

Independent Auditor's Report on Audit of Annual Standalone Financial Results of VISA Steel Limited pursuant to regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended.

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

Qualified Opinion

1. We have audited the accompanying standalone annual financial results of **VISA Steel Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2023, and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of matter referred to in Basis of Qualified Opinion paragraph 2 below, the aforesaid standalone financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 (the Act), and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2023 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Qualified Opinion

2. We draw attention to Note 4 of the accompanying results with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on March 31, 2023 is Rs.9,901.55 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 the year ended March 31, 2022, Rs.372.50 million and Rs. 1,404.62 million for the quarter and year ended March 31, 2023 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 year ended March 31, 2023 would have been Rs. 445.34 million and Rs.1,681.90 million instead of the reported amount of Rs.72.84 million and Rs.277.28 million respectively. Total expenses for the quarter and year ended March 31, 2023 would have been Rs.1,657.50 million and Rs.7,799.33 million instead of the reported amount of Rs.1,285.00 million and Rs.6,394.71 million. Net loss after tax for the quarter and year ended March 31, 2023 would have been Rs.575.79 million and Rs.6,041.75 million instead of the reported amount of Rs.203.29 million and Rs.4,637.13 million. Total Comprehensive Income for the quarter and year ended March 31, 2023 would have been Rs. (570.50) million and Rs. (6,036.70) million instead of the reported amount of Rs. (198.00) million and Rs.(4,632.08) million, other equity would have been Rs. (18,780.47) million against reported Rs. (8,878.92) million, other current financial liability would have been Rs.11,991.61 million instead of reported amount of Rs.2,090.06 million and Earnings per share for the quarter and year ended March 31, 2023 would have been Rs. 4.97 and Rs. 52.18 instead of the reported amount of Rs. 1.76 and Rs. 40.05.

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

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone annual financial results.

Material Uncertainty Relating to Going Concern

4. Refer Note 3 and Note 6 to the standalone financial results regarding the preparation of the standalone financial results on a going concern basis, for the reason stated therein. The Company has accumulated losses and has also incurred losses during the quarter ended March 31, 2023 and year ended March 31, 2023. 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) of the Company 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 has 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 also 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.

Our opinion is not qualified in respect to the above matter.

Emphasis of Matter

5. We draw attention to the following matter: -

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, (an erstwhile wholly owned step down subsidiary upto 25 November 2022) ("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. 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, in the meanwhile 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 opinion is not qualified in respect of the above matter.

Management's Responsibilities for the Standalone Annual Financial Results

6. These Standalone annual financial results have been prepared on the basis of the standalone annual financial statements.



The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial results that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

7. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 11 below).
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

10. The figures for the quarter ended March 31, 2023 and the corresponding quarter ended in the previous year as reported in the standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
11. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2023 on which we issued a Qualified Opinion vide our report dated May 29, 2023.

Our opinion is not qualified in respect of above matters.



Place: Kolkata
Date: May 29, 2023

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

(Rahul Bothra)
Partner

Membership No. 067330
UDIN: 23067330B4T0Y01882

VISA STEEL

VISA STEEL LIMITED

CIN: L51109OR1996PLC004601

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

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 2023

(Rs in Million Except EPS)

| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|---|-----------------|-------------------|-----------------|-------------------|-----------------|
| | | 31 March | 31 December | 31 March | 31 March | 31 March |
| | | 2023 | 2022 | 2022 | 2023 | 2022 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| I | Revenue from operations | 1,072.76 | 1,525.70 | 2,296.51 | 5,724.77 | 7,920.03 |
| II | Other Income | 8.95 | 2.34 | 0.28 | 16.45 | 12.32 |
| III | Total Income (I + II) | 1,081.71 | 1,528.04 | 2,296.79 | 5,741.22 | 7,932.35 |
| IV | Expenses | | | | | |
| | Cost of materials consumed | 705.22 | 691.55 | 1,404.62 | 2,716.48 | 4,500.51 |
| | Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | - | 0.17 | 3.31 | 0.17 | 36.53 |
| | Employee benefit expenses | 52.64 | 72.16 | 63.62 | 287.14 | 284.76 |
| | Finance Costs | 72.84 | 68.89 | 62.46 | 277.28 | 239.72 |
| | Depreciation and amortization expenses | 118.19 | 120.11 | 114.00 | 468.18 | 462.62 |
| | Other expenses | 336.13 | 763.08 | 724.68 | 2,645.46 | 2,933.91 |
| | Total expenses (IV) | 1,285.02 | 1,715.96 | 2,372.69 | 6,394.71 | 8,458.05 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | (203.31) | (187.92) | (75.90) | (653.49) | (525.70) |
| VI | Exceptional items (Refer Note 8 below) | - | (3,983.64) | - | (3,983.64) | - |
| VII | Profit/(Loss) before tax (V+VI) (Refer Note 8 below) | (203.31) | (4,171.56) | (75.90) | (4,637.13) | (525.70) |
| VIII | Tax Expenses | | | | | |
| | 1)Current Tax | - | - | - | - | - |
| | 2)Deferred Tax | - | - | - | - | - |
| | | - | - | - | - | - |
| IX | Profit /(Loss) for the period (VII-VIII) (Refer Note 8 below) | (203.31) | (4,171.56) | (75.90) | (4,637.13) | (525.70) |
| X | Other comprehensive income | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | 5.29 | (0.08) | 9.34 | 5.05 | (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 | Total Comprehensive Income for the period (IX+X) (Refer Note 8 below) | (198.02) | (4,171.64) | (66.56) | (4,632.08) | (526.02) |
| 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 |
| XIII | Other Equity | | | | (8,878.92) | (4,246.84) |
| XIV | Earnings per equity share (of Rs. 10/- each) | | | | | |
| | 1) Basic | (1.76) | (36.03) | (0.66) | (40.05) | (4.54) |
| | 2) Diluted | (1.76) | (36.03) | (0.66) | (40.05) | (4.54) |



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Statement of Standalone Assets and Liabilities as on 31 March 2023

(Rs. In Million)

| Sl. No. | Particulars | As at 31 March 2023 Audited | As at 31 March 2022 Audited |
|---------|--|-----------------------------|-----------------------------|
| | ASSETS | | |
| 1) | Non-current Assets | | |
| (a) | Property, Plant and Equipment including ROU Assets | 9,594.47 | 9,884.45 |
| (b) | Capital Work-in-Progress | 387.50 | 387.50 |
| (c) | Intangible Assets | 0.49 | 0.49 |
| (d) | Financial Assets | | |
| (i) | Investments | 42.93 | 42.93 |
| (ii) | Other Financial Assets | 71.46 | 14.99 |
| (e) | Deferred Tax Assets (Net) | - | - |
| | Total Non-Current Assets | 10,096.85 | 10,330.36 |
| 2) | Current Assets | | |
| (a) | Inventories | 77.82 | 121.58 |
| (b) | Financial Assets | | |
| (i) | Cash and Cash Equivalents | 0.18 | 0.17 |
| (ii) | Bank Balances [Other than (i) above] | 208.35 | 125.91 |
| (iii) | Others Financial Assets | 5.88 | 0.61 |
| (c) | Current Tax Assets (Net) | 64.32 | 98.45 |
| (d) | Other Current Assets | 222.58 | 4,230.28 |
| | Total Current Assets | 579.13 | 4,577.00 |
| | Total Assets | 10,675.98 | 14,907.36 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| (a) | Equity Share capital | 1,157.90 | 1,157.90 |
| (b) | Other Equity | (8,878.92) | (4,246.84) |
| | LIABILITIES | (7,721.02) | (3,088.94) |
| 1) | Non-current Liabilities | | |
| (a) | Financial Liabilities | | |
| | Lease Liabilities | 439.31 | 454.10 |
| (b) | Provisions | 26.91 | 41.73 |
| | Total Non Current Liabilities | 466.22 | 495.83 |
| 2) | Current Liabilities | | |
| (a) | Financial Liabilities | | |
| (i) | Borrowings | 13,473.14 | 13,473.14 |
| (ii) | Lease Liabilities | 31.65 | 27.59 |
| (iii) | Trade Payables due to | | |
| | - Micro and Small Enterprises | - | - |
| | - Other than Micro and Small Enterprises | 423.40 | 281.07 |
| (iv) | Other Financial Liabilities | 2,090.06 | 2,065.91 |
| (b) | Other Current Liabilities | 1,906.04 | 1,644.29 |
| (c) | Provisions | 6.49 | 8.47 |
| | Total Current Liabilities | 17,930.78 | 17,500.47 |
| | Total Equity and Liabilities | 10,675.98 | 14,907.36 |



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Statement of Standalone Cash Flows for the year ended 31 March 2023

(Rs. In Million)

| Sl. No. | Particulars | Year Ended 31 March 2023 Audited | Year Ended 31 March 2022 Audited |
|------------|--|----------------------------------|----------------------------------|
| (A) | Cash flow from operating activities | | |
| | Profit/(Loss) before tax for the year | (4,637.13) | (525.70) |
| | Adjustments to reconcile profit before tax for the year to net cash flows: | | |
| | Depreciation and Amortization expenses | 468.18 | 462.62 |
| | Finance costs | 85.79 | 86.38 |
| | Amortisation of Processing Charges | - | 0.78 |
| | Allowance for doubtful debts, advances etc. no longer required written back | - | (0.34) |
| | Liabilities no longer required written back | (21.13) | (31.45) |
| | Loss on Assets retirement/write off | 5.11 | 4.65 |
| | Adjustments for exceptional items | 3,718.64 | - |
| | Interest income classified as investing cash flows | (0.65) | (0.62) |
| | (Gain)/Loss on sale of Property, Plant and Equipment | - | (1.68) |
| | Other non- cash items | 8.02 | 35.30 |
| | Operating Profit/ (Loss) before changes in operating assets and liabilities | (373.17) | 29.94 |
| | Working Capital adjustments: | | |
| | Increase/(Decrease) in trade payable and current liabilities | 397.74 | 150.93 |
| | (Increase)/Decrease in Inventories | 43.76 | 72.31 |
| | (Increase)/decrease in other non current/current assets | 144.87 | (121.80) |
| | Cash flow from operation | 213.20 | 131.38 |
| | Income Taxes (paid)/ refund | 34.13 | (13.66) |
| | Net cash flow from (used in) operating activities | 247.33 | 117.72 |
| (B) | Cash flows from investing activities | | |
| | Payment for acquisition of property, plant and equipment and intangible assets | (165.61) | (37.72) |
| | Proceeds from sale of property, plant and equipment and intangible assets | - | 5.85 |
| | Interest received | 0.65 | 0.62 |
| | Net cash flow from (used in) investing activities | (164.96) | (31.25) |
| (C) | Cash flow from financing activities | | |
| | Lease Payment (As per Ind AS 116) | (78.81) | (74.90) |
| | Finance Costs paid | (3.55) | (11.57) |
| | Net cash flow from (used in) financing activities | (82.36) | (86.47) |
| | Net increase/(Decrease) in Cash and cash equivalents (A+B+C) | 0.01 | 0.00 |
| | Cash and cash equivalent at the beginning of the year | 0.17 | 0.17 |
| | Cash and cash equivalent at the end of the year | 0.18 | 0.17 |

The above Standalone Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

(Rs. In Million)

| Particulars | As at | As at |
|---|-------------|-------------|
| | 31 March | 31 March |
| | 2023 | 2022 |
| | Audited | Audited |
| Cash in hand | 0.18 | 0.17 |
| Closing Cash & Cash Equivalent | 0.18 | 0.17 |



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Notes :

- 1 The above 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 29 May 2023.
- 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 and year ended 31 March 2023 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 Audit 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. 372.50 Million for the quarter ended 31 March 2023 and the accumulated amount of interest not provided as on 31 March 2023 is estimated at Rs. 9,901.55 Million. The statutory auditors have qualified their Audit 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 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 financial results of the Company would have been as under:

(Rs in Million)

| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|----------------------------------|---------------|------------------|---------------|---------------|---------------|
| | | 31 March 2023 | 31 December 2022 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| I | Total Income | 1,636.76 | 1,741.99 | 3,104.83 | 7,284.08 | 11,197.03 |
| II | Profit Before Tax | (52.28) | (242.29) | (93.49) | (762.61) | (872.21) |
| III | Profit After Tax | (52.28) | (242.29) | (93.49) | (762.61) | (872.21) |
| IV | Other Comprehensive Income | (0.24) | 0.96 | 13.30 | 2.66 | 3.87 |
| V | Total Comprehensive Income | (52.52) | (241.33) | (80.19) | (759.95) | (868.34) |
| VI | Earnings/(Loss) per Equity Share | (0.45) | (2.09) | (0.81) | (6.59) | (7.53) |



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

website: www.visasteel.com

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

Assets and Liabilities of the Company would have been as under:

(Rs in Million)

| Sl. No. | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---------|-------------------------------------|------------------------|------------------------|
| I | Non Current Assets | 16,081.84 | 16,699.12 |
| II | Current Assets, Loan and Advances | 748.76 | 975.91 |
| | Total Assets | 16,830.60 | 17,675.03 |
| III | Equity | (25,090.26) | (24,330.31) |
| IV | Non Current Liabilities | 144.76 | 181.11 |
| V | Current Liabilities and Provision | 41,776.10 | 41,824.23 |
| | Equity and Total Liabilities | 16,830.60 | 17,675.03 |

- 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 has been challenged 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 year ended 31 March 2023 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 The figures for the last quarter of the current year and for the previous year are the balancing figures between the audited figures in respect of full financial year ended 31 March and the unaudited published figures up to the third quarter ended 31 December.
- 10 Previous periods figures have been regrouped / rearranged wherever necessary.



By Order of the Board
For VISA Steel Limited

Vishal Agarwal

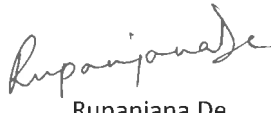
Vice Chairman & Managing Director

DIN 00121539




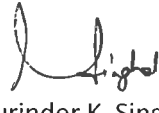
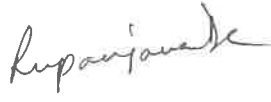


Date: 29 May 2023

Place: Kolkata

**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2023,
[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 Million) | Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Million) |
|------|--|---|---|--|
| | 1 | Total income | 5,741.22 | 5,741.22 |
| | 2 | Total Expenditure | 6,394.71 | 7,799.33 |
| | 3 | Net Profit/(Loss) | (4,637.13) | (6,041.75) |
| | 4 | Earnings Per Share | (40.05) | (52.18) |
| | 5 | Total Assets | 10,675.98 | 10,675.98 |
| | 6 | Total Liabilities | 18,397.00 | 28,298.55 |
| | 7 | Net Worth | (7,721.02) | (17,622.57) |
| | 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: since how long continuing - FY 2017 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 | |  Surinder K. Singhal | |
| | • Audit Committee Chairperson | |  Rupanjana De | |
| | • Statutory Auditor | | For Singhi & Co. Firm Registration Number:302049E Chartered Accountants  Rahul Bothra Partner Membership Number 067330 |  |
| | Place: Kolkata Date: 29 May 2023 | | | |

Annexure –A

| Sl. No | Details of Audit Qualification (s) | Management's Views |
|--|---|---|
| 1 | <p>Auditors in their Standalone Audit Report has stated that:</p> <p>Basis of Qualified Opinion</p> <p>We draw attention to Note in the accompanying standalone financial statement with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on March 31, 2023 is Rs. 9,901.55 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 the FY 2018-19, Rs.1,443.39 Million for the FY 2019-20, Rs.1,286.83 Million for the FY 2020-21, Rs. 1,289.27 Million for the FY 2021-22, Rs.372.50 Million and Rs.1,404.62 Million for the quarter and year ended March 31, 2023 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.</p> | <p>The secured debt of the Company has been categorized 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. 372.50 Million for the quarter ended 31 March 2023 and the accumulated amount of interest not provided as on 31 March 2023 is estimated at Rs. 9,901.55 Million.</p> |
| | <p>Had the aforesaid interest expense been recognized, finance cost for the quarter and year ended March 31, 2023 would have been Rs. 445.34 Million and Rs.1,681.90 Million instead of the reported amount of Rs.72.84 Million and Rs. 277.28 Million respectively. Total expenses for the quarter and year ended March 31, 2023 would have been Rs. 1,657.52 Million and Rs. 7,799.33 Million instead of the reported amount of Rs. 1,285.02 Million and Rs. 6,394.71 Million. Net loss after tax for the quarter and year ended March 31, 2023 would have been Rs. 575.81 Million and Rs. 6,041.75 Million instead of the reported amount of Rs. 203.31 Million and Rs. 4,637.13 Million. Total Comprehensive Income for the quarter and year ended March 31, 2023 would have been Rs. (570.52) Million and Rs. (6,036.70) Million instead of the reported amount of Rs. (198.02) Million and Rs. (4,632.08) Million, other equity would have been Rs. (18,780.47) Million against reported Rs. (8,878.92) Million, other current financial liability would have been Rs.11,991.61 Million instead of reported amount of Rs. 2,090.06 Million and Loss per share for the quarter and year ended March 31, 2023 would have been Rs. 4.97 and Rs. 52.18 instead of the reported amount of Rs. 1.76 and Rs. 40.05.</p> <p>The above reported interest has been calculated using Simple Interest rate.</p> | |
|   Vishal Agarwal Managing Director |   Surinder K. Singhal Chief Financial Officer |  Rupanjana De Chairperson, Audit Committee |
| | | For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants  Rahul Bothra Partner Membership Number 067330  |