

VISA

VISA STEEL LIMITED

VISA STEEL

CORPORATE OFFICE
VISA HOUSE
8/10, ALIPORE ROAD
KOLKATA - 700 027
Tel : +91-33 3011 9000
Fax : +91-33 3011 9002
Website : www.visasteel.com
CIN NO : L51109OR1996PLC004601

9 November 2017

BSE Limited 25 Floor P J Towers Dalal Street, Mumbai 400 001 BSE Scrip Code: 532721	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051 NSE SYMBOL: VISASTEEL
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Sub: Outcome of the Board Meeting - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Please be informed that the Board of Directors of the Company, at its Meeting held on Thursday, 9 November 2017 has *inter-alia*:

1. Approved the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended 31 March 2017, subsequent to the amalgamation of VISA BAO Limited with the Company in the specified format along with the Auditors' Report thereon, pursuant to the provisions of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27 May 2016, the Company hereby declares that the Statutory Auditors, M/s Lovelock & Lewes, Chartered Accountants, have issued the Audit Reports on the Standalone and Consolidated Financial Results of the Company for the financial year ended on 31 March 2017 with modified opinion. The Statement on Impact of Audit Qualification is enclosed.

2. Approved the appointment of M/s Singhi & Co., Chartered Accountants, (Firm Registration No.: 302049E), pursuant to the recommendation of the Audit Committee, as the Statutory Auditors of the Company for a period of five years, from the conclusion of the 21st Annual General Meeting (AGM) till the conclusion of the 26th AGM to be held during the year 2022, in place of the current Statutory Auditor M/s Lovelock & Lewes, Chartered Accountants (Firm Registration No.: 301056E), whose term expires at the forthcoming 21st AGM and recommended the same for the approval of the Members at the ensuing AGM as per the relevant provisions of the Companies Act, 2013 read with rules formed thereunder. M/s Singhi & Co., Chartered Accountants, (Firm Registration No.: 302049E), is one of the leading firm providing professional services in India in the fields of Assurance & Audit, Risk Advisory, Corporate Finance, International Financial Reporting Standard, Taxation & others. They have been in the profession for over 70 years and have offices across major cities in India.



3. Approved that the 21st Annual General Meeting (AGM) of the Company shall be held on 14 December 2017. A copy of the notice convening the said AGM will be sent in due course.

The Register of Members & Share Transfer Books of the Company will remain closed from 7 December 2017 to 14 December 2017 (both days inclusive) for the purpose of the 21st AGM.

The meeting commenced at 1200 hours and concluded at 1945 hours.

This is for your information.

Thanking You,
For VISA Steel Limited

Sudhir K Banthiya

Sudhir Kumar Banthiya
Company Secretary &
Compliance Officer
F8460



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VISA STEEL LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. This Report supersedes our Report dated May 26, 2017.
2. We have audited the accompanying standalone Ind AS financial statements of VISA Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements") in which is incorporated the financial information of erstwhile VISA BAO Ltd (' Amalgamating Company') for the year ended on that date audited by us (Refer sub- paragraph 11 (b) of the Emphasis of Matter Paragraph below).

Management's Responsibility for the Standalone Ind AS Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Standalone Ind AS Financial Statements

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6. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

9. We draw your attention to Note 18D to the standalone Ind AS financial statements with regard to non-recognition of interest expense amounting to Rs. 4,693.34 Million on the borrowings of the Company for the year ended March 31, 2017 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 year ended March 31, 2017 would have been Rs. 5,059.22 Million instead of the reported amount of Rs. 365.88 Million; Total Expenses for the year ended March 31, 2017 would have been Rs. 21,350.75 Million instead of Rs. 16,657.41 Million; Loss before exceptional items and tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Loss before tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Net Loss after tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Total Comprehensive Income for year ended March 31, 2017 would have been Rs. (6,122.22) Million instead of the reported amount of Rs. (1,428.88) Million and Loss Per Share for the year ended March 31, 2017 would have been Rs. 55.64 instead of the reported amount of Rs. 12.97. Other Equity and Other Current Financial Liabilities as at March 31, 2017 would have been Rs. (12,330.55) Million and Rs. 18,501.61 Million instead of the reported amount of Rs. (7,637.21) Million and Rs. 13,808.27 Million respectively.



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Standalone Ind AS Financial Statements

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Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 9 above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

11. We draw attention to the following matters:
 - (a) Note 40 to the standalone Ind AS financial statements, regarding the preparation of the same on going concern basis. The Company has incurred a net loss during the year ended March 31, 2017 and, as of that date, the Company's current liabilities exceeds its current assets and the Company's net worth has been eroded as at the balance sheet date. 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.
 - (b) We draw attention to Note 48 to the standalone Ind AS financial statements which describes the basis for revision of the standalone Ind AS financial statements consequent to the merger of the Amalgamating Company with the Company, pursuant to a Scheme of Amalgamation sanctioned by the National Company Law Tribunal ("NCLT") vide its order dated October 12, 2017 (the "Scheme"). We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the standalone Ind AS financial statements (as amended) are restricted solely to the aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 26, 2017 (being the date on which the standalone Ind AS financial statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).
 - (c) Note 48 to the standalone financial statements relating to accounting for amalgamation of VISA BAO Limited (the "Transferor Company") with the Company in accordance with the Scheme. As specified in the said Scheme, the Company has recorded net assets of the Transferor Company at their respective fair values. This accounting treatment is not in accordance with the pooling of interest method as prescribed under Ind AS 103 - Business Combinations with respect to accounting for business combinations of entities under common control.

Our opinion is not qualified in respect of these matters.



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Standalone Ind AS Financial Statements

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Other Matter

12. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 27, 2016 and modified opinion dated May 29, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, except for the matter referred to in paragraph 9 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, except for the matter referred to in paragraph 9 above, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) The matter mentioned in paragraph 11(a) above, in our opinion, may have an adverse effect on the functioning of the Company.



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Standalone Ind AS Financial Statements

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- (f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With reference to maintenance of accounts and other matters connected therewith, reference is drawn to our comment in paragraph 14 (b) above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 39;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 41.

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



Pradip Law
Partner
Membership Number 51790

Kolkata
November 9, 2017

VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

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website: www.visasteel.com

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

Statement of Standalone Audited/Unaudited Financial Results for the Quarter and Year Ended on 31 March 2017

Part-I

Sl. No.	Particulars	(Rs. In Lakhs except EPS)				
		Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		2017	2016	2016	2017	2016
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	54,952.44	36,643.10	29,658.32	149,504.84	108,396.60
II	Other Income	850.67	504.06	609.26	2,803.80	3,101.98
III	Total Income [I+II]	55,803.11	37,147.16	30,267.58	152,308.64	111,498.58
IV	Expenses					
(a)	Cost of materials consumed	35,951.45	23,922.05	19,012.90	94,179.60	71,952.10
(b)	Purchases of Stock-in-Trade	4,757.92	23.38	90.71	6,194.00	2,233.65
(c)	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(1,478.79)	(1,177.81)	(389.92)	(4,451.94)	(1,523.94)
(d)	Excise Duty	3,490.73	2,689.58	1,812.65	9,786.66	7,277.63
(e)	Employee benefits expense	1,670.03	1,675.96	1,307.91	6,404.18	5,785.35
(f)	Finance Cost	42.96	1,425.81	12,289.82	3,658.85	45,738.92
(g)	Depreciation and amortisation expense	3,880.46	3,606.27	3,480.90	15,042.61	12,717.89
(h)	Other expenses	10,316.46	8,875.80	8,255.32	35,760.07	24,853.76
	Total expenses (IV)	58,631.22	41,041.04	45,860.29	166,574.03	169,035.36
V	Profit / (Loss) before exceptional items and tax (III-IV)	(2,828.11)	(3,893.88)	(15,592.71)	(14,265.39)	(57,536.78)
VI	Exceptional Items	-	-	-	-	-
VII	Profit / (Loss) before tax (V-VI)	(2,828.11)	(3,893.88)	(15,592.71)	(14,265.39)	(57,536.78)
VIII	Tax expense	-	-	2,747.00	-	2,747.00
IX	Net Profit / (Loss) for the period (VII-VIII)	(2,828.11)	(3,893.88)	(18,339.71)	(14,265.39)	(60,283.78)
X	Other Comprehensive Income, Net of Income Tax					
A	(i) Items that will not be reclassified to Profit and Loss	(32.92)	3.21	3.16	(23.28)	12.80
	(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)	(2,861.03)	(3,890.67)	(18,336.55)	(14,288.67)	(60,270.98)
XII	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
XIII	Earnings Per Share (of Rs.10/-each)					
(a)	Basic	(2.57)	(3.54)	(16.67)	(12.97)	(54.80)
(b)	Diluted	(2.57)	(3.54)	(16.67)	(12.97)	(54.80)



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Standalone Segment Wise Revenue, Results, Assets and Liabilities.
For the Quarter and Year Ended 31 March 2017 (Refer Note 4 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		2017	2016	2016	2017	2016
		Audited	Unaudited	Audited	Audited	Audited
1)	Segment Revenue					
	a) Special Steel	34,464.90	19,839.74	13,926.59	81,201.09	57,012.17
	b) Ferro Alloys	21,303.26	17,577.69	16,079.74	70,678.91	52,570.71
	Total	55,768.16	37,417.43	30,006.33	151,880.00	109,582.88
	Less: Inter-Segment Revenue	815.72	774.33	348.01	2,375.16	1,186.27
	Net Sales / Income From Operations	54,952.44	36,643.10	29,658.32	149,504.84	108,396.60
2)	Segment Results					
	Profit / (Loss) before tax and interest from Each segment					
	a) Special Steel	(2,561.37)	(2,169.45)	(5,030.12)	(11,199.22)	(10,139.69)
	b) Ferro Alloys	796.10	533.36	(1,685.65)	3,943.25	636.43
	Total	(1,765.27)	(1,636.09)	(6,715.77)	(7,255.97)	(9,503.26)
	Less: i) Finance Cost	42.96	1,425.81	12,289.82	3,658.85	45,738.92
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	1,019.88	831.98	(3,412.87)	3,350.57	2,294.62
	Total Profit / (Loss) Before Tax	(2,828.11)	(3,893.88)	(15,592.71)	(14,265.39)	(57,536.78)
3)	Segment Assets					
	a) Special Steel	216,040.51	218,658.04	217,574.42	216,040.51	217,574.42
	b) Ferro Alloys	115,804.72	112,466.96	62,901.50	115,804.72	62,901.50
	c) Unallocated	56,675.00	55,879.63	59,404.31	56,675.00	59,404.31
	Total Assets	388,520.23	387,004.63	339,880.23	388,520.23	339,880.23
4)	Segment Liabilities					
	a) Special Steel	19,653.90	20,882.61	14,215.31	19,653.90	14,215.31
	b) Ferro Alloys	23,422.02	30,387.25	8,295.50	23,422.02	8,295.50
	c) Unallocated	410,237.39	397,758.61	411,200.09	410,237.39	411,200.09
	Total Liabilities	453,313.31	449,028.47	433,710.90	453,313.31	433,710.90



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Standalone Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	As at	As at
	31 March	31 March
	2017	2016
	Audited	Audited
A ASSETS		
1) Non-Current Assets		
(a) Property, plant And equipment	304,560.36	264,750.12
(b) Capital work-in-progress	30,429.29	29,541.83
(c) Intangible Assets	18.41	28.61
(d) Financial Assets		
i. Investments	2,086.45	2,145.60
iii. Loans	2,035.42	3,555.96
iv. Other Financial assets	61.80	
(e) Deferred tax assets (Net)		
(f) Other non-current assets	1,313.30	1,662.91
	340,505.03	301,685.03
2) Current assets		
(a) Inventories	18,598.80	11,691.88
(b) Financial assets		
i. Trade receivables	14,129.65	16,889.18
ii. Cash and cash equivalents	1,225.60	242.00
iii. Other Bank Balances	179.80	271.80
iv. Loans	528.13	2.00
v. Other financial assets	150.10	230.84
(c) Current tax assets (Net)	1,062.50	885.90
(d) Other current assets	12,140.62	7,981.60
	48,015.20	38,195.20
TOTAL ASSETS	388,520.23	339,880.23
B EQUITY AND LIABILITIES		
1) Equity		
(a) Equity share capital	11,000.00	11,000.00
(b) Equity share Suspense	579.00	-
(c) Other Equity	(76,372.08)	(104,830.67)
	(64,793.08)	(93,830.67)
2) Non-current liabilities		
(a) Financial liabilities		
i. Borrowings	199,651.80	224,581.78
ii. Other financial liabilities	-	3,119.13
(b) Other non current Liabilities	-	4,589.20
(c) Provision	182.50	156.52
	199,834.30	232,446.63
3) Current liabilities		
(a) Financial Liabilities		
i. Borrowings	84,288.97	79,878.30
ii. Trade Payables	25,245.14	25,107.17
iii. Other financial Liabilities	138,082.72	93,870.18
(b) Other current Liabilities	5,610.10	2,236.71
(c) Provisions	252.08	171.91
	253,479.01	201,264.27
TOTAL-EQUITY AND LIABILITIES	388,520.23	339,880.23



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Notes:

- 1 Pursuant to the Scheme of Amalgamation of VISA Bao Limited ("VBL"), an erstwhile subsidiary of VISA Steel Limited ("the Company"), with the Company filed under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (the Scheme) sanctioned by National Company Law Tribunal, Kolkata Bench ("NCLT") vide its order dated 12 October 2017, the whole of the undertaking of VBL including its assets, properties and liabilities stands transferred to and vested in the Company with effect from the appointed date i.e. 1 April 2015. The effective date of the Scheme is 17 October 2017. The Scheme was pending sanction of NCLT as on 26 May 2017, the date on which Company's financial statements were approved by the Board of Directors and audited by the Statutory Auditors and the Company's audited results for the year ended 31 March 2017 were published but not issued to Shareholders for adoption. Consequent upon the Scheme become effective, these financial results have now been revised to give effect to the Scheme. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 November 2017. The Company, subsequent to year-end, has issued and allotted 5,789,500 fresh equity shares at Rs 10/- each to Baosteel Resources Co. Ltd, China in lieu of their shareholding in VBL. The Statutory Auditors have drawn attention in their audit report on above matter without qualifying their opinion.
- 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 Audited 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 The Company has identified reportable business segments namely "Special Steel" and "Ferro Alloys" and has disclosed segment information accordingly.
- 5 The Company has incurred net loss during the quarter and year ended 31 March 2017 and the year end current liabilities exceeded the current assets as on 31 March 2017 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 Audit Report.
- 6 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 interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at Rs. 46,933.40 Lakhs for the year ended 31 March 2017 and accordingly the same has not been considered for compilation of results of the said quarter and year ended 31 March 2017. The Statutory Auditors have qualified their Audit Report in respect of this matter.
- 7 Figures for the quarter ended 31 March 2017 are the balancing figures between the audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter ended 31 December 2016.



- 8 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 March 2016 (Rs. in Lakhs) (Audited)	Year ended 31 March 2016 (Rs. in Lakhs) (Audited)
Net profit/(loss) after tax reported under previous GAAP (Indian GAAP)	(17,010.77)	(58,354.71)
Add/(Less): Adjustment on account of :		
i. Fair Valuation of derivative financial instruments	7.31	3.25
ii. Application of effective interest method on borrowing cost	(114.43)	(655.06)
iii. Actuarial gain on defined benefit plans considered under Other Comprehensive	(3.16)	(12.85)
iv. Recognition of interest income on non-current financial asset at amortized cost	37.56	150.25
v. Recognition of interest expenses on non-current financial liabilities at amortized	(72.77)	(284.30)
vi. Amortization of deferred rent expenses	(40.28)	(161.09)
vii. Recognition of deferred rent income	57.48	229.93
viii. Depreciation on capitalization of spares	(1.65)	(5.29)
ix. Impact of measurement of Trade receivables at fair value	(862.51)	(862.51)
x. Impact of embedded lease	(336.49)	(331.68)
Net profit/(loss) as per Ind AS	(18,339.71)	(60,283.78)
Other Comprehensive Income	3.16	12.80
Total Comprehensive Income for the period	(18,336.55)	(60,270.98)

- 9 The reconciliation of Total Equity reported in accordance with Indian GAAP to Ind AS is given below:

Particulars	As on 31 March 2016 (Rs. in Lakhs) (Audited)
Equity under previous GAAP (Indian GAAP)	(46,111.62)
Add/(Less): Adjustment on account of :	
i. Fair Valuation of derivative financial instruments	18.48
ii. Application of effective interest method on borrowing cost	(2,439.69)
iii. Fair valuation considered as deemed cost of Investment	(42,968.30)
iv. Fair valuation for security deposit	(189.26)
v. Recognition of interest income on non-current financial asset at amortized cost	150.25
vi. Recognition of interest expenses on non-current financial liabilities at amortized cost	(284.30)
vii. Amortization of deferred rent expenses	(161.09)
viii. Recognition of deferred rent income	229.93
ix. Depreciation on capitalization of spares	(5.29)
x. Impact of measurement of Trade receivables at fair value	(1,576.71)
xi. Impact of embedded lease	(493.02)
Total adjustments	(47,719.00)
Equity under Ind AS	(93,830.55)

- 10 Figures for the corresponding period of the previous periods have been re-classified / re-grouped wherever considered necessary.

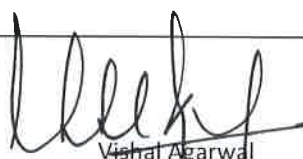
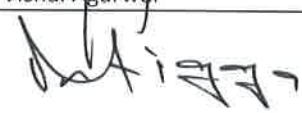
Date: 9 November 2017
Place: Kolkata



By Order of the Board
For VISA Steel Limited

[Signature]
Vishal Agarwal
Vice Chairman and Managing Director

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2017,
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Standalone basis)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)				
	1	Turnover / Total income	152,308.64	152,308.64				
	2	Total Expenditure	166,574.03	213,507.43				
	3	Net Profit/(Loss)	(14,265.39)	(61,198.79)				
	4	Earnings Per Share	(12.97)	(55.64)				
	5	Total Assets	388,520.23	388,520.23				
	6	Total Liabilities	453,313.31	500,246.71				
	7	Net Worth	(64,793.08)	(111,726.48)				
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-				
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: As per Annexure A b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure A e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:							
III.	Signatories:							
	• Managing Director		 Vishal Agarwal					
	• CFO		 Manoj Kumar Digga					
	• Audit Committee Chairman		 K K Mehrotra					
	• Statutory Auditor		For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants   Pradip Law Partner Membership Number 51790					
Place: Kolkata								
Date: 9 November 2017								

Annexure –A

Sl. No	Details of Audit Qualification (s)	Management's Views	
1	Auditors in their Standalone Audit Report has stated that: “Basis for Qualified Opinion We draw your attention to Note 18 D to the standalone Ind AS financial statements with regard to non-recognition of interest expense amounting to Rs. 4,693.34 Million on the borrowings of the Company for the year ended March 31, 2017 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 year ended March 31, 2017 would have been Rs. 5,059.22 Million instead of the reported amount of Rs. 365.88 Million; Total Expenses for the year ended March 31, 2017 would have been Rs. 21,350.75 Million instead of Rs. 16,657.41 Million; Loss before exceptional items and tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Loss before tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Net Loss after tax for the year ended March 31, 2017 would have been Rs. 6,119.89 Million instead of the reported amount of Rs. 1,426.55 Million; Total Comprehensive Income for year ended March 31, 2017 would have been Rs. (6,122.22) Million instead of the reported amount of Rs. (1,428.88) Million and Loss Per Share for the year ended March 31, 2017 would have been Rs. 55.64 instead of the reported amount of Rs. 12.97. Other Equity and Other Current Financial Liabilities as at March 31, 2017 would have been Rs. (12,330.55) Million and Rs. 18,501.61 Million instead of the reported amount of Rs. (7,637.21) Million and Rs. 13,808.27 Million respectively. Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 9 above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.”	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 interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at Rs. 46,933.40 Lakhs for the year ended 31 March 2017 and accordingly the same has not been considered for compilation of results of the year ended 31 March 2017.	
 Vishal Agarwal Managing Director	 Manoj Kumar Digga Chief Financial Officer	 K K Mehrotra Chairman, Audit Committee	For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants  Pradip Law Partner Membership Number 51790



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. This Report supersedes our Report dated May 26, 2017.
2. We have audited the accompanying consolidated Ind AS financial statements of VISA Steel Limited ("hereinafter referred to as the Holding Company") in which is incorporated the financial information of erstwhile VISA BAO Ltd (an erstwhile subsidiary, the "Amalgamating Company") (Refer sub paragraph 10 (b) of the Emphasis of Matter Paragraph below) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture (refer Note 48 to the attached consolidated financial statements), comprising the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

3. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar
Kolkata - 700 091
T: +91 (33) 44001111 / 44662000, F: +91 (33) 44043065



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Ind AS Financial Statements

Page 2 of 6

Auditors' Responsibility

4. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

8. We draw your attention to Note 18D to the consolidated Ind AS financial statements with regard to non-recognition of interest expense amounting to Rs. 4,693.34 Million on the borrowings of the Holding Company for the year ended March 31, 2017 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, the consolidated Finance costs for the year ended March 31, 2017 would have been Rs. 5,159.14 Million instead of the reported amount of Rs. 465.80 Million; consolidated Total Expenses for the year ended March 31, 2017 would have been Rs. 22,744.25 Million instead of Rs. 18,050.91 Million; consolidated Loss before exceptional items and tax for the year ended March 31, 2017 would have been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Loss before tax for the year ended March 31, 2017 would have been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Net Loss after tax for the year ended March 31, 2017 would have



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Ind AS Financial Statements

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been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Total Comprehensive Income for year ended March 31, 2017 would have been Rs. (5,873.67) Million instead of the reported amount of Rs. (1,180.33) Million and Loss Per Share for the year ended March 31, 2017 would have been Rs. 53.37 instead of the reported amount of Rs. 10.70. Consolidated Other Equity and Other Current Financial Liabilities as at March 31, 2017 would have been Rs. (15,489.85) Million and Rs. 18,535.79 Million instead of the reported amount of Rs. (10,796.51) Million and Rs. 13,842.45 Million respectively.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture as at March 31, 2017, their consolidated total comprehensive income (comprising consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to the following matters:

- (a) Note 39 (a) to the consolidated Ind AS financial statements; regarding the preparation of the Ind AS financial statements of the Holding Company, on going concern basis. The Holding Company has incurred net loss during the year ended March 31, 2017 and, as of that date, the Holding Company's current liabilities exceed current assets and the Holding Company's net worth has been eroded as at the balance sheet date. 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 Holding Company's ability to continue as a going concern.

Based on the standalone financial statements of the Holding Company (after consolidation adjustments) total assets of Rs. 35,365.90 Million (93.58%) and net assets of Rs. (9,965.43) Million (110.07%) as at March 31, 2017, total revenue of Rs. 15,230.86 Million (90.27%), net loss of Rs. 1,426.56 Million (121.16%) and net cash flows amounting to Rs. 97.23 Million (81.93%) for the year ended March 31, 2017, have been considered in the consolidated financial statements of the Group and its joint venture. Consequently, this indicates the existence of a material uncertainty that may cast significant doubt about the Group and its joint venture's ability to continue as a going concern.

- (b) We draw attention to Note 46 to the consolidated Ind AS financial statements which describes the basis for revision of the consolidated Ind AS financial statements consequent to the merger of the Amalgamating Company with the Company, pursuant to a Scheme of Amalgamation sanctioned by the National Company Law Tribunal ("NCLT") vide its order dated October 12, 2017 (the "Scheme"). We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the consolidated Ind AS financial statements (as amended) are restricted solely to the aforesaid matter relating to the Scheme



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Ind AS Financial Statements

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and no effect have been given for any other events, if any, occurring after May 26, 2017 (being the date on which the consolidated Ind AS financial statements were first approved by the Board of Directors of the Holding Company and reported upon by us by our report of that date).

- (c) Note 46 to the consolidated financial statements relating to accounting for amalgamation of VISA BAO Limited (the "Transferor Company") with the Holding Company in accordance with the Ind AS 110, Consolidated Financial Statements, which requires that the merger of a subsidiary with the Holding Company be treated as an intra group transaction and eliminated in the consolidated financial statements.

Our opinion is not qualified in respect of these matters.

Other Matters

11. We did not audit the financial statements of five subsidiaries, and one joint venture whose Ind AS financial statements reflect total assets of Rs. 3,508.11 Million and net assets of Rs. 1,164.90 Million as at March 31, 2017, total revenue of Rs. 4,544.81 Million, total comprehensive income (comprising loss and other comprehensive income) of Rs. 79.84 Million and net cash flows amounting to Rs. 21.44 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

12. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 27, 2016 and May 29, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Ind AS Financial Statements

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Report on Other Legal and Regulatory Requirements

13. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, except for the matters referred to in paragraph 8 above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, except for the matters referred to in paragraph 8 above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) The matter mentioned in 10 (a) above, in our opinion, may have an adverse effect on the functioning of the Group and its joint venture.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With reference to maintenance of accounts and other matters connected therewith, reference is drawn to our comment in paragraph 13(b) above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

Report on the Consolidated Ind AS Financial Statements

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- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group and joint venture – Refer Note 38 to the consolidated Ind AS financial statements.
- ii. The Group and joint venture had long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture incorporated in India during the year ended March 31, 2017.
- iv. The Holding Company, its subsidiaries and joint venture incorporated in India have provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management – Refer Note 40 to the consolidated Ind AS financial statements.

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants



Pradip Law

Partner

Membership Number 51790

Kolkata

November 9, 2017

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

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website: www.visasteel.com

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

Statement of Consolidated Audited Financial Results for the Year Ended on 31 March 2017

Part-I

Sl. No.	Particulars	(Rs. In Lakhs except EPS)	
		Year Ended	
		31 March 2017	31 March 2016
		Audited	Audited
I	Revenue from operations	166,969.61	139,030.01
II	Other Income	1,763.99	1,770.72
III	Total Income [I+II]	168,733.60	140,800.73
IV	Expenses		
(a)	Cost of materials consumed	103,830.25	99,675.34
(b)	Purchases of stock-in-trade	6,193.96	2,233.65
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,314.41)	(1,814.41)
(d)	Excise duty	11,067.77	8,713.93
(e)	Employee benefits expense	7,326.05	6,697.01
(f)	Finance costs	4,658.04	48,483.82
(g)	Depreciation and amortisation expense	14,693.73	14,560.88
(h)	Other expenses	37,053.70	25,441.94
	Total expenses	180,509.09	203,992.16
V	Profit / (Loss) before exceptional items and share of net profit of investment accounted using equity method of tax (III-IV)	(11,775.49)	(63,191.43)
VI	Share of net profit of Investments accounted using Equity Method and tax	1.07	0.82
VII	Profit / (Loss) before exceptional items and tax (V+VI)	(11,774.42)	(63,190.61)
VIII	Exceptional Items		
IX	Profit / (Loss) before tax (VII-VIII)	(11,774.42)	(63,190.61)
X	Tax expense		2,747.00
XI	Net Profit / (Loss) for the period (IX-X)	(11,774.42)	(65,937.61)
XII	Other Comprehensive Income, Net of Income Tax		
A.	Items that will not be reclassified to Profit and Loss	(28.88)	21.13
B.	Items that will be reclassified to Profit and Loss		
XIII	Total Comprehensive Income for the period (XI+XII)	(11,803.30)	(65,916.48)
XIV	Total Profit/(loss) for the year attributable to		
	Owners of the Company	(11,948.33)	(63,406.28)
	Non Controlling Interest	173.91	(2,531.33)
XV	Other comprehensive income		
	Owners of the Company	(26.19)	17.05
	Non Controlling Interest	(2.69)	4.08
XVI	Total Comprehensive Income/(loss) for the year attributable to		
	Owners of the Company	(11,974.52)	(63,389.23)
	Non Controlling Interest	171.22	(2,527.23)
XVII	Paid-up equity share capital (face value of Rs.10/- each)	11,000.00	11,000.00
XVIII	Earnings Per Share (of Rs.10/-each)		
(a)	Basic	(10.70)	(59.94)
(b)	Diluted	(10.70)	(59.94)

Handwritten signature



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

Consolidated Segment Wise Revenue, Results, Assets and Liabilities.

For the Year Ended 31 March 2017 (Refer Note 4 below)

(Rs. In Lakhs)

Sl. No.	Particulars	Year Ended	
		31 March	31 March
		2017	2016
		Audited	Audited
1)	Segment Revenue		
	a) Special Steel	81,201.06	57,012.14
	b) Ferro Alloys	70,678.91	52,570.71
	c) Coke	44,589.99	42,259.53
	Total	196,469.96	151,842.38
	Less: Inter-Segment Revenue	29,500.35	12,812.37
	Net Sales / Income From Operations	166,969.61	139,030.01
2)	Segment Results		
	Profit / (Loss) before tax and interest from Each segment		
	a) Special Steel	(11,200.69)	(10,141.05)
	b) Ferro Alloys	31,162.89	11,709.63
	c) Coke	(23,974.97)	(14,172.66)
	Total	(4,012.77)	(12,604.08)
	Less: i) Finance Cost	4,658.04	48,483.82
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	3,103.61	2,102.71
	Total Profit / (Loss) Before Tax	(11,774.42)	(63,190.61)
3)	Segment Assets		
	a) Special Steel	216,041.67	217,575.74
	b) Ferro Alloys	81,258.11	82,943.77*
	c) Coke	25,898.34	21,449.70
	d) Unallocated	54,741.86	57,326.01
	Total Assets	377,939.98	379,295.22
4)	Segment Liabilities		
	a) Special Steel	19,659.27	14,219.49
	b) Ferro Alloys	23,423.90	21,218.29
	c) Coke	15,150.27	11,397.53
	d) Unallocated	410,244.10	411,206.63
	Total Liabilities	468,477.54	458,041.94

[Handwritten Signature]



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

Consolidated Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	As at	As at
	31 March	31 March
	2017	2016
	Audited	Audited
A ASSETS		
1) Non-Current Assets		
(a) Property, plant And equipment	279,333.63	289,460.60
(b) Capital work-in-progress	30,591.64	34,981.89
(c) Other intangible assets	18.61	28.91
(d) Financial Assets		
i. Investments	102.88	101.82
iii. Loans	2,251.23	3,762.89
iv. Other Financial assets	62.80	64.07
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	1,923.08	2,445.54
	314,283.87	330,845.72
2) Current assets		
(a) Inventories	30,966.24	18,992.18
(b) Financial assets		
i. Trade receivables	14,138.19	16,984.85
ii. Cash and cash equivalents	1,548.22	361.64
iii. Bank balances other than (ii) above	2,656.51	2,183.96
iv. Loans	528.14	2.00
v. Other financial assets	203.22	300.42
(c) Current tax assets (net)	1,062.50	1,062.00
(d) Other current assets	12,553.09	8,562.45
	63,656.11	48,449.50
TOTAL ASSETS	377,939.98	379,295.22
B EQUITY AND LIABILITIES		
1) Equity		
(a) Equity share capital	11,000.00	11,000.00
(b) Equity share Suspense	578.95	-
(c) Other Equity	(107,965.10)	(97,566.36)
(d) Non-controlling interest	5,848.59	7,819.64
	(90,537.56)	(78,746.72)
2) Non-current liabilities		
(a) Financial liabilities		
i. Borrowings	197,494.55	235,570.45
(b) Deferred tax liabilities (Net)	10.84	10.84
(c) Provision	183.18	156.92
	197,688.57	235,738.21
3) Current liabilities		
(a) Financial liabilities		
i. Borrowings	101,251.86	95,718.65
ii. Trade payables	24,758.99	21,956.05
iii. Other financial liabilities	138,424.49	101,638.36
(b) Other current liabilities	6,083.85	2,803.06
(c) Current Tax Liabilities	0.15	0.17
(d) Provisions	269.63	187.44
	270,788.97	222,303.73
TOTAL-EQUITY AND LIABILITIES	377,939.98	379,295.22

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Notes:

- 1 Pursuant to the Scheme of Amalgamation of VISA Bao Limited ("VBL"), an erstwhile subsidiary of VISA Steel Limited, with VISA Steel Limited filed under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (the Scheme) sanctioned by National Company Law Tribunal, Kolkata Bench ("NCLT") vide its order dated 12 October 2017, the whole of the undertaking of VBL including its assets, properties and liabilities stands transferred to and vested in VISA Steel Limited with effect from the appointed date i.e. 1 April 2015. The effective date of the Scheme is 17 October 2017. The Scheme was pending sanction of NCLT as on 26 May 2017, the date on which VISA Steel Limited's financial statements were approved by the Board of Directors and audited by the Statutory Auditors and VISA Steel Limited's audited results for the year ended 31 March 2017 were published but not issued to Shareholders for adoption. Consequent upon the Scheme become effective, these financial results have now been revised to give effect to the Scheme. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 November 2017. VISA Steel Limited, subsequent to year-end, has issued and allotted 5,789,500 fresh equity shares at Rs 10/- each to Baosteel Resources Co. Ltd, China in lieu of their shareholding in VBL. The Statutory Auditors have drawn attention on above matter without qualifying their opinion in their audit report.
- 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, VISA Steel Group has for the first time adopted Ind AS with a transition date of 1 April 2015. VISA Steel Group comprises VISA Steel Limited, its six Subsidiaries (includes two step down subsidiaries) and one Joint Venture Company.
- 3 The format for Audited 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 VISA Steel Group has identified business segments namely "Special Steel", "Ferro Alloys" and "Coke" and has disclosed segment information accordingly
- 5 VISA Steel Limited has incurred net loss during the quarter and year ended 31 March 2017 and the year-end current liabilities exceeded the current assets as on 31 March 2017 which has adversely impacted the net worth of VISA Steel Limited. VISA Steel Limited's financial performance has been adversely affected mainly due to non-availability of raw materials at viable prices, depressed market condition and other external factors beyond VISA Steel Limited'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 VISA Steel Limited would improve considerably. Considering the above developments and favorable impact thereof on the VISA Steel Limited's operations and financials, VISA Steel Limited 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 audit report.
- 6 The majority of lenders of VISA Steel Limited has stopped charging interest on debts, since the dues from VISA Steel Limited has been categorized as Non Performing Asset. VISA Steel Limited is in active discussion/negotiation with the 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, VISA Steel Limited has stopped providing accrued and unpaid interest effective 1 April 2016 in its books. The amount of such accrued and unpaid interest not provided stands at Rs. 46,933.40 Lakhs for the year ended 31 March 2017 and accordingly the same has not been considered for compilation of results for the year ended 31 March 2017. The Statutory Auditors have qualified their audit report in respect of this matter.
- 7 Figures for the quarter ended 31 March 2017 are the balancing figures between the audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter ended 31 December 2016.



- 8 The reconciliation of Net Loss reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind AS is given below:

Particulars	Year ended 31 March 2016 (Rs. in Lakhs) (Audited)
Net profit/(loss) after tax reported under previous GAAP (Indian GAAP)	(64,142.87)
Add/(Less): Adjustment on account of :	
i. Fair Valuation of derivative financial instruments	(0.40)
ii. Application of effective interest method on borrowing cost	(654.40)
iii. Actuarial gain on defined benefit plans considered under Other Comprehensive Income	(21.18)
iv. Recognition of interest income on non-current financial asset at amortized cost	150.25
v. Recognition of interest expenses on non-current financial liabilities at amortized cost	(229.71)
vi. Amortization of deferred rent expenses	(161.09)
vii. Recognition of deferred rent income	500.33
viii. Depreciation on capitalization of spares	(5.29)
ix. Provision as per ECL model	(862.51)
x. Impact of embedded lease	(510.74)
Net profit/(loss) as per Ind AS	(65,937.61)
Other Comprehensive Income	21.13
Total Comprehensive Income for the period	(65,916.48)

- 9 The reconciliation of Total Equity reported in accordance with Indian GAAP to Ind AS is given below:

Particulars	As on 31 March 2016 (Rs. in Lakhs) (Audited)
Equity under previous GAAP (Indian GAAP)	(74,663.30)
Add/(Less): Adjustment on account of :	
i. Fair Valuation of derivative financial instruments	(10.73)
ii. Application of effective interest method on borrowing cost	(2,521.95)
iii. Fair valuation considered as deemed cost of Investment	(42,968.30)
iv. Fair valuation for security deposit	(178.00)
v. Recognition of interest income on non-current financial asset at amortized cost	435.37
vi. Recognition of interest expenses on non-current financial liabilities at amortized cost	(284.10)
vii. Amortization of deferred rent expenses	(391.02)
viii. Recognition of deferred rent income	229.93
ix. Depreciation on capitalization of spares	(5.29)
x. Provision as per ECL model	(1,576.71)
xi. Impact of embedded lease	(17.60)
x. Fair value of investment	138.99
xi. Reversal of impact of joint venture	42,968.30
xii. Income under equity method	97.69
Total adjustments	(4,083.42)
Equity under Ind AS	(78,746.72)

- 10 Figures for the corresponding period of the previous periods have been re-classified / re-grouped wherever considered necessary.

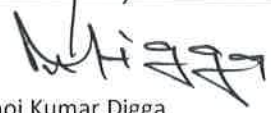
Date: 9 November 2017
Place: Kolkata



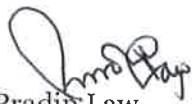
By Order of the Board
For VISA Steel Limited

[Signature]
Vishal Agarwal
Vice Chairman and Managing Director

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2017,
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Consolidated Basis)

[See Regulations 55/52 of the SEBI (LODR) (Amendment) Regulations, 2015] (Consolidated Basis)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover / Total income	168,733.60	168,733.60
	2	Total Expenditure	180,509.09	227,442.49
	3	Net Profit/(Loss)	(11,774.42)	(58,707.82)
	4	Earnings Per Share	(10.70)	(53.37)
	5	Total Assets	377,939.98	377,939.98
	6	Total Liabilities	468,477.54	515,410.94
	7	Net Worth	(90,537.56)	(137,470.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: As per Annexure A b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per Annexure A e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories:			
	• Managing Director		 Vishal Agarwal	
	• CFO		 Manoj Kumar Digga	
	• Audit Committee Chairman		 K K Mehrotra	
	• Statutory Auditor		For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants  Pradip Law Partner Membership Number 51790	
Place: Kolkata				
Date: 9 November 2017				

Annexure –A

Sl. No	Details of Audit Qualification (s)	Management's Views
1	Auditors in their Consolidated Audit Report has stated that: “Basis for Qualified Opinion We draw your attention to Note 18 D to the consolidated Ind AS financial statements with regard to non-recognition of interest expense amounting to Rs. 4,693.34 Million on the borrowing of the Holding Company for the year ended March 31, 2017 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, the consolidated Finance costs for the year ended March 31, 2017 would have been Rs. 5,159.14 Million instead of the reported amount of Rs. 465.80 Million ; consolidated Total Expenses for the year ended March 31, 2017 would have been Rs. 22,744.25 Million instead of Rs. 18,050.91 Million; consolidated Loss before exceptional items and tax for the year ended March 31, 2017 would have been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Loss before tax for the year ended March 31, 2017 would have been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Net Loss after tax for the year ended March 31, 2017 would have been Rs. 5,870.78 Million instead of the reported amount of Rs. 1,177.44 Million; consolidated Total Comprehensive Income for year ended March 31, 2017 would have been Rs. (5,873.67) Million instead of the reported amount of Rs. (1,180.33) Million and Loss Per Share for the year ended March 31, 2017 would have been Rs. 53.37 instead of the reported amount of Rs. 10.70 . Consolidated Other Equity and Other Current Financial Liabilities as at March 31, 2017 would have been Rs. (15,489.85) Million and Rs. 18,535.79 Million instead of the reported amount of Rs. (10,796.51) Million and Rs. 13,842.45 Million respectively. Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture as at March 31, 2017, their consolidated total comprehensive income (comprising consolidated loss and consolidated other comprehensive income, their consolidated cash flows and consolidated changes in Equity for the year ended on that date.”	The majority of lenders of VISA Steel Limited has stopped charging interest on debts, since the dues from VISA Steel Limited has been categorized as Non Performing Asset. VISA Steel Limited is in active discussion/negotiation with the 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, VISA Steel Limited has stopped providing accrued and unpaid interest effective 1 April 2016 in its books. The amount of such accrued and unpaid interest not provided stands at Rs. 46,933.40 Lakhs for the year ended 31 March 2017 and accordingly the same has not been considered for compilation of results for the year ended 31 March 2017.
 Vishal Agarwal Managing Director	 Manoj Kumar Digga Chief Financial Officer	 K K Mehrotra Chairman, Audit Committee.
		For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants  Pradip Law Partner Membership Number 51790

