

**Independent Auditor's Review Report on the Unaudited Quarterly and Year to Date Standalone Financial Results of VISA Steel Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s. VISA Steel Limited** ('the Company') for the quarter ended December 31, 2022 and year to date results for the period from April 1, 2022 to December 31, 2022 together with notes thereon (herein after referred to as 'the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulation) as amended.

**Management's Responsibility for the standalone financial results**

2. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors in their meeting held on February 11, 2023. Our responsibility is to issue a report on the Statement based on our review.

**Auditor's Responsibility**

3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Basis of Qualified Conclusion**

4. We draw attention to Note 4 of the accompanying statement with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on December 31, 2022 is Rs.9,529.06 million (including Rs.1,459.69 million for FY 2016-17, Rs.1,552.29 million for FY 2017-18, Rs.1,465.46 million for FY 2018-19, Rs.1,443.39 million for FY 2019-20, Rs.1,286.83 million for FY 2020-21, Rs.1,289.27 million for FY 2021-22, Rs.362.08 million and Rs.1,032.13 million for the quarter ended December 31, 2022 and year to date period from April 1, 2022 to December 31, 2022 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.

Had the aforesaid interest expense been recognized, finance cost for the quarter and nine months ended December 31, 2022 would have been Rs.430.97 million and Rs.1,236.57 million instead of the reported amount of Rs.68.89 million and Rs.204.44 million respectively. Total expenses for the quarter and nine months ended December 31, 2022 would have been Rs.2,078.04 million and Rs.6,141.82 million instead of the reported amount of Rs.1,715.96 million and Rs.5,109.69 million respectively. Net loss after tax for the



quarter and nine months ended December 31, 2022 would have been Rs.4,533.64 million and Rs.5,465.95 million instead of the reported amount of Rs.4,171.56 million and Rs.4,433.82 million respectively. Total Comprehensive Income for the quarter and nine months ended December 31, 2022 would have been Rs.(4,533.72) million and Rs.(5,466.19) million instead of the reported amount of Rs.(4,171.64) million and Rs.(4,434.06) million, Loss per share for the quarter and nine months ended December 31, 2022 would have been Rs.39.15 and Rs.47.21 instead of the reported amount of Rs.36.03 and Rs.38.29 respectively.

The above reported interest has been calculated using Simple Interest rate.

## Qualified Conclusion

5. Based on our review conducted as above, except for the matter described in the Basis of Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation, as amended, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **We draw your attention to the following matters:**

### a) **Material Uncertainty Relating to Going Concern**

We draw attention to Note - 3 and 6 to the unaudited standalone financial results regarding the preparation of the statement on a going concern basis, for the reason stated therein. The Company has accumulated losses and has also incurred losses during the quarter ended December 31, 2022 and year to date for the period from April 1, 2022 to December 31, 2022. As on date, the Company's current liabilities are substantially higher than its current assets and the Company's net worth has also been fully eroded.

State Bank of India (SBI), a financial creditor, had filed an application before National Company Law Tribunal (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which had directed the NCLT, to restore the application and proceed further in accordance with law. The order of NCLAT had been challenged by the Company in the Hon'ble Supreme Court by way of a Civil Appeal and the same had been admitted on 9 September 2021. On 7 November 2022, Hon'ble Supreme Court passed an Order to the effect that NCLT may continue to hear the application filed by SBI but the same may not be given effect till the next date of hearing before Hon'ble Supreme Court, and the matter is pending. Oriental Bank of Commerce, since merged with Punjab National Bank, had filed an application before NCLT for initiating CIRP under IBC against the Company which was admitted by NCLT vide order dated 28 November 2022 and an Interim Resolution Professional had been appointed. The NCLT order is challenged by the Company before NCLAT and the matter is pending. Meanwhile, Hon'ble Orissa High Court has stayed the operation of the NCLT order dated 28 November 2022.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. All the assets including non-current assets and liabilities are still being carried at their book value except Capital Work in Progress which has been restated at its recoverable value in the earlier year(s). The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is critically



dependent upon the debt resolution of the Company which is under process, the Company's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future. The ability of the Company to continue as a going concern is solely dependent on the successful outcome of these conditions, which are not wholly within the control of the Company.

The Management of the Company has prepared the statement on a going concern basis based on their assessment of the successful outcome of the debt resolution, till then the Company's operations continue under conversion arrangement.

- b) **Refer Note 5 to the Statement regarding accounting for transfer of Special Steel Undertaking**, pursuant to the Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal vide its order dated July 8, 2019, all the assets and liabilities of the Special Steel Undertaking of VISA Steel Limited ("transferor Company" or "the Company") has been transferred to and vested in VISA Special Steel Limited, (a wholly owned step down subsidiary) ("VSSL" or "transferee Company") on a going concern basis from April 1, 2013 being the appointed date. Effective date of the scheme is July 13, 2019 being the date on which certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Cuttack.

On January 17, 2020, Hon'ble Supreme Court of India vide its ex-parte order in Civil Appeal No. 56 of 2020 filed by State Bank of India, has ordered issuance of notice and in the meanwhile stayed the aforesaid NCLT Order. The NCLT Order had been given effect to and stood implemented by the Company prior to January 17, 2020.

To give the impact of the sanctioned scheme, the Standalone Financial Statement of the Company for the year ended March 31, 2019 were revised and the same were approved by the Board of Directors in their meeting held on October 18, 2019 and audited by us on which we have issued our audit report dated October 18, 2019 and same were approved by the members in their meeting held on December 23, 2019. In compliance to the sanctioned schemes, the Company has transferred various income, expenses, assets and liabilities related to Special Steel Undertaking to VSSL from 1st April 2013 resulting in accumulated receivable of Rs.3,718.64 million from VSSL as on March 31, 2019. Meanwhile the matter is pending with Hon'ble Supreme Court, the impact of the sanctioned scheme considered as above on the financial statement is dependent on the final judgement of the Hon'ble Supreme Court, the Company has squared off the above receivable based on the Award under Arbitration and Conciliation Act 1996 dated October 31, 2022 based on the conciliation process between the two Companies.

Our conclusion is not qualified in respect of the above matters.



For Singhi & Co.,  
Chartered Accountants  
Firm Registration No.302049E

(Rahul Bothra)  
Partner

Membership No.067330  
UDIN:23067330 B4T07A2285

Place: Kolkata

Dated: February 11, 2023

# VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

Phone: (+91-674) 255 2479, Fax: (+91-674) 255 4661

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

Phone: (+91-33) 3011 9000, Fax: (+91-33) 3011 9002

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

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

## Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2022

(Rs in Million Except EPS)

| Sl. No. | Particulars   | Quarter Ended     |                   |                  | Nine Months Ended |                  | Year Ended      |
|---------|---|-------------------|-------------------|------------------|-------------------|------------------|-----------------|
|         |   | 31 December 2022  | 30 September 2022 | 31 December 2021 | 31 December 2022  | 31 December 2021 | 31 March 2022   |
|         |   | Unaudited         | Unaudited         | Unaudited        | Unaudited         | Unaudited        | Audited         |
| I       | Revenue from operations   | 1,525.70          | 1,694.07          | 2,097.10         | 4,652.01          | 5,623.53         | 7,920.03        |
| II      | Other Income  | 2.34              | 2.35              | 2.17             | 7.50              | 12.04            | 12.32           |
| III     | <b>Total Income (I + II)</b>  | <b>1,528.04</b>   | <b>1,696.42</b>   | <b>2,099.27</b>  | <b>4,659.51</b>   | <b>5,635.57</b>  | <b>7,932.35</b> |
| IV      | <b>Expenses</b>   |                   |                   |                  |                   |                  |                 |
|         | Cost of materials consumed  | 691.55            | 755.40            | 1,301.90         | 2,011.26          | 3,095.89         | 4,500.51        |
|         | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress     | 0.17              | -                 | (0.02)           | 0.17              | 33.23            | 36.53           |
|         | Employee benefit expenses   | 72.16             | 81.92             | 72.38            | 234.50            | 221.14           | 284.76          |
|         | Finance costs   | 68.89             | 67.33             | 62.08            | 204.44            | 177.25           | 239.72          |
|         | Depreciation and amortization expenses  | 120.11            | 115.70            | 116.70           | 349.99            | 348.62           | 462.62          |
|         | Other expenses  | 763.08            | 822.91            | 671.83           | 2,309.33          | 2,209.24         | 2,933.91        |
|         | <b>Total expenses (IV)</b>  | <b>1,715.96</b>   | <b>1,843.26</b>   | <b>2,224.87</b>  | <b>5,109.69</b>   | <b>6,085.37</b>  | <b>8,458.05</b> |
| V       | <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>                    | <b>(187.92)</b>   | <b>(146.84)</b>   | <b>(125.60)</b>  | <b>(450.18)</b>   | <b>(449.80)</b>  | <b>(525.70)</b> |
| VI      | Exceptional items   | (3,983.64)        | -                 | -                | (3,983.64)        | -                | -               |
| VII     | <b>Profit/(Loss) before tax (V+VI)</b>  | <b>(4,171.56)</b> | <b>(146.84)</b>   | <b>(125.60)</b>  | <b>(4,433.82)</b> | <b>(449.80)</b>  | <b>(525.70)</b> |
| VIII    | Tax Expenses  | -                 | -                 | -                | -                 | -                | -               |
| IX      | <b>Profit / (Loss) for the period (VII-VIII)</b>                                  | <b>(4,171.56)</b> | <b>(146.84)</b>   | <b>(125.60)</b>  | <b>(4,433.82)</b> | <b>(449.80)</b>  | <b>(525.70)</b> |
| X       | Other comprehensive income  |                   |                   |                  |                   |                  |                 |
|         | A (i) Items that will not be reclassified to profit or loss                       | (0.08)            | (0.08)            | (3.22)           | (0.24)            | (9.66)           | (0.32)          |
|         | (ii) Income tax relating to items that will not be reclassified to profit or loss | -                 | -                 | -                | -                 | -                | -               |
|         | B (i) Items that will be reclassified to Profit or Loss                           | -                 | -                 | -                | -                 | -                | -               |
|         | (ii) Income tax relating to items that will be reclassified to profit or loss     | -                 | -                 | -                | -                 | -                | -               |
| XI      | <b>Total Comprehensive Income for the period (IX+X)</b>                           | <b>(4,171.64)</b> | <b>(146.92)</b>   | <b>(128.82)</b>  | <b>(4,434.06)</b> | <b>(459.46)</b>  | <b>(526.02)</b> |
| XII     | Paid up equity Share Capital (face value of Rs.10/- each)                         | 1,157.90          | 1,157.90          | 1,157.90         | 1,157.90          | 1,157.90         | 1,157.90        |
| XIII    | Other Equity  |                   |                   |                  |                   |                  | (4,246.84)      |
| XIV     | <b>Earnings per equity share (of Rs. 10/- each)</b>                               |                   |                   |                  |                   |                  |                 |
|         | 1) Basic  | (36.03)           | (1.27)            | (1.08)           | (38.29)           | (3.88)           | (4.54)          |
|         | 2) Diluted  | (36.03)           | (1.27)            | (1.08)           | (38.29)           | (3.88)           | (4.54)          |



# VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

Phone: (+91-674) 255 2479, Fax: (+91-674) 255 4661

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

Phone: (+91-33) 3011 9000, Fax: (+91-33) 3011 9002

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

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

## Notes :

- 1 The above unaudited financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 11 February 2023. The Statutory Auditors have conducted the limited review of the above Standalone unaudited financial results.
- 2 The Company is in the business of Ferro Alloys and hence has only one reportable operating segment as per Ind AS 108 "Operating Segments".
- 3 The Company has incurred net loss during the quarter ended 31 December 2022 which has adversely affected the net worth of the Company. The Company's financial performance has been adversely affected due to non-availability of working capital for operations, and other external factors beyond the Company's control. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital. Accordingly, the Company has prepared the financial results on the basis of going concern assumption. The statutory auditors have also drawn attention to the above matter without qualifying their opinion in their Review Report.
- 4 The secured debt of the Company has been categorised as Non-Performing Assets (NPA) by the lenders effective 11 July 2012 and accordingly, the Company has stopped providing further interest in its books effective 1 April 2016. The amount of interest expenses not provided for is estimated at Rs. 362.08 Million for the quarter ended 31 December 2022 and the accumulated amount of interest not provided as on 31 December 2022 is estimated at Rs. 9,529.06 Million. The statutory auditors have qualified their Review Report in respect of this matter.
- 5 Pursuant to sanction of the Scheme of Arrangement by National Company Law Tribunal (NCLT), Cuttack Bench vide its Order dated 8 July 2019 (NCLT Order) and filing of the certified copy thereof with the Registrar of Companies, Cuttack on 13 July 2019, the Scheme of Arrangement became effective on and from 13 July 2019 and the Company's Special Steel Undertaking stood transferred to and vested in VISA Special Steel Limited (VSSL) on and from the Appointed Date of the Scheme being 1 April 2013. The Hon'ble Supreme Court vide its ex-parte Order dated 17 January 2020 in Civil Appeal (Civil) No 56 of 2020 (State Bank of India vs VISA Steel Ltd & Anr) has directed issuance of notice and in the meantime stayed the aforesaid NCLT Order. Since the NCLT Order had been given effect to and stood implemented by the Company prior to 17 January 2020, the Company is dealing with the aforesaid Civil Appeal before the Hon'ble Supreme Court in consultation with its Advocates. If the NCLT Order had not been given effect to, the unaudited financial results of the Company after considering the management certified financial results of VSSL would have been as under:

(Rs in Million)

| Sl. No. | Particulars                      | Quarter Ended    |                   |                  | Nine Months Ended |                  | Year Ended    |
|---------|----------------------------------|------------------|-------------------|------------------|-------------------|------------------|---------------|
|         |                                  | 31 December 2022 | 30 September 2022 | 31 December 2021 | 31 December 2022  | 31 December 2021 | 31 March 2022 |
| I       | Total Income                     | 1,741.99         | 1,933.18          | 2,661.64         | 5,647.32          | 8,089.53         | 11,197.03     |
| II      | Profit Before Tax                | (242.29)         | (213.90)          | (176.70)         | (710.33)          | (778.71)         | (872.21)      |
| III     | Profit After Tax                 | (242.29)         | (213.90)          | (176.70)         | (710.33)          | (778.71)         | (872.21)      |
| IV      | Other Comprehensive Income       | 0.96             | 0.97              | (3.14)           | 2.90              | (9.43)           | 3.87          |
| V       | Total Comprehensive Income       | (241.33)         | (212.93)          | (179.84)         | (707.43)          | (788.14)         | (868.34)      |
| VI      | Earnings/{Loss} per Equity Share | (2.09)           | (1.85)            | (1.53)           | (6.13)            | (6.73)           | (7.53)        |



# VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

Phone: (+91-674) 255 2479, Fax: (+91-674) 255 4661

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

Phone: (+91-33) 3011 9000, Fax: (+91-33) 3011 9002


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

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

- 6 SBI had filed an application before Hon'ble National Company Law Tribunal (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC) against the Company, which was dismissed by NCLT, Cuttack Bench. SBI preferred an appeal before Hon'ble National Company Law Appellate Tribunal (NCLAT) New Delhi which had directed NCLT to restore the application and proceed further in accordance with law. The order of NCLAT had been challenged by the Company in the Hon'ble Supreme Court by way of a Civil Appeal and the same had been admitted on 9 September 2021. On 7 November 2022, Hon'ble Supreme Court passed an Order to the effect that NCLT may continue to hear the application filed by SBI but the same may not be given effect till the next date of hearing before Hon'ble Supreme Court, and the matter is pending. Oriental Bank of Commerce, since merged with Punjab National Bank, had filed an application for initiating CIRP under IBC which was admitted vide NCLT order dated 28 November 2022 and an Interim Resolution Professional had been appointed. The NCLT Order is under challenge before NCLAT, and the matter is pending. Meanwhile, Hon'ble Orissa High Court has stayed the operation of the NCLT Order dated 28 November 2022.
- 7 Consequent to the issue of fresh equity shares by Kalinganagar Special Steel Private Limited (KSSPL), an erstwhile subsidiary Company of VISA Steel Limited, KSSPL along with its subsidiaries i.e., VISA Ferro Chrome Limited (VFCL) and VISA Special Steel Limited (VSSL) has ceased to be a subsidiary of the Company w. e. f. 25 November 2022.
- 8 The Exceptional Items for the quarter and nine months ended 31 December 2022 includes (a) squaring off of Rs. 3718.64 Million, standing to the debit of VSSL on account of an award under Arbitration and Conciliation Act 1996. (b) Rs. 265.00 Million towards revision in Infrastructure sharing fees due to non-operation of Steel Making facilities of VSSL.
- 9 Previous periods figures have been regrouped / rearranged wherever necessary.



By Order of the Board  
For VISA Steel Limited

  
Vishal Agarwal  
Vice Chairman & Managing Director  
DIN 00121539

Date: 11 February 2023  
Place: Kolkata