <u>Fax no: 91 – 22 – 2272 3121</u> <u>BSE SCRIP CODE: 532721</u>	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051 <u>Fax no: 91 – 22 – 2659 8237 / 38</u> <u>NSE SYMBOL: VISASTEEL</u>
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Sub: Standalone Unaudited Financial Results of the Company for the quarter ended 30 June 2016

Dear Sir / Madam,

Pursuant to the provisions of Regulation 30 read with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Securities and Exchange Board of India's Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, please find enclosed the Standalone Unaudited Financial Results of the Company for the quarter ended 30 June 2016, duly reviewed by the Statutory Auditors together with copy of Limited Review Report of the Company for the quarter ended 30 June 2016, issued by them.

The Meeting commenced at 1130 hours and concluded at 1530 hours.

This is for your information.

Thanking You,

Yours truly,
For VISA Steel Limited


Manoj Kumar Digga
Director (Finance) &
Chief Financial Officer
DIN: 01090626

Encl: As above

Lovelock & Lewes

Chartered Accountants

The Board of Directors
VISA Steel Limited
VISA House,
8/10 Alipore Road
Kolkata 700027

1. We have reviewed the unaudited financial results of VISA Steel Limited (the "Company") for the quarter ended June 30, 2016 which are included in the accompanying "Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June 2016" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 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. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw your attention to Note 10 to the Statement with regard to non recognition of interest expense amounting to Rs 9914.29 Lakhs on the borrowings of the Company for the quarter ended June 30, 2016 which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.

Had the aforesaid interest expense been recognised, Finance costs for the quarter ended June 30, 2016 would have been Rs. 10348.44 Lakhs instead of the reported amount of Rs. 434.15 Lakhs ; Profit/ (Loss) from ordinary activities after finance costs but before exceptional items for the quarter ended June 30, 2016 would have been Rs.(12939.07) Lakhs instead of the reported amount of Rs. (3024.78) Lakhs ; Profit /(Loss) from ordinary activities before tax for the quarter ended June 30, 2016 would have been Rs. (12939.07) Lakhs instead of the reported amount of Rs. (3024.78) Lakhs ; Net Profit /(Loss) from ordinary activities after tax for the quarter ended June 30, 2016 would have been Rs . (12939.07) Lakhs instead of the reported amount of Rs. (3024.78) Lakhs; Total Comprehensive Income for the quarter ended June 30, 2016 would have been Rs. (12935.86) Lakhs instead of the reported amount of Rs. (3021.57) Lakhs and Earnings Per Share for the quarter ended June 30, 2016 would have been Rs. (11.76) instead of the reported amount of Rs. (2.75).



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Lovelock & Lewes

Chartered Accountants

VISA Steel Limited

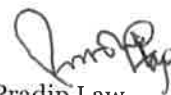
Review Report to the Board of Directors on the
Statement of Standalone Unaudited Financial Results for the
Quarter Ended 30 June, 2016

5. Based on our review conducted as above, except for the matter referred to in Paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to the following matters:
 - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2015. As set out in Note 5 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

7. We also draw attention to Note 8 to the Statement regarding the preparation of the same on going concern basis. The Company has incurred a net loss of Rs 3024.78 Lakhs during the quarter ended June 30, 2016 and, as of that date, the Company's current liabilities exceeded its current assets and the Company's net worth has also been eroded. These conditions along with other matters as set forth in the aforesaid Note, 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 qualified in respect of this matter.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants



Pradip Law
Partner
Membership Number 51790

Place : Kolkata
Date : September 13, 2016

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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 Ended 30 June 2016

Part-I

Sl. No.	Particulars	(Rs. In Lakhs except EPS)	
		3 Months Ended	
		30 June 2016	30 June 2015
		Unaudited	(Not Subject to review/audit)
1	Income From Operations		
	Net Sales/Income from Operations	26,194.77	26,657.73
	Less: Excise Duty	(1,667.62)	(2,026.48)
	(a) Net Sales/Income from Operations net of Excise Duty	24,527.15	24,631.25
	(b) Other Operating Income	295.87	218.53
	Total Income from operations (net)	24,823.02	24,849.78
2	Expenses		
	(a) Cost of materials consumed	15,936.35	19,428.85
	(b) Purchases of stock-in-trade	1,235.96	1,465.38
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,727.09)	(2,808.52)
	(d) Employee benefits expense	1,474.31	1,531.31
	(e) Depreciation and amortisation expense	3,183.26	3,079.91
	(f) Other expenses	8,097.55	5,039.83
	Total expenses	28,200.34	27,736.76
3	Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)	(3,377.32)	(2,886.98)
4	Other Income	786.69	1,109.95
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(2,590.63)	(1,777.03)
6	Finance costs (Refer Note 10 below)	434.15	10,331.93
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(3,024.78)	(12,108.96)
8	Exceptional Items	-	-
9	Profit / (Loss) from ordinary activities before tax (7+8)	(3,024.78)	(12,108.96)
10	Tax expense	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9- 10)	(3,024.78)	(12,108.96)
12	Other Comprehensive Income, Net of Income Tax		
	A. Items that will not be reclassified to Profit and Loss	3.21	3.21
	B. Items that will be reclassified to Profit and Loss	-	-
13	Total Comprehensive Income for the period (11+12)	(3,021.57)	(12,105.75)
14	Paid-up equity share capital (face value of Rs.10/- each)	11,000.00	11,000.00
15	Earnings Per Share (of Rs.10/-each) (not annualised)		
	(a) Basic	(2.75)	(11.01)
	(b) Diluted	(2.75)	(11.01)



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Standalone Segment Wise Revenue, Results and Capital Employed For the Quarter Ended 30 June 2016 (Refer Note 6 below)

Part II

(Rs. In Lakhs)

Sl. No.	Particulars	3 Months Ended	
		30 June	30 June
		2016	2015
		Unaudited	(Not Subject to review/audit)
1)	Segment Revenue		
	a) Special Steel	10,659.76	14,215.39
	b) Ferro Alloys	14,353.65	10,966.31
	Total	25,013.41	25,181.70
	Less: Inter-Segment Revenue	190.39	331.92
	Net Sales / Income From Operations	24,823.02	24,849.78
2)	Segment Results		
	Profit / (Loss) before tax and interest from Each segment		
	a) Special Steel	(3,220.20)	(654.15)
	b) Ferro Alloys	1,379.05	229.00
	Total	(1,841.15)	(425.15)
	Less: i) Finance Cost	434.15	10,331.93
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	749.48	1,351.88
	Total Profit / (Loss) Before Tax	(3,024.78)	(12,108.96)
3)	Capital Employed		
	(Segment assets-Segment liabilities)		
	a) Special Steel	198,317.04	208,020.00
	b) Ferro Alloys	49,935.71	46,748.99
	Total capital employed in segments	248,252.75	254,768.99
	Add: Unallocable corporate assets less corporate liabilities	(78,602.75)	(8,370.79)
	Total capital employed	169,650.00	246,398.20



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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 13 September 2016.
- 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 Quarterly 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 preceding quarter and previous year ended 31 March 2016 as the same is not mandatory as per SEBI's circular dated 5 July 2016.
- 5 The Ind AS compliant corresponding figures in the previous year have not been subjected to review/ audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 7 The Board of Directors of the Company at its meeting held on 12 August 2013, had approved the transfer of its Special Steel Undertaking on a going concern basis to its wholly owned subsidiary VISA Special Steel Limited by way of Scheme of Arrangement (the Scheme) with effect from 1 April 2013 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to sanction of Jurisdictional High Court. Pending such sanction, no accounting adjustment in respect of the Scheme has been considered for the compilation of the above results.
- 8 The Company has incurred net loss during the quarter ended 30 June 2016 and the quarter end current liabilities exceeded the current assets as on 30 June 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.
- 9 The Board of Directors of the Company at its meeting held on 21 August 2015 had approved the amalgamation of VISA BAO Limited with the Company by way of Scheme of Arrangement (the Scheme) with effect from 1 April 2015 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to the sanctions/approval of Jurisdictional High Court, lenders and other concerned authorities, as may be applicable. Pending such sanction/approval, no accounting adjustment in respect of the Scheme has been considered for the compilation of the above results.
- 10 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 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 accrued interest in its books effective 1 April 2016. The amount of such accrued interest not so provided stands at Rs. 9914.29 Lakhs for the quarter ended 30 June 2016 and accordingly the same has not been considered for compilation of results of the said quarter. The Statutory Auditors have qualified their limited review report in respect of this matter.



- 11 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 30 June 2015 (Rs. in Lakhs) (Not subject to review/audit)
Net profit/(loss) after tax reported under previous GAAP (Indian GAAP)	(11,935.48)
Add/(Less): Adjustment on account of :	
i. Fair Valuation of derivative financial instruments	30.56
ii. Application of effective interest method on borrowing cost	(185.10)
iii. Actuarial gain on defined benefit plans considered under Other Comprehensive Income	(3.21)
iv. Recognition of interest income on non-current financial asset at amortized cost	37.56
v. Recognition of interest expenses on non-current financial liabilities at amortized cost	(69.35)
vi. Amortization of deferred rent expenses	(40.25)
vii. Recognition of deferred rent income	57.51
viii. Depreciation on capitalization of spares	(1.20)
Net profit/(loss) as per Ind AS	(12,108.96)
Other Comprehensive Income	3.21
Total Comprehensive Income for the period	(12,105.75)

Date: 13 September 2016
Place: Kolkata



By Order of the Board
For VISA Steel Limited

[Signature]
Vishal Agarwal
Vice Chairman and Managing Director

