

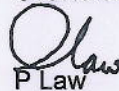
The Board of Directors  
VISA Steel Limited  
VISA House  
8/10, Alipore Road  
Kolkata 700 027

1. We have reviewed the results of VISA Steel Limited (the "Company") for the quarter ended 31 December, 2012 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended 31 December 2012' (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ Committee of Board of Directors. 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 financial statements are 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 have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. Without qualifying our review opinion, we draw attention to Note 3 to the Statement, regarding the preparation of the financial results on a going concern basis. The Company incurred a net loss of Rs.16,935.88 lacs during the nine months period ended 31 December, 2012 and, as of that date, the Company's current liabilities exceeded its current assets, while the Company's net worth remains positive as at the quarter end. In view of implementation of Corporate Debt Restructuring package under process and subsequent improvement in availability of raw materials, as indicated in the said Note, the financial results for the quarter ended 31 December, 2012 have been prepared on a going concern basis and no adjustment has been made to the carrying value of the assets and liabilities.
6. We also draw your attention to Note no 4 to the Statement with respect to business of manufacturing and sale of metallurgical coke and associated steam generation units (Coke business) which has not been classified by the Company as a discontinuing operation subsequent to approval by the Board of Directors of the Company for such discontinuance and its intimation to the stock exchanges in which the Company's shares are listed. Accordingly the Company has not disclosed the results from discontinuing Coke business included in the Statement together with details relating to the pre tax profit or loss, the income tax expense, post tax profit or loss, attributable to the Coke business which is not in accordance with Clause 41 of the Listing Agreement read with Accounting Standard 24: Discontinuing Operations notified under Companies (Accounting Standards) Rules, 2006. The impact of such deviation on loss and earnings per share for the quarter ended December 31, 2012 is presently indeterminate.



7. Based on our review conducted as above, *except for the effects of the matter referred to in paragraph 6 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 the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

  
P Law

Partner  
Membership Number 51790

Place: Kolkata  
Date: 11 February, 2013

# VISA STEEL

## VISA STEEL LIMITED

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

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

website: [www.visasteel.com](http://www.visasteel.com)

Email ID for registering Investor Grievances: [investors@visasteel.com](mailto:investors@visasteel.com)

### Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended 31 December 2012

Part I

(Rs. in Lakhs)

| Particulars                                                                                              | 3 Months Ended    |                   |                   | 9 Months Ended     |                    | Financial Year Ended |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|----------------------|
|                                                                                                          | 31 December       | 30 September      | 31 December       | 31 December        | 31 December        | 31 March             |
|                                                                                                          | 2012              | 2012              | 2011              | 2012               | 2011               | 2012                 |
|                                                                                                          | Unaudited         | Unaudited         | Unaudited         | Unaudited          | Unaudited          | Audited              |
| <b>1 Income From Operations</b>                                                                          |                   |                   |                   |                    |                    |                      |
| (a) Net Sales/Income from Operations (Net of excise duty)                                                | 22,241.07         | 21,761.40         | 37,624.05         | 76,127.17          | 98,586.52          | 134,960.94           |
| (b) Other Operating Income                                                                               | 557.32            | 519.50            | 761.51            | 1,309.91           | 1,047.57           | 1,629.58             |
| <b>Total Income from Operations (net)</b>                                                                | <b>22,798.39</b>  | <b>22,280.90</b>  | <b>38,385.56</b>  | <b>77,437.08</b>   | <b>99,634.09</b>   | <b>136,590.52</b>    |
| <b>2 Expenses</b>                                                                                        |                   |                   |                   |                    |                    |                      |
| (a) Cost of materials consumed                                                                           | 16,310.45         | 18,567.49         | 18,502.50         | 57,166.68          | 74,668.56          | 103,818.05           |
| (b) Purchases of stock-in-trade                                                                          | 2,281.38          | 716.47            | 11,792.45         | 3,987.90           | 12,728.95          | 24,413.25            |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                        | 704.06            | (279.55)          | 3,187.41          | 5,015.49           | (7,771.84)         | (14,104.49)          |
| (d) Employee benefits expense                                                                            | 962.84            | 1,023.82          | 1,024.80          | 2,956.56           | 3,080.06           | 3,803.03             |
| (e) Depreciation and amortisation expense                                                                | 1,756.51          | 1,731.16          | 1,250.82          | 4,774.76           | 3,715.92           | 5,115.24             |
| (f) Other expenses                                                                                       | 2,439.61          | 1,974.18          | 2,261.28          | 6,540.64           | 7,997.04           | 10,653.46            |
| <b>Total expenses</b>                                                                                    | <b>24,454.85</b>  | <b>23,733.57</b>  | <b>38,019.26</b>  | <b>80,442.03</b>   | <b>94,418.69</b>   | <b>133,698.54</b>    |
| <b>3 Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2)</b>  | <b>(1,656.46)</b> | <b>(1,452.67)</b> | <b>366.30</b>     | <b>(3,004.95)</b>  | <b>5,215.40</b>    | <b>2,891.98</b>      |
| <b>4 Other Income</b>                                                                                    | <b>325.16</b>     | <b>863.64</b>     | <b>746.15</b>     | <b>1,585.36</b>    | <b>2,006.76</b>    | <b>2,599.09</b>      |
| <b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>       | <b>(1,331.30)</b> | <b>(589.03)</b>   | <b>1,112.45</b>   | <b>(1,419.59)</b>  | <b>7,222.16</b>    | <b>5,491.07</b>      |
| <b>6 Finance costs ( Refer Note 5 below)</b>                                                             | <b>155.17</b>     | <b>5,953.20</b>   | <b>5,118.49</b>   | <b>11,783.27</b>   | <b>12,668.85</b>   | <b>18,966.83</b>     |
| <b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>(1,486.47)</b> | <b>(6,542.23)</b> | <b>(4,006.04)</b> | <b>(13,202.86)</b> | <b>(5,446.69)</b>  | <b>(13,475.76)</b>   |
| <b>8 Exceptional Items</b>                                                                               | <b>(910.61)</b>   | <b>2,868.95</b>   | <b>(3,327.85)</b> | <b>(3,733.02)</b>  | <b>(7,186.00)</b>  | <b>(6,172.69)</b>    |
| <b>9 Profit / (Loss) from ordinary activities before tax (7+8)</b>                                       | <b>(2,397.08)</b> | <b>(3,673.28)</b> | <b>(7,333.89)</b> | <b>(16,935.88)</b> | <b>(12,632.69)</b> | <b>(19,648.45)</b>   |
| <b>10 Tax expense</b>                                                                                    |                   |                   |                   |                    |                    |                      |
| Current Tax                                                                                              | -                 | -                 | -                 | -                  | -                  | -                    |
| Mat Credit Entitlement                                                                                   | -                 | -                 | (456.51)          | -                  | (1,369.54)         | (1,792.97)           |
| Deferred Tax                                                                                             | -                 | -                 | (2,987.32)        | -                  | (4,569.05)         | (5,970.09)           |
| <b>11 Net Profit (+) / Loss (-) from ordinary activities after tax (9- 10)</b>                           | <b>(2,397.08)</b> | <b>(3,673.28)</b> | <b>(3,890.06)</b> | <b>(16,935.88)</b> | <b>(6,694.10)</b>  | <b>(11,885.39)</b>   |
| <b>12 Extraordinary Items (net of tax expense)</b>                                                       | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>           | <b>-</b>             |
| <b>13 Net Profit/(Loss) for the period (11-12)</b>                                                       | <b>(2,397.08)</b> | <b>(3,673.28)</b> | <b>(3,890.06)</b> | <b>(16,935.88)</b> | <b>(6,694.10)</b>  | <b>(11,885.39)</b>   |
| <b>14 Paid-up equity share capital (face value of Rs. 10/- each)</b>                                     | <b>11,000.00</b>  | <b>11,000.00</b>  | <b>11,000.00</b>  | <b>11,000.00</b>   | <b>11,000.00</b>   | <b>11,000.00</b>     |
| <b>15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>           | <b>12,443.16</b>     |
| <b>16. (i) Earnings Per Share (before extraordinary items)<br/>(of Rs. 10/-each) (not annualised)</b>    |                   |                   |                   |                    |                    |                      |
| (a) Basic                                                                                                | (2.18)            | (3.34)            | (3.54)            | (15.40)            | (6.09)             | (10.80)              |
| (b) Diluted                                                                                              | (2.18)            | (3.34)            | (3.54)            | (15.40)            | (6.09)             | (10.80)              |
| <b>(ii) Earnings Per Share (after extraordinary items)<br/>(of Rs. 10/-each) (not annualised)</b>        |                   |                   |                   |                    |                    |                      |
| (a) Basic                                                                                                | (2.18)            | (3.34)            | (3.54)            | (15.40)            | (6.09)             | (10.80)              |
| (b) Diluted                                                                                              | (2.18)            | (3.34)            | (3.54)            | (15.40)            | (6.09)             | (10.80)              |



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# VISA STEEL

## VISA STEEL LIMITED

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Information for the Quarter and Nine Months Ended 31 December 2012

### Part II

|          | Particulars                                                                            | 3 Months Ended |              |             | 9 Months Ended |             | Financial Year Ended |
|----------|----------------------------------------------------------------------------------------|----------------|--------------|-------------|----------------|-------------|----------------------|
|          |                                                                                        | 31 December    | 30 September | 31 December | 31 December    | 31 December | 31 March             |
|          |                                                                                        | 2012           | 2012         | 2011        | 2012           | 2011        | 2012                 |
| <b>A</b> | <b>PARTICULARS OF SHAREHOLDING</b>                                                     |                |              |             |                |             |                      |
| 1        | Public shareholding                                                                    |                |              |             |                |             |                      |
| -        | Number of shares                                                                       | 28,600,000     | 28,600,000   | 28,600,000  | 28,600,000     | 28,600,000  | 28,600,000           |
| -        | Percentage of shareholding                                                             | 26.00%         | 26.00%       | 26.00%      | 26.00%         | 26.00%      | 26.00%               |
| 2        | Promoters and Promoter Group Shareholding                                              |                |              |             |                |             |                      |
| a)       | Pledged/Encumbered                                                                     |                |              |             |                |             |                      |
| -        | Number of shares                                                                       | 55,000,000     | 55,000,000   | 17,300,000  | 55,000,000     | 17,300,000  | 17,300,000           |
| -        | Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 67.57%         | 67.57%       | 21.25%      | 67.57%         | 21.25%      | 21.25%               |
| -        | Percentage of shares (as a % of the total share capital of the Company)                | 50.00%         | 50.00%       | 15.73%      | 50.00%         | 15.73%      | 15.73%               |
| b)       | Non-encumbered                                                                         |                |              |             |                |             |                      |
| -        | Number of shares                                                                       | 26,400,000     | 26,400,000   | 64,100,000  | 26,400,000     | 64,100,000  | 64,100,000           |
| -        | Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 32.43%         | 32.43%       | 78.75%      | 32.43%         | 78.75%      | 78.75%               |
| -        | Percentage of shares (as a % of the total share capital of the Company)                | 24.00%         | 24.00%       | 58.27%      | 24.00%         | 58.27%      | 58.27%               |

| Particulars |                                                | 3 Months ended 31 December 2012 |
|-------------|------------------------------------------------|---------------------------------|
| <b>B</b>    | <b>INVESTOR COMPLAINTS</b>                     |                                 |
|             | Pending at the beginning of the quarter        | NIL                             |
|             | Received during the quarter                    | 3                               |
|             | Disposed of during the quarter                 | 2                               |
|             | Remaining unresolved at the end of the quarter | 1                               |

### Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2013. The Statutory Auditors have carried out a Limited Review of the above results.
- 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.
- The Company's financial performance has been adversely affected mainly due to non-availability of raw materials, increasing raw material costs, high finance costs and volatile foreign exchange. The Company continued to incur losses and current liability continued to exceed its current assets since the last financial year, while the networth remains positive as at nine months ended 31 December 2012. The Corporate Debt Restructuring Empowered Group (CDR EG) Cell vide its Letter of Approval dated 27 September 2012 has approved a package to restructure/reschedule the Company's Debt. The implementation of CDR Package is under progress and availability of raw materials has since been improved. In view of the foregoing, the Company has prepared the financial results, on the basis of going concern assumption, to which Statutory Auditors had also drawn attention, without qualifying their opinion, in their report on the Company's financial results for the previous quarter.
- The Board of Directors of the Company at its meeting held on 18 October, 2012 had approved the transfer of its business of manufacturing and sale of metallurgical coke and associated steam generation units located at Kalinganagar, Odisha by way of slump sale on a going concern basis to VISA Coke Limited at its book value, subject to the consents, permissions and sanctions as may be necessary from lenders and other concerned authorities. This matter has already been intimated to the stock exchanges and the lenders and has since been approved by the shareholders of the Company. Pending consents, permissions and sanctions, the effect of the transfer of Coke Business has not been considered in this financial results and accordingly the same is not considered to be a discontinuing operation. This addresses the observation of Statutory Auditors in their Limited Review Report.
- Finance costs charged for the quarter and nine months period ended 31 December, 2012 is after giving effect to the applicable interest rates as per approved scheme of Corporate Debt Restructuring Package effective from the cut-off date (1 March, 2012). The net effect of favourable adjustment on Finance costs in this regard is Rs 3,786.58 lacs.
- In view of high volatility in the value of Indian Rupee against USD and other foreign currency, the gain/(loss) arising out of the reinstatement of short term foreign currency monetary items has been considered as an exceptional item.
- Figures for the corresponding period of the previous / current year have been re-classified / re-grouped wherever considered necessary.

Date: 11 February 2013  
Place: Kolkata



By Order of the Board  
For VISA Steel Limited  
  
Vishal Agarwal  
Vice Chairman and Managing Director