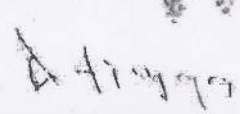
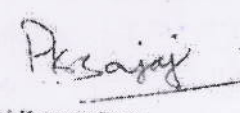
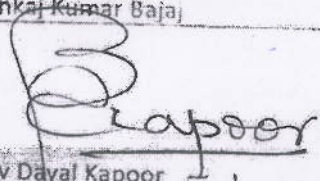
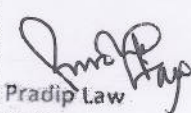

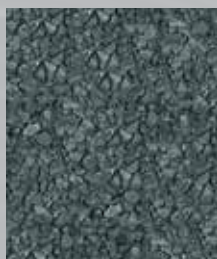


**FORM B**  
**[Pursuant to Clause 31(a) of Listing Agreement]**

1.	Name of the Company :	VISA Steel Limited
2.	Annual financial statements for the year ended :	31 March 2014
3.	Type of Audit observation :	Qualified Opinion
4.	Frequency of observation :	Appeared for the first time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<b>Observation :</b> Para 6, 7, 10 (a) and (d) of the Independent Auditors' Report dated 23 May 2014 drawing attention to Note 34 of the Standalone Financial Statements.  <b>Management Response :</b> Refer Directors' Report : Page 26 of Annual Report.
	Additional comments from the Board / Audit committee chair :	As per disclosures made in the Annual Report.
4.	To be signed by :	
	<ul style="list-style-type: none"> <li>Executive Director (Finance) &amp; CFO</li> </ul>	 Manoj Kumar Digga
	<ul style="list-style-type: none"> <li>Joint Managing Director &amp; CEO (Steel Business)</li> </ul>	 Punkaj Kumar Baja
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	 Shiv Dayal Kapoor
	<ul style="list-style-type: none"> <li>Auditor of the company</li> </ul>	For Lovelock & Lewes Firm Registration Number - 301056E Chartered Accountants   Pradip Law Partner Membership Number 51790  

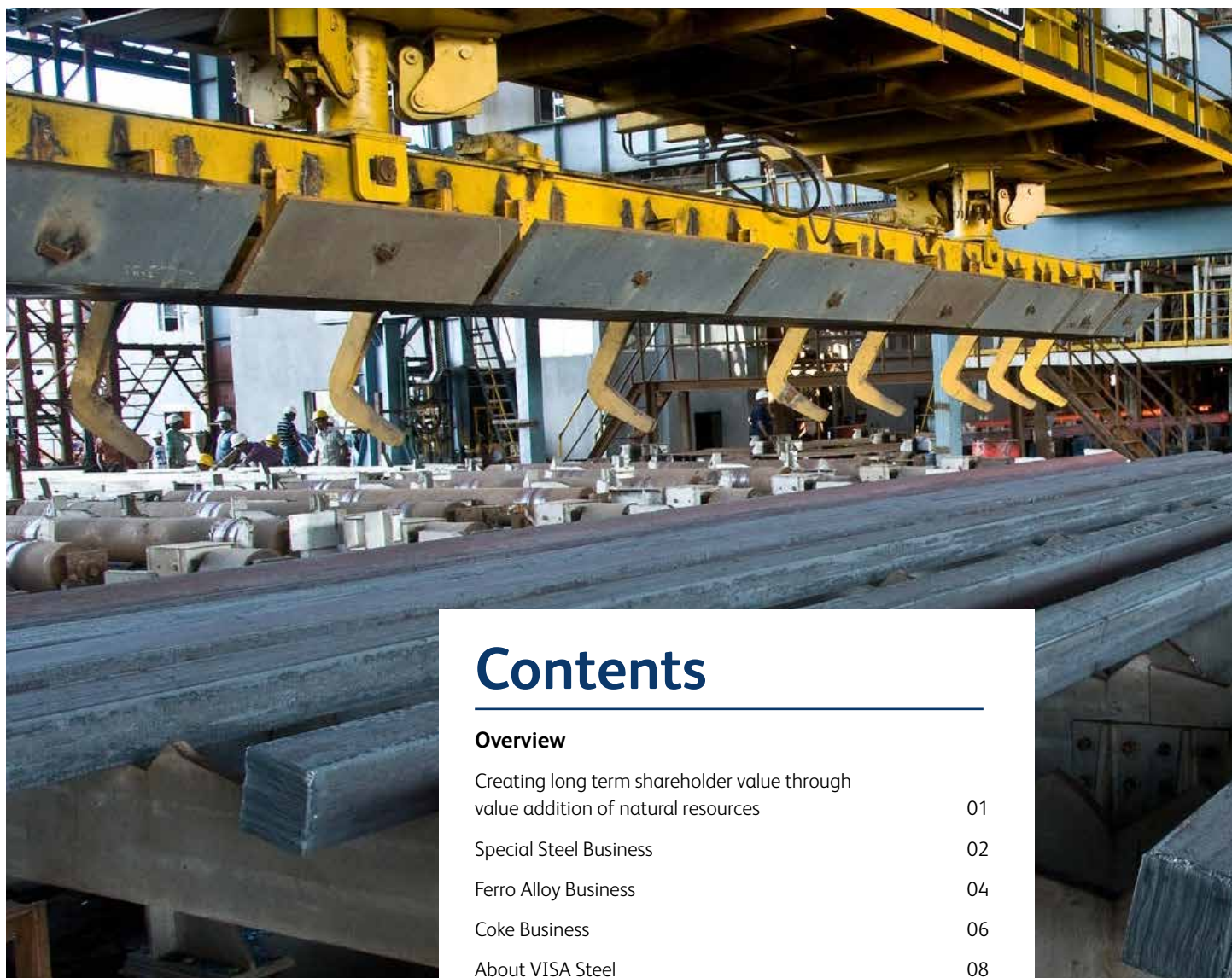




# VISA STEEL

Annual Report 2013-14





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## Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## Creating long term shareholder value through value addition of natural resources

**VISA Steel Limited has created a world class facility for production of Special Steel, Ferro Alloys and Coke at Kalinganagar in Odisha.**

Kalinganagar is one of the upcoming major Steel hubs in India and is strategically located in the mineral rich State of Odisha, which accounts for 33 % of total Iron Ore reserves, 28 % of coal reserves and 97 % of Chrome Ore reserves in India. VISA Steel's Plant is in close proximity to vital raw material - Iron Ore, Chrome Ore & Coal and deep draft Ports of Paradip & Dhamra. It is considered to be a preferred investment destination with excellent infrastructure - Road, Railway and Port connectivity.

The Company is pursuing Special Steel business, Ferro Alloys & Captive Power business and Coke business at Kalinganagar. In order to facilitate fund raising, the Company plans to unlock value in the Special Steel & Ferro Alloy business through strategic / financial investor as it has done by inducting a strategic investor in Coke business.



## Special Steel Business

The 0.5 million TPA Special Steel business includes production of Hot Metal / Pig Iron, DRI / Sponge Iron, Special Steel Blooms / Billets, Bar & Wire Rods and Rebars for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.





## 1 million TPA

Expected Capacity Expansion of  
Special Steel at Kalinganagar, Odisha

The Company is awaiting grant of Captive Iron Ore Mines in Odisha. The Company plans to set up an Iron Ore Sinter Plant in order to improve productivity of the Blast Furnace and reduce cost of raw material. The Company also plans to set up Producer gas plant to reduce the energy cost in Rolling Mill.

The Company envisages transfer of Special Steel Undertaking with all its assets and liability into VISA Special Steel Limited (a subsidiary of the Company) through a Scheme of Arrangement in order to improve focus and facilitate fund raising through strategic / financial investor. The Company plans to expand its capacity from 0.5 million TPA to 1 million TPA Special Steel at Kalinganagar in Odisha.

# Ferro Alloy Business

The Business comprises of 180,000  
TPA Ferro Alloy Plant & 75 MW Captive  
Power Plant







Out of six Furnaces, four Furnaces are in operation (two Furnaces of VISA Steel Limited and two Furnaces of VISA BAO Limited). The Company is having a 200,000 TPA Chrome Ore Beneficiation and Chrome Ore Grinding Plant at Golagaon. The Company is in the process of merging VISA BAO Limited with itself and in the interim period, the Company is

## 180,000 TPA

Ferro Alloy Production

operating VISA BAO's Ferro Alloys Plant on dry lease basis.

The 75 MW Captive Power Plant is sufficient to cater majority of the requirement of power for 180,000 TPA Ferro Alloy production. Power is a key cost component in Ferro Alloy business, and low cost & uninterrupted availability of Captive Power for Ferro Alloys production is critical to the cost competitiveness and facilitating stable operations.

VISA Steel is a leading player in the Ferro Alloys industry in India and globally and going forward, it plans to further expand its Ferro Alloys production and Captive Power generation capacities.



## Coke Business

The Coke Business comprises of a 400,000 TPA Coke Oven Plant with associated steam generating units operating through Company's subsidiary, VISA SunCoke Limited, a joint venture between VISA Steel Limited and SunCoke Energy, USA, in which the Company holds 51% stake and SunCoke holds remaining 49% stake.



### 400,000 TPA

Production Capacity at Coke  
Oven Plant



VISA SunCoke has established itself as the best quality Coke manufacturer and enjoys advantage over imported Coke from China. In view of improvement in availability of Iron Ore, domestic demand of Coke from Blast Furnaces is likely to improve. Being a debt free Company VISA SunCoke Limited is set to leverage its operating and technological expertise to serve customers across India with the best quality Coke.

The Company is evaluating the option of growing the Coke business through expansion at Kalinganagar to 800,000 TPA.





# About VISA Steel



## Vision

“Create long term shareholder value through value addition of natural resources”

## Values

**Transparency** – We are transparent and honest in our profession with all our stakeholders

**Team Work** – We work together as a team to benefit from our complementary strengths

**Passion** – We are passionately committed to delivering excellence in performance

**Governance** – We are committed to best standards of safety, corporate social responsibility and corporate governance

**Attitude** – We demonstrate ownership in our attitude to create sustainable value for shareholders

**Registered office** in Bhubaneswar, **Corporate Office** in Kolkata and manufacturing facilities at Kalinganagar and Golagaon in Odisha.

**Shares listed** in the BSE Limited and the National Stock Exchange of India Limited.



## Special Steel Business

FACILITY	CAPACITY
Pig Iron Plant	225,000 TPA
Sponge Iron Plant	300,000 TPA
Steel Melt Shop	500,000 TPA
Bar & Wire Rod Mill	500,000 TPA

## Ferro Alloy Business

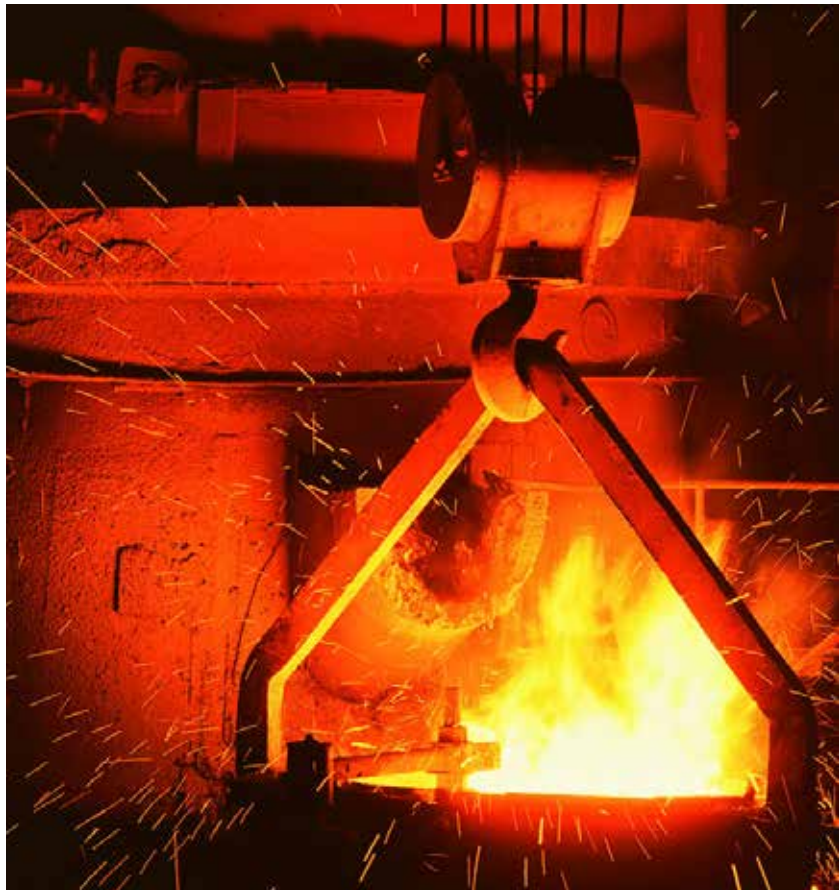
FACILITY	CAPACITY
Ferro Alloy Plant	180,000 TPA
Captive Power Plant	75 MW

## Coke Business

FACILITY	CAPACITY
Coke Oven Plant	400,000 TPA



# Strategic Goals and Mission



## Strategic Goals

- Integrate across value chain with captive mines.
- Build partnerships with customers and suppliers.
- Family of capable, motivated and happy employees.
- Leadership in business segment through market share.
- Maximise shareholder value by Market Cap and ROCE.



## Strategy and Mission

### **Integrate across value chain with captive mines and power**

- Securing mining leases for key raw materials – iron ore, chrome ore & coal.
- Build captive power plants.
- Select technologies with long-term competitiveness.

### **Leadership in business segment through market share**

- Understand the steel market, identify products with demand growth and set market share goals
- Develop strong sales & distribution network

### **Maximise shareholder value by Market Cap and ROCE**

- Ensure capital allocation for growth to generate better ROCE and Market Cap than industry peers
- Create assets at competitive capital costs and operate efficiently.

### **Build partnerships with customers and suppliers**

- Be preferred supplier through competitive pricing and high standards of quality and service
- Build and sustain long-term relationships with strategic customers and suppliers.

### **Family of capable, motivated and happy employees**

- Recruit effectively.
- Train and develop people continually.
- Provide safe and clean working environment.
- Develop sense of organisational ownership and teamwork.



# Financial and Operational Highlights

All amount in Rs. Million, unless otherwise stated

<b>Financial Highlights</b>	<b>FY 2014</b>	<b>FY 2013</b>
Revenue	14,685	10,444
EBIDTA	1,247	(67)
EBIDTA Margin	8.49 %	(0.64 %)
PAT	(1,478)	(1,076)
Share Capital	1,100	1,100

<b>Operational Highlights</b>	<b>FY 2014</b>	<b>FY 2013</b>
Ferro Alloys (in MT)	70,568	36,344
Power (in Million Units)	435	312
Hot Metal (in MT)	105,718	854
Sponge Iron (in MT)	156,082	80,514
Coke (in MT)	370,099	309,565







# Chairman's Statement



Vishambhar Saran  
Chairman

## Dear Shareholders,

The financial year 2013-14 has once again been an extremely challenging year for the Iron & Steel industry due to global slowdown in demand and domestic challenges of non-availability of vital raw material at viable prices. This has adversely impacted your Company as well. Nevertheless your company continues to pursue its interests in Coke Business, Ferro Alloys Business and Special steel businesses.

## Coke Business

In order to unlock value and to continue to focus and grow this business, the Company had transferred its Metallurgical Coke and associated steam generation business into a subsidiary (VISA Coke Limited) wherein the Company has made a strategic alliance with SunCoke Energy Inc, USA. The Company has divested 49% stake in this subsidiary and raised Rs.367.50 Crores. This joint venture company has since been renamed – “VISA SunCoke Limited” which continues to be a 51 per cent subsidiary of VISA Steel Limited. As a result company's performance

has significantly improved and your company has gradually ramped up to achieve over 100 percent capacity utilisation with consistent quality coke production.

## Ferro Alloy Business

The business comprises of 180,000 TPA Ferro Alloy Plant (including the Furnaces taken on lease from VISA BAO Limited, a Subsidiary of the Company) & 75 MW Captive Power Plant. In order to consolidate the Ferro Alloys & Captive Power generation business, the Company is in the process of amalgamating VISA BAO Limited into VISA Steel Limited. Meanwhile volume of Ferro Chrome produced and sold domestically/ exported has increased quite significantly. However the availability of Chrome Ore & Chrome Concentrates at viable prices from OMC Ltd and Tata Steel Ltd remains a big challenge for your company. Tata Steel's Chrome Ore mining operations have been shut since May, 2014. Your company is continuously pursuing with the Govt. of Odisha and OMC Limited for grant of captive mining lease and supply of Chrome Ore and Chrome Concentrates.

## Special Steel Business

In order to unlock value and to continue to focus and grow this business, your Company is in the process of transferring its Special Steel business undertaking into a – VISA Special Steel Limited, which for the time being will remain a subsidiary of your Company. In due course, your Company may explore options to enter into strategic alliance with a world class Steel player to unlock value, have clear focus and also raise funds to grow this business from 0.5 million TPA to at least 1 million TPA. Availability of Iron Ore at viable price for this business continued to be a major challenge and as a result the company's units for this business operated way below their installed capacities and were intermittently shut. Your company is continuously pursuing with the Government of Odisha and OMC Limited for grant of captive mining lease and supply of iron ore from Daitari mines respectively. For last three years, supply of Iron Ore from OMC's Daitari Mines was heavily restricted for want of Forest Clearance which has since been received. Going forward, your Company expects supplies of Iron Ore at viable prices from OMC's Daitari Iron Ore Mines to significantly improve the performance of the Company. In the meantime, certain clarity has also started to emerge with regard to grant of Captive Iron Ore Mining Lease in favour of existing steel companies including your Company.

## Annual Results

For the year ended 31 March 2014, the Company recorded consolidated revenue of Rs.14,685.38 Million, operating profit of Rs.1,247.20 Million and loss after tax of Rs.1,478.28 Million. The revenues have been driven mainly by coke and

Ferro Chrome businesses. The revenues were lower than its potential, mainly because the Company had extremely low production volumes in its iron and steel making facilities which was solely due to non-availability and high cost of Iron Ore.

### The Industry

Market sentiments in US and Europe have started to show signs of recovery and with the newly elected Government in India, the overall business sentiment across Indian Steel, Power and other Infrastructure sectors have significantly improved.

India is poised to be a dominant player in the Global Steel industry with a strong demand for Steel products, being driven primarily by infrastructure and consumption led sectors including construction, automobile, white goods and oil & gas. However, the Steel industry in India has suffered due to the non-availability and high prices of Iron Ore, high interest rates and foreign exchange volatility.

The export tax on Iron Ore and Chrome Ore remain at 30% to dis-incentivise exports of such primary raw material and to encourage value addition of natural resources within the country. This has encouraged capacity addition for Iron Ore Sinter & Pellet Plants within the country which is expected to gradually ease the supply constraints in availability of Iron Ore.

There is a huge growth potential in Steel making in India. The States of Odisha, Chhattisgarh & Jharkhand which account for majority of the Iron Ore and Coal reserves continue to remain most

attractive locations for setting up Steel plants.

### Vision & Strategy

The Company is committed to its vision to emerge as an efficient producer of high quality value added products including Coke, Ferro Alloys and Special Steel (long products).

Having set up state of the art value addition facilities, the Company is now focused on securing allotment of captive Iron Ore and Chrome Ore mines in order to improve margins. Since the Company has already fulfilled all the required criteria, it is confident of securing captive Iron Ore and Chrome Ore mining leases in Odisha. The Company has also been granted a Prospecting Licence for Chrome Ore bearing Area in Manipur. For its future projects in Chhattisgarh, the Company is pursuing grant of a Captive Iron Ore Mining Lease in Chhattisgarh as well.

Going forward the Company's Subsidiary – VISA SunCoke Limited is evaluating options of doubling its Coke making capacity from 0.4 million TPA to 0.8 million TPA. VISA Special Steel Limited is exploring options to unlock value by inducting a Strategic Investor and doubling its Special Steel making capacity from 0.5 million TPA to 1 million TPA. Likewise VISA Steel Limited, after consolidating its Ferro Alloys business (by amalgamating VISA BAO Limited into VISA Steel Limited) will be exploring options to expand its capacity for production of Ferro Alloys from 180,000 TPA to 250,000 TPA and Captive Power Plant capacity from 75 MW to 125 MW.

### Outlook

Revenues and margins from Metallurgical Coke, Ferro Alloy & Special Steel Businesses shall drive your Company forward. With the newly elected Government at the centre, we expect clarity with regard to grant of Captive Mining Leases for vital minerals like Iron Ore, Chrome Ore, Manganese Ore & Coal to existing steel companies. We also expect interest rates to come down to further boost the market sentiment & reduce cost of production. We are confident of seeing better business scenario ahead.

I would like to place on record my sincere appreciation and gratitude to the entire team of VISA Steel Group for their relentless commitment inspite of the challenging business environment. I am grateful to the members of the Board of the Company for their invaluable guidance and contribution. I would also like to convey my sincere thanks to all the stakeholders for their confidence and faith and to all the Government, Regulatory Authorities & Banks for their valued support.

Warm Regards,



**Vishambhar Saran**



# Vice Chairman & Managing Director's Review



Vishal Agarwal  
VC & MD

Your Company has established a world class manufacturing facility for production of Special Steel, Ferro Alloys and Metallurgical Coke at Kalinganagar in the State of Odisha, which is India's most attractive State for Special Steel, Ferro Alloys and Coke manufacturing, since it accounts for 33 percent of the total Iron Ore reserves, 28 percent of the coal reserves and 97 percent of the chrome ore reserves in India. The Kalinganagar Industrial Complex is not only an upcoming major Steel hub in India but also an investment destination with excellent Road, Railway and Port connectivity.

The past few financial years were challenging for the Company due to various external factors like non availability of raw material at viable price, weak product prices, high interest rates and volatile foreign exchange which had adversely affected the performance of your Company.

However, the business scenario is likely to gain back its momentum as the Government of Odisha has approved the proposal of Odisha Mining Corporation for long term linkage of Iron Ore, Chrome Ore & Chrome Concentrates with MoU signed and State based Steel & Ferro

Alloys producers in Odisha including your company. The Government is working towards clearing all hurdles relating to raw material availability at fair market price, which had been affecting the Steel industries for the last few years. Your Company is prepared and looking forward for improving the performance taking advantage of these measures being taken by Government of Odisha.

## Special Steel Business

Your Company has a Special Steel business for production of Hot Metal/ Pig Iron, DRI/Sponge Iron, Special Steel Blooms/Billets, Bars & Wire Rods, Rebars at Kalinganagar in Odisha for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.

During the year, the availability & pricing of Iron Ore and weak product prices have been a major challenge for the Company and has impacted the Special Steel Operations. Steel production was 49,827 MT compared to Nil in 2012-13, Hot Metal/Pig Iron production was 105,718 MT compared to 854 MT in 2012-13 and DRI/Sponge Iron production was 156,082 MT compared to 80,514 MT in 2012-13.

In the coming days, the Company expects a steady supply of Iron Ore at viable prices from OMC which would significantly improve steel production. Besides, the Company is confident of securing captive Iron Ore Mining Lease in Odisha as certain amount of clarity has started to emerge with regard to grant of Captive Iron Ore Mining Lease in favour of existing steel companies including your Company. The Company plans to set up an Iron Ore Sinter Plant in order to hedge the Iron Ore procurement as it is currently buying only sized Iron Ore. The Company also plans to set up a Producer Gas Plant to reduce the energy cost in Rolling Mill.

The Company is in advanced stage to transfer its Special Steel business to VISA Special Steel Limited (VSSL), in order to improve help the Company unlock shareholders value and enable induction of suitable strategic / financial investor. The Board of Directors has approved a Scheme of Arrangement for transfer of Special Steel Undertaking of the Company with all its assets and liabilities, into VSSL. In-principle approval of the Listing Agreements from both National Stock Exchange of India Limited and BSE Limited has been received and the approval from the Hon'ble High Court is awaited.

The Company is in discussion with Iron Ore mining companies and Global Steel players for a strategic alliance in VISA Special Steel Limited.

## Ferro Alloy Business

The Ferro Alloys business is operating a 120,000 TPA of Ferro Alloys (including the Furnaces taken on lease from VISA BAO Limited (VBL), a subsidiary Company) and has produced 70,568 MT of Ferro Chrome in the financial year

2013-14 compared to 36,344 MT in 2012-13. The generation of Electricity from Company's Captive Power Plant, having installed capacity of 657 million units per annum, produced 434.82 million units in financial year 2013-2014 as compared to 311.98 million units in the previous year. VISA BAO Limited has commissioned two furnaces and the balance two furnaces are expected to be commissioned in phases over the next financial year. Production of Chrome Concentrates during financial year 2013-14 from Chrome Ore beneficiation & Grinding Plant having capacity of 200,000 TPA has been affected due to non availability of low grade Chrome Ore.

The Company is exploring options for restructuring of its Ferro Alloy business and is evaluating the option of merging VBL with itself. Meanwhile, as an interim measure, the Company has taken VBL's Plant on lease.

The availability of Chrome Ore & Chrome Concentrates at viable prices from OMC Ltd and Tata Steel Ltd has become a big challenge for your Company. The Company plans to switch over at least two of its Ferro Chrome Furnaces for production of High & Medium Carbon Manganese Alloys in order to hedge the raw material sourcing.

### Coke Business

Against an installed capacity of 400,000 TPA, actual production of metallurgical Coke in 2013-14 was 370,099 MT.

Coking Coal prices have been weakening over the year and the Company has been procuring Coking Coal with monthly pricing which has been beneficial. VISA SunCoke is a leading supplier of consistent and high quality Coke partly

consumed in Blast Furnace of your Company and partly sold to various Iron and Steel plants in Eastern India.

### Finance

Your Company is focusing on consolidating its operations and improving operational efficiencies to reduce the cost. In view of the losses suffered by the Company due to high cost raw material, weak product prices and the consequent impact on cash flows and ability to service loan repayments, the debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism. Your Company will infuse additional equity funds in a phased manner. The infusion of the equity shall be brought in the form of unsecured loan / Preference shares or by issuing fresh shares through QIP / FPO / PE / Strategic Investment etc. or by merging / demerging some business divisions into separate Companies / SPV's through scheme/slump sale and inviting strategic investors.

### Human Resource Initiative

Your Company is an equal opportunity employer and is committed to create a healthy work environment that enables employees to work without fear of prejudice, gender bias, sexual harassment and all forms of intimidation or exploitation. It is committed to provide a work environment that ensures every employee, irrespective of their gender is treated with dignity and respect and afforded equal treatment. Your Company has formulated a detailed Code of Conduct in order to practice ethical behaviour and sound conduct to establish the principles that guide our daily actions. Ethical conduct is the cornerstone of how the Company does the business.

Your Company recognises Human Resource as its most important assets and is constantly engaged in enriching the value and developing competencies of Human Resources through various development & training programmes. We improve our team building and encourage family bonding through various employee engagement social activities.

### Corporate Social Responsibility

We acknowledge the roles and responsibilities of a corporate citizen. In line with our core business philosophy, concern for Health, Safety and Environment continue to be one of our key priorities. Your Company always believes in creation of wealth for all its stakeholders. As a responsible corporate, the Company is focused on the happiness of people living in its larger neighbouring communities.

The Company's CSR team works towards improving the living conditions of the underprivileged and makes a positive difference in their lives. A number of focused initiatives have been implemented particularly in the remote areas. Over the years, the Company has directed its community development in the areas of education, healthcare, rural development, sports & culture and we wish to continue our support and focus on these issues.

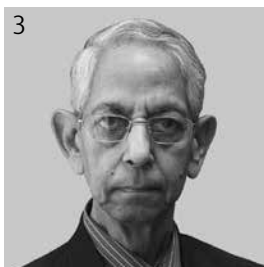
With warm regards & best wishes,



**Vishal Agarwal**



# Board of Directors



## 1. Mr. Vishambhar Saran, *Chairman*

Mr. Saran has experience of almost 45 years in the iron & steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron & steel industry.

A mining engineer from BHU, he rose to the level of Director (Raw Materials) in Tata Steel before taking over as Chairman of the VISA Group in 1994. In a short span of time, he built the VISA Group into a minerals and metals conglomerate with a strong global presence in Australia, China, India, Indonesia, Singapore and South Africa. He is the Honorary Consul of Bulgaria for Eastern India.

## 2. Mr. Vishal Agarwal *Vice Chairman & Managing Director*

Mr. Agarwal has over 17 years experience in the iron & steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Coke and Ferro Chrome industry.

He holds a Bachelors degree in Economics from the London School of Economics and a Masters degree in Economics for Development from Oxford University. He is a Committee Member of the CII - Eastern Region Council and Indian Chamber of Commerce. He is also the Chairman of ICC Odisha Expert Committee.

## 3. Mr. Maya Shanker Verma *Chairman, Stakeholders Relationship Committee & Finance and Banking Committee*

Mr. Verma is a career banker with a multilevel and wide ranging experience of over 53 years, encompassing an understanding of the commercial, developmental and investment banking as well as asset management and capital market operations.

A Master of Arts and Certified Associate of the Indian Institute of Bankers, Mr. Verma held senior-most and critical positions in India's financial system and regulatory regimes like Chairman of State Bank of India, IDBI Bank and Telecom Regulatory Authority of India.

## 4. Mr. Shiv Dayal Kapoor *Chairman, Audit Committee & Nomination and Remuneration Committee*

Mr. Kapoor has over 45 years of rich experience in the minerals and metals industry. He is the former Chairman of MMTC Limited and Neelachal Ispat Nigam Ltd. and had been on the Board of many renowned Public Sector Enterprises.

A B.Sc. in Metallurgical Engineering from BHU and MBA from University of Leeds, UK, he is a recipient of the Best Chief Executive Gold Award – Rajiv Ratna National Award 2005 and Top CEO of the year Award 2000 – Indian Institute of Marketing & Management, amongst others.

## 5. Mr. Debi Parsad Bagchi *Independent Director*

Mr. Bagchi brings to the Board his deep knowledge of the administrative services and the State of Odisha, especially in the steel & mining sector. He has held prestigious positions of authority like



Additional Secretary, Commerce – Government of India, Secretary, Ministry of Small Scale Industry – Government of India, Chief Secretary – Government of Odisha, etc.

A Master of Arts in Economics and an M. Phil in Public Administration, Mr. Bagchi was also the Chairman cum Managing Director of Orissa Lift Irrigation Corporation and Managing Director of Orissa Mining Corporation Limited.

#### **6. Mr. Pratip Chaudhuri**

*Independent Director*

Mr. Pratip Chaudhuri is the former Chairman of State Bank of India and has 40 years of rich experience in banking sector. He has also served as the Chairman of SBI Global Factors Ltd, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore and State Bank of Hyderabad.

He holds Master's Degree in Science and Statistics from University of Rajasthan and is an alumnus of University Business School, Chandigarh. He was also a

Director at Export-Import Bank of India and State Bank of Patiala.

#### **7. Ms. Gauri Rasgotra**

*Independent Director*

Ms. Rasgotra has over 21 years of rich experience in advisory and litigation. A B.A. (Hons) (Economics) and LL.B, she is a Partner of Khaitan & Co. in New Delhi.

She has expertise in the area of dispute resolution, commercial law and other emerging areas such as data privacy, etc. She has active experience in litigation in the Supreme Court as well as other courts in India on behalf of Khaitan & Co. She has managed litigation of some landmark cases such as 'Right of citizen to fly the National Flag'. In her advisory role, she has been working with top Indian and foreign firms, where she has handled a variety of settled and emerging laws governing the working of the corporate sector in India.

#### **8. Mr. Subrato Trivedi**

*Director*

Mr. Trivedi brings with him 43 years of rich experience in the areas of identification of green field projects, finalisation of power purchase agreements/fuel supply agreements, project construction & erection, management, operation and maintenance of thermal power projects.

He is a Mechanical Engineer from Government Engineering College, Bilaspur, Ravi Shankar University. He started his career with companies like SAIL and BHEL and thereafter has held the position of Regional Executive Director, NTPC Limited and President, Projects, Adani Power Ltd. Mr. Trivedi is also serving as Joint Managing Director in VISA Power Limited and is responsible for project construction and overall management of the project of the Company.

#### **9. Mr. Punkaj Kumar Bajaj**

*Joint Managing Director and CEO (Steel Business)*

Mr. Bajaj brings with him over 40 years of rich experience in iron & steel industry with Steel Authority of India Ltd. (SAIL). He has held various senior positions at the integrated steel plants of SAIL including Rourkela, Bhilai, Durgapur as well as its Corporate office in New Delhi.

He is a graduate in Metallurgical Engineering and Gold Medalist from MNIT Jaipur. He is currently responsible for the Steel business of the Company. Prior to joining VISA Steel Limited he was the Chief Executive Officer of Durgapur Plant at SAIL. Mr. Bajaj is also the Managing Director of VISA BAO Limited, subsidiary company.

# Corporate Social Responsibility

VISA Steel focuses on the welfare of people living in its larger neighbouring communities.



VISA Steel has always believed in creation of wealth for all its stakeholders. As a responsible corporate, VISA Steel is focused on the happiness of people living in its larger neighboring communities.

VISA Steel's CSR team works towards improving the living conditions of the under privileged and makes a positive difference in their lives. A number of focused initiatives have been implemented particularly in the remote areas of Odisha and Chhattisgarh. Over the years, VISA Steel has directed its community development in the areas of education, healthcare, rural development, sports & culture and we wish to continue our support and focus on these issues.



## Education

At VISA Steel, we truly believe in igniting young minds and in shaping the future of young India. In our endeavours to further the cause of education we have taken the following steps:

- Established two premier educational institutions in Kolkata - The Heritage School and The Heritage Institute of Technology, through the Kalyan Bharti Trust. Introduced scholarship opportunities for brilliant and needy students.
- Offered scholarships to needy girl students at the Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh.
- Provided facilities such as laboratories and science labs to enhance computer literacy at the Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh.
- Planning to set up world-class, professionally managed primary and secondary schools in Kalinganagar and Raipur, with facilities for extracurricular activities and sports.
- Giving support to various local schools in the region.
- Providing tailoring vocational training to ladies in the village.

## Healthcare

Healthcare has been identified as a primary objective in the community development programmes. The following healthcare initiatives are undertaken on a regular basis:

- Medical camps in the backward areas of Odisha and Chhattisgarh.
- Contributed to the construction of a blood bank in Jajpur, Odisha.
- Engaged in raising awareness on treatment of common diseases, hygiene, providing free medicines and medical facilities.

- Participate in international forums for mentally and physically challenged persons by way of financial sponsorship and support.

## Sports & Culture

We aim to encourage and sponsor young talent, give them platform to perform and provide help for better training. We plan to organise sporting activities for the children for the all round development. We also want to focus on dying games and support state level teams.

- Sponsored and organised an annual ladies golf tournament at the Tollygunge Club in Kolkata.
- Actively helped in promoting contemporary Indian art through exhibitions.
- Organised painting competitions to promote talented young artists.
- Sponsored sporting activities, particularly cricket tournaments in Kotmar and Patrapalli Villages in Chhattisgarh.

## Rural Development

In Rural Development, we aim at creating better living facilities and infrastructure for the people. Following initiatives have been taken to improve the living standard in the region.

- Installed bore-wells for providing clean drinking water in the backward areas.
- Provided employment according to the rehabilitation policy of the Government.
- Contributed towards renovation of the Biraja temple in Jajpur, Odisha.
- Commissioned the landscaping of Military Chhak in Kalinganagar, Odisha.
- Road development in villages for better connectivity.

## Safety & Environment

We seek to ensure environmental sustainability through various initiatives:

- Strong team of medical personnel.
- Implements regular safety training sessions for employees and contract labour.
- Posters displaying the incorporation of safety measures.
- Launched water harvesting initiatives to protect ground water levels.
- Plantation drive to improve greenery in industrial region.

# Report of the Directors



## Dear Shareholders,

Your Directors are pleased to present this Eighteenth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements of Accounts for the financial year ended 31 March 2014.

### FINANCIAL RESULTS

(Rs. Million)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Net Revenue	10,299.58	5,214.06	14,549.36	10,248.91
Other Income	279.97	111.44	136.02	194.76
Total Revenue	10,579.55	5,325.50	14,685.38	10,443.67
Profit before Interest, Depreciation, Tax & Exceptional item	663.42	(286.55)	1,247.20	(67.07)
Finance Cost	1,450.31	1,258.81	1,625.60	1,684.37
Depreciation	577.29	524.77	747.77	652.08
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(1,364.18)	(2,070.13)	(1,126.17)	(2,403.52)
Exceptional & Extraordinary Items	(160.77)	1,620.04	(374.15)	1,365.33
Profit /(Loss) before Tax of Continuing Operation	(1,524.95)	(450.09)	(1,500.32)	(1,038.19)
Tax Expenses	-	-	(64.73)	74.81
Profit / (Loss) after Tax of Continuing Operation	(1,524.95)	(450.09)	(1,435.59)	(1,113.00)
Profit /(Loss) before Tax of Discontinuing Operation	(1,524.95)	(584.58)	-	-
Tax Expense of Discontinuing Operation	-	-	-	-
Operating Profit / (Loss) from Discontinued Operations	-	(584.58)	-	-
Net Profit on Disposal of Assets and Liabilities of Discontinuing Operations	-	124.28	-	-
Profit / (Loss) after Tax of Discontinuing Operation	-	(460.30)	-	-
Minority Interest	-	-	42.69	(37.28)
Profit / (Loss) for the period	(1,524.95)	(910.39)	(1,478.28)	(1,075.72)

## OPERATIONS

The Company is pursuing Special Steel Business, Ferro Alloys & Captive Power Business and Coke Business. The Special Steel Business includes production of Hot Metal/Pig Iron, DRI/Sponge Iron, Special Steel Blooms/Billets, Bars & Wire Rods and Rebars. Whereas, the Ferro Alloys Business includes production of High Carbon Ferro Chrome and generation of Power for captive use and the Coke Business includes production of Coke and Steam.

The consolidated total revenue of the Company increased by 41 percent at Rs.14,685.38 Million for the financial year 2013-14, as compared to Rs.10,443.67 Million for the previous year. The profit before interest, depreciation, tax and exceptional item is Rs.1,247.20 Million in the financial year 2013-14, compared with loss of Rs.67.07 Million.

During the year under review, the Company improved its revenues due to substantially better operational performance, although capacity utilisation was still low due to the uneconomical prices of Iron Ore & Chrome Ore. The Blast Furnace having installed capacity of 225,000 TPA produced 105,718 MT Pig Iron as compared to 854 MT in the previous year. The DRI Plant, having installed capacity of 300,000 TPA produced 156,082 MT Sponge Iron as compared to 80,514 MT in the previous year. The Company has decided to set up a Iron Ore Sinter Plant in order to improve productivity of the Blast Furnace and reduce cost of raw material.

The Ferro Alloys Business, with a total current operating capacity of 120,000 TPA of Ferro Alloys (including the Furnaces taken on lease from VISA BAO Limited, a subsidiary Company), produced 70,568 MT of Ferro Chrome in the financial year 2013-14 compared to 36,344 MT in 2012-13. The generation of electricity from Company's Captive Power Plant, having installed capacity of 657 Million units per annum, produced 434.82 Million units in financial year 2013-14 as compared to 311.98 Million units in the previous year. Production of Chrome Concentrates from the 200,000 TPA Chrome Ore Beneficiation & Grinding Plant was affected due to non-availability of Low Grade Chrome Ore.

The Company has 51 % stake in VISA SunCoke Limited (VSCL) which is operating the business of manufacturing and sale of Metallurgical Coke and associated Steam Generation Units. VSCL's production of Coke was 370,099 MT during the year and there has been a significant improvement in operating performance during the year.

The Company's financial performance has been adversely affected due to high raw material costs and weak product prices. The Steel Business has been affected due to delay in forest clearance of Baliparvat Stockyard at OMC's Daitari Iron Ore mines and several Iron Ore mine closures due to Shah Commission investigation and Supreme Court judgment dated 16 May 2014. The over capacity and excess production in China

and adverse duty structure domestically has further impacted the Steel Business. The Ferro Chrome Business has been affected due to frequent stoppage in the supply of Chrome Ore and Concentrates due to closure of Chrome Ore mines, whereas the Power Plant was affected due to stoppage of Coal Linkage and de-allocation of Coal Block. The Coke Business performance has been affected due to sluggish demand for Coke. Demand of Coke from Blast Furnaces is significantly lower due to Iron Ore shortages. Price of Coke is weak due to cheap imports of Coke from China after removal of Export Tax on Chinese Coke.

The Company is in advanced stage to transfer its Special Steel Business to VISA Special Steel Limited, a subsidiary of the Company in order to improve focus and facilitate fund raising through strategic / financial investor. The accumulated losses of the Company exceeded 50 % of its net worth as at 31 March 2014. However, subsequent to the business re-organisation and with the expected improvement in raw material scenario, the Company expects the net worth to improve. In view of the above and the newly enacted Companies Act, the Company is not referring the matter to the Competent Authority. The replacement value of the assets is much higher than the book value, and the Company plans to unlock value in the Special Steel Business and Ferro Alloys Business through strategic / financial investors as it has done by inducting a strategic investor in the Coke Business.

A detailed analysis of the Company's operations, project review, risk management, strategic initiatives and financial review & analysis, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented under a separate section titled "Management Discussion and Analysis" forming part of the Annual Report.

## DIVIDEND

In view of the loss incurred by the Company, your Directors have not recommended any dividend for the financial year ended 31 March 2014.

## CORPORATE DEBT RESTRUCTURING

The Company's debts have been restructured under the Corporate Debt Restructuring (CDR) mechanism. Please refer to the "Management Discussion and Analysis" for further details.

## TRANSFER OF SPECIAL STEEL BUSINESS

The Board of Directors of the Company has approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between the Company and VISA Special Steel Limited (VSSL), a subsidiary of the Company, and their respective shareholders and creditors, which inter alia, envisages transfer of Special Steel Undertaking (comprising of Blast Furnace, DRI Plant, Steel Melt Shop and Rolling Mill) of the Company with all its assets and liabilities, into VSSL. The Appointed Date of the Scheme is 1 April 2013 or such other date as may be fixed or



approved by the Hon'ble High Court of Judicature of Orissa at Cuttack. In-principle approval under Clause 24(f) of the Listing Agreements from both National Stock Exchange of India Limited and BSE Limited has been received and the necessary approval from the Hon'ble High Court is awaited.

## SUBSIDIARIES

The Company has seven subsidiaries including indirect subsidiaries namely, VISA BAO Limited, VISA SunCoke Limited, Ghotaringa Minerals Limited, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited:

- (i) VISA BAO Limited (VBL) is a Joint Venture between the Company and Baosteel Resources Co. Ltd. (Baosteel), China. VBL is setting up a Ferro Alloys Plant with 4 Submerged Arc Furnaces at Kalinganagar in Odisha of which 2 furnaces were commissioned in the month of June 2013. The remaining two furnaces are expected to be completed & made operational in phases during the financial year 2014-15. The Company holds 65 percent stake in VBL and Baosteel, which is one of the leading Steel companies in the world, holds the balance 35 percent stake. The Company and VBL are exploring options for restructuring of VBL's business and are evaluating the option of amalgamating VBL with the Company. In the meanwhile, as an interim measure, VBL has leased its Furnaces to the Company.
- (ii) VISA SunCoke Limited (VSCL) is a Coke making Joint Venture with Sun Coke Europe Holding B.V. (SunCoke), in which the Company holds 51 percent stake and SunCoke holds remaining 49 percent stake. The joint venture comprises of 400,000 MTPA Heat Recovery Coke Plant and associated Steam Generation Units at Kalinganagar in Odisha. The joint venture provides great opportunity for VSCL to leverage its operating and technological expertise to serve customers across India with the highest quality coke.
- (iii) Ghotaringa Minerals Limited (GML) is a Joint Venture between the Company and Orissa Industries Limited (ORIND).
- (iv) Kalinganagar Special Steel Private Limited, a wholly owned subsidiary, was incorporated on 27 May 2013.
- (v) Kalinganagar Chrome Private Limited, a wholly owned subsidiary, was incorporated on 1 July 2013.
- (vi) VISA Ferro Chrome Limited (VFCL), a step down subsidiary was incorporated on 26 July 2013. VFCL is a wholly owned subsidiary of Kalinganagar Special Steel Private Limited.
- (vii) VISA Special Steel Limited incorporated on 27 July 2012, is a wholly owned subsidiary of VISA Ferro Chrome Limited.

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8 February 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies to the Balance Sheet of the Company, provided certain conditions are fulfilled. The Board of Directors has decided not to attach the Balance Sheet and other documents of the subsidiary companies with the annual accounts of the Company. Accordingly, Annual Accounts of the subsidiary companies will be made available to the shareholders of the aforesaid subsidiaries and the Company as and when they demand. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries.

Details of the subsidiaries of the Company as required under Circular No. 5/12/2007-CL-III dated 8 February 2011 are covered in this Annual Report.

## EXTENSION OF TIME FOR HOLDING ANNUAL GENERAL MEETING OF THE COMPANY

In accordance with provisions of Section 96 read with Section 129 of the Companies Act, 2013, the Annual General Meeting (AGM) of the Company for the financial year ended 31 March 2014, was due to be held on or before 30 September 2014. The Company approached the Registrar of Companies, Orissa to extend time by three months for holding the Annual General Meeting so that necessary effect could be given to the Scheme of Arrangement between the Company and VISA Special Steel Limited on its sanction by the Hon'ble High Court of Judicature of Orissa at Cuttack and to complete the preparation of financial statements of the Company after giving effect to the Scheme. Necessary approval was granted by the Registrar of Companies, Orissa vide their letter dated 19 August 2014. The said Scheme has not been given effect to, pending sanction of the Hon'ble High Court.

## DIRECTORS

Mr. Pankaj Gautam (DIN 03334441) resigned as the Joint Managing Director and Director of the Company from the close of business hours on 28 February 2014. The Board places on record its appreciation for the services rendered by him during his tenure on the Board.

Mr. Punkaj Kumar Bajaj (DIN 02216069) has been appointed as an Additional Director with effect from 1 March 2014 in accordance with Section 161 of the Companies Act, 2013 (the Act). Mr. Bajaj holds office upto the date of forthcoming Annual General Meeting and a Notice under Section 160 of the Act has been received from a Member signifying his intention

to propose Mr. Bajaj's appointment as a Director. The Board has also appointed Mr. Bajaj as the Joint Managing Director & CEO (Steel Business) effective the same date. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting.

At the meeting held on 23 May 2014, the Board of Directors had approved the re-appointment of Mr. Vishal Agarwal (DIN 00121539) as Vice-Chairman & Managing Director, for a period of 3 years with effect from 25 June 2014 pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting and is subject to other necessary approvals.

Ms. Gauri Rasgotra (DIN 06862334) and Mr. Pratip Chaudhuri (DIN 00915201) were appointed as Additional Directors of the Company with effect from 26 September 2014 and 1 October 2014, respectively, and they hold office upto the date of the ensuing Annual General Meeting. The Company has received Notice under Section 160 of the Companies Act, 2013, along with required deposit, from a member proposing their candidature for the office of Directors (Independent) of the Company. The Board recommends for their appointment as Independent Directors of the Company.

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, which became effective from 1 April 2014, an Independent Director of a Company can be appointed for a term of 5 years each and shall not be liable to retire by rotation. To comply with the above provisions, it is proposed to appoint Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri as Independent Directors of the Company to hold office up to 25 September 2019 and 30 September 2019, respectively, and they shall not be liable to retire by rotation.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with rules thereon and Clause 49 of the Listing Agreement, the following Independent Directors viz. Mr. Shiv Dayal Kapoor (DIN 00043634) and Mr. Debi Prasad Bagchi (DIN 00061648) are proposed to be appointed as Independent Directors for five years from the date of ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Subrato Trivedi (DIN 01144935), retire by rotation at the ensuing Annual General Meeting. In order to be able to focus on VISA Power Limited's IPP, he does not wish to offer himself for reappointment.

Brief resume` of the above Directors, nature of their expertise in their specific functional areas, details of directorships in other companies and the chairmanship / membership of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Notice for the ensuing Annual General Meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the loss of the Company for the said period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the annual accounts on a going concern basis.

The Company's internal auditors, M/s. L.B. Jha & Co., Chartered Accountants, have conducted periodic audits to provide reasonable assurance that established policies and procedures are being followed.

## CEO / CFO CERTIFICATION

As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) and Mr. Manoj Kumar Digga, Executive Director (Finance) & Chief Financial Officer of the Company of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2014, which is annexed to this Report.

## AUDITORS AND AUDITORS' REPORT

M/s. Lovelock & Lewes, Chartered Accountants, Kolkata, holds office as Statutory Auditors upto the conclusion of the ensuing Annual General Meeting (AGM) and being eligible, offer

themselves for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s Lovelock & Lewes, as the statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-first AGM, subject to ratification of their appointment at every AGM.

The para-wise management response to the qualifications / observations made in the Independent Auditors Report is stated as under:

1. As regards the para 6, 7, 10(a) and (d) of the Independent Auditor's Report, attention is drawn to Note no. 34 of the Notes of the Accounts of the Standalone Account which is self explanatory;
2. Attention is drawn to para 8 of the Independent Auditors Report regarding matter of emphasis. The clarification of the same is provided in Note no. 44 of the Notes of the Accounts of the Standalone Accounts;
3. As regards the para iii(c) of the Annexure to the Independent Auditors Report, your Directors report that Ghotaringa Minerals Ltd, subsidiary of the Company could not pay the interest of Rs 0.53 Million as at financial year end 31 March 2014, due to financial constraints and has assured that the same will be paid during the financial year 2014-15;
4. The Auditors' observation in para x of the Annexure to the Auditors' Report that the accumulated losses of the Company exceeded fifty percent of its net worth as at 31 March 2014 and it has incurred cash losses in the financial year ended on that date, however it had not incurred cash losses in the immediately preceding financial year. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 for transfer of Special Steel Business of the Company to VISA Special Steel Limited, subsidiary of the Company for proper focus on Special Steel Business and to facilitate attracting Investors is in advance stage of consideration by the Hon'ble High Court of Judicature of Orissa at Cuttack. Considering the improvement in the scenario and the outcome pursuant to this transfer the Company is not referring the matter to the competent authority;
5. The Auditors observation in para xvii of the Annexure to the Auditor's report regarding utilisation of short term funds for long term purposes your Directors wish to inform that the management is taking all the requisite steps to regularise the same in due course.

## COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Audit Committee, at its meeting held on 23 May 2014, recommended and the Board of Directors has appointed, M/s. DGM & Associates, (Registration No.00038) Cost Accountants, Kolkata as Cost Auditors of the Company, to carry out the cost audit of the products (Pig Iron & Pig Scrap, Ferro Alloys and Sponge Iron) manufactured by the Company for the financial year ending 31 March 2015.

The Cost Audit Report for the year 2012-13 has been filed under XBRL mode within the due date of filing.

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure I forming part of this Report.

## HUMAN RESOURCES

The Company places significant emphasis on recruitment, training & development of human resources, which assumes utmost significance in achievement of corporate objectives. The Company integrates employee growth with organisational growth in a seamless manner through empowerment and by offering a challenging workplace aimed towards realisation of organisational goals. To this effect, your Company has a training centre at its Plant for knowledge-sharing and imparting need based training to its employees. The Company also has in place a Performance Management System in SAP for performance appraisal of the employees. To ensure accommodation, hospitality and other facilities for its employees, the Company has set up a modern guest house at Kalinganagar.

The information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, and the Companies (Particulars of Employees) Amendment Rules, 2011 are set out in Annexure II to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 read with Clause 32 of the Listing Agreement, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining a copy of the statement may write to the Company.



## EMPLOYEES STOCK OPTION

The Company has a ESOP Scheme in place titled Employee Stock Option Scheme 2010 (ESOP Scheme 2010), for permanent employees including any Directors of the Company, its subsidiaries and the Holding Company to be administered by the Nomination and Remuneration Committee of the Board of Directors of the Company. ESOP Scheme 2010 will provide an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company. Each option confers a right upon the employee to apply for one equity share of the Company.

During the year under review, 144,067 Stock Options have vested with the specified employees of the Company and its subsidiary(ies) under the ESOP Scheme 2010 and 316,554 Stock Options have lapsed till 31 March 2014. As on 31 March 2014, none of the Options have been exercised.

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2010 to be in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed at the Annual General Meeting held on 17 August 2010, would be placed at the forthcoming Annual General Meeting.

As required by Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 information with respect to active Stock Options as on 31 March 2014 is given in a separate statement as Annexure III forming part of this Report.

## FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposits under Section 58A of the Companies Act, 1956, during the year under review.

## CONSOLIDATED FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement with Stock Exchanges, Consolidated Financial Statements, conforming to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, are attached as a part of the Annual Report.

## CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the

stipulations prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance & Shareholder Information together with the Auditors' Certificate thereon is annexed as part of the Annual Report.

The Company had also adopted a "Code of Conduct", as required under Clause 49 of the Listing Agreement and all Directors and Senior Managers have affirmed compliance with the Code for 2013-14. A certificate, signed by the Joint Managing Director & CEO (Steel Business), affirming compliance of Directors & Senior Management, forms part of the Report on Corporate Governance.

## ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance, support and guidance provided by banks, financial institutions, customers, suppliers, regulatory & government authorities, project & other business associates and stakeholders. The Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company's growth. The Directors look forward to their continued support in future.

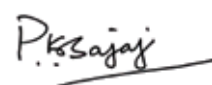
Your Directors value your involvement as shareholders and look forward to your continuing support

For and on behalf of the Board



**Vishal Agarwal**

Vice Chairman & Managing Director



**Punkaj Kumar Bajaj**

Joint Managing Director &  
CEO (Steel Business)

Kolkata

14 November 2014

## ANNEXURE I TO THE REPORT OF THE DIRECTORS

Statement of particulars required under the Companies  
(Disclosure of Particulars in the Report of the Board of Directors)  
Rules, 1988

### A. Conservation of Energy

(a) Energy Conservation Measures taken:

1. Installation of VVVF drives for two lobe compressors of Kiln-2 Sponge Iron Plant to reduce Power consumption.
2. Replacement of SAF-7 in Kiln-1 & SAF-7 & 8 in Kiln-2 by high capacity fans with existing motors to increase throughput with same motor capacity.
3. Modification of SVC System, during LRF running 3rd & 4th harmonic (45MVAR & 15MVAR) was switched off to reduce the power consumption.
4. Hot metal handling crane Long Travel motor change over facility provided & ensured standby arrangements, thereby reducing the circuit operation time & the power consumption.

5. CCM Mould & EAF Inlet water & Outlet water temperature indicators were provided to control the power consumption.
6. Installation of level sensor system for over head tank & cooling tower tank to control the power consumption and wastage of water.
7. Modification of Control scheme of Inlet Grain valve and Anti Surge valve to facilitate precise control and full utilisation of generated air to reduce power consumption of blowers in Blast Furnace.

(b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

1. Fuel Emulsification project is being installed for using a mixture of water and furnace oil to reduce FO consumption in RHF of Rolling Mill.

(c) Impact of measures in (a) and (b) have resulted in

- Energy Saving
- Low machine down time.
- Minimised production loss.
- Substantial reduction of 8% to 10% envisaged in Furnace oil.

## FORM A

	UM	2013-14	2012-13
<b>A. Power &amp; Fuel Consumption</b>			
1. Electricity			
(a) Purchased			
Unit	Kwh	8,742,370	6,885,570
Total Amount	Rs. Million	136.20	124.57
Rate / unit	Rs.	15.58	18.09
(b) Own Generation			
(i) Through Diesel Generator			
Unit	Kwh	1,008	-
Units per ltr. of diesel oil	Kwh	0.63	-
Cost/unit	Rs.	41.27	-
(ii) Through Steam Turbine / Generator			
Unit	Kwh	434,821,000	311,976,000
Units per ltr. of fuel oil/gas		NIL	NIL
Cost/unit		NA	NA
2. Coal (Coking & Non Coking coal at Coke Oven, FECR, DRI & CFBC)			
Quantity	MT	251,562	516,140
Total cost	Rs. Million	1,268.22	5,005.50
Average Rate	Rs.	5,041.37	9,697.95
3. Furnace Oil			
Quantity	K. ltrs.	922,548	NIL
Total amount	Rs. Million	42.44	NIL
Average Rate		46.01	NIL
4. Coke			
Quantity	MT	92,977	11,780
Total cost	Rs. Million	1,520.14	202.55
Rate / Tonne	Rs.	16,349.60	17,194.08
<b>B. Consumption per unit of production</b>			
Products			
1. Production of Pig Iron, including by-products	MT	105,718	854
Electricity	Kwh	164.23	1,857.33
Furnace Oil		NIL	NIL
Coal		NIL	NIL
Coke	Kg.	651.43	771.68
2. Production of Coke including by-products (*)	MT	NIL	240,887
Electricity	Kwh	NIL	9.79
Furnace Oil		NIL	NIL
Coal (Hard, Semi Hard & Semi Soft coking coal)	Kg.	NIL	1,565.88
(*) Does not include production on account of conversion: 56,624 MT			
3. Production of Ferrochrome including by-products (*)	MT	70,568	36,344
Electricity	Kwh	2,206.83	3,827.70
Furnace Oil		NIL	NIL
Coke	Kg.	341.64	306.00
Coal	Kg.	197.31	254.35
(*) Include production on account of conversion: 26,638 MT in 2013-14			
4. Production of Sponge Iron including by-products	MT	156,082	80,514
Electricity	Kwh	100.98	107.88
Furnace Oil		NIL	NIL
Coal	Kg.	732.95	1,610.86





## FORM B

Form for disclosure of particulars with respect to absorption.

### B. Technology Absorption

#### Research & Development (R&D)

1. Specific areas in which R&D was carried out by the Company:
  - a) Installation of vibration sensor for LRF 200KW motor Booster Fan to achieve accuracy and flexibility in using FES system in Steel Melt Shop.
  - b) Installation of level sensors for RMHS bins in Steel Melt Shop.
  - c) Consumption of FO instead of HSD in all Ladle pre-heating of Steel Melt Shop.
  - d) In-house fabrication of Water Cooled Delta to replace Refractory Delta in EAF.
  - e) Re-positioning of Alarc-jet lance from panel no.11 to panel no. 10 & fixation of 1800 m3 lance instead of 2000 m3.
2. Benefits derived as a result of the above R&D:
  - a) Reduction of breakdown period due to installation of vibration sensor by which maintenance has become systematic.
  - b) Saving in Auxiliary power consumption of Steel Melt Shop.
  - c) HSD to FO conversion in ladle pre-heating to reduce the cost / tonne of production in Steel Melt Shop.
  - d) Cost reduction (Refractory delta cost- Rs.500,000 for each 50 heats, Water Cooled delta has one time investment - Rs.200,000), saving in chemical energy, reduction in oxygen consumption, temperature loss & heat loss.
  - e) Saving in chemical energy, reduction in oxygen consumption, temperature loss & heat loss by repositioning of Alarc-jet lance.
3. Future plan of action:
  - a) Installation of Producer Gas Plant to supplement fuel requirement of Re-heating furnace in Rolling Mill to economise on oil consumption.
  - b) Installation of Sinter Plant for effective use of Blast Furnace wastes, Iron ore fines & Coke breeze.
  - c) Installation of VFD for Fan and Pump Motors for controlling the auxiliary power consumption at all plant.
  - d) Utilisation of FO in place of HSD in Briquette dryer.
  - e) Modification of Briquette press segment to control the auxiliary power consumption.
  - f) Use of electronic Log book for better process control.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

(a) Imported technology

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
NIL	NIL	300 TPD Lime Kiln	NIL	Order for design & supply of Sinter plant (36 Sq. Mtr) placed on M/s. CIMM Group Co. Ltd. (China)	NIL

(b) Year of Import : as given above

(c) Has technology been fully absorbed:

SMS and Rolling Mill technologies have been fully absorbed.

(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action :

Lime Kiln &amp; Sinter plant technology is under initial stage (yet to be installed).

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

(a) Activities relating to exports; initiatives taken to increase exports; development of new products and services and export plans.

The Company realises the importance of a long term presence in the global market and has taken initiative to increase exports. The sales from exports is Rs.4,168.48 Million. Your Company exports its products to various customers in China, Japan and Korea.

(b) Total Foreign Exchange used and earned:

(Rs. Million)

Particulars	2013-14	2012-13
Foreign Exchange Earning		
Export Sales	4,168.48	1,718.24
Foreign Exchange Outgo		
Imports		
Raw Materials	196.18	2,434.28
Finished Goods	592.09	606.47
Capital Goods	58.94	33.58
Traveling	6.25	4.58
Interest	7.61	105.68
Others	30.49	206.23

### ANNEXURE III

#### Annexure to the Directors' Report to the Shareholders Employee Stock Option Scheme

Statement as at 31 March 2014, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

Sl. No.	Particulars	Employee Stock Option Scheme 2010												
(a)	Options granted	Options granted in the Financial Year 2013-14 – NIL Options granted in the Financial Year 2012-13 – NIL Options granted in the Financial Year 2011-12 – NIL Options granted in the Financial Year 2010-11 – Grant A: 900,000												
(b)	The pricing formula	The options are granted at an exercise price equal to prevailing Market Price per Equity Share, being latest available closing price, prior to the date of the meeting of the Remuneration Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.												
(c)	Options vested	459,698												
(d)	Options exercised	NIL												
(e)	The total number of Equity Shares arising as a result of exercise of option	Not applicable												
(f)	Options lapsed	316,554												
(g)	Variation of terms of options	Not applicable												
(h)	Money realised by exercise of options during the year (Rs.)	NIL												
(i)	Total number of options in force	583,446												
(j)	Employee wise details of options granted to :-													
	(i) Senior Managerial personnel during the year;	NIL												
	(ii) any other employee who received a grant in any one year of option amounting to 5 % or more of options granted during that year;	NIL												
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL												
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. (13.86)												
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	If the Company had followed fair value method for accounting the stock options, compensation cost would have been higher by Rs.0.07 crores for Financial Year 2013-14. Consequently Net Loss for Financial Year 2013-14 would have been higher by Rs.0.07 crores.												
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price of Options whose: <table><tr><td>Exercise price equals market price</td><td>Rs.46.30 per option</td></tr><tr><td>Exercise price is greater than market price</td><td>N.A.</td></tr><tr><td>Exercise price is less than market price</td><td>N.A.</td></tr></table> Weighted average fair value of Options whose: <table><tr><td>Exercise price equals market price</td><td>Rs.19.56 per option</td></tr><tr><td>Exercise price is greater than market price</td><td>N.A.</td></tr><tr><td>Exercise price is less than market price</td><td>N.A</td></tr></table>	Exercise price equals market price	Rs.46.30 per option	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A.	Exercise price equals market price	Rs.19.56 per option	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A
Exercise price equals market price	Rs.46.30 per option													
Exercise price is greater than market price	N.A.													
Exercise price is less than market price	N.A.													
Exercise price equals market price	Rs.19.56 per option													
Exercise price is greater than market price	N.A.													
Exercise price is less than market price	N.A													
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black Scholes Options Pricing Model												
	(i) risk-free interest rate	7.93 %												
	(ii) expected life	4 years												
	(iii) expected volatility	55.29%												
	(iv) expected dividends and	2.77 %												
	(v) the price of the underlying share in market at the time of option grant	Rs.46.30 per share												
		Based on the above assumptions, the Fair Value per option is Rs.19.56.												

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2010 to be in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed at the Annual General Meeting held on 17 August 2010, would be placed at the forthcoming Annual General Meeting.



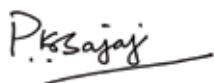
**CEO / CFO CERTIFICATION TO THE BOARD**

The Board of Directors  
VISA Steel Limited  
Kolkata 700 027

23 May 2014

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, we, Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) and Manoj Kumar Digga, Executive Director (Finance) & Chief Financial Officer hereby certify that:

- (a) we have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls.
- (d) we have indicated to the Auditors and the Audit Committee that:
  - (i) there have been no significant changes in internal control over financial reporting during the year;
  - (ii) there have been no significant changes in accounting policies during the year; and
  - (iii) there have been no instances of significant fraud of which we have become aware.



**Punkaj Kumar Bajaj**

Joint Managing Director & CEO (Steel Business)



**Manoj Kumar Digga**

Executive Director (Finance) & Chief Financial Officer

# Management Discussion and Analysis



## OVERVIEW

During the financial year 2013-14, the Company's operations performance has improved significantly. However, financial performance has been adversely affected due to external factors resulting in high raw material costs and weak product prices. During the financial year 2013-14, your Company has registered consolidated revenue of Rs.14,685.38 Million, EBITDA of Rs.1,247.20 Million and the loss after tax is Rs.1,478.28 Million.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Steel Industry Overview

The Global economy has slowed down, mainly due to lower growth rates in emerging economies such as China and India. This has resulted in weakening of commodity prices. The Indian economy has been going through challenging times with high inflation and high interest rates affecting all sectors and resulting in lower than 5 % GDP growth. India's GDP growth has slowed down in 2013 on account of rising inflation and tight monetary controls.

The Indian manufacturing and mining sector's GDP declined by 0.7 % and 1.4 %, respectively in 2013-14. Key reasons for the poor performance have been contraction in mining activities and consequent deceleration in manufacturing output. Further, decline in investment by the private sector has added to the woes of the sector.

The Global Steel demand grew by 3.6 % to 1.48 Billion Tonnes due to improved performance in the developed economies especially in North America and Euro Zone in the second half

of the year. In 2013, India remained the 4th largest steel producing country in the world, behind China, Japan and the US. Crude Steel production grew by 4.6 % to 81.2 Million Tonnes and Steel demand grew by 1.8 %.

The Indian Steel Sector has been adversely affected due to high raw material costs and weak product prices. The Iron Ore production has dropped significantly due to delay in forest clearance and several Iron Ore mine closures due to Shah Commission investigation and Supreme Court judgment dated 16 May 2014. The over capacity and excess production in China and adverse duty structure domestically has further affected the Steel Business in India. The Steel Plants have also been affected by the stoppage of Coal Linkage and de-allocation of Coal Block(s).

There is a huge growth potential in steel consumption in India given that per capita steel consumption is very low compared to China and the global average. With a stable Government in place and a strong leadership, it is expected that major policy decision in various areas will boost the economy. Any significant improvement in demand for Iron and Steel products may take a little longer and show up once investments in infrastructure and construction industries start picking up.

## COMPANY OVERVIEW

The Company has created a world class facility for production of Special Steel, Ferro Alloys and LAM Coke at Kalinganagar & Golagaon in Odisha.

## BUSINESS REVIEW

Your Company is engaged in the business of manufacturing of value added products including Pig Iron, Sponge Iron, Special Steel Billets/Blooms, Bars & Wire Rods, Rebars, Ferro Alloys and LAM Coke. In addition, the Company generates Power mainly for captive use.

The manufacturing facilities of your Company are situated at Kalinganagar in Odisha which includes Ferro Alloys, Blast Furnace, Sponge Iron, Power and Special Steel and at Golagaon in Odisha where the Chrome Ore Beneficiation & Chrome Ore Grinding Plant is located.

During the year under review, the Company's financial performance has been adversely affected due to high raw material costs, high interest costs and weak product prices. Due to shortage in availability of Iron Ore, Iron & Steel making facilities, i.e. Blast Furnace, DRI Plant/Sponge Iron Plant, SMS & Rolling Mill operated at low production level and were unable to achieve its revenue potential. Other businesses i.e. Ferro Alloys & Power Plant and Coke Oven have operated at better capacity utilisation.

## PRODUCTS

### (a) Ferro Alloys

The Ferro Alloy Plant, with a total capacity of 120,000 TPA (including the furnaces of VISA BAO Limited, subsidiary company taken on lease) produced 70,568 MT of Ferro Chrome in 2013-14 compared to 36,344 MT in 2012-13. The main raw material is Chrome Ore and Chrome Concentrates (sourced from OMC, Tata Steel & B. C. Mohanty), Coke and Ferro Chrome produced by the Company is sold to various Special and Stainless Steel Plants in India and globally. Ferro Alloy Business has contributed 33.77 % of total revenues during the year amounting to Rs.4,959.34 Million.

### (b) Power

The Power Plant produced 435 Million units of power during the year 2013-14 as against 312 Million units produced during 2012-13. The Power produced was mainly used captively.

### (c) Pig Iron

The Blast Furnace with a total capacity of 225,000 TPA is currently producing Hot Metal which is poured into moulds to produce Pig Iron. Hot Metal / Pig Iron was partly consumed for making Special Steel and partly sold to various Steel and foundry customers in Eastern and Northern India.

Due to non-availability of Iron Ore at viable prices, Blast furnace operated at a low capacity with production of

105,718 MT during the year. Pig Iron sales contributed 9.78 % to the total revenues amounting to Rs.1,436.83 Million.

### (d) Sponge Iron

The Sponge Iron Plant having total capacity of 300,000 TPA produced 156,082 MT during 2013-14 of Sponge Iron as against 80,514 MT of Sponge Iron during 2012-13. Sponge Iron sales contributed 19.41 % to the total revenues amounting to Rs.2,850.94 Million.

The main raw materials for DRI/Sponge Iron Plant are Iron Ore and Thermal Coal. Iron Ore is procured mainly from OMC, Indrani Patnaik and BRPL. Thermal Coal is procured from Mahanadi Coalfields Limited and also imported from South Africa.

### (e) Special Steel

During the year under review, SMS and Rolling Mill operated at very low capacity due to uneconomical prices of raw material.

## PROJECT OVERVIEW

The availability and pricing of raw materials mainly Iron Ore has been a major challenge for the Company and has impacted the Special Steel operations. In view of the same, the Company plans to set up an Iron Ore Sinter Plant in order to hedge the iron ore procurement as it is currently buying only sized iron ore. The Iron Ore Sinter Plant would enhance the profitability of the Blast Furnace and would reduce the cost of raw material and improve the productivity of the Steel making facilities.

In view of challenging market scenario, the Company has given a major thrust to control cost. The Company plans to set up Producer gas plant to reduce the energy cost in Rolling Mill.

## STRATEGIC INITIATIVES

### Backward integration

The Company having already qualified all the requisite criteria for grant of captive Iron Ore and Chrome Ore mines, is awaiting grant of a captive Iron Ore and Chrome Ore lease in Odisha from the Government of Odisha and Long Term Linkage for Iron Ore and Chrome Ore with Odisha Mining Corporation (OMC) in Odisha.

### Transfer of Special Steel Business

The Special Steel Business (i.e. Blast Furnace, DRI/Sponge Iron, SMS & Rolling Mill) has good potential to grow. Hence with a view to evolve a structure for more effective concentration and focused attention in the business of Special Steel, the Board of Directors and the Members of the Company in a Court Convened Meeting, have approved a Scheme of Arrangement to transfer, on a going concern basis, the Special Steel undertaking of the Company to VISA Special



Steel Limited (VSSL), a Subsidiary of the Company. This will provide the management with an opportunity to explore the business potential to the fullest, achieve economies of scale and to enhance shareholder's value and thereby, create distinct corporate identity in the manufacturing of Special Steel products. The transfer will result in creation of a separate company engaged in Special Steel Business which will facilitate in inducting foreign and / or Indian joint venture partner / strategic partners/ investors.

The Company and VSSL have filed applications in Court seeking sanction of the Scheme, which is now pending before the Hon'ble High Court of Judicature of Orissa at Cuttack.

The restructuring of the Special Steel Business would help the Company unlock shareholder's value and enable induction of suitable strategic investor.

#### Joint Venture with Baosteel

VISA BAO Limited, a Joint Venture with Baosteel Resources Company Limited, China (Baosteel), with the Company holding 65 % equity while the remaining 35 % is held by Baosteel, is setting up a Ferro Alloy Plant with 4 Submerged Arc Furnaces at Kalinganagar Industrial Complex in Odisha. The Company has made significant progress towards implementation of the project and 2 furnaces were commissioned in the month of June 2013 and the remaining two furnaces are expected to be commissioned in phases spread over the next financial year.

The Company is exploring options for restructuring of its Ferro Alloys Business and is evaluating the option of merging VBL with itself. In the meanwhile, as an interim measure, the Company has taken on lease VBL's plant.

#### Joint Venture with SunCoke

The Company has entered into a coke making joint venture with SunCoke Energy, USA, in which the Company holds 51 % stake and remaining 49 % is held by SunCoke Europe Holding B.V. (SunCoke). The joint venture comprises of 400,000 TPA Heat Recovery Coke Plant and associated Steam Generation units at Kalinganagar in Odisha.

The Coke plant is equipped with highly advanced Chinese technology with Stamp Charging facility, along with waste heat recovery facility from flue gases, wherein the four waste heat recovery boilers produce adequate steam for generating 20 MW of clean power.

During 2013-14, the total Coke production was 370,099 MT in VISA SunCoke. Coking Coal, the primary raw material for producing Coke, was imported from Australia. Coke was partly consumed in the Blast Furnace and partly sold with total sales contribution amounting to Rs.5,950.47 Million, equating to 40.52 % of total consolidated revenues.

## OPPORTUNITIES AND THREATS

### Opportunities

India's per capita steel consumption of 51.7 kg is one-fourth of the global average of 202.7 kg. India has favourable demographic factors, which will result in higher demand for high quality steel and higher value long steel products will require steelmakers to create a new product mix to get better margins.

Opening up of Railways and Defence Sectors for FDI will help in increasing the domestic demand of Special Steel. Having commissioned the plant and established the quality, the Company is ready to take on this opportunity to cater to this market segment.

There has also been rapid innovations in design and technology in the Automotive Sector which has resulted in increased demand of niche grades of Special Steel. In order to attain competitive advantage, the automobile manufacturers are trying to enter into arrangements with Special Steel producers for sustained supply chain mechanism. The Company is set to take advantage of these new developments in the automotive sector as well.

It is evident that Government of India plans to give thrust to the infrastructure sector. The Company has a good range of product-mix to serve this segment.

### Threats

The port and rail infrastructure needs to be upgraded. The majority of the ports, mines and railways have inadequate and low capacity bulk handling facility. The congested road networks connecting steel plants to mines and ports lead to delays in supply and delivery of raw materials like Iron Ore, Chrome Ore and Coking Coal. Increased demand of raw materials may result in choking of rail and road traffic, which in turn may result in Steel plants starving for the raw materials.

Litigation in the Supreme Court regarding Iron Ore and Coal Mines may result in continued uncertainty in availability of raw materials. This will be a major hit to the growth of steel industry in India.

Further, huge competition in the domestic and international markets, over capacity in China and a large number of factors such as low demand, non-availability of vital raw material at viable prices, volatile foreign exchange, high interest costs and taxes & duties, pose serious threats to the Company.

However, your Company is determined and capable to seize the opportunities in the Steel Industry through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand

for Special Steel from the automobile and auto components, infrastructure, construction and power sectors. With power cuts being imposed on power intensive industries in South Africa, consumers of Ferro Chrome globally are diversifying their Ferro Chrome sourcing base to other countries like India due to which the demand for Ferro Alloys has been strong and your Company is ready to meet such growing demands and is preparing to grow this business independently.

## RISK MANAGEMENT

The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing a more globally integrated steel business makes Risk Management an inevitable exercise and to cater to the same, your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a well defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

a) Operations – Timely and cost effective raw material supply is critical to growth. Fluctuations in the price and availability of key raw materials and commercial changes such as domestic duties / taxes on raw materials have an impact on the operations. Moreover, the stocks are also subject to the other foreseeable risks. Necessary coverage has been taken in the form of a comprehensive Industrial All Risk (IAR) policy which covers plant, machinery,

buildings (with contents), tools and equipment and stocks (raw materials, stores and spares and finished goods) against fire, allied perils and all other foreseeable risks. The policy also covers loss of profit to the business arising from any accidental event. The Company also has coverage in form of a Sales Turnover policy which provides all-risk transit insurance cover to the finished goods produced and sold by the Company and also covers transit of all the incoming raw materials.

- b) Foreign Exchange – Your Company deals in sizeable amount of foreign exchange in imports of raw materials and exports of finished products. A comprehensive forex policy has been formulated for managing its foreign exchange exposure.
- c) Systems – Your Company has implemented SAP, the leading software for Enterprise Resource Planning, to integrate its operations and to use best business and commercial practices.
- d) Statutory compliances – Procedure is in place for periodical reporting of compliance of statutory obligations and is reported to the Board of Directors at its meetings.

## FINANCE REVIEW AND ANALYSIS

Your Company reported consolidated revenue of Rs.14,685.38 Million showing an increase of 40.62 % over financial year 2012-13. The Loss after Tax is Rs.1,478.28 Million.

## HIGHLIGHTS

(Rs. Million)		
Particulars	2013-14	2012-13
<b>Total Revenue</b>	<b>14,685.38</b>	<b>10,443.67</b>
<b>Expenditure</b>		
(Increase) / decrease in stock	(156.43)	1,438.14
Raw Materials consumed	10,942.87	6,899.95
Purchase of Stock-in-trade	818.00	696.07
Employee Cost	379.02	391.34
Other expenses	1,454.72	1,085.24
<b>Operating Profit</b>	<b>1,247.20</b>	<b>(67.07)</b>
Finance Cost	1,625.60	1,684.37
Depreciation	747.77	652.08
Exceptional & Extraordinary Items	374.15	(1,365.33)
<b>Profit/(Loss) before Tax</b>	<b>(1,500.32)</b>	<b>(1,038.19)</b>
Tax expense	(64.73)	74.81
Minority Interest	42.69	(37.28)
<b>Profit/(Loss) after tax</b>	<b>(1,478.28)</b>	<b>(1,075.72)</b>

### Sales & Other Income

Sales growth was primarily driven by growth in sales volume by more than double for Pig Iron, Sponge Iron and Ferro Chrome.

### Raw materials consumed

Raw material consumption has increased by almost 57 % over previous year due to significant increase in production level.

### Finance Cost

Finance cost was stable during the year compared to previous year mainly because implementation of CDR package and stability in interest rates.

### Depreciation

Depreciation has marginally increased during the year owing to capitalisation of two furnaces of Ferro Chrome unit of VISA BAO Limited.

### Exceptional & Extraordinary Items

Exceptional & Extraordinary items includes forex loss of Rs.339.23 Million due to sharp depreciation of the Rupee and volatility in exchange rate and loss of inventory of Rs.34.92 Million suffered by one of the subsidiary Company on account of cyclonic weather in Odisha. The Company has filed an insurance claim in respect of loss.

### Profit after Tax

PAT was adversely impacted due to high raw material costs, high interest costs and foreign exchange volatility etc.

## BALANCE SHEET ANALYSIS

### Fixed Assets

There is a marginal increase in the value of fixed assets on account of additions in Capital Work in Progress in Steel Units.

### Inventories

Inventory of Raw Materials has increased substantially with increased level of production and sales during the year and higher imports of raw material in the month of March 2014.

### Sundry Debtors, Loans & Advances

Sundry debtors increased by 40 % as compared to previous year mainly due to increased value of revenue during the year.

Loans & advances increased marginally on account of advances made to suppliers for raw materials, goods and services.

### Cash & Bank Balances

Your Company has deployed its cash accruals in fixed deposits with banks at attractive rates of interest towards margin money for working capital.

### Trade Payables & Current Liabilities

Trade Payables & Current Liabilities has increased due to higher production levels during the year.

## CORPORATE DEBT RESTRUCTURING

The debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism in the year 2012-13. Master Restructuring Agreement (MRA) and other Individual Agreement have since been executed by the Company with the CDR Lenders. The Scheme has given relief to the Company. The Scheme, inter-alia, included restructuring of repayment schedule, reduction of interest rates, sanction of fresh term loan, sanction of Working Capital Term Loan and sanction of Funding Interest Term Loan and sanction of need based working capital by creating of additional security in favour of CDR Lenders. This had provided the Company with the breathing space to further improve operational levels and improve the cash position.

However, keeping in mind the current business & economic outlook environment, the Company is in fresh negotiation with the lenders for its business restructuring plans and has made fresh proposal to the lenders to re-work its debt obligations including reworking of repayment schedule, adjustments towards interest obligations, overdue financial obligations etc.

## DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company is an equal opportunity employer and is committed to create a healthy work environment that enables employees to work without fear of prejudice, gender bias, sexual harassment and all forms of intimidation or exploitation. It is committed to provide a work environment that ensures every employee, irrespective of their gender is treated with dignity and respect and afforded equal treatment.

Your Company recognises Human Resource as its most important assets and is constantly engaged in enriching the value and developing competencies of Human Resources through various development strategies. The Company places emphasis on the recruitment process and has been successful in attracting professional talent. The Company's learning centre at Kalinganagar, Odisha provides in-house training to freshers and functional personnel. On-the-job training, leadership training sessions, soft-skill grooming sessions and flexible job rotation to enhance employee skills to suit organisational needs.

The total number of employees in your Company, including those inducted as trainees in the Company, as on 31 March 2014 was 1,132.

## INTERNAL CONTROL AND SYSTEMS

Your Company has in place detailed and well spelt internal control systems, which commensurate with the size and nature of its operations and periodic audits are conducted in various disciplines to ensure adherence to the same. During the year, M/s. L. B. Jha, Internal Auditors of your Company had independently evaluated the adequacy and efficacy of the audit controls. The direct reporting of the Internal Auditors





to the Audit Committee of the Board ensures independence of the audit and compliance functions. The Internal Auditors regularly report to the Audit Committee on their observations on the Company's processes, systems and procedures ascertained during the course of their audit. The Company has also appointed Cost Auditors for the cost audit of its manufactured products and the Cost Auditors also report to the Audit Committee on their observations. Concerted efforts towards stabilisation of SAP have also contributed to tightening of control systems. Your Company has been able to adapt adequately to this ERP package and is placed to derive significant benefits from the same. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.

Your Company has been accredited with the ISO 9001 certification. It shows commitment to quality, customers, and a willingness to work towards improving efficiency. It has also been accredited with the ISO/TS 16949:2009 certification. The ISO/TS 16949 is obligatory for all steel manufacturers to sell their products to the automotive industry. ISO/TS 16949:2009 has given the Company a global standing as a reputable supplier, improved risk management, ability to win more business and subsequently a wider spectrum of customer base.

### CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR interventions have been taken up after socio-economic surveys were conducted to assess community needs in the local area. The main areas of intervention comprise health, infrastructure development, education, livelihood, sports, art and culture.

### HEALTH AND SAFETY

The Company endeavors to be one of the most respected enterprises across the world in terms of providing a safe work place to its employees, contractors and other stakeholders. The management is making every possible effort to ensure that its employees and contractors adopt, practice and enjoy world class health and safety standards.

### OUTLOOK

With the advent of the new government, change in policy decision and infrastructure development being one of the major focused area, there is huge potential for growth of this industry.

Your Company with a well diversified product portfolio is well poised to take advantage of the growth in the demand for Special Steel products, Coke and Ferro Alloys.

### CAUTIONARY STATEMENT

*Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, input availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.*

# Report on Corporate Governance



## CORPORATE GOVERNANCE: OUR PHILOSOPHY

Corporate Governance refers to the systematic process consisting of structures, rights, duties and obligations by which corporations are directed and controlled in order to enhance their wealth generating capacity and ensure transparency and fairness in the organisation. Good corporate governance practices are a *sine qua non* for sustainable business that aims at generating long term value to all its shareholders and other stakeholders. The governance structure specifies the distribution of rights and responsibilities among different participants in the Company (such as the Board of Directors, managers, shareholders, creditors, auditors, regulators and other stakeholders) and specifies the rules and procedures for making decisions in Company's affairs. Corporate Governance provides the structure through which company set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Moreover, corporate governance also provides the framework for attaining company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

VISA Steel Limited (the Company) takes pride in being a responsible corporate citizen and in maintaining the highest standard of good Corporate Governance. The Company has

always believed that sound Corporate Governance practices should be enshrined in all activities of the Company which are crucial in building up and retaining stakeholders trust. This ensures efficient conduct of the affairs of the Company while upholding the values of transparency, integrity, honesty and accountability. The Company strives to achieve its goal to maximise value for all its stakeholders. The Company has established systems and procedures to ensure that its Board of Directors is well informed and equipped to fulfill its overall responsibilities, independently and to provide the management with strategic direction needed to ensure long-term sustainability and value generation by business. The Company has always strongly believed in maintaining high degree of disclosures and transparency to satisfy the spirit of law. The basic purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders.

## COMPLIANCE WITH THE SEBI CODE ON CORPORATE GOVERNANCE

In line with this, we are pleased to inform you that, as on 31 March 2014, the Company is in compliance with all the requirements of Clause 49 and other applicable clauses of the Listing Agreement, entered into with the Stock Exchanges. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.



## I. BOARD OF DIRECTORS

### Composition of the Board

Board / Committee Position(s) as on 31 March 2014

Name of the Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of Outside Directorship(s) held			Outside Committee position(s) held <sup>2</sup>	
		Public	Private	Foreign	Chairman	Member
Mr. Vishambhar Saran	Executive Chairman	10	-	-	-	2
Mr. Vishal Agarwal	Vice Chairman & Managing Director	10	-	-	3	2
Mr. Maya Shanker Verma	Non-Executive, Independent	3	3	-	4	-
Mr. Shiv Dayal Kapoor	Non-Executive, Independent	8	-	-	2	4
Mr. Debi Prasad Bagchi	Non-Executive, Independent	6	1	-	1	3
Mr. Pradip Kumar Khaitan <sup>3</sup>	Non-Executive, Independent	14	-	1	-	4
Mr. Shanti Narain <sup>4</sup>	Non-Executive, Independent	1	-	-	1	-
Mr. Subrato Trivedi	Non-Executive, Non-Independent	5	3	-	-	1
Mr. Pankaj Gautam <sup>5</sup>	Joint Managing Director & CEO	2	1	-	-	-
Mr. Pankaj Kumar Bajaj <sup>6</sup>	Joint Managing Director & CEO (Steel Business)	3	1	-	-	1

1. Independent director is as defined in Clause 49 of the Listing Agreement.
2. For this purpose, only two Committees, viz., the Audit Committee and the Stakeholders Relationship Committee have been considered. This excludes Committee positions held in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
3. Mr. Pradip Kumar Khaitan, Independent Director of the Company resigned from the Board of Directors of the Company w.e.f. 29 May 2014.
4. Mr. Shanti Narain, Independent Director of the Company resigned from the Board of Directors of the Company w.e.f. 30 June 2014.
5. Mr. Pankaj Gautam, Joint Managing Director and CEO resigned from the Board of Directors of the Company w.e.f. the close of business hours of 28 February 2014.



6. Mr. Punkaj Kumar Bajaj, has been appointed as Additional Director and Joint Managing Director & CEO (Steel Business) on the Board of Directors of the Company w.e.f. 1 March 2014.
7. Mr. Vishambhar Saran, Whole-time Director designated as Chairman of the Company has been re- appointed w.e.f. from 15 December 2013.
8. Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company has been re-appointed w.e.f. 25 June 2014.
9. Ms. Gauri Rasgotra has been appointed as Additional Director on the Board of Directors of the Company w.e.f. 26 September 2014.
10. Mr. Pratip Chaudhuri has been appointed as Additional Director on the Board of Directors of the Company w.e.f. 1 October 2014.

#### Details of the Board Meeting and Attendance

Date of the Board Meeting	City	No. of Directors Present
29 May 2013	Kolkata	6
12 August 2013	Kolkata	7
12 August 2013	Kolkata	7
1 October 2013	Kolkata	8
31 October 2013	Kolkata	7
14 February 2014	Gurgaon	5

#### Details of remuneration paid to Board of Directors

##### A. Non-Executive Directors

Name of the Director	Sitting Fees paid <sup>1</sup>	Total payments paid / payable in 2013-14	No. of Board Meetings		Attended Last AGM <sup>2</sup>
	(Rs.)	(Rs.)	Held	Attended	
Mr. Maya Shanker Verma	80,000	80,000	6	2	Yes
Mr. Shiv Dayal Kapoor	230,000	230,000	6	6	Yes
Mr. Debi Prasad Bagchi	170,000	170,000	6	5	Yes
Mr. Pradip Kumar Khaitan	20,000	20,000	6	1	No
Mr. Shanti Narain	180,000	180,000	6	6	Yes
Mr. Subrato Trivedi	120,000	120,000	6	4	No
<b>Total</b>	<b>800,000</b>	<b>800,000</b>			

#### Note:

1. During 2013 - 14, sitting fees were paid @ Rs.20,000 per Board Meeting and Rs.10,000 per Committee Meeting, i.e. Audit, Stakeholders Relationship, Nomination and Remuneration and Finance & Banking Committees.
2. Annual General Meeting was held on 16 December 2013.
3. No stock options have been granted during the year to any of the Directors.

**B. Executive Directors**

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2013-14			
			All elements of remuneration package, i.e. salary, benefits, bonuses, etc. (Rs.)	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Vishambhar Saran	See Note (a)	Chairman	29,243,512	See note (b)	See note (c)	See note (d)
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	24,610,985	See note (b)	See note (c)	See note (d)
Mr. Pankaj Gautam	See Note (a)	Joint Managing Director & CEO	7,290,027	See note (b)	See note (c)	See note (d)
Mr. Punkaj Kumar Bajaj	See Note (a)	Joint Managing Director & CEO (Steel Business)	708,477	See note (b)	See note (c)	See note (d)

- (a) Mr. Vishambhar Saran is the father of Mr. Vishal Agarwal. Other than this, none of the other Directors are in any way related to any other Director.
- (b) As per the terms of re-appointment, Mr. Vishal Agarwal, Vice Chairman & Managing Director is entitled to performance linked incentive in the form of performance Bonus of Rs.2,000,000 p.a. as approved by the members. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

Mr. Pankaj Gautam, Joint Managing Director & CEO was entitled to a Performance Bonus of Rs.2,000,000 p.a. as per the terms of his appointment and remuneration, approved by the Members at their meeting held on 16 December 2013. Mr. Gautam was paid Rs.1,827,778 as Performance Bonus for the period from 1 April 2013 to 28 February 2014. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) is entitled to a Performance Bonus of Rs.2,000,000 p.a. as per the terms of his appointment and remuneration, approved by the Board of Directors at its meeting held on 14 February 2014. Mr. Bajaj is to be paid Rs.166,667 as Performance Bonus for the period from 1 March 2014 to 31 March 2014. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

The Company had made applications to the Central Government seeking approval for increase in remuneration of Mr. Vishambhar Saran, Whole-time Director designated as Chairman from 1 July 2012 to 30 June 2013 and from 1 July 2013 to 14 December 2013 and Mr. Vishal Agarwal, Vice Chairman & Managing Director from 1 July 2012 to 30 June 2013 and from 1 July 2013 to 24 June 2014, and also for the payment of substantive remuneration, as approved by the Members at the Annual General Meeting held on 16 December 2013, as minimum remuneration in case of loss or inadequacy of profits in any financial year during their tenure as Wholetime Director designated as Chairman and Vice Chairman & Managing Director, respectively. The applications have been rejected by the Central Government and the Company is in the process of making representations / fresh applications to the Central Government.

Mr. Pankaj Gautam has been appointed as the Joint Managing Director & CEO of the Company with effect from 12 December 2012. Mr. Gautam has resigned from the company with effect from the close of business hours of 28 February 2014. To ensure compliance with provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, the Company has made an application to the Central Government. The Application has been rejected by the Central Government and the Company is in the process of making representations / fresh applications to the Central Government.

- (c) Mr. Vishambhar Saran has been re-appointed as Wholetime Director, designated as Chairman of the Company for a period of 3 years with effect from 15 December 2013. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

Mr. Vishal Agarwal has been re-appointed as Vice Chairman & Managing Director of the Company for a period of 3 years with effect from 25 June 2014. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable. The Company is in the process of making necessary applications seeking approval of the Central Government for payment of remuneration to Mr. Agarwal as Vice Chairman & Managing Director of the Company.

Mr. Pankaj Gautam was appointed as Joint Managing Director & CEO of the Company for a period of 3 years with effect from 12 December 2012. He was also the Managing Director of VISA BAO Limited, subsidiary of the Company, Mr. Gautam has resigned from the Board of both the above companies w.e.f. the close of business hours of 28 February 2014.

Mr. Pankaj Kumar Bajaj was appointed as Additional Director of the Company w.e.f. 1 March 2014, he was also designated as Joint Managing Director & CEO (Steel Business) for a period of 3 years from the same date. Mr. Bajaj is also the Managing Director of VISA BAO Limited, subsidiary of the Company, w.e.f 1 March 2014.

- (d) Mr. Vishambhar Saran and Mr. Vishal Agarwal, being the promoters of the Company, are not eligible for grant of Options under the ESOP Scheme 2010 of the Company. No options have been granted to Mr. Pankaj Gautam and Mr. Pankaj Kumar Bajaj as on date.
- (e) During the financial year 2013-14, 6 meetings of the Board of Directors were held. Mr. Vishambhar Saran, Chairman was present in all the 6 Board Meetings and Mr. Vishal Agarwal, Vice Chairman & Managing Director was present in 5 Board Meetings. Mr. Pankaj Gautam was present in 5 Board Meetings. Mr. Vishambhar Saran, Mr. Vishal Agarwal and Mr. Pankaj Gautam were present at the Annual General Meeting held on 16 December 2013.

The details as required under sub section (c) of Section II of Part II of Schedule XIII to the Companies Act, 1956 are as follows:

Remuneration payable during the period 1 April 2013 to 28 February 2014			
All elements of remuneration package, i.e. salary, benefits, bonuses, etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Rs.7,290,027	Mr. Gautam is entitled to a Performance Bonus of Rs.1,827,778 as Performance Bonus for the period from 1 April 2013 to 28 February 2014, as per the terms of his appointment and remuneration, to be approved by the Members. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.	Mr. Gautam has been appointed as Joint Managing Director & CEO for a period of 3 years with effect from 12 December 2012. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable. Mr. Gautam has since resigned from the Company from the close of business hours of 28 February 2014.	As on date Mr. Gautam has not been granted any Stock Option under the ESOP Scheme 2010 of the Company

- (f) Mr. Punkaj Kumar Bajaj has been appointed as the Joint Managing Director & CEO (Steel Business) of the Company with effect from 1 March 2014. The details as required under sub section (c) of Section II of Part II of Schedule XIII to the Companies Act, 1956 are as follows:

Remuneration payable during the period 1 March 2014 to 31 March 2014			
All elements of remuneration package, i.e. salary, benefits, bonuses, etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Rs.708,477	Mr. Bajaj is entitled to a Performance Bonus of Rs.166,667 as Performance Bonus for the period from 1 March 2014 to 31 March 2014, as per the terms of his appointment and remuneration, to be approved by the Members. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.	Mr. Bajaj has been appointed as Joint Managing Director & CEO (Steel Business) for a period of 3 years with effect from 1 March 2014. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.	As on date Mr. Bajaj has not been granted any Stock Option under the ESOP Scheme 2010 of the Company

## II. BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises of 4 Directors, all Non-Executive Directors, out of which 3 are Independent Directors, details given under as on 31 March 2014:

Mr. Shiv Dayal Kapoor, Chairman	- Independent Director
Mr. Maya Shanker Verma	- Independent Director
Mr. Debi Prasad Bagchi	- Independent Director
Mr. Subrato Trivedi	- Non-Executive Director

All members of the Audit Committee are financially literate and possess requisite accounting or financial management expertise.

The Company Secretary acts as Secretary to the Committee. The powers, role and terms of reference of the Committee are as per Clause 49 of the Listing Agreement and the Committee reviews information as prescribed under Clause 49 at its meetings. The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.
3. Recommendation of matters relating to financial management and audit reports.
4. The Committee is authorised to investigate into matters contained in the terms of reference or referred / delegated to it by the Board and for this purpose has full access to information / records of the Company including seeking external professional support, if necessary.



During the financial year 2013-14, the Committee met six times on 29 May 2013, 12 August 2013, 12 August 2013, 1 October 2013, 31 October 2013 and 14 February 2014 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Shiv Dayal Kapoor	6	6
Mr. Maya Shanker Verma	6	2
Mr. Debi Prasad Bagchi	6	5
Mr. Subrato Trivedi	6	4

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of the following Directors as on 31 March 2014:

Mr. Shanti Narain, Chairman	- Independent Director
Mr. Vishal Agarwal	- Vice Chairman & Managing Director
Mr. Maya Shanker Verma	- Independent Director
Mr. Shiv Dayal Kapoor	- Independent Director

The primary function of the Committee is to supervise and ensure efficient transfer of shares, issue of new / duplicate share certificates, dematerialisation & rematerialisation of shares and speedy redressal of investor grievances.

As on 31 March 2014, 100% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the stock exchanges in the dematerialised form.

During the financial year 2013-14, the Committee met four times on 29 May 2013, 12 August 2013, 31 October 2013 and 14 February 2014 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Shanti Narain <sup>1</sup>	4	4
Mr. Vishal Agarwal	4	4
Mr. Maya Shanker Verma <sup>2</sup>	4	1
Mr. Shiv Dayal Kapoor	4	4

<sup>1</sup> Mr. Shanti Narain ceased to be a Director w.e.f. 30 June 2014.

<sup>2</sup> Mr. Maya Shanker Verma has been appointed as the Chairman of the Committee w.e.f. 1 July 2014.

Details of shareholders' complaints are given in the "Shareholder Information" section of the Annual Report.

The Company Secretary is also the Compliance Officer of the Company.

The name of the Committee has been changed from Shareholders Investor Grievance Committee to Stakeholders Relationship Committee w.e.f. 23 May 2014.

### Nomination and Remuneration Committee

There is a Nomination and Remuneration Committee in place with roles, powers and duties to be determined by the Board from time to time. The Committee recommends appropriate compensation packages for Directors and Executive Officers to retain best available personnel for key positions and provide performance based incentives. The scope of the Committee had been expanded to include powers related to issuance of ESOP / ESPS to employees, implementation and administration of the ESOP Scheme 2010. The Committee comprises of the following Directors as on 31 March 2014:

Mr. Pradip Kumar Khaitan, Chairman	- Independent Director
Mr. Debi Prasad Bagchi	- Independent Director
Mr. Shanti Narain	- Independent Director

During the financial year 2013-14, the Committee met two times on 29 May 2013 and 14 February 2014 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Pradip Kumar Khaitan <sup>1</sup>	2	-
Mr. Debi Prasad Bagchi	2	2
Mr. Shanti Narain <sup>2</sup>	2	2

Note:

<sup>1</sup> Mr. Pradip Kumar Khaitan ceased to be a Director w.e.f. 29 May 2014.

<sup>2</sup> Mr. Shanti Narain ceased to be a Director w.e.f. 30 June 2014.

<sup>3</sup> Mr. Shiv Dayal Kapoor has been appointed as the Chairman of the Committee w.e.f. 30 May 2014.

<sup>4</sup> Mr. Maya Shanker Verma has been appointed as the Member of the Committee w.e.f. 30 May 2014.

The name of the Committee has been changed from Remuneration Committee to Nomination and Remuneration Committee w.e.f. 19 May 2014

### Finance & Banking Committee

In addition to the above Committees, your Company has a Finance & Banking Committee with powers to approve strategies, plans, policies and actions related to corporate finance. The Committee comprises of the following Directors as on 31 March 2014:

Mr. Maya Shanker Verma, Chairman	- Independent Director
Mr. Vishal Agarwal	- Vice Chairman & Managing Director
Mr. Shiv Dayal Kapoor	- Independent Director
Mr. Pradip Kumar Khaitan <sup>1</sup>	- Independent Director

<sup>1</sup> Mr. Pradip Kumar Khaitan ceased to be a Director w.e.f. 29 May 2014.

A meeting of the Finance & Banking Committee was held on 29 March 2014 which was attended by Mr. Maya Shanker Verma, Mr. Vishal Agarwal and Mr. Shiv Dayal Kapoor.

### Selection Committee

In terms of Section 314(1B) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, as amended by the Director's Relatives (Office or Place of Profit) Amendment Rules 2012, for selecting and appointing employees, who are relatives of the Directors and carrying monthly remuneration exceeding Rs.250,000, your Company had a Selection Committee in place. The role of the Committee is also to determine the remuneration and revisions to the same and making periodic recommendations to the Board on their performance. The Committee comprised of the following Independent Directors as on 31 March 2014:

Mr. Debi Prasad Bagchi, Chairman	- Independent Director
Mr. Pradip Kumar Khaitan <sup>1</sup>	- Independent Director
Mr. Shanti Narain <sup>2</sup>	- Independent Director

<sup>1</sup> Pradip Kumar Khaitan ceased to be a Director w.e.f. 29 May 2014.

<sup>2</sup> Mr. Shanti Narain ceased to be a Director w.e.f. 30 June 2014.

The Selection Committee did not meet during the year 2013-14.

Under the Companies Act, 2013, the appointment of any related party to any office or place of profit in the Company, its subsidiary or associate company is governed by the provisions of Section 188 of the Act which does not mandate the requirement of any Selection Committee and hence, there being no requirement of the Selection Committee as per the new Act the Selection Committee was revoked w.e.f. 12 August 2014.

### III. SUBSIDIARY COMPANIES

The Company has 7 (Seven) subsidiary companies, VISA BAO Limited (VBL), VISA SunCoke Limited (VSCL), Ghotaringa Minerals Limited, Kalinganagar Special Steel Private Limited, VISA Special Steel Limited, Kalinganagar Chrome Private Limited and VISA Ferro Chrome Limited, as on 31 March 2014.

Clause 49 defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, VBL & VSCL are “material non-listed Indian subsidiary” of your Company.

In accordance with the Clause 49 (III) of the Listing Agreement, the following is duly complied with:

- Mr. Shiv Dayal Kapoor, an Independent Director on the Board of Directors of the Company is a Director on the Board of Directors of VBL & VSCL.
- The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies.
- The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for their review.

### IV. DISCLOSURES

#### Related Party transactions

Related Party transactions as specified under Clause 49 of the Listing Agreement is placed before the Audit Committee. A comprehensive list of Related Parties and their transactions as required by AS-18 issued by the Institute of Chartered Accountants of India, forms part of Note No. 48 to the Financial Statements in the Annual Report.

#### Disclosure of Accounting Treatment

The accounting treatment in the preparation of financial statements is in line with that prescribed by the Accounting Standards u/s 211(3C) of the Companies Act, 1956.

#### Code of Conduct

The Code of Conduct applicable to Directors and Senior Management, as approved by the Board of Directors is available on the website of the Company – [www.visasteel.com](http://www.visasteel.com). All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration signed by the Joint Managing Director & CEO (Steel Business) is given below:

“I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2013-14”

Place: Kolkata

Date: 14 November 2014

Punkaj Kumar Bajaj

Joint Managing Director & CEO (Steel Business)

#### Risk Management

The Company periodically identifies, assesses and monitors risks associated with operations, foreign exchange fluctuation, processes and systems, statutory compliances, HR policies etc. The Internal Auditor conducts periodical audits and reports to the Audit Committee at its meetings on the adequacy of the procedures.

#### Details on use of proceeds from public issues

During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.

#### Remuneration of Directors

All details of remuneration to Directors have been disclosed above.

The details of the shares held by the Non-Executive Directors as on 31 March 2014 are as given below:

Name of the Director	No. of shares held
Mr. Maya Shanker Verma	1,017
Mr. Shiv Dayal Kapoor	-
Mr. Debi Prasad Bagchi	-
Mr. Shanti Narain	-
Mr. Pradip Kumar Khaitan	-
Mr. Subrato Trivedi	-

#### Details of Directors appointed / re-appointed

Details of Directors being appointed / re-appointed, have been disclosed in the Notice for the Annual General Meeting (AGM), i.e. a brief resume, nature of expertise in specific functional areas, names of directorships and committee memberships and their shareholding in the Company.

#### Means of communication

##### Quarterly results

Which newspapers normally published in

- The Financial Express (English)
- Sambad (Oriya)

Any website, where displayed

- www.visasteel.com

Whether it displays official news releases

- Yes

Presentation to investors / analysts: are they available

- Available as on the website and when made

Whether Shareholders Information Report forms

part of the Annual Report

- Yes

#### General Body Meetings

##### Current AGM date, time and venue:

The forthcoming Annual General Meeting will be held on Wednesday, 24 December 2014 at 10.30 a.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009.

Location and time, where last three AGMs held:

Year	Location	Date	Time	Whether special resolutions passed
2012-2013	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	16 December 2013	3.30 p.m.	Yes
2011-2012	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	14 August 2012	4.00 p.m.	Yes
2010 -2011	Jayadev Bhavan, Ashok Nagar, Unit-II, Bhubaneswar 751 009	26 July 2011	4.00 p.m.	No



### Postal Ballot

- Whether resolutions were put through postal ballot last year : No

Subsequent to the year end the Company has sought approval of the members by means of Postal Ballot for Special resolutions under Section 180 (1) (a) & (c) of the Companies Act, 2013.

- Details of non-compliance by the company, penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There are no penalties or strictures imposed on the Company by SEBI or Stock Exchanges or any statutory authority on any capital market issue during the last 3 years.

- Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

Your Company is in compliance with all the mandatory requirements of this Clause and with regard to the non-mandatory requirements, your Company already has a Nomination and Remuneration Committee in place. The Company also issues Investor & Press Releases on a quarterly basis, wherever applicable, subsequent to the publication of the financial results, which are sent to the Stock Exchanges and are available on the website of the Company. Other non-mandatory requirements shall be put in place, as and when considered and approved by the Board.

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report.

# Shareholders Information

## 1. ANNUAL GENERAL MEETING

- Date and Time : 24 December 2014 at 10.30 a.m
- Venue : IDCOL Auditorium, IDCOL House, Ashok Nagar,  
Near Indira Gandhi Park, Unit – II,  
Bhubaneswar 751 009

## 2. FINANCIAL YEAR

- : April to March

## 3. FINANCIAL CALENDAR

- :

Financial reporting and Limited Review for the quarter ending 30 June 2014	Mid August 2014
Financial reporting and Limited Review for the half year ending 30 September 2014	Mid November 2014
Financial reporting and Limited Review for the quarter ending 31 December 2014*	Mid February 2015
Financial reporting for the year ending 31 March 2015*	End May 2015
Annual General Meeting for the year ending 31 March 2015*	End July 2015

\* Tentative

## 4. DATES OF BOOK CLOSURE

- : 17 December 2014 to 24 December 2014  
(both days inclusive)

## 5. DIVIDEND PAYMENT DATE

- : Not applicable

## 6. REGISTERED OFFICE

- : 11 Ekamra Kanan,  
Nayapalli,  
Bhubaneswar 751 015  
Tel: +91 674 2552 479, Fax: +91 674 2554 661  
E-mail: investors@visasteel.com  
Website: www.visasteel.com

## 7. LISTING DETAILS

- : Equity Shares  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Stock Code: 532721  
  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051  
Stock Symbol: VISASTEEL

Note: Listing fees has been paid to the Stock Exchanges for the year 2014-15.

## 8. STOCK PRICE DATA :

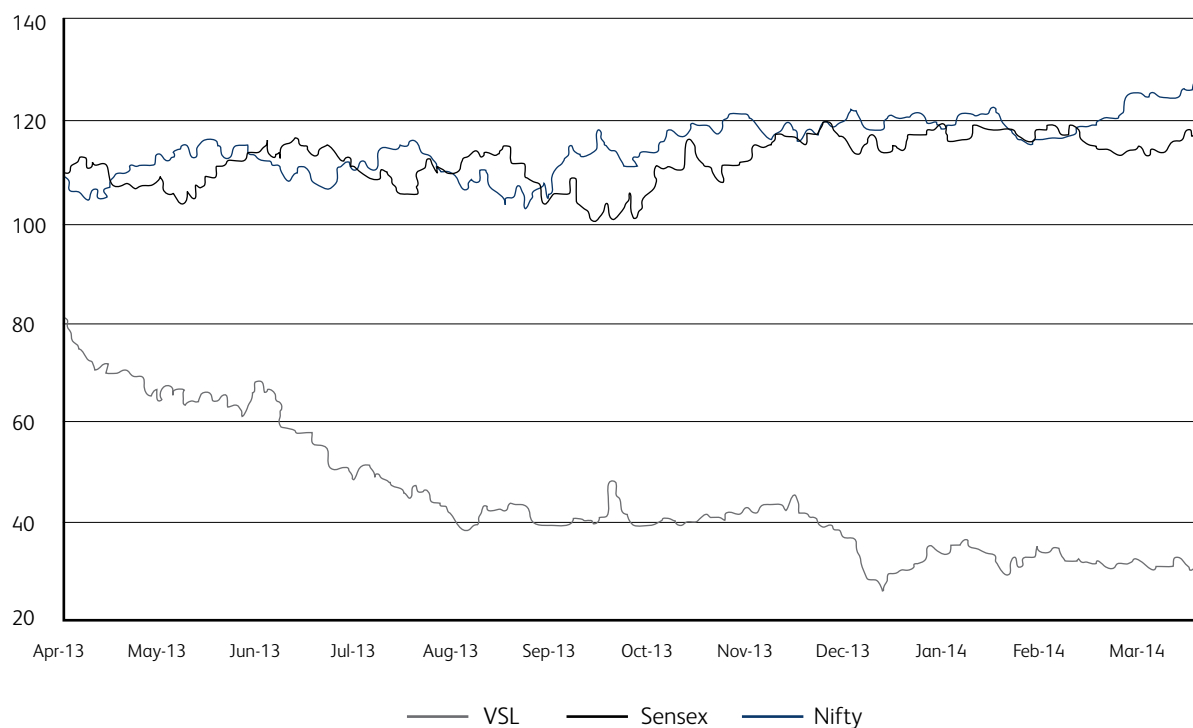
	BSE Limited				National Stock Exchange of India Limited			
	High	Low	Close	No. of Shares Traded	High	Low	Close	No. of Shares Traded
	(Rs.)			(No.s)	(Rs.)			(No.s)
Apr-2013	44.00	33.00	33.05	60,669	44.00	32.50	34.05	136,137
May-2013	35.70	30.20	30.80	52,102	35.90	30.00	30.65	113,103
Jun-2013	36.45	25.20	25.35	100,252	36.00	25.10	25.20	257,437
Jul-2013	28.00	20.05	22.10	48,229	27.00	20.50	22.05	95,225
Aug-2013	24.70	18.15	20.20	888,587	24.70	19.05	20.10	102,040
Sep-2013	25.00	18.80	20.40	434,817	24.95	19.75	20.15	151,358
Oct-2013	23.45	19.75	21.45	73,163	22.00	19.80	20.80	141,916
Nov-2013	23.70	19.45	20.25	65,763	24.00	19.70	20.15	158,662
Dec-2013	21.00	11.55	15.95	1,251,530	21.35	11.60	16.00	2,812,234
Jan-2014	19.20	14.60	16.15	3,399,914	19.05	14.45	16.35	2,328,170
Feb-2014	18.50	15.65	16.05	2,511,890	18.55	15.30	16.15	4,314,148
Mar-2014	17.10	15.25	16.35	122,492	16.90	15.35	16.35	316,558

## 9. STOCK CODE :

	Reuters	Bloomberg
BSE Limited	VISA.BO	VISA:IN
National Stock Exchange of India Limited	VISA.NS	VISA:IN

## 10. STOCK PERFORMANCE :

Stock Performance (Indexed)



**11. STOCK PERFORMANCE OVER THE PAST FEW YEARS :**

(In Percentage)

	1 Year	2 Years	3 Years	4 Years	5 Years
VISASTEEL	(62.54)	(71.32)	(63.83)	(61.44)	(11.38)
BSE Sensex	18.85	28.63	15.12	27.72	130.58
NSE Nifty	18.61	27.28	15.54	28.41	123.12

**12. REGISTRARS AND TRANSFER AGENTS :**

(Share transfer and communication regarding share certificates, dividends and change of address)

Karvy Computershare Private Limited  
Unit: VISA Steel Limited  
Plot No. 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad 500 081  
Tel: + 91 40 2342 0818, Fax: + 91 40 2342 0814  
Email: einward.ris@karvy.com  
Website: www.karvy.com

**13. SHARE TRANSFER SYSTEM :**

The Board of Directors have delegated powers to the Registrars & Transfer Agents for effecting share transfers, splits, consolidation, sub-division, issue of duplicate share certificates, rematerialisation and dematerialisation etc., as and when such requests are received.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges. Further, reconciliation of the share capital audit report is also submitted on a quarterly basis for reconciliation of the share capital of the Company.

**14. INVESTOR SERVICES :**

- Complaints received during the year

Nature of complaints	2013-14		2012-13	
	Received	Cleared	Received	Cleared
Relating to non-allotment, non-receipt of refund cheques arising out of the IPO exercise	-	-	-	-
Grievance related to non receipt of dividend	4	5	10	9
Relating to complaints from SEBI / Stock Exchanges	1	1	2	2
<b>Total</b>	<b>5</b>	<b>6</b>	<b>12</b>	<b>11</b>

- Number of pending complaints as on 31 March 2014: NIL

- Number of pending share transfers as at 31 March 2014: NIL



**15. DETAILS OF UNCLAIMED SHARES AS ON 31 MARCH 2014:**

Pursuant to Clause 5A of the Listing Agreement, the details of shares issued pursuant to the initial public issue of the Company which remains unclaimed and are lying in the escrow account as on 31 March 2014 are as follows:

Year	Opening Balance as on 1 April 2013		Cases disposed off during the Financial Year 2013-14		Closing Balance as on 31 March 2014	
	No. of Cases	No. of Shares	No. of Cases	No. of Shares	No. of Cases	No. of Shares
2013-14	14	4,055	-	-	14	4,055

**16. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2014:**

No. of equity shares held	2014				2013			
	No. of share- holders	% of share- holders	No. of Shares held	% share- holding	No. of Share- holders	% of Share- holders	No. of Shares held	% Share- holding
1 – 500	16,808	83.68	2,732,225	2.48	17,154	85.43	2,712,897	2.47
501 – 1000	2,030	10.11	1,518,300	1.38	1,878	9.35	1,381,326	1.26
1001 – 2000	791	3.94	1,138,924	1.04	696	3.47	983,833	0.89
2001 – 3000	161	0.80	422,132	0.38	112	0.56	292,482	0.27
3001 – 4000	61	0.30	219,894	0.20	44	0.22	159,399	0.14
4001 – 5000	88	0.44	421,152	0.38	66	0.33	318,685	0.29
5001 – 10000	74	0.37	579,171	0.53	62	0.31	451,472	0.41
10001 and above	73	0.36	102,968,202	93.61	67	0.33	103,699,906	94.27
<b>Total</b>	<b>20,086</b>	<b>100.00</b>	<b>110,000,000</b>	<b>100.00</b>	<b>20,079</b>	<b>100.00</b>	<b>110,000,000</b>	<b>100.00</b>

**17. CATEGORIES OF SHAREHOLDING AS ON 31 MARCH 2014:**

Category	2014			2013		
	No. of Share- holders	No. of Shares held	% Share- holding	No. of Share- holders	No. of Shares held	% Share- holding
Promoters	3	82,500,000	75.00	3	82,500,000	75.00
Persons acting in concert	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-
Banks and Financial Institutions	-	-	-	1	1,269,974	1.16
Insurance Companies	1	500,111	0.45	1	500,111	0.45
FIIIs	4	10,985,845	9.99	1	4,998,087	4.54
NRIIs	306	344,485	0.31	321	291,523	0.27
Bodies Corporate	326	4,007,532	3.64	327	11,825,135	10.75
Indian Public	19,446	11,662,027	10.60	19,425	8,615,170	7.83
<b>Total</b>	<b>20,086</b>	<b>110,000,000</b>	<b>100.00</b>	<b>20,079</b>	<b>110,000,000</b>	<b>100.00</b>

**18. DEMATERIALISATION OF SHARES AND LIQUIDITY**

: 100% of equity shares of the Company are in dematerialised form as on 31 March 2014

The International Security Identification Number (ISIN) for your Company's shares is INE286H01012.

The CIN allotted by the Ministry of Corporate Affairs is L51109OR1996PLC004601.

**19. DETAILS ON USE OF PUBLIC FUNDS OBTAINED IN THE LAST THREE YEARS**

: No funds had been raised from public in the last three years.

**20. OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

: [Stock Options](#)

In terms of the resolution passed by the Members at the Annual General Meeting held on 17 August 2010, the Company had granted 900,000 Options to the specified employees of the Company and its subsidiaries at an exercise price of Rs.46.30 under the Employee Stock Option Scheme (ESOP Scheme 2010). The vesting of these options is in a phased manner over a period of 4 years from the date of grant and the options may be exercised within a period of 3 years from the date of vesting of the options, in accordance with the ESOP Scheme 2010. Each option when exercised would be converted into one Equity Share of Rs.10 each fully paid-up.

As on 31 March 2014, there are 583,446 Options outstanding under the ESOP Scheme 2010 and 459,698 Options have been vested. None of the Options have been exercised till 31 March 2014. As on 31 March 2014, 316,554 Options have lapsed under the ESOP Scheme 2010.

**21. PLANT LOCATIONS**

Kalinganagar Industrial Complex  
P.O. Jakhapura, Dist. Jajpur  
Odisha 755 026  
Tel: + 91 6726 242441  
Fax: + 91 6726 242442

: Village Golagaon  
Near Duburi  
P.O.Pankapal, Dist.Jajpur  
Odisha  
Tel: + 91 6726 245470  
Fax: + 91 6726 245561

**22. INVESTOR CORRESPONDENCE**

: Company Secretary,  
VISA Steel Limited  
VISA House, 8/10 Alipore Road,  
Kolkata 700 027  
Tel: + 91 33 3011 9000  
Fax: + 91 33 3011 9002  
Email: [investors@visasteel.com](mailto:investors@visasteel.com)

In line with the Circular no.SEBI/CFD/DIL/LA/1/2009/24/04 dated 24 April 2009 issued by Securities and Exchange Board of India, the Company has opened a Demat Account titled "VISA Steel Limited – Demat Suspense Account" comprising shares allotted to investors during the IPO and not yet credited to the investors' demat account due to mismatch of information / invalid demat account. Investors who have not received credit of shares allotted to them during the IPO are requested to contact the Registrars / Company Secretary for the same.

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To The Members of VISA Steel Limited

We have examined the compliance of conditions of Corporate Governance by VISA Steel Limited for the year ended 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**P. Law**

Partner

Membership No: 51790

For and on behalf of

Lovelock & Lewes

Firm Registration Number – 301056E

Chartered Accountants

Place: Kolkata

Date: 14 November 2014

# Independent Auditors' Report

## To the Members of VISA Steel Limited

### REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of VISA Steel Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### BASIS FOR QUALIFIED OPINION

6. *We draw your attention to Note 34 to the Financial Statements with respect to the transfer of the Company's Special Steel business to a wholly owned subsidiary, which has not been disclosed 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 Special Steel business included in the financial Statements together with details relating to total assets to be disposed, total liabilities to be settled, pre tax profit or loss, income tax expense, post tax profit or loss, net cash flows pertaining to the operating, investing, and financing activities etc. attributable to the Special Steel business which is not in accordance with Accounting Standard (AS) 24, Discontinuing Operations as notified under the Companies (Accounting Standards) Rules, 2006. The impact of such deviation on total assets and liabilities as at March 31, 2014 and loss and earnings per share, cash flows for the year on that date is presently not ascertainable.*

### QUALIFIED OPINION

7. In our opinion, and to the best of our information and according to the explanations given to us, *except for the indeterminate effect of the matter referred to in paragraph 6 above*, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### EMPHASIS OF MATTER

8. Without qualifying our opinion, we draw attention to Note 44 to the financial statements, regarding the preparation of the same on a going concern basis. The Company incurred a net loss of Rs.1524.95 millions during the year ended March 31, 2014 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.7657.22 millions, and the Company's net worth has been eroded as at the balance sheet date. However, in view of development



## Independent Auditors' Report

regarding supply of raw materials as well as proposed fresh line of credit from lenders, in line with existing increased production capacity, these financial statements have been prepared on a going concern basis and no adjustment has been made to the carrying value of the assets and liabilities.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.

10. As required by section 227(3) of the Act, we report that:

- (a) *Except for the indeterminate effect of the matter referred to in paragraph 6 above, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;*
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, *except for the indeterminate effect of the matter referred to in paragraph 6 above*, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Kolkata  
May 23, 2014

**Pradip Law**  
Partner  
Membership Number 51790

## Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted an unsecured loan, to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loan, amounted to Rs.2.50 Million each. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loan, principal amount has not become due as at the year end, as per stipulation. *However, the party is not regular in payment of interest, as stipulated and an amount of Rs.0.53 Million outstanding towards overdue interest at the year end.*
- (d) In respect of the aforesaid loan, where the overdue amount is more than Rupees One Lakh, in our opinion, reasonable steps have been taken by the Company for the recovery of overdue interest as set out in paragraph (iii)(c) above.
- (e) The Company has taken unsecured loan, from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs.500 Million and Rs NIL, respectively. The Company has not taken any secured/ unsecured loans from firms or other parties covered in the register maintained under Section 301 of the Act.
- (f) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loan, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

## Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2014

- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of tax deducted at source, service tax and welfare cess, the Company is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. However, there were no arrears of dues in respect of tax deducted at source, service tax and welfare cess outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount in (Rs.Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	10.24	Assessment Year 2006-07	The Commissioner of Income Tax Appeals, Bhubaneswar, Orissa
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	111.81	Financial Year 1999-2000	Sales Tax Tribunal, Orissa, Appeal
Orissa Sales Tax. Act 1947	Sales Tax	0.07	Financial Year 2004-05	The Asst. Commissioner of Sales Tax (Appeals), Jajpur Range, Jajpur Road, Orissa
West Bengal VAT	VAT	43.00	Financial Year 2006-07	The Commissioner of Commercial Taxes, West Bengal.
Central Excise Act, 1984	Excise Duty	10.95	Financial Year 2008-09 to 2010-11.	Central Excise Service Tax Appellate Tribunal

- x. The accumulated losses of the Company exceeded fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the Financial Year ended on that date. However it had not incurred cash losses in the immediately preceding Financial Year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, except for dues to a financial institution as mentioned in Note 5C, for which there is a dispute between the Company and the lender and in view of such dispute we are unable to determine whether there is a default in repayment of such dues, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

## Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2014

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.</p> <p>xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.</p> <p>xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the <i>Company has used funds raised on short-term basis for long-term investment. The company has obtained short term funds amounting to Rs.6643.52 millions on a short term basis, which has been used for the purpose of acquisition of fixed assets.</i></p> <p>xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.</p> <p>xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at</p> | <p>the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.</p> <p>xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.</p> <p>xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

### Pradip Law

Partner  
Membership Number 51790

Kolkata  
May 23, 2014



## Balance Sheet as at 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2014	As at 31 March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	2,570.14	4,095.10
		3,670.14	5,195.10
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	21,842.14	21,098.94
Deferred Tax Liabilities (Net)	6	-	-
Other Long-term Liabilities	7	787.20	787.20
Long-term Provisions	8	12.54	10.61
		22,641.88	21,896.75
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,395.00	1,005.38
Trade Payables	10	3,994.31	3,659.35
Other Current Liabilities	11	5,689.35	3,393.77
Short-term Provisions	12	28.09	20.64
		11,106.75	8,079.14
<b>Total</b>		<b>37,418.77</b>	<b>35,170.99</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13 A	9,141.65	9,598.81
Intangible Assets	13 B	7.66	14.45
Capital Work-in-progress	13 C	19,391.06	16,464.84
		28,540.37	26,078.10
Non-current Investments	14	4,511.39	4,510.79
Long-term Loans and Advances	15	888.21	969.36
Other Non-current Assets	16	29.27	13.34
		33,969.24	31,571.59
<b>Current Assets</b>			
Inventories	17	1,519.38	1,425.31
Trade Receivables	18	408.25	601.18
Cash and Bank balances	19	135.12	226.00
Short-term loans and advances	20	1,218.91	1,193.56
Other Current Assets	21	167.87	153.35
		3,449.53	3,599.40
<b>Total</b>		<b>37,418.77</b>	<b>35,170.99</b>

This is the Balance Sheet referred to in our report of even date.

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

The accompanying notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

**Vishal Agarwal** **Punkaj Kumar Bajaj**  
Vice Chairman & Managing Director Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

# Statement of Profit and Loss for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2014	Year ended 31 March 2013
<b>INCOME</b>			
Revenue from Operations (Gross)	24	10,893.65	5,515.22
Less: Excise duty		594.07	301.16
Revenue from operations (Net)		10,299.58	5,214.06
Other income	25	279.97	111.44
<b>I. Total Revenue</b>		<b>10,579.55</b>	<b>5,325.50</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	7,390.16	2,597.65
Purchases of Stock-in-Trade	27	818.00	696.07
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	28	(48.30)	1,084.98
Employee Benefits Expense	29	292.44	325.92
Finance Costs	30	1,450.31	1,258.81
Depreciation and Amortization Expense	31	577.29	524.77
Other Expenses	32	1,463.83	907.43
<b>II. Total Expenses</b>		<b>11,943.73</b>	<b>7,395.63</b>
<b>III. (Loss) / Profit before exceptional and extraordinary items and tax</b>		<b>(1,364.18)</b>	<b>(2,070.13)</b>
<b>IV. Exceptional items</b>	33	(160.77)	1,620.04
<b>V. (Loss) / Profit before extraordinary items and tax</b>		<b>(1,524.95)</b>	<b>(450.09)</b>
<b>VI. Extraordinary items</b>		-	-
<b>VII. (Loss) / Profit before tax</b>		<b>(1,524.95)</b>	<b>(450.09)</b>
<b>VIII. Tax Expense</b>			
Current taxes		-	-
Net current tax		-	-
Deferred taxes		-	-
<b>IX. (Loss) / Profit for the period</b>		<b>(1,524.95)</b>	<b>(450.09)</b>
<b>X (Loss) / Profit before tax from discontinuing operation</b>		-	(584.58)
<b>XI. Tax expense of discontinued operations</b>		-	-
<b>XII. (Loss) / Profit from discontinued operations after tax</b>		-	(584.58)
<b>XIII. Profit on Disposal of Assets and Liabilities of Discontinuing Operation</b>			124.28
<b>XIV. (Loss) / Profit for the period from discontinuing operation</b>		-	<b>(460.30)</b>
<b>XV. (Loss) / Profit for the period [(IX)+(XIV)]</b>		<b>(1,524.95)</b>	<b>(910.39)</b>
<b>XVI. Earning/ (loss) per equity share (Nominal Value per Share of Rs.10 each)</b>	40		
Basic (Rs.)		(13.86)	(8.28)
Diluted (Rs.)		(13.86)	(8.28)

This is the Statement of Profit and Loss referred to in our report of even date.

The accompanying notes form an integral part of these Financial Statements.

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

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

## Cash Flow Statement for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before Tax including the results of discontinuing operations	(1,524.95)	(910.39)
Adjusted for :		
Depreciation and Amortization	577.29	646.06
Finance Cost	1,450.31	1,684.02
Interest Income	(100.37)	(176.26)
Bad Debts Written off	13.82	-
Provision for Bad & Doubtful Debts	-	160.25
Provision for Doubtful Advances	21.31	-
Income from Shared Services	(170.83)	(6.39)
Liabilities no longer required written back	(100.36)	(53.22)
Provision for Doubtful Debts/ Advances written back	(12.39)	(3.26)
Net Gain / (Loss) from sale of Investments	-	(1,762.70)
(Profit) / Loss on sale of Fixed Assets	-	(124.18)
Unrealised Forex Loss / (Gain) [Net]	(20.76)	(456.22)
<b>Operating (Loss)/ Profit before working capital changes</b>	<b>133.07</b>	<b>(1,002.29)</b>
Adjustments for changes in working capital		
(Increase) / Decrease in trade and other receivables	236.25	(529.16)
(Increase) / Decrease in inventories	(94.07)	2,099.74
Increase / (Decrease) in trade and other payables	2,237.75	(5,745.51)
<b>Cash generated / (used in) from Operations</b>	<b>2,513.00</b>	<b>(5,177.22)</b>
Direct Taxes paid	(21.27)	(11.84)
<b>Net Cash from / (used in) Operating Activities</b>	<b>2,491.73</b>	<b>(5,189.06)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,294.41)	(2,232.58)
(Increase) / Decrease in Capital Advances	16.25	269.73
Sale of Fixed Assets	0.35	1.36
Proceeds from Slump Sale of Coke Business	-	1,800.00
Investment in Subsidiary Companies	(1.30)	(143.20)
Proceeds from Sale of Investments in a Subsidiary	0.70	1,767.50
Release of Margin Money Account	23.12	645.15
Income from Shared Services	170.83	6.39
(Increase) / Decrease in Share Refund order Account	0.32	-
Interest received	89.63	181.82
<b>Net cash from / (used in) Investing Activities</b>	<b>(994.51)</b>	<b>2,296.17</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	44.33	9,504.98
Repayment of Long Term Borrowings	(597.69)	(3,024.08)
(Repayment)/Proceeds of Short Term Borrowings (net)	389.62	(1,786.34)
Advance received from related party	-	-
(Increase) / Decrease in Earmarked Accounts	(0.32)	(0.01)
Finance Cost paid (Refer (d) below)	(1,384.67)	(1,760.34)
<b>Net Cash used from / (used in) Financing Activities</b>	<b>(1,548.73)</b>	<b>2,934.21</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(51.51)</b>	<b>41.32</b>

## Cash Flow Statement for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	(51.51)	41.32
Cash and Cash Equivalents as on 1 April	52.61	11.29
<b>Cash and Cash Equivalents as at 31 March</b>	<b>1.10</b>	<b>52.61</b>

(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.

	Year ended 31 March 2014	Year ended 31 March 2013
Balance with Banks in		
Current Account	0.41	52.00
Cash on hand	0.69	0.61
<b>Cash and Cash Equivalents as at 31 March (Refer Note 19)</b>	<b>1.10</b>	<b>52.61</b>

- (b) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by The Institute of chartered Accountants of India.
- (c) Finance Costs includes borrowing cost Capitalised.
- (d) Refer note 50

This is the Cash Flow Statement  
referred to in our report of even date.

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

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 051790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 1. GENERAL INFORMATION

#### VISA Steel Limited

VISA Steel Limited (VSL) is engaged in the manufacturing of Iron and Steel products including Pig Iron, Sponge Iron, Special Steel and High Carbon Ferro Chrome with captive power plant at Kalinganagar, Odisha. Incorporated on 10 September 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar and Golagaon and branch offices across India. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13 September 2013 read with circular 08/2014 dated 4 April 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act 1956. Based on the nature of products and the time between the acquisition of assets for the processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### 2.2 Fixed Assets

##### (a) Tangible Assets

- (i) Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any. Cost comprises cost of acquisition, construction and subsequent improvements thereto including taxes and duties (net of credits and drawbacks), freight and other incidental expenses related to acquisition and installation.
- (ii) Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

##### (b) Intangible Assets

Intangible Assets are stated at cost net of accumulated amortization and accumulated impairment losses, if any. Cost comprises cost of acquisition, installations and subsequent improvements thereto including taxes and duties (net of credits and drawbacks, if any).

##### (c) Capital Work-in-Progress

Capital Work-in-Progress is stated at cost and is inclusive of preoperative expenses, project development expenses etc.

##### (d) Depreciation and amortization

Depreciation including amortization on fixed assets, is provided under Straight Line Method (SLM) in accordance with Schedule XIV to the Companies Act, 1956, other than the following:

- (i) Leasehold land is amortized under SLM over the period of lease. No depreciation is provided for freehold land.
- (ii) Leasehold assets which are jointly held are amortized under SLM over the period of lease.
- (iii) Computer software are being amortized under SLM over its useful life of three years.

#### 2.3 Impairment Loss

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 2.4 Borrowing Cost

Borrowing costs attributable to acquisition and / or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

### 2.5 Investments

Investments of long term nature are stated at cost, less adjustment for diminution, other than temporary, in the carrying amounts thereof.

### 2.6 Inventories

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower. Cost is determined on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable appropriate overheads. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

### 2.7 Revenue Recognition

- (i) Sale of Goods: Sales are recognised when the substantial risks and reward of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes, VAT but including excise duties.
- (ii) Sale of Services : Sales are recognised upon the rendering of services and are recognised net of service tax.
- (iii) Other items are recognised on accrual basis.

### 2.8 Other Income

- (i) Interest: Interest Income is generally recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, when there is reasonable certainty as to realisation.
- (ii) Dividend: Dividend income is recognised when the right to receive dividend is established.
- (iii) All other items are recognised on accrual basis.

### 2.9 Transactions in Foreign Currencies

#### (i) Initial Recognition

On initial recognition, all foreign currencies transactions are recorded at exchange rates prevailing on the date of the transaction.

#### (ii) Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate. With respect to long-term foreign currency monetary items, from 1 April 2011 onwards, the Company has adopted the following policy:

- (a) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.
- (b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset / liability.

Exchange differences on re-instatement of all other monetary items are recognised in the Statement of Profit and Loss.

#### (iii) Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

### 2.10 Employee Benefits

#### (i) Short-term Employee Benefits

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

#### (ii) Post Employment Benefit Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method (PUCM), with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets where such plans are funded. Measurement of any assets resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

#### (iii) Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits is determined using PUCM with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

### 2.11 Accounting for Taxes on Income

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.12 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the amount required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.13 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### 2.14 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenues have been accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Company. Revenue and expenses have been identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "Corporate-Unallocated/Others(Net)."

### 2.15 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.16 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 Equity Shares (31 March 2013 : 160,000,000) of Rs.10/- each	1,600.00	1,600.00
<b>Issued, Subscribed and Paid-up</b>		
110,000,000 Equity Shares (31 March 2013 : 110,000,000) of Rs.10/- each fully paid up	1,100.00	1,100.00

**(a) Reconciliation of number of shares**

	As at 31 March 2014		As at 31 March 2013	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	110,000,000	1,100.00	110,000,000	1,100.00
Add / (Less): Shares issued / bought back during the year	-	-	-	-
Balance as at the end of the year	<b>110,000,000</b>	<b>1,100.00</b>	<b>110,000,000</b>	<b>1,100.00</b>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares referred to as equity shares having a par value of Rs.10 per share. Each Shareholder is entitled to one vote per share held. The Company declares and pays dividend in Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Shares held by the Holding / Ultimate Holding Company and / or their Subsidiaries and Associates in aggregate**

	As at 31 March 2014	As at 31 March 2013
58,712,167 (31 March 2013 : 58,712,167) Equity Shares of Rs.10/- each held by VISA Infrastructure Limited, the Holding Company	587.12	587.12

**(d) Details of Shareholders holding more than 5 % of the aggregate shares in the Company**

VISA Infrastructure Limited (Numbers)	58,712,167	58,712,167
VISA Infrastructure Limited ( % )	53.37	53.37
VISA International Limited (Numbers)	23,787,833	23,787,833
VISA International Limited ( % )	21.63	21.63

**(e) Share reserved for issue under option**

For details of share reserved for issue under the Employee Stock Option Plan (ESOP) of the Company refer Note 41

**(f) VISA Infrastructure Limited, the Holding Company has pledged 44,387,167 (31 March 2013 : 55,000,000) numbers of Equity Shares being 75.60 % (31 March 2013 : 93.68 % ) of its total shareholding.**

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>4 RESERVES AND SURPLUS</b>		
Capital Reserve	0.07	0.07
Securities Premium Reserve	1,645.00	1,645.00
General Reserve @		
Balance as at the beginning of the year	3,852.92	91.76
Add : Arising pursuant to a Scheme of Amalgamation	-	3,761.16
Balance as at the end of the year	3,852.92	3,852.92
<b>(Deficit) / Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(1,402.90)	(492.51)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(1,524.95)	(910.39)
Balance as at the end of the year	(2,927.85)	(1,402.90)
<b>Total</b>	<b>2,570.14</b>	<b>4,095.10</b>

@ Refer Note 49

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
<b>Term Loans including SMCF (Facility A1 and Facility B)</b>						
[Refer A(i) and B(i) below]						
From Banks	16,481.56	16,827.76	375.48	2.72	16,857.04	16,830.48
From Other Parties	613.93	628.78	14.85	-	628.78	628.78
<b>Working Capital Term Loans (Facility A2)</b>						
[Refer A(i) and B(ii) below]						
From Banks	1,304.22	1,467.36	169.68	0.78	1,473.90	1,468.14
From Other Parties	28.68	32.38	3.70	-	32.38	32.38
<b>Funded Interest Term Loans (Facility A3)</b>						
[Refer A(i) and B(iii) below]						
From Banks	2,888.56	1,107.97	12.72	-	2,901.28	1,107.97
From Other Parties	122.90	61.50	-	-	122.90	61.50
<b>Equipment and Vehicle Term Loans</b>						
From Banks [Refer A(ii) and B(iv) below]	0.71	9.16	8.45	21.82	9.16	30.98
From Other Parties [Refer A(ii) and B(v) below]	2.31	23.71	24.39	66.85	26.70	90.56
<b>Term Loans from Other Parties</b>	399.27	440.32	41.05	-	440.32	440.32
[Refer A(iii) and B(vi) below]						
	21,842.14	20,598.94	650.32	92.17	22,492.46	20,691.11
<b>Unsecured</b>						
Loans from Related Parties	-	500.00	-	-	-	500.00
[Refer B(vii) below]						
	<b>21,842.14</b>	<b>21,098.94</b>	<b>650.32</b>	<b>92.17</b>	<b>22,492.46</b>	<b>21,191.11</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(650.32)	(92.17)	(650.32)	(92.17)
	<b>21,842.14</b>	<b>21,098.94</b>	<b>-</b>	<b>-</b>	<b>21,842.14</b>	<b>21,098.94</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### A. Details of Securities

#### i. Term loans including SMCF (Facility A1 and Facility B), Working Capital Term Loans (Facility A2), Funded Interest Term Loans (Facility A3) and Working Capital facilities (Facility C) :

In terms of the Corporate Debt Restructuring (CDR) Package, effective from 1 March 2012, the Loans considered under the said package have been categorised as Term Loans (Facility A1 and Facility B), Working Capital Term Loans (Facility A2), Funding Interest Term Loans (Facility A3) and Working Capital Loans (Facility C) [indicated in Note 9], including Structured Mezzanine Credit Facility (SMCF) Loans which are secured as under :

- (a) First pari-passu charge by way of hypothecation of all the Company's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Company, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
- (b) First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, Odisha, Golagaon, Jajpur, Odisha, Raigarh, Chhattisgarh and office premises of the Company at Bhubaneswar, Odisha.
- (c) Pledge of 51 % of Promoter's Shareholding has been executed within 31 March 2014 and further Pledge up to 51 % of total equity of the Company needs to be executed by 31 March 2016.
- (d) Pledge of Equity Shares equivalent to 51 % of the present shareholding in Ghotaringa Minerals Limited held by the Company and existing Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) Lien on all Bank Accounts including the Trust and Retention Account.
- (f) The Lenders of SMCF are having a second pari-passu charge on the Hypothecated assets and a second charge on the mortgaged assets of the Company.
- (g) SIDBI (exposure of Rs.76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

Further, the above facilities are also covered by the following:

- Irrevocable, unconditional personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company.
- Irrevocable, unconditional Corporate Guarantee of VISA Infrastructure Ltd. with negative Lien on VISA House situated at 8/10 Alipore Road, Kolkata 700027, till the Company brings in additional equity of Rs.1,250.00 Million over and above of Rs.3,250.00 Million in the Company as envisaged in the CDR package.
- Irrevocable, unconditional Corporate Guarantee of VISA International Limited and Ghotaringa Minerals Limited.

#### ii. Equipment and Vehicle Term Loans

These loans are secured by way of hypothecation of vehicles / machinery acquired under the respective loan arrangements.

#### iii. Other Term Loans from Other Parties

- (a) Term Loan from IL&FS Financial Services-

These loans are secured by way of Second pari-passu charge on entire pooled assets of the Company save and except assets charged in favour of Banks/FI/NBFC and 50 acres of land on which VISA BAO Limited is setting up a Ferro Chrome Plant.

Corporate Guarantee of VISA International Limited.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- (b) Term Loan from HUDCO - These loans are secured by way of pari-passu First charge on all the fixed assets, both present and future, of the Company's plant including township being financed by HUDCO at Kalinganagar Industrial Complex in Odisha and pari-passu second charge on the current assets of the Company within the Integrated Steel Complex including township being financed by HUDCO.

### B. Terms of Repayment of loans

#### i. Terms of Repayment of Term Loans including SMCF (Facility A1 and Facility B) :

Upon implementation of CDR Package during the Financial Year 2012-13, the Restructured Term Loan of Rs.12,355.48 Million (Facility A1) and Fresh Term Loan of Rs.6,100.00 Million (Facility B) were to be repaid over a period of 10 years in quarterly instalments commencing from March 2013. During the Financial Year 2012 -13, the Company had prepaid instalments due till second quarter of Financial Year 2014-15. Further such loans carry interest @ 10.75% p.a. for the first 4 years, @ 11.5% for 5th and 6th year and @ 12%, linked to the base rate, for subsequent years of restructuring. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule:

Year	Percentage of Term Loan (originally restructured) due for Repayment from December 2014 (%)
2014-15	2.25 %
2015-16	8.00 %
2016-17	10.00 %
2017-18	13.00 %
2018-19	15.50 %
2019-20	15.50 %
2020-21	15.50 %
2021-22	15.50 %

#### ii. Terms of Repayment and outstanding balance as at year end of Working Capital Term Loan (Facility A2) :

Upon implementation of CDR package during the Financial Year 2012-13, the overdrawn cash credit accounts of the Company amounting to Rs.1,720.00 Million have been carved out into a separate Working Capital Term Loans (Facility A2), which were to be repaid over a period of 8 years in quarterly instalments commencing from March 2013. During the Financial Year 2012-13, the Company had prepaid instalments due till second quarter of Financial Year 2014-15. Such loans carry the interest rate @ 10.50% p.a. throughout the tenure of facility. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule:

Year	Percentage of Term Loan (originally restructured) due for Repayment from December 2014 (%)
2014-15	10.00 %
2015-16	20.00 %
2016-17	20.00 %
2017-18	12.50 %
2018-19	15.00 %
2019-20	10.00 %

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### iii. Terms of Repayment and outstanding balances of Funded Interest Term Loans (Facility A3) :

In terms of the CDR Package, the aggregate amount of interest accrued and due on the principal amounts of Facility A1, Facility A2 and Facility B for the period 1 March 2012 to 28 February 2014 has been converted into Funded Interest Term Loans (FITL) which were repayable in quarterly instalments commencing from September 2014 and ending in December 2021. During the Financial Year 2012-13, Company had prepaid instalments due till the second month of second quarter of Financial Year 2016-17. FITL carry interest @ 10.00 % p.a. throughout the tenure of facility. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule:

Year	Percentage of Term Loan (originally restructured) due for Repayment from September 2016 (%)
2016-17	7.29 %
2017-18	12.50 %
2018-19	12.50 %
2019-20	15.00 %
2020-21	15.00 %
2021-22	15.00 %

### iv. Terms of Repayment of Equipment and Vehicle Loans from Banks :

Banks	As at 31 March 2014	As at 31 March 2013	Terms of Repayment	Interest rate
ICICI Bank	0.85	15.89	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 10 months.	9.5% to 11.25% p.a.
Kotak Mahindra Bank	7.51	13.83	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 years and 1 month.	11.75 % p.a.
AXIS Bank	0.80	1.26	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 years and 7 months.	9.75 % p.a.
<b>Total</b>	<b>9.16</b>	<b>30.98</b>		

### v. Terms of Repayment of Equipment and Vehicle Loans from Other Parties :

Other Parties	As at 31 March 2014	As at 31 March 2013	Terms of Repayment	Interest rate
Reliance Capital Ltd.	-	0.75	Repaid during the year.	7.00 % to 10.00 % p.a.
L & T Finance Ltd	-	8.76	Repaid during the year.	8.00 % to 10.00 % p.a.
Tata Capital	17.25	37.34	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet 9 months.	9.50 % to 11.50 % p.a.
SREI Equipment Finance (P) Ltd.	9.45	43.71	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet is 4 months.	10.00 % to 11.00 % p.a.
<b>Total</b>	<b>26.70</b>	<b>90.56</b>		

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### vi. Terms of Repayment of Term Loans from Other Parties :

Other Parties	As at 31 March 2014	As at 31 March 2013	Terms of Repayment	Interest rate
IL&FS Financial Services Limited	300.00	300.00	Repayable in eighteen quarterly instalments from December 2014 onwards.	10.75 % p.a. till 31 March 2015; thereafter to be reset
			<b>Year</b>	
			2014-15	
			2015-16	
			2016-17	
			2017-18	
			2018-19	
			<b>Total</b>	<b>100.00%</b>
HUDCO	140.32	140.32	Twenty one quarterly instalments of Rs.6.69 Million each from May 2014.	HUDCO Benchmark rate + 1 % p.a.
<b>Total</b>	<b>440.32</b>	<b>440.32</b>		

### vii. Terms of Repayment of Loans from Related Parties :

Related Parties	As at 31 March 2014	As at 31 March 2013	Terms of Repayment	Interest rate
VISA International Limited	-	500.00	Repaid during the year.	Prevailing Bank interest rate as prescribed by RBI
<b>Total</b>	<b>-</b>	<b>500.00</b>		

- C. Based on a communication received from HUDCO, the amount of Rs.5.82 Million and Rs.5.71 Million were overdue as at 31 March 2014 towards principal amount (due in February 2014) and interest for the month of February 2014 respectively on the Term loan as set out under item B(vi) above. The Company has disputed such overdue amount pending reconciliation/ restatement of outstanding balance and settlement of its claim for reversal of interest.

	As at 31 March 2014	As at 31 March 2013
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:		
Deferred Tax Liabilities		
Depreciation	1,303.63	1,224.52
<b>(A)</b>	<b>1,303.63</b>	<b>1,224.52</b>
Deferred Tax Assets		
Unabsorbed Tax Depreciation	(1,227.08)	(1,025.11)
Unabsorbed Business Loss Carried Forward	(0.98)	(128.02)
Provision for doubtful debts and advances	(62.69)	(59.66)
Disallowances allowable for tax purpose on payment	(12.88)	(11.50)
Provision for Stock	-	(0.23)
<b>(B)</b>	<b>(1,303.63)</b>	<b>(1,224.52)</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>(A)+(B)</b>	<b>-</b>

As a matter of prudence, deferred tax assets have been recognised only to the extent of the deferred tax liability.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Others-Payable to Subsidiary company [Refer (a) below]	787.20	787.20
	<b>787.20</b>	<b>787.20</b>

a) Advances refundable in cash or against value to be rendered on account of facility sharing.

	As at 31 March 2014	As at 31 March 2013
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	12.54	10.61
	<b>12.54</b>	<b>10.61</b>

	As at 31 March 2014	As at 31 March 2013
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans (Facility C)		
From Banks [Refer Note 5.A (i)]	1,307.82	910.17
From Other Parties [Refer Note 5.A (i)]	24.32	30.64
Other Working Capital Loan		
From Other Parties [Refer (a) below]	62.86	64.57
	<b>1,395.00</b>	<b>1,005.38</b>

(a) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of Rs.76.40 Million (31 March 2013 : Rs.76.40 Million) under the MSMED Receivable Finance Scheme sanctioned by SIDBI covering the sale of goods / services made by SME / eligible service sector and transport services. Also refer Note 5.A (i) for details of security.

	As at 31 March 2014	As at 31 March 2013
<b>10 TRADE PAYABLES</b>		
Dues to Micro and Small Enterprises	42.49	42.48
Dues to other than Micro and Small Enterprises	3,951.82	3,616.87
	<b>3,994.31</b>	<b>3,659.35</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### Details of dues to Micro and Small enterprises (MSMED) :

	31 March 2014		31 March 2013	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of the accounting year : - Principal	42.49	-	42.48	-
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

	As at 31 March 2014	As at 31 March 2013
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	650.32	92.17
Interest accrued and due on borrowings	225.19	45.95
Interest accrued but not due on borrowings	8.44	6.52
Employee related liabilities	152.69	144.62
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	75.26	76.56
Share Refund Order account	-	0.32
Unclaimed Dividend [Refer (a) below]	0.99	0.99
Advances from Customers	88.10	55.30
Liability towards Subsidiary	1,078.61	-
Advance from Fellow Subsidiary	2,811.85	2,187.78
Capital Creditors	375.90	594.48
Other liabilities	222.00	189.08
	<b>5,689.35</b>	<b>3,393.77</b>

(a) There are no amount due for payment to the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at the year end.

	As at 31 March 2014	As at 31 March 2013
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	28.09	20.64
	<b>28.09</b>	<b>20.64</b>

## Notes to Financial Statements

All amount in Rs.Million, unless otherwise stated

13 A TANGIBLE ASSETS		Gross Block			Depreciation/ Amortization			Net Block	
Particulars	As at 1 April 2013	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2014	As at 1 April 2013	For the year	On Disposals /Adjustments during the Year	As at 31 March 2014	As at 31 March 2013
<b>Owned</b>									
Land- Freehold	13.61	-	-	13.61	-	-	-	13.61	13.61
Land- Leasehold	200.29	8.59	-	208.88	16.11	2.88	-	189.89	184.18
Buildings	1,894.99	77.70	-	1,972.69	122.72	45.67	-	1,804.30	1,772.27
Plant and Equipment	9,000.01	8.94	-	9,008.95	1,647.80	474.11	-	6,887.04	7,352.21
Furniture and Fixtures	84.19	0.51	-	84.70	22.68	4.84	-	57.18	61.51
Vehicles	189.34	12.63	-	201.97	109.32	21.68	-	70.97	80.02
Office Equipment	58.86	2.15	-	61.01	39.45	4.05	-	17.51	19.41
<b>Leasehold (Jointly Held):</b>									
Buildings	129.08	-	-	129.08	25.82	12.91	-	90.35	103.26
Plant and Machinery	15.42	-	-	15.42	3.08	1.54	-	10.80	12.34
<b>Total</b>	<b>11,585.79</b>	<b>110.52</b>	<b>-</b>	<b>11,696.31</b>	<b>1,986.98</b>	<b>567.68</b>	<b>-</b>	<b>9,141.65</b>	<b>9,598.81</b>
<b>2012-13</b>	<b>9,901.81</b>	<b>4,109.14</b>	<b>2,425.16</b>	<b>11,585.79</b>	<b>2,094.51</b>	<b>@ 640.43</b>	<b>747.96</b>	<b>1,986.98</b>	<b>9,598.81</b>

@ includes Rs.Nil (31 March 2013 : Rs.121.29 Million) being depreciation charge attributable to the discontinued coke business of the Company.

13 B INTANGIBLE ASSETS		Gross Block				Amortization				Net Block	
Particulars	As at 1 April 2013	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2014	As at 1 April 2013	For the year	On Disposals /Adjustments during the Year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013	
Computer Software-acquired	37.61	2.82	0.35	40.08	23.16	9.61	0.35	32.42	7.66	14.45	
Total	37.61	2.82	0.35	40.08	23.16	9.61	0.35	32.42	7.66	14.45	
2012-13	28.61	9.00	-	37.61	17.54	5.63	0.01	23.16	14.45		
					As at				As at		
					31 March 2014				31 March 2013		
13 C CAPITAL WORK-IN-PROGRESS						19,391.06		16,464.84			

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>14 NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Long Term Trade Investments - (Valued At Cost)</b>		
<b>Investments in Equity Instruments</b>		
<b>Investment in Subsidiaries</b>		
VISA BAO Limited [Refer (a) below]	591.50	591.50
59,150,000 (31 March 2013 : 59,150,000) Equity Shares of Rs.10/- each, fully paid up [Including beneficial interest in 5 Equity Shares of Rs.10/- each, fully paid up]		
Ghotaringa Minerals Limited [Refer (b) below]	8.90	8.90
890,000 (31 March 2013 : 890,000) Equity Shares of Rs.10/- each, fully paid up [Including beneficial interest in 44,500 Equity Shares of Rs.10/- each, fully paid up]		
VISA SunCoke Limited	3,899.69	3,899.69
1,054,476 (31 March 2013 : 1,054,476) Equity Shares of Rs.10/- each, fully paid up		
Kalinganagar Chrome Private Limited	0.60	-
60,000 (31 March 2013 : Nil) Equity Shares of Rs.10/- each fully paid up [Including beneficial interest in 1 Equity Shares of Rs.10/- each, fully paid up]		
VISA Special Steel Limited	-	0.70
Nil (31 March 2013: 70,000) Equity Shares of Rs.10/- each, fully paid up [Including beneficial interest in 6 Equity Shares of Rs.10/- each, fully paid up]		
Kalinganagar Special Steel Private Limited	0.70	-
70,000 (31 March 2013 : Nil) Equity Shares of Rs.10/- each, fully paid up [Including beneficial interest in 6 Equity Shares of Rs.10/- each, fully paid up]		
<b>Investment in Joint Venture (Refer Note 45)</b>	10.00	10.00
VISA Urban Infra Limited [Refer (b) below]		
1,000,000 (31 March 2013 : 1,000,000) Equity Shares of Rs.10/- each, fully paid up		
	<b>4,511.39</b>	<b>4,510.79</b>

(a) The Company has given undertaking to consortium bankers of subsidiary company VISA BAO Limited for sanctioning Rs.1,820.00 Million (31 March 2013 : Rs.1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [i.e. 46,410,000 (31 March 2013 : 46,410,000) number of shares] of VISA BAO Limited.

(b) For charges created in respect of shareholding in Ghotaringa Minerals Limited and VISA Urban Infra Limited, refer Note 5.A (i) (d).

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advance	90.31	106.56
Security Deposits	218.55	224.28
Loans and Advances to related parties		
Advances to Subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Security Deposit with holding company : VISA Infrastructure Limited	261.50	261.50
Security Deposit with Enterprise having significant influence : VISA International Limited	8.00	8.00
Prepaid Expenses	0.31	59.48
MAT Credit Entitlement	307.04	307.04
	<b>888.21</b>	<b>969.36</b>
	As at 31 March 2014	As at 31 March 2013
<b>16 OTHER NON-CURRENT ASSETS</b>		
Margin Money held with Bank with maturity more than 12 months	29.27	13.34
	<b>29.27</b>	<b>13.34</b>
	As at 31 March 2014	As at 31 March 2013
<b>17 INVENTORIES</b>		
(Refer Note 2.6)		
Raw Materials [Refer (a) below]	713.49	692.24
Work-in-Progress [Refer (b) below]	59.35	11.83
Finished Goods [Refer (c) below]	274.06	326.54
Stores and Spares Parts	315.15	280.90
By-products	157.33	113.80
	<b>1,519.38</b>	<b>1,425.31</b>
<b>(a) Raw Materials includes goods in transit Rs.36.97 Million (31 March 2013 : Nil)</b>		
<b>(b) Details of Work-in-Progress</b>		
Chrome Briquette	59.35	8.13
Washery Coal	-	3.70
	<b>59.35</b>	<b>11.83</b>
<b>(c) Details of Finished goods</b>		
Pig Iron	2.75	2.87
Coke	-	92.54
Ferro Chrome	203.12	100.22
Sponge Iron	65.37	129.50
Chrome Powder	0.35	0.35
Others	2.47	1.06
	<b>274.06</b>	<b>326.54</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>18 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	212.90	113.02
Considered Doubtful	152.71	162.22
Other Debts		
Considered Good [Refer (a) below]	195.35	488.16
	560.96	763.40
Less: Provision for Doubtful Debts	152.71	162.22
	<b>408.25</b>	<b>601.18</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	130.67	1.37
Holding Company	-	33.52
Subsidiary Company	-	10.14
	As at 31 March 2014	As at 31 March 2013
<b>19 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Account	0.41	52.00
Cash on hand	0.69	0.61
	1.10	52.61
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Share Refund Order Account	-	0.32
Unclaimed Dividend Account	0.99	0.99
Margin Money with Banks with maturities less than 12 months	133.03	172.08
	134.02	173.39
<b>(i) + (ii)</b>	<b>135.12</b>	<b>226.00</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>20 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Prepaid Expenses	126.29	34.03
Advances against Supply of goods and rendering services		
Considered Good	318.07	547.43
Considered Doubtful	15.78	13.87
Less: Provision for doubtful Advances	(15.78)	(13.87)
Loans and Advances to related parties		
Advances to Key Managerial Personnel [Refer (a) (b) and (c) below]	88.46	67.65
Advances to Holding Company	-	57.03
Advances to Subsidiary Company	0.74	0.49
Advance Payment of Income Tax	183.45	162.18
[Net of Provision Rs.463.07 Million (31 March 2013 : Rs.463.07 Million)]		
Security Deposit	6.29	-
Others taxes receivable / adjustable		
Considered Good	495.61	324.75
Considered Doubtful	24.74	7.80
Less: Provision for Other Taxes receivable / adjustable	(24.74)	(7.80)
	<b>1,218.91</b>	<b>1,193.56</b>

- a) Necessary applications have been filed with the Central Government for payment of revised substantive remuneration to Mr. Vishambhar Saran for the period 1 July 2012 to 30 June 2013 and 1 July 2013 to 14 December 2013 as minimum remuneration in case of loss or inadequacy of profits during the aforesaid period, as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013. Further an application for approval of his reappointment as Whole-time Director designated as Chairman of the Company for a period of three years with effect from 15 December 2013 and payment of substantive remuneration as minimum remuneration to him, in case of loss or inadequacy of profits during the tenure of his re-appointment, as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013, has also been filed with the Central Government. Pending approval of the Central Government, Rs.40.05 Million is being held in trust by Mr. Saran on behalf of the Company.
- b) Necessary applications have been filed with the Central Government for payment of substantive remuneration to Mr. Vishal Agarwal, Vice Chairman and Managing Director for the period 1 July 2012 to 30 June 2013 and 1 July 2013 to 24 June 2014, as minimum remuneration, in case of loss or inadequacy of profits during the aforesaid period, as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013. Pending approval of the Central Government, Rs.36.58 Million is being held in trust by Mr. Agarwal on behalf of the Company.
- c) Necessary application has been filed with the Central Government for appointment and payment of substantive remuneration to Mr. Pankaj Gautam, Joint Managing Director & CEO during the period 12 December 2012 to 11 December 2013, as minimum remuneration in case of loss or inadequacy of profits or loss during the aforesaid period, as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013. Further, an application for approval of waiver of recovery of remuneration of Rs.2.91 Million paid in excess of the prescribed limits under the Companies Act, 1956, for the period 12 December 2012 to 31 March 2013 and an application payment of revised substantive remuneration to Mr. Gautam, during the period 12 December 2013 to 11 December 2015, as minimum remuneration in case of loss or inadequacy of profits or loss during the aforesaid period, as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013, has also been filed. Pending approval of the Central Government, Rs.11.83 Million is being held in trust by Mr. Gautam on behalf of the Company. Mr. Pankaj Gautam has ceased to be Joint Managing Director and CEO and Director of the Company w.e.f. 28 February 2014.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Receivable from DGFT and Customs towards Export Incentive	130.53	44.50
Receivable from Subsidiary Company in pursuance of business transfer	-	82.25
Interest Accrued on Deposits	37.34	26.60
	<b>167.87</b>	<b>153.35</b>

## 22 CONTINGENT LIABILITIES

### (a) Claim against the Company not acknowledged as debt :

- (i) In respect of a charter party dispute between VISA Comtrade (Asia) Limited (the "Charterer") and Transfield Shipping Inc., Panama, (the "Owner of the vessel - Prabhu Gopal") the said Owner of the vessel has filed a civil suit in the Hon'ble Calcutta High Court against the Company and the charterer and claimed the relief for a decree for US\$ 0.30 Million to be expressed in Indian Currency at such rate of exchange and / or on such terms as the Court may deem fit and proper, Injunction, costs or other reliefs. The Company has not accepted the claim as it was not a party to the said Agreement and the matter is subjudice. The Hon'ble Calcutta High Court passed interim orders dated 11 May 2005 and 20 June 2005, restraining the Company and the Charterer from withdrawing any amount from a specified bank account without leaving a balance for a sum of Rs.12.50 Million, which has been set aside by the bank from the cash credit limit of the Company. The Company has been legally advised that the above interim order has been expired due to efflux of time and has not been extended by the Hon'ble Calcutta High Court.
- (ii) Applications have been filed by the legal heirs of a deceased employee of the Company, who died in a road accident while travelling in the Company's vehicle for his personal work, claiming a compensation of Rs.6.10 Million (31 March 2013: Rs.6.10 Million) and interest @ 18% per annum. The Company has contested the claim, which is currently pending before the Motor Accident Claims Tribunal, Bhubaneswar.

	As at 31 March 2014	As at 31 March 2013
<b>(b) Other money for which the Company is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	11.86	63.63
(ii) Disputed Sales Tax matter under Appeal	159.03	159.03
(iii) Disputed Entry Tax matters under Appeal	0.63	0.63
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
(v) Disputed Excise duty matters under Appeal	10.96	-
<b>(c) Guarantees</b>		
(i) Bank Guarantee	25.00	56.50
(ii) Corporate Guarantee issued on behalf of a subsidiary company	720.00	720.00

- (d) In respect of the contingent liabilities mentioned in Note 22 (a) and (b) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 22 (c) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>23 COMMITMENTS:</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs.90.31 Million, (31 March 2013 : Rs.106.57 Million)]	393.85	424.77

**(b) Other Commitments**

- (i) The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met at the year end is Rs.164.90 Million (31 March 2013 : Rs.858.75 Million). The Company is confident that the above export obligation will be met during the specified period.
- (ii) For non-disposal undertaking given by the Company with regard to its investments in VISA Bao Limited Refer Note 14 (a).

	Year ended 31 March 2014	Year ended 31 March 2013
<b>24 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>(a) Sale of Products</b>		
<b>Manufactured Goods</b>		
Pig Iron	1,436.33	64.94
Ferro Chrome	4,582.86	2,282.76
Sponge Iron	3,111.11	1,845.54
Bloom / Round	1,330.14	65.40
Rolled Product	234.97	43.76
By-products	434.58	231.19
Power	66.20	299.81
<b>Total</b>	<b>11,196.19</b>	<b>4,833.40</b>
<b>Traded Goods</b>		
Coal and Coke	870.19	714.06
Others	1.20	16.08
<b>Total</b>	<b>871.39</b>	<b>730.14</b>
Less : Trial Run Sales	1,565.11	240.17
<b>Total</b>	<b>10,502.47</b>	<b>5,323.37</b>
<b>(b) Other Operating Income</b>		
Scrap Sales	27.95	4.12
Conversion Income	-	20.64
Export Incentives	250.48	100.23
Liabilities no longer required written back	100.36	53.22
Provisions for doubtful debts, advances etc. no longer required written back	12.39	3.26
Refund of Custom Duty	-	10.38
<b>Total</b>	<b>391.18</b>	<b>191.85</b>
<b>Revenue from Operations (Gross)</b>	<b>10,893.65</b>	<b>5,515.22</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>25 OTHER INCOME</b>		
Insurance claim received	5.30	14.23
Interest Income	100.37	89.90
Income from Shared Services	170.83	6.39
Other non operating income	3.47	0.92
	<b>279.97</b>	<b>111.44</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>26 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	2,240.71	950.18
Iron Ore	2,539.63	913.27
Coal and Coke	3,473.04	871.41
Others	395.61	83.01
	<b>8,648.99</b>	<b>2,817.87</b>
Less : Trial Run Consumption	1,258.83	220.22
	<b>7,390.16</b>	<b>2,597.65</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>27 PURCHASE OF STOCK-IN-TRADE</b>		
Coal and Coke	814.08	679.04
Others	3.92	17.03
	<b>818.00</b>	<b>696.07</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished Goods	326.54	839.09
Stock-In-Trade	-	441.01
By-products	113.80	223.57
Work-in-Progress	11.83	22.59
	<b>452.17</b>	<b>1,526.26</b>
<b>Less : Closing Stock</b>		
Finished Goods	274.06	326.54
By-products	157.33	113.80
Work-in-Progress	59.35	11.83
	<b>490.74</b>	<b>452.17</b>
Increase / (Decrease) in Excise Duty on Stock	(9.73)	10.88
Increase / (Decrease) in Stock	<b>(48.30)</b>	<b>1,084.98</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>29 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	274.06	312.50
Contribution to Provident and Other Funds	17.37	11.68
Staff Welfare Expenses	1.01	1.74
	<b>292.44</b>	<b>325.92</b>

### Other Disclosures as per Accounting Standard-15 (Revised-2005) on "Employee Benefits"

#### (i) Post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs.9.45 Million (31 March 2013 : Rs.9.68 Million) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

#### (ii) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LIC) make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days, as per provision of Gratuity Act depending upon the tenure of service subject to a maximum limit of Rs.1.00 Million. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.10, based on which, the Company makes contributions to the Gratuity Fund.

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company.

	As at 31 March 2014	As at 31 March 2013
<b>(I) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:</b>		
Present Value of funded obligation at the end of the year	23.25	16.64
Fair Value of Plan Assets at the end of the year	22.87	22.44
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>0.38</b>	<b>(5.80)</b>
<b>(II) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service cost	5.08	3.62
Interest cost	1.50	1.22
Expected Return on Plan Assets	(2.08)	(1.70)
Actuarial loss / (gain)	2.18	0.15
<b>Total Expenses (Recognised under Contribution to Provident and other funds)</b>	<b>6.68</b>	<b>3.29</b>
<b>(III) Reconciliation of opening and closing balances of the present value of the Defined benefit obligations:</b>		
Opening defined benefit obligation	16.64	15.26
Current Service cost	5.08	3.62
Interest cost	1.50	1.22
Less : Transfer of Liability pursuant to transfer of Coke Business	-	(2.53)
Actuarial loss / (gain)	2.05	0.15
Benefits paid	(2.02)	(1.08)
<b>Closing Defined Benefit Obligation</b>	<b>23.25</b>	<b>16.64</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>(IV) Reconciliation of opening and closing balances of the fair value of plan assets:</b>		
Opening fair value of Plan Assets	22.44	19.01
Expected Return on Plan Assets	2.08	1.70
Actuarial (loss) / gain	(0.13)	
Contributions by employer	0.50	5.34
Less : Transfer of amount pursuant to transfer of Coke Business	-	(2.53)
Benefits paid	(2.02)	(1.08)
<b>Closing Fair Value on Plan Assets</b>	<b>22.87</b>	<b>22.44</b>
<b>(V) Actual Return on Plan Assets</b> [Assets consist of funds maintained with LIC for gratuity scheme]	1.95	1.70
<b>(VI) Category of Plan Assets</b>		
Fund with LIC	22.87	24.97
Less : Fund awaiting transfer from LIC	-	(2.53)
<b>Total</b>	<b>22.87</b>	<b>22.44</b>
<b>(VII) Principal Actuarial Assumption Used:</b>		
Discount Rates	9.00 %	8.00 %
Expected Return on Plan Assets	8.75 %	9.25 %
Expected Salary increase rates	5.00 %	5.00 %
Withdrawal Rate	1 % to 2 % depending on age	1 % to 3 % depending on age
Mortality Rates	IALM(06-08) mortality tables	LIC (1994-96) mortality tables
<b>(VIII) Investment Details of Plan Assets (% allocation)</b>		
Insurer managed funds	100 %	100 %

Current Pattern of investment as per IRDA Guidelines are as under:-

Sr. No	Type of Investment	Percentage
1	Government Securities, being not less than	20 %
2	Government Securities or other approved Securities (inclusive (1) above, being not less than)	40 %
3	Balance to be invested in approved investment as specified in Schedule I.	Not exceeding 60 %

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

The contribution expected to be made by the Company for the year ending 31 March 2015 cannot be readily ascertainable and therefore not disclosed.

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
<b>(IX) Experience Adjustment</b>					
Present Value of Defined Benefit Obligation as at end of the year	23.25	16.64	15.26	11.47	8.36
Fair Value of Plan Assets as at end of the year	22.87	22.44	19.01	16.34	12.47
(Surplus) / Deficit as at end of the year	0.38	(5.80)	(3.75)	(4.87)	(4.11)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	(5.10)	(2.21)	(0.67)	Not available	
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.13)	(0.01)	0.09		

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>30 FINANCE COSTS</b>		
Interest Expense	779.90	735.92
Other Borrowing Costs	670.41	522.89
	<b>1,450.31</b>	<b>1,258.81</b>

The amount of finance cost capitalised for qualifying assets during the year 31 March 2014 is Rs.1,970.23 Million (31 March 2013 : Rs.1,618.95 Million)

	Year ended 31 March 2014	Year ended 31 March 2013
<b>31 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and Amortization expense on Tangible Assets	567.68	519.14
Amortization expense of Intangible Assets	9.61	5.63
	<b>577.29</b>	<b>524.77</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>32 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	408.26	189.00
Power and Fuel	235.22	119.07
Rent	9.28	7.89
Lease Rent for Production Facility	109.80	-
Repairs to Buildings	1.61	5.37
Repairs to Machinery	57.17	44.57
Insurance Expenses	9.71	19.92
Rates and Taxes, excluding taxes on income	29.98	41.95
Material Handling Expenses	107.11	57.61
Freight and Selling Expenses	299.56	122.45
Bad Debts Written off	13.82	-
Provision for Doubtful Debts	-	160.25
Provision for Doubtful Advances	21.31	-
Miscellaneous Expenses	264.49	149.19
Transfer to Project	(103.49)	(9.84)
	<b>1,463.83</b>	<b>907.43</b>

### 33 EXCEPTIONAL ITEMS

In view of high volatility in the value of Indian Rupee against USD and other foreign currencies, the Company has incurred loss arising out of the re-instatement of foreign currency monetary items. Total of such forex loss amounting to Rs.160.77 Million (31 March 2013 : Rs.142.66 Million) has been considered as an exceptional item.

During the previous year, the Company had sold its investment in VISA SunCoke Limited, a subsidiary, to SunCoke B.V., pursuant to a Share Purchase and Subscription Agreement executed on 20 November 2012. Profit on such sale of Investment amounting to Rs.Nil (31 March 2013 : Rs.1,762.70 Million) has been considered as an exceptional item.

- 34** The Board of Directors of the Company at its meeting held on 12 August 2013 had approved the transfer of its Special Steel Undertaking on a going concern basis to its wholly owned subsidiary VISA Special Steel Limited by way of Scheme of Arrangement (the Scheme) with effect from 1 April, 2013 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to the sanctions/approval of Jurisdictional High Court, lenders and other concerned authorities as may be applicable. Pending such sanction/approval, the Special Steel Undertaking has not been considered as a discontinuing operation and no effect has been given to the Scheme in these Financial Statements.

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014		Year ended 31 March 2013	
	%	Value	%	Value
<b>35 VALUE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIALS</b>				
<b>(a) Value of Indigenous and Imported Raw Materials Consumption</b>				
Indigenous	81.75 %	7,070.62	77.80 %	2,192.23
Imported	18.25 %	1,578.37	22.20 %	625.64
	<b>100.00%</b>	<b>8,648.99</b>	<b>100.00%</b>	<b>2,817.87</b>
<b>(b) Stores and Spares Consumed</b>				
Indigenous	100.00 %	408.26	100.00 %	189.00
Imported	-	-	-	-
	<b>100.00%</b>	<b>408.26</b>	<b>100.00%</b>	<b>189.00</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>36 C.I.F VALUE OF IMPORTS</b>		
Raw Materials	1,488.39	318.85
Traded Goods	592.09	606.47
Capital Goods	58.94	33.58
	<b>2,139.42</b>	<b>958.90</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>37 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF</b>		
Foreign Travel	6.25	4.58
Interest	7.61	64.13
Professional and Consultation Fees	1.91	-
Other Matters	25.26	50.88
	<b>41.03</b>	<b>119.59</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>38 EARNING IN FOREIGN CURRENCY</b>		
Export of goods calculated on F.O.B. basis	4,168.48	1,718.24

	Year ended 31 March 2014	Year ended 31 March 2013
<b>39 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITOR</b>		
<b>As Auditors:</b>		
Audit Fees	1.25	1.25
Tax Audit Fees	0.15	0.15
Other Services	1.90	1.28
Reimbursement of expenses	0.05	0.12
	<b>3.35</b>	<b>2.80</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>40 EARNING / (LOSS) PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. (Loss) / Profit after tax	(1,524.95)	(910.39)
b. (i) Number of Equity Shares at the beginning of the year	110,000,000	110,000,000
(ii) Number of Equity Shares at the end of the year	110,000,000	110,000,000
(iii) Weighted average number of Equity Shares outstanding during the year	110,000,000	110,000,000
(iv) Face Value of each Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per Share [a / (b(iii))] (Rs.)	(13.86)	(8.28)
<b>(II) Diluted</b>		
a. Weighted average number of Equity Shares for computing diluted earnings / (Loss) per share	110,000,000	110,000,000
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	(13.86)	(8.28)

### 41 SHARE - BASED COMPENSATION

The shareholders of the Company in the Annual General Meeting held on 17 August, 2010, has approved an Employee Stock Option Scheme 2010 (the "ESOP Scheme 2010"), formulated by the Company, under which the Company may issue 5,500,000 options to its permanent employees and directors, its subsidiaries and its holding company, as determined by the Remuneration Committee on its own discretion and in accordance with the SEBI Guidelines.

Each option when exercised would be converted into one fully paid - up equity share of Rs.10/- each of the Company. The ESOP Scheme 2010 is administered by the Remuneration Committee of the Board of Directors of the Company ("the Committee"). Under the ESOP Scheme 2010, the Committee had granted 900,000 options to its eligible employees during the year ended 31 March 2011. During the current year the Company has not granted any new options. The following share-based payment arrangements were in existence during the reporting period.

Particulars	ESOP Scheme 2010
Number of Options Granted	9,00,000
Grant Date	4 February 2011
Vesting Plan	Graded vesting - between 12.5 % & 25 % based on continuity & performance
Vesting Period	Not earlier than one year and not later than five years from the date of grant of the options in one or more tranches.
Exercise Period	3 years from the date of vesting
Exercise Price (Rs.per Option)	46.30
Method of Accounting	Intrinsic Value

### Movement of Options Granted

The movement of the options for the year ended 31 March 2014 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	635,631	46.30	46.30	4
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	52,185	46.30	46.30	-
Outstanding at the end of the year	583,446	46.30	46.30	3
Exercisable at the end of the year	435,946			10 Months

During the year total 144,067 number of Options were vested.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### Fair Valuation:

At grant date, the estimated fair value of stock options granted was Rs.19.56. The fair valuation was carried out by an independent valuer using Black & Scholes model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2010 are as under.

Particulars	Tranche I
Number of options granted	9,00,000
Grant Date	4 February 2011
Risk Free interest rate (%)	7.86% - 8.00%
Option Life (Years)	2.5 - 5.5
Expected Volatility (%)	54.42 - 55.30
Expected Dividend Yield (%)	2.77
Share price at options grant date (in Rs.)	46.30

Had the compensation cost for the stock options granted been recognised based on fair value at the date of grant in accordance with Black & Scholes Model, the proforma amount of net profit and earnings per share of the Company would have been as under:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(1,524.95)</b>	<b>(910.39)</b>
Less : Compensation cost under ESOP as per Fair Value	0.69	1.61
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(1,525.63)</b>	<b>(912.00)</b>
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.00
Face Value of Equity Shares	10.00	10.00
<b>Reported Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(13.86)	(8.28)
Diluted EPS (in Rs.)	(13.86)	(8.28)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(13.87)	(8.29)
Diluted EPS (in Rs.)	(13.87)	(8.29)

42 DETAILS OF FOREIGN CURRENCY EXPOSURE		As at 31 March 2014		As at 31 March 2013	
Particulars	Currency (In Million)	Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
<b>Unhedged Portion as at Balance Sheet Date</b>					
a) Trade Receivable	USD	0.59	35.69	0.81	44.12
b) Trade Payable	USD	0.47	28.06	25.17	1,368.89
	Euro	0.38	31.65	0.83	58.05
<b>Hedged by Forward Contracts as at Balance Sheet Date</b>					
a) Trade Receivable	USD	3.89	239.50	-	-

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 43 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

#### A Primary Segment Reporting (by Business Segment)

##### Identification of the Business Segment

Up to the previous year ended 31 March 2013, the Company's business was organised as a single business segment. However, pursuant to reorganisation of its business, with effect from 1 April 2013, the Company has identified primary business segments namely "Special Steel" and "Ferro Chrome" in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act and has disclosed segment information accordingly. As the Company was organised as a single segment, it is not practicable to ascertain the comparative figures for the year ended 31 March 2013.

Details of products included in each of the above Segments are given below:

<b>Special Steel</b>	Bar and Wire Rods , Billets and Blooms , Pig Iron and Sponge Iron and other Allied Products
<b>Ferro Chrome</b>	Ferro Chrome and Captive Power

##### Segment Revenue, Segment Results and other information

A) Primary Business Segment	Special Steel	Ferro Chrome	Total of Reportable Segments
External Revenue from Operations*	5,260.24	5,039.34	10,299.58
Inter Segment Revenue from Operations*	72.98	40.38	113.36
Segment Revenues	5,333.22	5,079.72	10,412.94
Segment Results	58.68	353.87	412.54
Segment Assets	20,134.26	6,304.80	26,439.06
Segment Liabilities	1,105.46	1,088.83	2,194.29
Capital Expenditure	609.71	9.10	618.81
Depreciation & Amortization	155.10	319.98	475.08
Non Cash Expenses other than depreciation & amortization	-	-	-

\* Net of Excise Duty and does not include Trial Run Sales.

##### Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit(Loss)	Assets	Liabilities #
Total of Reportable Segments	10,412.94	412.54	26,439.06	2,194.29
Corporate-Unallocated / Others (Net)	274.67	(487.18)	10,979.71	31,554.34
Inter Segment Revenues from Operations	(113.36)	-	-	-
Other Allocated Segment Income	5.30	-	-	-
Finance Costs	-	(1,450.31)	-	-
Tax Expenses-Current Tax	-	-	-	-
MAT Credit Entitlement	-	-	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	-	-	-
As per Financial Statements	10,579.55	(1,524.95)	37,418.77	33,748.63

# Excluding Shareholder's Funds



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### B Secondary Segment Reporting (By Geographical Segment)

The Company has its customer in India as well as outside India and thus segment information based on Geographical Location of its customer is as follows :

Particulars	31 March 2014		31 March 2013	
	India	Outside India	India	Outside India
Revenue External	6,156.57	4,143.01	8,477.60	1,713.06
Total Segment Assets	26,113.27	325.79	29,426.25	44.12
Capital Expenditure	618.81	-	2,806.21	-

- 44 The Company has incurred a net loss of Rs.1,524.95 Million (31 March 2013 : Rs.910.39 Million) during the year ended 31 March 2014 and the year end current liabilities exceeded current assets by Rs.7,657.22 Million (31 March 2013 : Rs.4,479.74 Million) and has negative networth at the year end. The Company's financial Performance has been adversely affected mainly due to non availability of raw materials, increasing material costs and volatile foreign exchange.

The Company's Debt had been restructured under the package approved by Corporate Debt Restructuring (CDR) cell in the previous year to overcome inter alia the impact of losses due to high interest costs and to improve cash flows. Under the CDR package, short term borrowings have been converted into long term borrowings with extended repayment schedule and reduced the interest rates. The Company has approached its lenders to sanction fresh line of credit, which is under active considerations by the lenders.

Further, with the gradual improvement in the availability of major raw material i.e. iron ore and signs of recovery in the general economic scenario, the Company expect positive turnaround with substantial increase in its top line. The increased availability of the raw material together with expected increase in demand for the Company's products, the Company has planned full fledged operations of its various units. The same would enable the Company to embark on a sustainable growth path for years to come. Accordingly, with the improvement in the workings, it is expected that the overall financial health of the Company would improve considerably.

Considering the above developments and favourable impact thereof on the financials of the Company and its operation, the Company has prepared these financial statements on the basis of going concern assumption.

### 45 INVESTMENT IN JOINT VENTURE

The Company has invested in VISA Urban Infra Limited vide the consortium agreement with VISA Infrastructure Limited and VISA Realty Limited to start up a project of star hotel and convention centre at Naya Raipur, Chhatisgarh.

Name of Joint Venture	Country of Incorporation	Proportion of Ownership Interest	
		As at 31 March 2014	As at 31 March 2013
VISA Urban Infra Limited	India	26.00%	26.00%

The Company's financial interest in the aforesaid Joint Venture, based on its audited financial statements are as follows :

	31 March 2014	31 March 2013
a) Assets	22.98	18.73
b) Liabilities	13.11	8.81
c) Income	0.00	0.01
d) Expenses	0.05	0.04

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 46 OPERATING LEASES

The Company has lease agreement for various premises which are in the nature of operating lease. The tenure of Lease arrangement ranges between 3 Years to 10 Years which are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent.

During the year Company has entered into an agreement with VISA BAO Limited (VBL), for taking on lease a part of Production Facility of VBL located at Kalinganagar, Odisha. The said lease arrangement which is in the nature of cancellable operating lease, had been initially entered for a period of 9 months from 1 July, 2013 which has been further extended up to 30 September 2015.

	Year ended 31 March 2014	Year ended 31 March 2013
<b>With respect to all operating lease</b>		
Lease payments recognised in the statement of profit and loss during the year	119.08	10.51

### 47 DISCLOSURES PURSUANT TO THE CLAUSE 32 OF THE EQUITY LISTING AGREEMENT

	As at 31 March 2014	As at 31 March 2013
<b>Loans and advances in the nature of loans to subsidiaries and associates</b>		
Loan to subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Maximum amount outstanding at any time during the year	2.50	2.50

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 48 (a) RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18

Related Parties	Name of the Related Parties
<b>(i) Where Control Exists</b>	
Holding Company	VISA Infrastructure Limited
Subsidiaries	Ghotaringa Minerals Limited
	VISA BAO Limited
	VISA Special Steel Limited
	VISA SunCoke Limited (Formerly VISA Coke Limited)
	Kalinganagar Special Steel Private Limited (w.e.f. 27 May 2013)
	Kalinganagar Chrome Private Limited (w.e.f. 1 July 2013)
	VISA Ferro Chrome Limited (w.e.f. 26 July 2013)
<b>(ii) Others</b>	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA International Limited
Fellow Subsidiaries	VISA Resources India Limited
	VISA Energy Ventures Limited
	VISA Power Limited
	VISA Cement Limited
	VISA Aluminium Limited
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Pankaj Gautam (Joint Managing Director & CEO up to 28 February 2014)
	Mr. Pankaj Kumar Bajaj - Joint Managing Director & CEO [(Steel Business) w.e.f. 1 March 2014]
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal
	Mr. Vikas Agarwal
	Mr. Vivek Agarwal
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources PTE Limited
	VISA Bulk Shipping PTE Limited
	VISA Trading (Shanghai) Co., Limited

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 48 (b) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Disclosure in respect of transactions in excess of 10% of the total related party transactions of the same type

Nature of Transactions	Name of the Related Parties	31 March 2014	31 March 2013
Rent Paid	VISA International Limited	4.13	4.11
	VISA Infrastructure Limited	3.92	3.82
Purchase of Goods	VISA Resources India Limited	1,459.33	662.50
	VISA Resources PTE Limited	-	524.46
	VISA SunCoke Limited	1,542.93	-
Sale of Goods	VISA Resources India Limited	1,303.79	526.60
	VISA Infrastructure Limited	-	65.03
	VISA SunCoke Limited	308.19	-
Freight	VISA Bulk Shipping Pte Limited	91.18	302.26
	VISA Resources India Limited	21.22	-
Sale of Coke Business	VISA SunCoke Limited	-	1,800.00
Hire Charges	VISA Resources India Limited	14.57	14.57
Commission	VISA Infrastructure Limited	-	0.15
	VISA Trading (Shanghai) Co., Limited	4.11	-
Interest Income	Ghotaringa Minerals Limited	0.28	0.28
	VISA SunCoke Limited	5.71	-
Rent Income	VISA SunCoke Limited	0.44	-
Shared Service Fees	VISA SunCoke Limited	173.52	5.11
Finance Cost	VISA Power Limited	-	24.67
	VISA Infrastructure Limited	-	49.39
	VISA International Limited	28.23	14.73
	VISA BAO Limited	42.44	-
	VISA SunCoke Limited	11.19	-
Lease Rental	VISA BAO Limited	123.37	-
Remuneration	Mr. Vishambhar Saran	7.15	6.93
	Mr. Vishal Agarwal	6.99	6.59
	Mr. Pankaj Gautam	4.61	-
	Mr. Punkaj Kumar Bajaj	0.42	-
Investment made	Kalinganagar Metcoke Private Limited	-	137.70
	Kalinganagar Special Steel Private Limited	0.70	-
	Kalinganagar Chrome Private Limited	0.60	-
Investment in Subsidiary Transferred	Kalinganagar Special Steel Private Limited	0.70	-
Purchase of Shares from Holding Company	VISA Infrastructure Limited	-	1.40
Sale of Fixed assets	VISA Power Limited	-	0.99
Sale of FPS Licenses	VISA SunCoke Limited	132.93	-
Transfer of Intangible Assets	VISA BAO Limited	2.84	-
Reimbursement of Expenses (Net)	VISA BAO Limited	3.06	28.20
	VISA Resources India Limited	3.47	108.83
	VISA SunCoke Limited	52.88	-
	VISA Bulk Shipping Pte Limited	30.07	-
	VISA Resources PTE Limited	50.87	-
Advance Received	VISA Resources India Limited	-	531.69
Advance Paid against Expenses	VISA Infrastructure Limited	-	26.38
Unsecured Loan Repaid	VISA Infrastructure Limited	-	506.40
	VISA Power Limited	-	250.00
	VISA International Limited	500.00	-
Unsecured Loan Taken	VISA International Limited	-	500.00

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 48 (c) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	31 March 2014						31 March 2013							
	Holding Company	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Holding Company	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Paid	3.92	-	-	-	4.13	-	-	3.82	-	-	-	4.11	-	-
Hire Charges	-	-	-	14.57	-	-	-	-	-	-	14.57	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods	80.26	1,546.04	-	1,538.06	-	-	-	-	-	-	662.50	-	-	524.46
Sale of Goods	-	314.21	-	1,303.79	-	-	132.96	65.03	3.79	-	526.60	-	-	-
Freight	-	-	-	21.22	-	-	95.13	-	-	-	29.55	-	-	322.78
Commission	-	-	-	-	-	-	4.11	0.15	-	-	-	-	-	-
Shared Service Fees	-	173.52	-	-	-	-	-	-	5.11	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	0.99	-	-	-
Transfer of Intangible Assets	-	2.84	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Business	-	-	-	-	-	-	-	-	1,800.00	-	-	-	-	-
Sale of FPS Licenses	-	132.93	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	5.99	-	-	-	-	-	-	0.28	-	-	-	-	-
Rent Income	-	0.44	-	-	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	53.63	-	-	28.23	-	-	49.39	-	-	24.67	14.73	-	-
Lease Rental	-	123.37	-	-	-	-	-	-	-	-	-	-	-	-
Investment made	-	1.30	-	-	-	-	-	-	143.20	-	-	-	-	-
Investment sold	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Shares from Holding Company	-	-	-	-	-	-	-	1.40	-	-	-	-	-	-
Re-imbursement of Expenses (Net)	2.24	56.16	-	4.73	0.34	-	80.94	2.14	19.39	-	107.16	0.33	-	5.87
Unsecured Loan Taken	-	-	-	-	-	-	-	-	-	-	-	500.00	-	-
Unsecured Loan Repaid	-	-	-	-	500.00	-	-	506.40	-	-	250.00	-	-	-
Advance Received	-	-	-	-	-	-	-	-	-	-	531.69	-	-	-
Advance Paid	-	-	-	-	-	-	-	26.38	-	-	-	-	-	-
Remuneration	-	-	-	-	-	19.16	-	-	-	-	-	-	13.52	-
Outstanding at closing														
Receivable	-	-	-	-	-	88.46	130.67	352.05	94.89	-	-	8.00	67.65	1.37
Payable	4.54	1,865.02	-	2,905.59	4.18	-	14.83	-	817.31	-	2,204.04	513.25	-	486.22

## Notes to Financial Statements

- 49** General Reserve (Refer Note 4) represents free reserve not held for any specific purpose, other than to the extent of Rs.3,761.16 Million (31 March 2013 : Rs.3,761.16 Million) which had arisen on implementation of a scheme of amalgamation in earlier year.

### **50 PREVIOUS YEAR FIGURES**

The previous year figures are reclassified where considered necessary to conform to this year's classification.

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

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014



# Independent Auditors' Report

## To the Board of Directors of VISA Steel Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of VISA Steel Limited ("the Company") and its subsidiaries and its jointly controlled entity hereinafter referred to as the "Group" (refer Note 2.2(vii) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## OTHER MATTERS

8. We did not audit the financial statements of five subsidiaries and one jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs.8033.80 Million and net assets of Rs.1689.80 Million as at March 31, 2014, total revenue of Rs.6060.54 Million, net loss of Rs.82.73 Million and net cash flows amounting to Rs.665.20 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

## Pradip Law

Partner  
Membership Number 51790

Kolkata  
May 23, 2014

# Consolidated Balance Sheet as at 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2014	As at 31 March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	(369.66)	1,108.61
		730.34	2,208.61
<b>Minority Interest</b>		1,346.60	1,304.02
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	23,686.29	22,470.87
Deferred Tax Liabilities (Net)	6	10.17	74.90
Other Long-term Liabilities	7	13.16	8.80
Long-term Provisions	8	13.36	11.24
		23,722.98	22,565.81
<b>Current Liabilities</b>			
Short-term Borrowings	9	3,657.32	1,005.38
Trade Payables	10	5,544.71	3,631.98
Other Current Liabilities	11	4,818.32	3,652.64
Short-term Provisions	12	28.25	20.78
		14,048.60	8,310.78
<b>Total</b>		<b>39,848.52</b>	<b>34,389.22</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13 A	11,709.34	11,344.54
Intangible Assets	13 B	9.56	14.46
Capital Work-in-progress	13 C	20,329.32	18,108.48
		32,048.22	29,467.48
Non current investment	14	0.10	-
Long-term Loans and Advances	15	1,000.20	976.89
Other Non-current Assets	16	66.20	31.18
		33,114.72	30,475.55
<b>Current Assets</b>			
Inventories	17	3,069.21	1,505.48
Trade Receivables	18	917.61	608.00
Cash and Bank Balances	19	1,189.21	419.78
Short-term Loans and Advances	20	1,353.15	1,291.76
Other Current Assets	21	204.62	88.65
		6,733.80	3,913.67
<b>Total</b>		<b>39,848.52</b>	<b>34,389.22</b>

This is the Consolidated Balance Sheet referred to in our report of even date.

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

The accompanying notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

**Vishal Agarwal** Vice Chairman & Managing Director  
**Punkaj Kumar Bajaj** Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

# Consolidated Statement of Profit and Loss for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2014	Year ended 31 March 2013
<b>INCOME</b>			
Revenue from Operations (Gross)	24	15,450.03	10,900.88
Less: Excise duty		900.67	651.97
Revenue from Operations (Net)		14,549.36	10,248.91
Other Income	25	136.02	194.76
<b>I. Total revenue</b>		<b>14,685.38</b>	<b>10,443.67</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	10,942.87	6,899.95
Purchases of Stock-in-Trade	27	818.00	696.07
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	28 A	(171.56)	1,454.25
Change in Job-in-Progress	28 B	15.13	(16.11)
Employee Benefits Expense	29	379.02	391.34
Finance Costs	30	1,625.60	1,684.37
Depreciation and Amortisation Expense	31	747.77	652.08
Other Expenses	32	1,454.72	1,085.24
<b>II. Total expenses</b>		<b>15,811.55</b>	<b>12,847.19</b>
<b>III. Loss before Exceptional and Extraordinary Items and Tax</b>		<b>(1,126.17)</b>	<b>(2,403.52)</b>
<b>IV. Exceptional items</b>	33	(339.23)	1,365.33
<b>V. Loss before Extraordinary Items, Tax and Minority Interest</b>		<b>(1,465.40)</b>	<b>(1,038.19)</b>
<b>VI. Extraordinary Items</b>	35	(34.92)	-
<b>VII. Loss before Tax and Minority Interest</b>		<b>(1,500.32)</b>	<b>(1,038.19)</b>
<b>VIII. Tax Expense</b>			
Current tax		6.35	-
MAT credit entitlement		(6.35)	-
Net Current Tax		-	-
Deferred tax		(64.73)	74.74
Current Tax Adjustment in respect of earlier years		-	0.07
<b>IX. Loss for the period after Tax before Minority Interest</b>		<b>(1,435.59)</b>	<b>(1,113.00)</b>
<b>X. Minority Interest</b>		<b>42.69</b>	<b>(37.28)</b>
<b>XI. Loss for the period</b>		<b>(1,478.28)</b>	<b>(1,075.72)</b>
<b>XII. Earning per Equity Share (Nominal Value per Share of Rs.10 each)</b>	34		
Basic (Rs.)		(13.44)	(9.78)
Diluted (Rs.)		(13.44)	(9.78)

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

The accompanying notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

## Consolidated Cash Flow Statement for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Extraordinary Items and Tax	(1,465.40)	(1,038.19)
Adjusted for :		
Depreciation and Amortisation	747.77	652.08
Finance Cost	1,625.60	1,684.37
Interest Income	(129.70)	(178.18)
Bad Debts Written Off	13.82	-
Provision for Doubtful Debts	-	160.25
Provision for Doubtful Advances	21.31	-
Liabilities no longer required written back	(100.36)	(53.22)
Provision no longer required written back	(12.39)	(3.26)
Net (Gain) / Loss from sale of Investments (Exceptional item)	-	(1,762.70)
(Profit) / Loss on sale of Fixed Assets	1.08	0.05
Unrealised Forex Loss / (Gain) [Net]	(19.34)	(456.22)
<b>Operating (Loss) / Profit before working capital changes</b>	<b>682.39</b>	<b>(995.02)</b>
Adjustments for changes in working capital		
(Increase) / Decrease in Trade and Other Receivables	(358.83)	(930.26)
(Increase) / Decrease in Inventories	(1,577.91)	2,019.57
Increase / (Decrease) in Trade and Other Payables	2,608.66	(5,655.61)
<b>Cash generated from (used in) Operations</b>	<b>1,354.31</b>	<b>(5,561.32)</b>
Direct Taxes paid	(56.54)	(18.85)
<b>Net Cash from / (used in) Operating Activities before extraordinary items</b>	<b>1,297.77</b>	<b>(5,580.17)</b>
Extraordinary Items - Loss on account of cyclone (Note 35)	(34.92)	-
<b>Net Cash from / (used in) Operating Activities</b>	<b>1,262.85</b>	<b>(5,580.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Capital Work in Progress	(1,488.32)	(2,765.95)
(Increase) / Decrease in Capital Advances	16.25	269.45
Proceeds from Sale of Fixed Assets	0.35	1.36
Purchase of Non Current Investments	(0.10)	-
Investment in Subsidiary Companies	-	(4.80)
Proceeds from Sale of Investments in a Subsidiary	-	1,767.50
(Placement in) / Release of Margin Money Account	(172.54)	645.69
Interest received	150.45	184.16
<b>Net cash from / (used in) Investing Activities</b>	<b>(1,493.91)</b>	<b>97.41</b>

# Consolidated Cash Flow Statement for the year ended 31 March 2014

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares to Minority Shareholders	-	1,912.30
Proceeds from Long Term Borrowings	374.30	10,262.51
Repayment of Long Term Borrowings	(597.83)	(3,024.37)
(Repayment) / Proceeds of Short Term Borrowings	2,717.88	(1,786.34)
Payment out of Earmarked Accounts	(0.32)	(0.01)
Finance Cost paid	(1,649.83)	(1,868.98)
<b>Net Cash from Financing Activities</b>	<b>844.20</b>	<b>5,495.11</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>613.14</b>	<b>12.35</b>
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	613.14	12.35
Cash and Cash Equivalents as on 1 April	246.39	234.04
<b>Cash and Cash Equivalents as at 31 March</b>	<b>859.53</b>	<b>246.39</b>

## Notes:

(a) Cash and cash equivalents consist of cash on hand and balance with banks as set out below :

	As at 31 March 2014	As at 31 March 2013
Balance with Banks in		
Current Account	71.23	71.42
Demand Deposits with maturity less than 3 months	787.53	174.14
Cash on hand	0.72	0.63
Share of Joint Venture [Refer Note 2.2]	0.05	0.20
<b>Cash and Cash Equivalents as at 31 March</b>	<b>859.53</b>	<b>246.39</b>

(b) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' prescribed under the Companies Act, 1956.

(c) Finance Costs includes borrowing cost capitalised.

(d) Refer Note 41.

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

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

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

## 1. GENERAL INFORMATION

VISA Steel Limited (VSL or the Parent Company) is engaged in the manufacturing of Iron and Steel products Pig Iron, Sponge Iron, Special Steel and High Carbon Ferro Chrome with captive power plant at Kalinganagar, Odisha. Incorporated on 10 September 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar and Golagaon and branch offices across India. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

VISA Steel Limited holds 65 % stake in VISA BAO Limited which is setting up a 100,000 MTPA Ferro Chrome Plant in Kalinganagar, Jajpur Road, Odisha. BAOSTEEL Resources Co Ltd, China, which is one of the leading Steel companies in the world, holds the balance 35 % stake.

VISA Steel Limited holds 89 % stake in Ghotaringa Minerals Limited which is in the process of developing a chrome ore deposit in Dhenkanal district of Odisha and balance 11 % is held by M/s Orissa Industries Limited, Odisha.

VISA Steel Limited holds 51 % stake in VISA SunCoke Limited (VSCL) which has been incorporated on 27 July 2012 with the objective to manufacture and deal in Coal, Coke and related products. Balance stake of 49 % in VSCL is held by SunCoke Europe Holding B.V., a wholly owned subsidiary of SunCoke Energy Inc. USA.

VISA Steel Limited holds 100 % stake in Kalinganagar Special Steel Private Limited (KSSPL) which has been incorporated on 27 May 2013 to deal with the Special Steel business. KSSPL holds 100 % stake in its subsidiary, VISA Special Steel Limited.

VISA Steel Limited holds 100 % stake in Kalinganagar Chrome Private Limited (KCPL) which has been incorporated on 1 July 2013 to deal in Ferro Chrome business. KCPL holds 100 % stake in its subsidiary, VISA Ferro Chrome Limited.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These Consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13 September 2013 read with circular 08/2014 dated 4 April 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 (the "Act") shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended].

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Revised Schedule VI to the Act. Based on the nature of products and the time between the acquisition of assets for the processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

### 2.2 Basis of Consolidation

The Consolidated Financial Statements comprises the financial statements of VISA Steel Limited (the Parent Company) and its subsidiaries and joint venture. The Consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures".

The Consolidated Financial Statements are prepared on the following basis:

- (i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profit or losses thereon have been fully eliminated.
- (ii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (iii) The financial statements of the subsidiaries and joint venture used in the consolidation are drawn up to the same reporting date as that of the Parent Company.
- (iv) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parents portion of equity of the subsidiaries at the date of acquisition is recognised as "Goodwill".
- (v) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration :
  - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
  - The minorities' share of movement in equity since the date parent - subsidiary relationship came into existence.
  - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity is made against the majority interest.
- (vi) Investment in Joint Venture (i.e., jointly controlled entity) is accounted for using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is reported as separate line items in the financial statements.
- (vii) The subsidiary companies and joint venture considered in the Consolidated financial statements are:

	Country of Incorporation	Proportion of ownership interest as at 31 March 2014 [Including Beneficial Interest]	Proportion of ownership interest as at 31 March 2013 [Including Beneficial Interest]
<b>Subsidiaries considered for consolidation :</b>			
VISA BAO Limited	India	65 %	65 %
Ghotaringa Minerals Limited	India	89 %	89 %
VISA SunCoke Limited	India	51 %	51 %
VISA Special Steel Limited	India	@ 100 %	100 %
VISA Ferro Chrome Limited	India	@ 100 %	-
Kalinganagar Special Steel Private Limited	India	100 %	-
Kalinganagar Chrome Private Limited	India	100 %	-
<b>Joint Venture considered for consolidation :</b>			
VISA Urban Infra Limited	India	26 %	26 %

@ represents step-down subsidiary

### 2.3 Fixed Assets

#### (a) Tangible Assets

- (i) Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any. Cost comprises cost of acquisition, construction and subsequent improvements thereto including taxes and duties (net of credits and draw backs), freight and other incidental expenses related to acquisition and installation.
- (ii) Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### (b) Intangible Assets

Intangible Assets are stated at cost net of accumulated amortisation and accumulated impairment losses, if any. Cost comprises cost of acquisition, installation and subsequent improvements thereto including taxes and duties (net of credits and drawbacks, if any).

#### (c) Capital Work-in-Progress

Capital Work-in-Progress is stated at cost and is inclusive of pre-operative expenses, project development expenses etc.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### (d) Depreciation and Amortisation

Depreciation including amortisation on tangible assets, is provided under Straight Line Method (SLM) in accordance with Schedule XIV to the Companies Act, 1956, other than the following:

- (i) Leasehold land is amortised under SLM over the period of lease. No depreciation is provided for freehold land.
- (ii) Leasehold assets which are jointly held are amortised under SLM over the period of the lease terms.
- (iii) Computer software are being amortised under SLM over its useful life of three years.
- (iv) In case of VSCL, depreciation is provided on a pro rata basis under SLM at the following rates which are different from those applied by the Parent Company :

Type of Assets	Range of Depreciation
Buildings	1.82 % to 4.47 %
Plant and Machinery	4.76 % to 33.02 %
Furniture and Fixtures	6.99 %
Vehicles	17.38 %

### 2.4 Impairment Loss

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

### 2.5 Borrowing Cost

Borrowing costs attributable to acquisition and / or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

### 2.6 Investments

Investments of long term nature are stated at cost, less adjustment for diminution, other than temporary, in the carrying amounts thereof.

### 2.7 Inventories

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower. Cost is determined on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and includes, where applicable appropriate overheads. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

### 2.8 Revenue Recognition

- (i) Sale of Goods: Sales are recognised when the substantial risks and reward of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes, VAT but including excise duties.
- (ii) Sale of Services: Revenue from Services (Conversion Jobs) is recognised upon performance of the service under the completed service contract method.  
All direct costs and related conversion overheads relating to jobs in respect of which rendering of service has not been completed within the accounting period, are recorded as "Job-in-Progress" and carried at lower of cost and net realisable value. Job-in-Progress is disclosed under Other Current Assets
- (iii) Other items are recognised on accrual basis.

### 2.9 Other Income

- (i) Interest: Interest Income is generally recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, when there is reasonable certainty as to realisation.
- (ii) All Other items are recognised on accrual basis.

### 2.10 Transactions in Foreign Currencies

#### (i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### (ii) Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are re-instated at the end of accounting period at the closing exchange rate. With respect to long-term foreign currency monetary items, from 1 April 2011 onwards, the Group has adopted the following policy:

- (a) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.
- (b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset / liability.

Exchange differences on re-instatement of all other monetary items are recognised in the Statement of Profit and Loss.

### (iii) Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

## 2.11 Employee Benefits

### (i) Short-term Employee Benefits

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

### (ii) Post Employment Benefit Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method (PUCM), with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets where such plans are funded. Measurement of any assets resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### (iii) Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits is determined using PUCM with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

## 2.12 Taxes on Income

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.13 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the amount required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### 2.15 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenues are accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Company. Revenue and expenses are identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "Corporate-Unallocated/Others(Net)".

### 2.16 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.17 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 (31 March 2013 : 160,000,000) Equity Shares of Rs.10/- each	1,600.00	1,600.00
<b>Issued, Subscribed and Paid-up</b>		
110,000,000 (31 March 2013 : 110,000,000) Equity Shares of Rs.10/- each fully paid up	1,100.00	1,100.00
	As at 31 March 2014	As at 31 March 2013
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>11.19</b>	<b>11.19</b>
<b>Securities Premium Reserve</b>		
Balance as at the beginning of the year	2,552.80	1,645.00
Add/Less : Transfers	-	907.80
<b>Balance as at the end of the year</b>	<b>2,552.80</b>	<b>2,552.80</b>
<b>General Reserve [Refer (a) below]</b>	<b>91.76</b>	<b>91.76</b>
<b>(Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(1,547.14)	(471.42)
Net Loss after Tax transferred from Statement of Profit and Loss	(1,478.28)	(1,075.72)
<b>Balance as at the end of the year</b>	<b>(3,025.42)</b>	<b>(1,547.14)</b>
<b>Total</b>	<b>(369.66)</b>	<b>1,108.61</b>

(a) Represents free reserve not held for any specific purpose

	Non Current Portion		Current Maturities		Total	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
<b>Term Loans including SMCF</b>						
From Banks	18,153.32	18,199.55	375.62	2.72	18,528.94	18,202.27
From Other Parties	613.93	628.78	14.85	-	628.78	628.78
<b>Working Capital Term Loans</b>						
From Banks	1,304.22	1,467.36	169.68	0.78	1,473.90	1,468.14
From Other Parties	28.68	32.38	3.70	-	32.38	32.38
<b>Funded Interest Term Loans</b>						
From Banks	2,888.56	1,107.97	12.72	-	2,901.28	1,107.97
From Other Parties	122.90	61.50	-	-	122.90	61.50
<b>Equipment and Vehicle Term Loans</b>						
From Banks	0.71	9.16	8.45	21.82	9.16	30.98
From Other Parties	2.31	23.85	24.39	67.11	26.70	90.96
<b>Foreign Currency Buyer's Credit from bank for capital expenditure</b>	142.39	-	-	-	142.39	-
<b>Term Loans from Other Parties</b>	429.27	440.32	41.05	-	470.32	440.32
	23,686.29	21,970.87	650.46	92.43	24,336.75	22,063.30
<b>Unsecured</b>						
Loans from Related Parties	-	500.00	-	-	-	500.00
	<b>23,686.29</b>	<b>22,470.87</b>	<b>650.46</b>	<b>92.43</b>	<b>24,336.75</b>	<b>22,563.30</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(650.46)	(92.43)	(650.46)	(92.43)
	<b>23,686.29</b>	<b>22,470.87</b>	<b>-</b>	<b>-</b>	<b>23,686.29</b>	<b>22,470.87</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### A. Details of Securities

#### i. Term loans including SMCF, Working Capital Term Loans, Funded Interest Term Loans and Working Capital facilities :

##### In respect of Parent Company (the Company)

In terms of the Corporate Debt Restructuring (CDR) Package, effective from 1 March 2012, the Loans considered under the said package have been categorised as Term Loans, Working Capital Term Loans, Funding Interest Term Loans and Working Capital Loans [indicated in Note 9], including Structured Mezzanine Credit Facility (SMCF) Loans which are secured as under:

- (a) First pari-passu charge by way of hypothecation of all the Company's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Company, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
- (b) First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, Odisha, Golagaon, Jajpur, Odisha, Raigarh, Chhattisgarh and office premises of the Company at Bhubaneswar, Odisha.
- (c) Pledge of 51 % of Promoter's Shareholding has been executed within 31 March 2014 and further Pledge up to 51 % of total equity of the Company needs to be executed by 31 March 2016.
- (d) Pledge of Equity Shares equivalent to 51 % of the present shareholding in Ghotaringa Minerals Limited held by the Company and existing Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) Lien on all Bank Accounts including the Trust and Retention Account.
- (f) The Lenders of SMCF are having a second pari-passu charge on the Hypothecated assets and a second charge on the mortgaged assets of the Company.
- (g) SIDBI (exposure of Rs.76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

Further, the above facilities are also covered by the following:

- Irrevocable, unconditional personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company.
- Irrevocable, unconditional Corporate Guarantee of VISA Infrastructure Ltd. with negative Lien on VISA House situated at 8/10 Alipore Road, Kolkata 700027, till the Company brings in additional equity of Rs.1,250.00 Million over and above of Rs.3,250.00 Million in the Company as envisaged in the CDR package.
- Irrevocable, unconditional Corporate Guarantee of VISA International Limited and Ghotaringa Minerals Limited.

##### In respect of Subsidiary Company, VISA BAO Limited (VBL)

The total loan of Rs.1,820.00 Million (including Buyers credit amounting to Rs.142.39 Million) is secured by :

The Facility together with all interest, all fees, commitment charges, costs, charges, expenses and other monies whatsoever stipulated in or payable under this Agreement and the other Financing Documents shall be secured by:-

- (a) Assignment of the right, on pari-passu basis among the term lenders of the consortium, to receive the advance ('Advances for Infrastructure Development' estimated at Rs.786 Million as per project cost") from VISA Steel Ltd.



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

under the Infrastructure Sharing Agreements between VISA Steel Limited & VBL for sharing the former's facilities by the latter, in case of termination of Infrastructure Sharing Agreements.

- (b) A first charge on pari-passu basis to all the term lenders on all the immovable and movable assets of VBL, created/ to be created/ acquired/ to be acquired in this Project (other than those assets which has been financed by the other lenders/financial institutions and specifically charged to them).
- (c) Hypothecation of plant and machinery, miscellaneous fixed assets and all other movable fixed assets of VBL.
- (d) Equitable Mortgage of 50 acres of land along with the factory building and the super structures thereof, situated at Jakhapura Village, P.S. No. 197. Jajpur road, Jajpur, Odisha.
- (e) Collateral Security in the form of second charge on all the current assets of the VBL, both present and future, ranking pari-passu basis to all the proposed Term Lenders.
- (f) Non Disposal Undertaking on 51 % of shares held by the Promoters in the VBL.

### ii. Equipment and Vehicle Term Loans

These loans are secured by way of hypothecation of vehicles / machinery acquired under the respective loan arrangements.

### iii. Other Term Loans from Other Parties

- (a) Term Loan from IL&FS

#### In respect of Parent Company

These loans are secured by way of Second pari-passu charge on entire pooled assets of the Company save and except assets charged in favour of Banks/FI/NBFC and 50 acres of land on which VISA BAO Limited is setting up a Ferro Chrome Plant and Corporate Guarantee of VISA International Limited.

#### In respect of Subsidiary Company VBL

Security of Rupee term loan from Bodies Corporate

The facility will be secured by exclusive first charge on certain plant & equipments (valued at Rs.36 Million approximately). However the charge for the facility is yet to be filed with the Registrar of Companies.

- (b) Term Loan from HUDCO - These loans are secured by way of pari-passu First charge on all the fixed assets, both present and future, of the Company's plant including township being financed by HUDCO at Kalinganagar Industrial Complex in Odisha and pari-passu second charge on the current assets of the company within the Integrated Steel Complex including township being financed by HUDCO.

	As at 31 March 2014	As at 31 March 2013
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
The major components of the deferred tax Liabilities/(Assets) based on the tax effects of timing differences are as follows:		
<b>Deferred Tax Liabilities</b>		
Depreciation as per tax law and books	1,516.77	1,299.59
<b>(A)</b>	<b>1,516.77</b>	<b>1,299.59</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Tax Depreciation	(1,303.17)	(1,025.11)
Unabsorbed Business Loss Carried Forward	(126.75)	(128.02)
Provision for doubtful debts and advances	(62.69)	(59.66)
Disallowances allowable for tax purpose on payment	(13.95)	(11.50)
Provision for Stock	-	(0.23)
Others	(0.04)	(0.17)
<b>(B)</b>	<b>(1,506.60)</b>	<b>(1,224.69)</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>(A)+(B)</b>	<b>74.90</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Liability on Lease Equalisation	0.07	-
Add - Share of Joint Venture [Refer Note 2.2]	13.09	8.80
	<b>13.16</b>	<b>8.80</b>
	As at 31 March 2014	As at 31 March 2013
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	13.36	11.24
	<b>13.36</b>	<b>11.24</b>
	As at 31 March 2014	As at 31 March 2013
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer (a) below]	3,032.03	910.17
From Other Parties [Refer (a) below]	24.32	30.64
Other Working Capital Loan		
From Other Parties [Refer (b) below]	62.86	64.57
Unsecured		
Working Capital Facilities [Refer (c) below]	538.11	-
	<b>3,657.32</b>	<b>1,005.38</b>

- (a) For details of Securities of Working Capital Loans Parent Company from Banks and other parties, refer Note 5.A (i).

Cash Credit and working capital facilities from banks of Subsidiary Company, VSCL are secured by hypothecation/first charge on all current assets, present and future, of the Company on pari-passu basis. Further such facilities from banks are also secured by first charge on the entire fixed assets, present and future, of the company, by way of hypothecation of movable assets and equitable mortgage of immovable properties ranking pari passu between lending banks. The Creation of Collateral Security is pending due to non-receipt No Objection Certificate (NOC) from Odisha Industrial Infrastructure Development Corporation (IDCO) for 25 acres of land taken on lease.

- (b) Short term borrowing of Parent Company from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of Rs.76.40 Million (31 March 2013 : Rs.76.40 Million) under the MSMED Receivable Finance Scheme sanctioned by SIDBI covering the sale of goods / services made by SME / eligible service sector and transport services. Also refer Note 5.A (i) for details of security.
- (c) Working capital facilities of Rs.538.11 Million of Subsidiary Company, VSCL has been guaranteed corporate guarantee of SunCoke Energy Inc., the Holding Company of SunCoke Europe Holdings B.V., an enterprise having significant influence over VSCL.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>10 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises	45.00	42.48
Due to other than Micro and Small Enterprises	5,499.71	3,589.50
	<b>5,544.71</b>	<b>3,631.98</b>
	As at 31 March 2014	As at 31 March 2013
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	650.46	92.43
Interest accrued and due on borrowings	265.74	47.12
Interest accrued but not due on borrowings	13.42	6.52
Employee related liabilities	160.88	151.69
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	92.43	79.73
Share Refund Order account	-	0.32
Unclaimed Dividend	0.99	0.99
Advances from Customers	142.41	65.49
Advance from Fellow Subsidiary	2,811.85	2,187.78
Capital Creditors	436.91	819.05
Other liabilities	243.22	201.52
Add - Share of Joint Venture [Refer Note 2.2]	0.01	-
	<b>4,818.32</b>	<b>3,652.64</b>
	As at 31 March 2014	As at 31 March 2013
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	28.25	20.78
	<b>28.25</b>	<b>20.78</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

13 A TANGIBLE ASSETS		Gross Block				Depreciation/ Amortisation		Net Block	
Particulars	As at 1 April 2013	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2014	As at 1 April 2013	For the year	On Disposals /Adjustments during the Year	As at 31 March 2014	As at 31 March 2013
<b>Owned</b>									
Land- Freehold	13.60	0.01	-	13.61	-	-	-	13.61	13.60
Land- Leasehold	215.59	9.64	-	225.23	16.13	3.10	-	19.23	199.46
Buildings	2,032.13	323.36	-	2,355.49	151.16	56.36	-	207.52	1,880.97
Plant and Equipment	11,337.19	751.92	2.37	12,086.74	2,368.76	632.35	0.19	3,000.92	8,968.43
Furniture and Fixtures	84.70	0.53	-	85.23	22.92	4.87	-	27.79	61.78
Vehicles	195.12	14.38	-	209.50	111.03	22.38	-	133.41	84.09
Office Equipment	60.57	5.16	0.03	65.70	39.96	4.49	-	44.45	20.61
<b>Leasehold (Jointly Held):</b>									
Buildings	129.08	-	-	129.08	25.82	12.90	-	38.72	103.26
Plant and Machinery	15.42	-	-	15.42	3.08	1.54	-	4.62	12.34
<b>Total</b>	<b>14,083.40</b>	<b>1,105.00</b>	<b>2.40</b>	<b>15,186.00</b>	<b>2,738.86</b>	<b>737.99</b>	<b>0.19</b>	<b>3,476.66</b>	<b>11,344.54</b>
<b>2012-13</b>	<b>9,906.24</b>	<b>4,181.58</b>	<b>4.42</b>	<b>14,083.40</b>	<b>2,095.35</b>	<b>646.46</b>	<b>2.95</b>	<b>2,738.86</b>	<b>11,344.54</b>

Vehicles of Subsidiary Company, VISA BAO Limited, includes gross block aggregating Rs.0.88 Million [31 March 2013 : Rs.0.88 Million] net block aggregating Rs.0.68 Million [31 March 2013 : Rs.0.76 Million] held under finance lease arrangement.

13 B INTANGIBLE ASSETS		Gross Block				Amortisation		Net Block	
Particulars	As at 1 April 2013	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2014	As at 1 April 2013	For the year	On Disposals /Adjustments during the Year	As at 31 March 2014	As at 31 March 2013
Computer Software-acquired	37.61	4.88	0.35	42.14	23.15	9.78	0.35	32.58	14.46
<b>Total</b>	<b>37.61</b>	<b>4.88</b>	<b>0.35</b>	<b>42.14</b>	<b>23.15</b>	<b>9.78</b>	<b>0.35</b>	<b>32.58</b>	<b>14.46</b>
<b>2012-13</b>	<b>28.85</b>	<b>9.00</b>	<b>0.24</b>	<b>37.61</b>	<b>17.54</b>	<b>5.62</b>	<b>0.01</b>	<b>23.15</b>	<b>14.46</b>

13 C CAPITAL WORK-IN-PROGRESS		As at 31 March 2014	As at 31 March 2013
Capital work-in-progress		20,306.81	18,090.22
Add - Share of Joint Venture [Refer Note 2.2]		22.51	18.26
		<b>20,329.32</b>	<b>18,108.48</b>

Capital Work-in-Progress includes Exchange (Gain) / Loss capitalised during the year Rs.21.33 Million [31 March 2013 : Rs.8.02 Million] and borrowing cost for the year capitalised amounting to Rs.2,076.85 Million (31 March 2013 : Rs.1,728.16 Million).

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>14 NON-CURRENT INVESTMENTS</b>		
<b>Other Investments</b>		
<b>Government and Trust Securities</b>		
National Savings Certificate	0.10	-
	<b>0.10</b>	<b>-</b>
	As at 31 March 2014	As at 31 March 2013
<b>15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advance	98.63	114.30
Security Deposits	220.71	226.10
Loans & Advances to related parties		
Security Deposit with Ultimate Holding Company: VISA Infrastructure Limited	294.00	261.50
Security Deposit with Enterprise having significant influence: VISA International Limited	8.00	8.00
Prepaid Expenses	1.19	59.48
MAT Credit Entitlement	313.39	307.04
Balances with Government Authorities	41.21	-
Advance Payment of Income Tax	22.60	-
[Net of Provision for Income Tax Rs.21.25 Million (31 March 2013 : Rs.21.25 Million) & Provision for FBT Rs.0.10 Million (31 March 2013 : Rs.0.10 Million) ]		
Other Long Term Advances	0.47	0.47
	<b>1,000.20</b>	<b>976.89</b>
	As at 31 March 2014	As at 31 March 2013
<b>16 OTHER NON-CURRENT ASSETS</b>		
Margin Money with maturity more than 12 months	36.14	19.52
Advance Income Tax / TDS (Net of Provision for Tax)	17.91	-
Interest Accrued on Investments	0.01	-
Gratuity	0.21	-
Unamortised Expenses - Prospecting Licence	11.93	11.66
	<b>66.20</b>	<b>31.18</b>
	As at 31 March 2014	As at 31 March 2013
<b>17 INVENTORIES</b>		
(Refer Note 2.7)		
Raw Materials [Refer (a) below]	2,067.90	705.21
Work-In-Progress	114.21	56.44
Finished Goods	394.08	326.54
Stores and Spares parts	335.69	303.49
By-products	157.33	113.80
	<b>3,069.21</b>	<b>1,505.48</b>

(a) Raw Materials includes goods in transit Rs.36.97 Million (31 March 2013 : Nil)

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>18 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	212.93	113.02
Considered Doubtful	152.71	162.22
Other Debts		
Considered Good [Refer (a) below]	704.68	494.98
	1,070.32	770.22
Less: Provision for Doubtful Debts	152.71	162.22
	<b>917.61</b>	<b>608.00</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	130.67	1.37
Holding Company	-	33.52

	As at 31 March 2014	As at 31 March 2013
<b>19 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Account	71.23	71.42
Demand Deposits with maturity less than 3 months	787.53	174.14
Cash on hand	0.72	0.63
Add - Share of Joint Venture [Refer Note 2.2]	0.05	0.20
	859.53	246.39
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Share Refund Order Account	-	0.32
Unclaimed Dividend Account	0.99	0.99
Margin Money with Banks with maturities more than 3 months but less than 12 months	328.69	172.08
	329.68	173.39
<b>(i) + (ii)</b>	<b>1,189.21</b>	<b>419.78</b>

	As at 31 March 2014	As at 31 March 2013
<b>20 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Earnest Money Deposits	-	2.00
Prepaid Expenses	148.92	40.52
Advances against Supply of goods and rendering services		
Considered Good	342.08	547.92
Considered Doubtful	15.78	13.87
Less: Provision for doubtful Advances	(15.78)	(13.87)
Loans and Advances to related parties		
Advances to Key Managerial Personnel	88.86	67.65
Advances to the Ultimate Holding Company	-	57.03
Advance Payment of Income Tax	183.45	171.48
[Net of Provision Rs.484.41 Million (31 March 2013 : Rs.484.41 Million)]		
Security Deposit	6.29	-



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>20 SHORT-TERM LOANS AND ADVANCES (CONTD.)</b>		
Others taxes receivable / adjustable		
Considered Good	581.84	404.22
Considered Doubtful	24.74	7.80
Less: Provision for Other Taxes receivable / adjustable	(24.74)	(7.80)
Other Advances	1.36	0.74
Add - Share of Joint Venture [Refer Note 2.2]	0.35	0.20
	<b>1,353.15</b>	<b>1,291.76</b>

	As at 31 March 2014	As at 31 March 2013
<b>21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Receivable from DGFT and Customs towards Export Incentive	130.53	44.50
Interest Accrued on Deposits	49.95	27.96
Other Receivables	1.41	-
Unamortised Premium on Forward Covers	19.83	-
Job in Progress	1.72	16.11
Discarded Fixed Assets held for sale	1.10	-
Add - Share of Joint Venture [Refer Note 2.2]	0.08	0.08
	<b>204.62</b>	<b>88.65</b>

## 22 CONTINGENT LIABILITIES

### (a) Claim against the Company not acknowledged as debt :

- (i) In respect of a charter party dispute between VISA Comtrade (Asia) Limited (the "Charterer") and Transfield Shipping Inc., Panama, (the "Owner of the vessel - Prabhu Gopal") the said Owner of the vessel has filed a civil suit in the Hon'ble Calcutta High Court against the Parent Company and the charterer and claimed the relief for a decree for US\$ 0.30 Million to be expressed in Indian Currency at such rate of exchange and / or on such terms as the Court may deem fit and proper, Injunction, costs or other reliefs. The Parent Company has not accepted the claim as it was not a party to the said Agreement and the matter is subjudice. The Hon'ble Calcutta High Court passed interim orders dated 11 May 2005 and 20 June 2005, restraining the Parent Company and the Charterer from withdrawing any amount from a specified bank account without leaving a balance for a sum of Rs.12.50 Million, which has been set aside by the bank from the cash credit limit of the Parent Company. The Parent Company has been legally advised that the above interim order has been expired due to efflux of time and has not been extended by the Hon'ble Calcutta High Court.
- (ii) Applications have been filed by the legal heirs of a deceased employee of the Parent Company, who died in a road accident while travelling in the Parent Company's vehicle for his personal work, claiming a compensation of Rs.6.10 Million (31 March 2013: Rs.6.10 Million) and interest @ 18% per annum. The Parent Company has contested the claim, which is currently pending before the Motor Accident Claims Tribunal, Bhubaneswar.

	As at 31 March 2014	As at 31 March 2013
<b>(b) Other money for which the Group is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	25.74	77.50
(ii) Disputed Sales Tax matter under Appeal	159.03	159.03
(iii) Disputed Entry Tax matters under Appeal	27.10	0.63
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
(v) Disputed Excise Duty matter under Appeal	10.96	-
<b>(c) Guarantees</b>		
(i) Bank Guarantee	25.00	56.50

- (d) In respect of the contingent liabilities mentioned in Note 22 (a) and (b) above, pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 22 (c) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>23 COMMITMENTS:</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs.90.31 Million, (31 March 2013 : Rs.106.57 Million)]	540.31	643.80

**(b) Other Commitments**

- (i) The Group has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met at the year end is Rs.411.93 Million (31 March 2013 : Rs.1,105.78 Million). The Group is confident that the above export obligation will be met during the specified period.
- (ii) The Parent Company has given undertaking to consortium bankers of subsidiary Company VISA BAO Limited for sanctioning Rs.1,820.00 Million (31 March 2013 : Rs.1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [ i.e. 46,410,000 (31 March 2013 : 46,410,000) number of shares] of VISA BAO Limited.

	Year ended 31 March 2014	Year ended 31 March 2013
<b>24 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>(a) Sale of products</b>		
<b>Manufactured Goods</b>		
Pig Iron	1,436.33	64.94
Coke	4,683.84	5,147.83
Ferro Chrome	4,582.86	2,282.76
Sponge Iron	3,111.11	1,845.54
Bloom / Round	1,330.14	65.40
Rolled Product	230.56	43.76
By-products	388.74	341.50
Power	66.20	299.81
<b>Total</b>	<b>15,829.78</b>	<b>10,091.54</b>
<b>Traded Goods</b>		
Coal and Coke	687.27	714.06
Others	1.20	16.08
<b>Total</b>	<b>688.47</b>	<b>730.14</b>
Less: Trial Run Sale	1,560.70	240.17
<b>Sale of products</b>	<b>14,957.55</b>	<b>10,581.51</b>
<b>(b) Sale of Services</b>		
Conversion Income	101.56	148.16
	<b>101.56</b>	<b>148.16</b>
<b>(c) Other Operating Revenues</b>		
Scrap sales	27.69	4.12
Export Incentives	250.48	100.23
Liabilities no longer required written back	100.36	53.22
Provisions no longer required written back	12.39	3.26
Refund of Custom Duty	-	10.38
	<b>390.92</b>	<b>171.21</b>
<b>Total Revenue from Operations (Gross)</b>	<b>15,450.03</b>	<b>10,900.88</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>25 OTHER INCOME</b>		
Insurance claim received	5.30	14.23
Interest Income	129.70	178.18
Income from Shared Services	-	1.40
Other non operating income	1.02	0.95
	<b>136.02</b>	<b>194.76</b>
	Year ended 31 March 2014	Year ended 31 March 2013
<b>26 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	2,240.71	950.17
Iron Ore	2,539.63	913.27
Coal and Coke	7,025.75	5,177.32
Others	395.61	79.41
	<b>12,201.70</b>	<b>7,120.17</b>
Less: Trial Run Consumption	1,258.83	220.22
	<b>10,942.87</b>	<b>6,899.95</b>
	Year ended 31 March 2014	Year ended 31 March 2013
<b>27 PURCHASES OF STOCK-IN-TRADE</b>		
Coal and Coke	814.08	679.04
Others	3.92	17.03
	<b>818.00</b>	<b>696.07</b>
	Year ended 31 March 2014	Year ended 31 March 2013
<b>28 A CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished Goods	326.54	1,177.80
Stock-In-Trade	-	441.01
By-products	113.80	268.38
Work-in-Progress	56.44	75.25
	<b>496.78</b>	<b>1,962.44</b>
<b>Less: Closing Stock</b>		
Finished Goods	394.08	326.54
By-products	157.33	113.80
Work-in-Progress	114.21	56.44
	<b>665.62</b>	<b>496.78</b>
Increase/(Decrease) in Excise Duty on Stock	(2.72)	(11.41)
Increase/(Decrease) in Stock	<b>(171.56)</b>	<b>1,454.25</b>
	Year ended 31 March 2014	Year ended 31 March 2013
<b>28 B CHANGE IN JOB-IN-PROGRESS</b>		
Opening Job-in-Progress	16.11	-
Less: Closing Work-in-Progress	1.72	16.11
Increase/ (Decrease) in Excise Duty on Job-in- Progress	0.74	-
	<b>15.13</b>	<b>(16.11)</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>29 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	356.05	374.05
Contribution to Provident and Other Funds	21.20	15.52
Staff Welfare Expenses	1.77	1.77
	<b>379.02</b>	<b>391.34</b>

### 29 (a) In respect of the Parent Company and its Subsidiary VISA BAO Limited and VISA SunCoke Limited

#### (i) Defined Contribution Plan

The Group contributes to the Provident Funds maintained by the Regional Provident Fund Commissioner. Contributions are made by the Group to the Funds, based on the current salaries. In the provident fund schemes, contributions are also made by the employees. An amount of Rs.11.78 Million (31 March 2013 : Rs.10.65 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the above defined contribution schemes. Apart from making monthly contribution to the scheme, the Company has no other obligation.

#### (ii) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Parent Company and its Subsidiary Companies VISA BAO Limited and VISA SunCoke Limited provides for Gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LICI) make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days, as per provision of Gratuity Act depending upon the tenure of service subject to a maximum limit of Rs.1.00 Million. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.11, based on which, the respected entities makes contributions to the Gratuity Fund.

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Group.

	As at 31 March 2014	As at 31 March 2013
<b>(I) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets :</b>		
Present Value of funded obligation at the end of the year	26.92	19.72
Fair Value of Plan Assets at the end of the year	27.74	25.79
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>(0.82)</b>	<b>(6.07)</b>
<b>(II) Expenses recognised in the Consolidated Statement of Profit and Loss:</b>		
Current Service cost	5.79	3.86
Interest cost	1.77	1.24
Expected Return on Plan Assets	(2.34)	(1.73)
Actuarial loss / (gain)	1.83	0.17
<b>Total Expenses</b>	<b>7.05</b>	<b>3.54</b>
<b>(III) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligations:</b>		
Opening defined benefit obligation	19.72	15.53
Current Service cost	5.79	3.86
Interest cost	1.77	1.24
Actuarial loss / (gain)	1.70	0.17
Benefits paid	(2.06)	(1.08)
<b>Closing Defined Benefit Obligation</b>	<b>26.92</b>	<b>19.72</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2014	As at 31 March 2013
<b>(IV) Reconciliation of opening and closing balances of the fair value of plan assets:</b>		
Opening fair value of Plan Assets	25.79	19.34
Expected Return on Plan Assets	2.34	1.73
Contributions by employer	1.80	5.80
Benefits paid	(2.06)	(1.08)
Actuarial (loss) / gain	(0.13)	-
<b>Closing Fair Value on Plan Assets</b>	<b>27.74</b>	<b>25.79</b>
<b>(V) Actual Return on Plan Assets</b>	2.21	1.73
<b>(VI) Category of Plan Assets</b>		
Fund with LIC	27.74	25.79
<b>(VII) Principal Actuarial Assumption Used:</b>	<b>27.74</b>	<b>25.79</b>
Discount Rates	9%	8.00% / 8.25%
Expected Return on Plan Assets	6.75% / 8.75% / 9%	8.00% / 9.25%
Expected Salary increase rates	5%	5%
Withdrawal Rate	1% to 2% depending on age	1% to 3% depending on age
Mortality Rates	IALM (2006-08) mortality tables	LIC (1994-96) mortality tables
<b>(VIII) Investment Details of Plan Assets (% allocation)</b>		
Insurer managed funds	100%	100%

### Current Pattern of investment as per IRDA Guidelines are as under :-

Type of Investment	Percentage
1. Government Securities, being not less than	20%
2. Government Securities or other approved Securities (inclusive in (1) above, being not less than)	40%
3. Balance to be invested in approved investment as specified in Schedule I.	Not exceeding 60%

**(IX)** The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Company for the year ending 31 March 2015 cannot be readily ascertainable and therefore not disclosed.

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
<b>(X) Experience Adjustment</b>						
Present Value of Defined Benefit Obligation as at end of the year	26.92	19.72	15.53	11.47	8.36	6.50
Fair Value of Plan Assets as at end of the year	27.74	25.79	19.34	16.34	12.47	9.29
(Surplus) / Deficit as at end of the year	(0.82)	(6.07)	(3.81)	(4.87)	(4.11)	(2.79)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	(5.10)	(2.21)	(0.67)	Not available		
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.13)	(0.01)	0.09			

**29 (b) In respect of the Subsidiary Companies, Ghotaringa Minerals Limited, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited and the Joint Venture Company VISA Urban Infra Limited.**

There being no employees, employee benefit regulations e.g. Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc. are not applicable.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>30 FINANCE COSTS</b>		
Interest expense	881.61	827.25
Other borrowing costs	743.99	856.77
Interest on Income Tax relating to earlier years	-	0.35
	<b>1,625.60</b>	<b>1,684.37</b>

The amount of finance cost capitalised for qualifying assets during the year 31 March 2014 is Rs.2,076.85 Million (31 March 2013 : Rs.1,728.16 Million)

	Year ended 31 March 2014	Year ended 31 March 2013
<b>31 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and Amortisation expense on Tangible Assets	737.99	646.46
Amortisation expense of Intangible Assets	9.78	5.62
	<b>747.77</b>	<b>652.08</b>

	Year ended 31 March 2014	Year ended 31 March 2013
<b>32 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	455.22	226.60
Power and Fuel	130.06	123.09
Rent	13.56	10.56
Repairs to Buildings	5.71	6.74
Repairs to Machinery	68.82	53.88
Repairs Others	1.02	-
Insurance Expenses	16.94	24.56
Rates and Taxes, excluding taxes on income	30.63	42.14
Contract Labour Charges	21.40	-
Material Handling Expenses	128.00	115.52
Freight and Selling Expenses	342.31	172.31
Bad Debts Written off	13.82	-
Provision for Doubtful Debts	-	160.25
Provision for Doubtful Advances	21.31	-
Premium on Forward Exchange Contract Amortised	19.71	-
Miscellaneous Expenses	289.65	159.39
Transfer to Project	(103.49)	(9.84)
Add: Share of Joint Venture [Refer Note 2.2]	0.05	0.04
	<b>1,454.72</b>	<b>1,085.24</b>

- 33** In view of high volatility in the value of Indian Rupee against USD and other foreign currencies, the Group has incurred loss arising out of the re-instatement of foreign currency monetary items. Total such forex loss amounting to Rs.339.23 Million [31 March 2013 : (Rs.397.37 Million)] has been considered as an exceptional item.

During the previous year, the Parent Company had sold its investment in VISA SunCoke Limited, a subsidiary, to SunCoke B.V., pursuant to a Share Purchase and Subscription Agreement executed on 20 November 2012. Profit on such sale of Investment amounting to Rs.Nil (31 March 2013 : Rs.1,762.70 Million) has been considered as an exceptional item.



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2014	Year ended 31 March 2013
<b>34 CONSOLIDATED EARNING / (LOSS) PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. (Loss) after Tax and Minority Interest	(1,478.28)	(1,075.72)
b. (i) Number of Equity Shares at the beginning of the year	110,000,000	110,000,000
(ii) Number of Equity Shares at the end of the year	110,000,000	110,000,000
(iii) Weighted average number of Equity Shares outstanding during the year	110,000,000	110,000,000
(iv) Face Value of each Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per Share [a / (b(iii))] (Rs.)	<b>(13.44)</b>	<b>(9.78)</b>
<b>(II) Diluted</b>		
a. Weighted average number of Equity Shares for computing diluted earnings / (Loss) per share	110,000,000	110,000,000
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	<b>(13.44)</b>	<b>(9.78)</b>

- 35** Extra-ordinary item of Rs.34.92 Million (31 March 2013 : NIL) represents loss / destruction of inventory suffered by a Subsidiary Company, VISA SunCoke Ltd due to cyclonic weather conditions in Odisha. The amount of loss has been estimated based on physical verification carried out by an independent agency. The Subsidiary Company has filed an insurance claim in respect of such loss.

### 36 SHARE - BASED COMPENSATION

The shareholders of the Parent Company in the Annual General Meeting held on 17 August 2010, has approved an Employee Stock Option Scheme 2010 (the "ESOP Scheme 2010"), formulated by the Parent Company, under which the Company may issue 5,500,000 options to its permanent employees and directors, its subsidiaries and its holding company, as determined by the Remuneration Committee on its own discretion and in accordance with the SEBI Guidelines.

Each option when exercised would be converted into one fully paid - up equity share of Rs.10/- each of the Parent Company. The ESOP Scheme 2010 is administered by the Remuneration Committee of the Board of Directors of the Parent Company ("the Committee"). Under the ESOP Scheme 2010, the Committee had granted 900,000 options to its eligible employees during the year ended 31 March 2011. During the current year the Parent Company has not granted any new options. The following share-based payment arrangements were in existence during the reporting period.

Particulars	ESOP Scheme 2010
Number of Options Granted	900,000
Grant Date	4 February 2011
Vesting Plan	Graded vesting - between 12.5 % & 25 % based on continuity & performance
Vesting Period	Not earlier than one year and not later than five years from the date of grant of the options in one or more tranches.
Exercise Period	3 years from the date of vesting
Exercise Price (Rs.per Option)	46.30
Method of Accounting	Intrinsic Value

#### Movement of Options Granted

The movement of the options for the year ended 31 March 2014 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	635,631	46.30	46.30	4
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	52,185	46.30	46.30	-
Outstanding at the end of the year	583,446	46.30	46.30	3
Exercisable at the end of the year	435,946			10 Months

During the year total 144,067 number of Options were vested.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### Fair Valuation:

At grant date, the estimated fair value of stock options granted was Rs.19.56. The fair valuation was carried out by an independent valuer using Black & Scholes model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2010 are as under.

Particulars	Tranche I
Number of options granted	900,000
Grant Date	4 February 2011
Risk Free interest rate (%)	7.86% - 8.00%
Option Life (Years)	2.5 - 5.5
Expected Volatility (%)	54.42 - 55.30
Expected Dividend Yield (%)	2.77
Share price at options grant date (in Rs.)	46.30

Had the compensation cost for the stock options granted been recognised based on fair value at the date of grant in accordance with Black & Scholes Model, the proforma amount of net profit and earnings per share of the Parent Company would have been as under:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(1,524.95)</b>	<b>(910.39)</b>
Less: Compensation cost under ESOP as per Fair Value	0.69	1.61
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(1,525.64)</b>	<b>(912.00)</b>
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.00
Face Value of Equity Shares	10.00	10.00
<b>Reported Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(13.86)	(8.28)
Diluted EPS (in Rs.)	(13.86)	(8.28)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(13.87)	(8.29)
Diluted EPS (in Rs.)	(13.87)	(8.29)

Particulars	Currency (In Million)	As at 31 March 2014		As at 31 March 2013	
		Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
<b>37 DETAILS OF FOREIGN CURRENCY EXPOSURE</b>					
<b>Unhedged Portion as at Balance Sheet Date</b>					
a) Trade Receivable	USD	0.59	35.69	0.81	44.12
b) Trade Payable	USD	5.57	334.82	25.17	1,368.89
	EURO	0.38	31.65	0.83	58.05
c) Advances Recoverable in cash or kind	USD	0.28	16.67	-	-
d) Short Term Borrowings	USD	1.53	91.85	-	-
e) Buyers Credit	USD	2.37	142.39	-	-
<b>Hedged by Forward Contracts as at Balance Sheet Date</b>					
a) Trade Receivable	USD	3.89	239.50	-	-
b) Trade Payable	USD	30.72	1,846.14	-	-

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 38 SEGMENT INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 ON SEGMENT REPORTING :

#### Primary Segment Reporting (by Business Segment)

##### Identification of the Business Segment

Up to the previous year ended 31 March 2013, the Group's business was organised as a single business segment. However, pursuant to reorganisation of its business, with effect from 1 April 2013, the Group has identified primary business segments namely "Special Steel", "Ferro Chrome" and "Coke" and has disclosed segment information accordingly. As the Group was organised as a single segment, it is not practicable to ascertain the comparative figures for the Year ended 31 March 2013.

Details of products included in each of the above Segments are given below:

<b>Special Steel</b>	Bar and Wire Rods , Billets and Blooms , Pig Iron and Sponge Iron and other Allied Products
<b>Ferro Chrome</b>	Ferro Chrome and Captive Power
<b>Coke</b>	Metallurgical Coke

#### Segment Revenue, Segment Results and other information for the Group

A) Primary Business Segment	Special Steel	Ferro Chrome	Coke	Total of Reportable Segments
External Revenue from Operations*	4,978.75	5,039.34	4,531.27	14,549.36
Inter Segment Revenue from Operations*	354.46	40.37	1,373.46	1,768.29
Segment Revenues	5,333.21	5,079.71	5,904.73	16,317.65
Segment Results	58.73	424.90	144.21	627.84
Segment Assets	20,135.35	8,428.64	4,979.83	33,543.82
Segment Liabilities	1,105.80	1,153.85	754.15	3,013.80
Capital Expenditure	609.71	274.11	18.29	902.11
Depreciation & Amortisation	155.10	356.12	134.35	645.57
Non Cash Expenses other than depreciation & amortisation	-	-	-	-

\* Net of Excise Duty and does not include Trial Run Sales.

#### Reconciliation of Reportable Segments with the Financial Statement

	Revenues	Results/Net Profit(Loss)	Assets	Liabilities#
Total of Reportable Segments	16,317.65	627.84	33,543.82	3,013.80
Corporate-Unallocated/Others(Net)	-	@ (502.56)	6,304.70	34,757.78
Inter Segment Revenues from Operations	(1,768.29)	-	-	-
Other Allocated Segment Income	-	-	-	-
Finance Costs	-	(1,625.60)	-	-
Tax Expenses-Current Tax	-	(6.35)	-	-
MAT Credit Entitlement	-	6.35	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	64.73	-	-
As per Financial Statements	<b>14,549.36</b>	<b>## (1,435.59)</b>	<b>39,848.52</b>	<b>37,771.58</b>

@ After considering Extraordinary item (Gross of Tax) Rs.34.92 Million

# Excluding Shareholder's Funds and Minority Interest

## Profit after Taxation and before Minority Interest

#### B) Secondary Segment Reporting (By Geographical Segment)

The Company has its customers in India as well as outside India and thus segment information based on Geographical Location of its customers is as follows :

Particulars	31 March 2014		31 March 2013	
	India	Outside India	India	Outside India
Revenue External (Net of Excise Duty)	10,406.35	4,143.01	8,479.37	1,713.06
Total Segment Assets	33,218.03	325.79	33,068.53	44.12
Capital Expenditure	902.11	-	3,302.01	-

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 39 OPERATING LEASES

The Group has lease agreements for various premises which are in the nature of operating leases. The lease arrangements range for a period between 3 Years to 10 Years which are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent.

	Year ended 31 March 2014	Year ended 31 March 2013
<b>With respect to all operating lease</b>		
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	13.56	10.51

### 40 (a) RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18

Related Parties	Name of the Related Parties
<b>(i) Where Control Exists</b>	
Ultimate Holding Company	VISA Infrastructure Limited
<b>(ii) Others</b>	
Enterprise having significant influence	VISA International Limited
Fellow Subsidiaries	VISA Resources India Limited
	VISA Energy Ventures Limited
	VISA Power Limited
	VISA Cement Limited
	VISA Aluminium Limited
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Pankaj Gautam (Joint Managing Director & CEO up to 28 February 2014)
	Mr. Pankaj Kumar Bajaj - Joint Managing Director & CEO (Steel Business) w.e.f. 1 March 2014)
	Mr. Prabir Ramendralal Bose (Deputy Managing Director up to 11 December 2012)
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal
	Mr. Vikas Agarwal
	Mr. Vivek Agarwal
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources PTE Limited
	VISA Bulk Shipping PTE Limited
	VISA Trading (Shanghai) Co., Limited

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 40 (b) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Disclosure in respect of transactions in excess of 10% of the total related party transactions of the same type

Nature of Transactions	Name of the Related Parties	31 March 2014	31 March 2013
Rent Paid	VISA International Limited	4.13	4.11
	VISA Infrastructure Limited	3.92	3.82
Purchase of Goods	VISA Resources India Limited	1,459.33	662.50
	VISA Resources PTE Limited	-	524.46
Sale of Goods	VISA Resources India Limited	1,303.79	526.60
	VISA Infrastructure Limited	-	65.03
Freight	VISA Bulk Shipping Pte Limited	91.18	302.26
	VISA Resources India Limited	21.22	-
Hire Charges	VISA Resources India Limited	14.57	14.57
Commission	VISA Infrastructure Limited	-	0.15
	VISA Trading (Shanghai) Co., Limited	4.11	-
Finance Cost	VISA Power Limited	-	24.67
	VISA Infrastructure Limited	-	49.39
	VISA International Limited	28.23	14.73
Remuneration	Mr. Vishambhar Saran	7.15	6.93
	Mr. Vishal Agarwal	6.99	6.59
	Mr. Pankaj Gautam	4.61	-
	Mr. Pankaj Kumar Bajaj	0.42	-
Purchase of Shares from Holding Company	VISA Infrastructure Limited	-	1.40
Sale of Fixed assets	VISA Power Limited	-	0.99
Reimbursement of Expenses (Net)	VISA Resources India Limited	3.47	108.83
	VISA Bulk Shipping Pte Limited	30.07	-
	VISA Resources PTE Limited	50.87	-
Advance Received	VISA Resources India Limited	-	531.69
Advance Paid against Expenses	VISA Infrastructure Limited	-	26.38
Unsecured Loan Repaid	VISA Infrastructure Limited	-	506.40
	VISA Power Limited	-	250.00
	VISA International Limited	500.00	-
Unsecured Loan Taken	VISA International Limited	-	500.00

# Notes to Consolidated Financial Statements

All amount in Rs.Million, unless otherwise stated

## 40 (C) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	31 March 2014					31 March 2013				
	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Paid	3.92	-	4.13	-	-	3.82	-	4.11	-	-
Hire Charges	-	14.57	-	-	-	-	14.57	-	-	-
Purchase of Goods	80.26	1,538.06	-	-	-	-	662.50	-	-	524.46
Sale of Goods	-	1,303.79	-	-	132.96	65.03	526.60	-	-	-
Freight	-	21.22	-	-	95.13	-	29.55	-	-	322.78
Commission	-	-	-	-	4.11	0.15	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	0.99	-	-	-
Finance Cost	-	-	28.23	-	-	49.39	24.67	14.73	-	-
Purchase of Shares from Holding Company	-	-	-	-	-	1.40	-	-	-	-
Re-imbursement of Expenses (Net)	2.24	4.73	0.34	-	80.94	2.14	107.16	0.33	-	5.87
Unsecured Loan Taken	-	-	-	-	-	-	-	500.00	-	-
Unsecured Loan Repaid	-	-	500.00	-	-	506.40	250.00	-	-	-
Advance Received	-	-	-	-	-	-	531.69	-	-	-
Advance Paid	-	-	-	-	-	26.38	-	-	-	-
Remuneration	-	-	-	19.16	-	-	-	-	13.52	-
Outstanding at closing	-	-	-	-	-	-	-	-	-	-
Receivable	261.50	-	8.00	88.86	130.67	352.05	-	8.00	67.65	1.37
Payable	4.54	2,905.59	4.18	-	14.83	-	2,204.04	513.25	-	486.22



## Notes to Consolidated Financial Statements

All amount in Rs.Million, unless otherwise stated

### 41 PREVIOUS YEAR FIGURES

The previous year figures have been reclassified where considered necessary to conform to this year's classification.

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

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
Joint Managing Director & CEO (Steel Business)

**Pradip Law**  
Partner  
Membership Number 51790

**Subhra Giri**  
Company Secretary

**Manoj Kumar Digga**  
Executive Director (Finance) & CFO

Place: Kolkata  
Date: 23 May 2014

# **Financial Statement pursuant to Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies for the year ended on 31 March 2014**

Name of the Subsidiary	(Amount in Rs.)					
	VISA SunCoke Limited	VISA BAO Limited	Ghotaringa Minerals Limited	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited	VISA Ferro Chrome Limited
Financial Year Ending on	31 March 2014	31 March 2014	31 March 2014	31 March 2014	31 March 2014	31 March 2014
Share Capital	20,676,000	910,000,000	10,000,000	700,000	600,000	500,000
Reserves & Surplus	2,050,275,326	34,963,502	(12,637)	(59,845)	(44,203)	(48,328)
Total Assets	5,101,748,985	2,894,907,500	13,293,022	700,000	560,291	500,000
Total Liabilities	5,101,748,985	2,894,907,500	13,293,022	700,000	560,291	500,000
Details of Investment (Except in case of Subsidiaries)	-	-	-	-	-	-
Turnover (including Other Income)	5,950,468,765	109,984,792	85,806	-	-	-
Profit Before Tax	31,717,726	(12,995,769)	12,596	(59,845)	(44,203)	(48,328)
Provision for Taxation	(64,572,359)	(158,840)	4,079	-	-	-
Profit after Taxation	96,290,085	(12,836,929)	8,517	(59,845)	(44,203)	(48,328)
Proposed Dividend	-	-	-	-	-	-

For and on behalf of the Board of Directors

**Vishal Agarwal**  
 Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**  
 Joint Managing Director & CEO (Steel Business)

**Subhra Giri**  
 Company Secretary

**Manoj Kumar Digga**  
 Executive Director (Finance) & CFO

Place: Kolkata

Date: 23 May 2014

## Notes

[illegible]

## Notes

[illegible]

# Corporate Information

## Board of Directors

Mr. Vishambhar Saran, Chairman  
Mr. Vishal Agarwal, Vice Chairman & Managing Director  
Mr. Maya Shanker Verma, Independent Director  
Mr. Shiv Dayal Kapoor, Independent Director  
Mr. Debi Prasad Bagchi, Independent Director  
Mr. Pratip Chaudhuri, Independent Director  
Ms. Gauri Rasgotra, Independent Director  
Mr. Subrato Trivedi, Non-Executive Director  
Mr. Punkaj Kumar Bajaj, Joint Managing Director  
& CEO (Steel Business)

## Executive Director (Finance) & Chief Financial Officer

Mr. Manoj Kumar Digga

## Statutory Auditors

Lovelock & Lewes

## Internal Auditors

L. B. Jha & Co.

## Solicitors

Khaitan & Co.

## Bankers & Financial Institutions

Andhra Bank  
Bank of Baroda  
Bank of India  
Canara Bank  
Central Bank of India  
Corporation Bank  
Dena Bank  
Export Import Bank of India  
HUDCO  
Indian Overseas Bank  
IL&FS Financial Services Limited  
Oriental Bank of Commerce  
Punjab National Bank  
SIDBI  
State Bank of India  
State Bank of Hyderabad  
State Bank of Travancore  
Syndicate Bank  
UCO Bank  
Union Bank of India  
Vijaya Bank

## Registrars

Karvy Computershare Private Limited

## Registered Office

BHUBANESWAR  
11 Ekamra Kanan, Nayapalli,  
Bhubaneswar - 751015.  
Tel: +91 (674) 2552 479,  
Fax: +91 (674) 2554 661

## Corporate Office

KOLKATA  
VISA House,  
8/10 Alipore Road,  
Kolkata - 700027  
Tel: +91 (33) 3011 9000  
Fax: +91 (33) 3011 9002

## Plant Offices

### KALINGANAGAR PLANT SITE

Kalinganagar Industrial Complex,  
P.O. Jakhapura,  
Jajpur 755 026,  
Odisha  
Tel: +91 (6726) 242 441  
Fax: +91 (6726) 242 442

### GOLAGAON PLANT SITE

Village Golagaon, Near Duburi,  
P.O. Pankapal, Jajpur,  
Odisha  
Tel: +91 (6726) 245 470  
Fax: +91 (6726) 245 561

### RAIGARH PLANT SITE

8, Gajanandpuram, Kotra By-pass Road,  
Raigarh - 496001, Chhattisgarh  
Tel: +91 96300 05504

**VISA STEEL**

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



# VISA STEEL

## VISA Steel Limited

CIN: L51109OR1996PLC004601

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

Tel: +91 674 2552 479: Fax: +91 674 2554 661

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

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

## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of VISA Steel Limited will be held on Wednesday, 24 December 2014 at 10.30 A.M. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Unit – II, Bhubaneswar 751 009 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March 2014, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.

2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Lovelock and Lewes, Chartered Accountants (Firm Registration No. 301056E), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty first Annual General Meeting of the Company, (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting), on such remuneration, as may be mutually agreed between the Board of Directors or any Committee thereof of the Company and the Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.”

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), a new set of Articles of Association of the Company, copy whereof is placed before this meeting and initialed by the Chairman for the sake of identification be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and superseding of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take

all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company in order to give effect to the aforesaid.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, as amended from time to time, Mr. Debi Prasad Bagchi (DIN 00061648), a Non-Executive Director of the Company, who has submitted a declaration under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and shall hold office for five consecutive years effective from the date of this Annual General Meeting.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, as amended from time to time, Mr. Shiv Dayal Kapoor (DIN 00043634), a Non-Executive Director of the Company, who has submitted a declaration under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying

his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and shall hold office for five consecutive years effective from the date of this Annual General Meeting.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, as amended from time to time, and in accordance with the provisions of Articles of Association of the Company Ms. Gauri Rasgotra (DIN 06862334), who was appointed as an Additional Director (Independent) of the Company w.e.f. 26 September 2014 and holds office as such up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, of the Company and shall hold office for a period of five years from 26 September 2014.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, as amended from time to time and in accordance with the provisions of Articles of Association of the Company, Mr. Pratip Chaudhuri (DIN 00915201), who was appointed as an Additional Director (Independent) of the Company w.e.f. 1 October 2014 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, of the Company and shall hold office for a period of five years from 1 October 2014.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, including

any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the provisions of Articles of Association of the Company Mr. Punkaj Kumar Bajaj (DIN 02216069) who was appointed as an additional director w.e.f. 1 March 2014 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act (corresponding to Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time, read with Schedule XIII of the Companies Act, 1956), and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the Members be and is hereby accorded to the appointment of Mr. Punkaj Kumar Bajaj (DIN 02216069) as Joint Managing Director & CEO (Steel Business) of the Company for a period of 3 years with effect from 1 March 2014, on the following terms and conditions including remuneration and perquisites:

#### **Salary (including Dearness Allowance)**

Rs. 100,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

#### **Special Allowance**

Rs. 450,000/- per month with such revisions as may be determined by the Board from time to time.

#### **Performance Bonus**

Performance Bonus of Rs.2,000,000/- per annum, subject to achievement of KRA parameters. The performance bonus payable to Mr. Bajaj, will be approved by the Board at the end of the relevant financial year and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

#### **Perquisites**

##### **House Rent Allowance**

House Rent Allowance of Rs. 55,000/- per month.

##### **Medical Reimbursement**

Expenses incurred for self and family (consisting of spouse

and dependent children) subject to the Rules of the Company applicable to the senior executives.

#### **Leave Travel Concession**

For self and family in accordance with the Rules of the Company applicable to the senior executives.

#### **Contribution to Provident Fund and Superannuation / Annuity Fund**

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

#### **Gratuity**

As per Rules of the Company applicable to the senior executives.

#### **Bonus**

As per Rules of the Company applicable to the senior executives.

#### **Leave Pay**

Leave with full pay and allowances as per the Rules of the Company.

#### **Conveyance**

A Company Car will be provided to Mr. Bajaj for use in the Company's business. The Company will reimburse actual expenses for fuel, lubricants, repair & maintenance. Reimbursement of personal driver's wages @ Rs.8,000/- per month. Use of Car for personal purpose shall be billed to him separately.

#### **Telephone and other Communication Facilities**

The Company shall provide Telephone and other communication facilities at the residence of Mr. Bajaj. Use of personal long distance calls shall be billed to him separately.

#### **Other benefits, amenities and facilities as per Company's Rules.**

Subject to overall remuneration mentioned herein above, Mr. Bajaj may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

RESOLVED FURTHER THAT Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) of the Company shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Joint Managing Director & CEO (Steel Business) of the Company.

#### **MINIMUM REMUNERATION**

RESOLVED FURTHER THAT pursuant to the provision of Section 197, Part II of Schedule V and other applicable provisions of the Act (including any statutory modification

or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approval as may be necessary, in the event of loss or inadequacy of profits in any financial year during the tenure of his aforesaid appointment, Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business), shall be paid remuneration by way of salary, perquisites and allowances as specified above, as the minimum remuneration.

RESOLVED FURTHER THAT subject to overall superintendence, direction and control of the Board of Directors, Mr. Punkaj Kumar Bajaj as Joint Managing Director & CEO (Steel Business), shall be responsible for the management of the affairs of the Company and specifically the operations & project implementation of the Company's facilities and be accountable to the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Punkaj Kumar Bajaj and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions of the Act for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time, the Articles of Association of the Company and subject to approval of the Central Government and/ or any other authority/approvals, as may be necessary, Mr. Vishal Agarwal (DIN 00121539) be and is hereby re-appointed as Vice Chairman & Managing Director of the Company for a period of 3 (three) years w.e.f. 25 June 2014, on the following terms and conditions including remuneration and perquisites:

#### **Salary (including Dearness Allowance)**

Rs. 840,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

#### **Special Allowance**

Rs.1,011,000/- per month with such revisions as may be determined by the Board from time to time.

**Performance Bonus**

Performance Bonus of Rs. 2,000,000/- per annum, subject to achievement of KRA parameters. The performance bonus payable to Mr. Agarwal, will be approved by the Board at the end of the relevant financial year.

**Perquisites****Housing**

Free furnished residential accommodation or House Rent Allowance upto 50 % of salary in lieu thereof. Expenditure incurred on gas, water, electricity, caretaker staff etc. will be borne by the Company, subject to Income Tax Rules.

**Medical Reimbursement**

Expenses incurred for self and family (consisting of spouse and dependent children) subject to the Rules of the Company applicable to the senior executives.

**Leave Travel Concession**

For self and family in accordance with the Rules of the Company applicable to the senior executives.

**Club Fees**

Reimbursement of Membership fees for three Clubs in India and / or abroad including admission and life membership fee.

**Contribution to Provident Fund and Superannuation / Annuity Fund**

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

**Gratuity**

As per Rules of the Company applicable to the senior executives.

**Bonus**

As per Rules of the Company applicable to the senior executives.

**Leave Pay**

Leave with full pay and allowances as per the rules of the Company.

**Conveyance**

A Company maintained Car will be provided for the use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

**Telephone and other Communication Facilities**

The Company shall provide telephone and other communication facilities at the residence of Mr. Vishal Agarwal. Use of personal long distance calls shall be billed to him separately.

Other benefits, amenities and facilities as per Company's Rules. Subject to overall remuneration mentioned hereinabove, Mr. Agarwal may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

RESOLVED FURTHER THAT Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Vice Chairman & Managing Director of the Company

**MINIMUM REMUNERATION**

RESOLVED FURTHER THAT pursuant to the provision of Section 197, Part II of Schedule V and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approval as may be necessary, in the event of loss or inadequacy of profits in any financial year during the tenure of his aforesaid appointment, Mr. Vishal Agarwal, Vice Chairman & Managing Director shall be paid remuneration by way of salary, perquisites and allowances as specified above, as the minimum remuneration.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Vishal Agarwal, Vice Chairman & Managing Director, shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Vishal Agarwal and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

11. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 40,000 plus service tax and actual out-of-pocket expenses payable to M/s. DGM & Associates (Firm Registration No. 00038), who are appointed as the Cost Auditors to conduct audit of the cost records maintained by the Company for the Financial Year 2014-15.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement amended vide SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 or subsequent modification/ amendments thereof, if any, consent of the Company be and is hereby accorded for contracts/arrangements entered in to or to be entered with related parties by the Company up to the maximum amounts and other terms and conditions as mentioned in the explanatory statement to this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, including delegation of powers, in the best interest of the Company.”

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to waive recovery of the excess remuneration paid to Mr. Vishambhar Saran, Whole-time Director designated as Chairman (in accordance with the resolution passed by the members in the 17th Annual General Meeting of the Company held on 16 December 2013), as per table mentioned below which is in excess of the limits provided in Section 309 read with Schedule XIII and other applicable provisions of the erstwhile Companies Act, 1956.

Period	Total Remuneration (in Rs.)	Excess Remuneration (in Rs.)
1 April 2012 to 30 June 2012	4,521,717	3,321,717
1 July 2012 to 30 June 2013	24,311,868	19,511,868
1 July 2013 to 14 December 2013	12,598,617	10,417,972

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to waive recovery of the excess remuneration, paid to Mr. Vishal Agarwal, Vice Chairman & Managing Director, (in accordance with the resolution passed by the members in the 17th Annual General Meeting of the Company held on 16 December 2013) as per table mentioned below which is in excess of the limits provided in Section 309 read with Schedule XIII and other applicable provisions of the erstwhile Companies Act, 1956.

Period	Total Remuneration (in Rs.)	Excess Remuneration (in Rs.)
1 April 2012 to 30 June 2012	3,942,228	2,742,228
1 July 2012 to 30 June 2013	22,682,908	17,882,908
1 July 2013 to 31 March 2014	18,754,154	15,154,154
1 April 2014 to 24 June 2014	5,858,425	4,458,425

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central

Government, the consent of the Company be and is hereby accorded to waive recovery of the excess remuneration paid to Mr. Pankaj Gautam, Joint Managing Director & CEO (in accordance with the resolution passed by the members in the 17th Annual General Meeting of the Company held on 16 December 2013), as per table mentioned below which is in excess of the limits provided in Section 309 read with Schedule XIII and other applicable provisions of the erstwhile Companies Act, 1956.

Period	Total Remuneration (in Rs.)	Excess Remuneration (in Rs.)
1 April 2013 to 11 December 2013	6,611,154	6,611,154
12 December 2013 to 28 February 2014	2,299,522	2,299,522

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

16. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Listing agreement and the Articles of Association of the Company, consent of the Company be and is hereby accorded to pay remuneration to Independent Directors for the financial year ending 31 March 2015, in addition to sitting fees being paid/ payable for attending the meetings of the Board of Directors of the Company and committees thereof, of the Company by the way of commission not exceeding 1 % of the Net Profit of the Company in lieu of their services to the Company and that Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall be deemed to include any committee which the Board may constitute.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate its powers conferred by this resolution to any Director or Directors or any Committee of the Board of Directors to determine the extent to which such remuneration is payable to each of the Independent Director based on their individual services to the Company."

17. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013, (the Act) read with applicable rules and regulations made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded for appointment of Ms. Bhawna Agarwal, a relative of Mr. Vishambhar Saran, Wholtime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director, to hold an office or place of profit as President (CSR & Corporate Communication), w.e.f. 1 January 2015, on terms and conditions as mentioned in the explanatory statement to the notice.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board or any other person so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, in such manner and to such extent as may be permitted or authorised in accordance with the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board  
For VISA Steel Limited

Place: Kolkata  
Date: 14 November 2014

(Manoj Kumar Digga)  
Executive Director (Finance)  
& Chief Financial Officer

Registered Office:  
11 Ekamra Kanan, Nayapalli  
Bhubaneswar 751 015



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY/PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Members / proxies should bring the Attendance Slips duly filled in for attending the meeting.
3. Corporate Shareholders / Trust / Societies are requested to send a duly certified copy of the Board / Managing Committee Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books will remain closed from 17 December 2014 to 24 December 2014 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out details relating to Special Business at the meeting is annexed hereto.
6. The Certificate from the Auditors of the Company in terms of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 for the Company's Employee Stock Option Scheme 2010 (ESOP Scheme 2010) will be available for inspection at the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained by the Company under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
8. The Register of Contracts or Arrangement in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
9. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, brief profile of the Directors seeking appointment / re-appointment at the Annual General Meeting is annexed to this Notice.
10. The Annual Report for 2013-14 is being sent to all Members in electronic mode whose email addresses are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the

same. For members who have not registered their email addresses, physical copies of the Annual Report for 2013-14 is being sent through the permitted mode.

11. The Notice of the 18th AGM of the Company inter-alia indicating the process and manner of e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy for the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent through the permitted mode.
12. Members may also note that the Notice of the 18th AGM and the Annual Report for 2013-14 will be available on the Company's website [www.visasteel.com](http://www.visasteel.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [investors@visasteel.com](mailto:investors@visasteel.com)
13. Pursuant to Section 108 of Companies Act, 2013 and Rules framed thereunder, the Company has extended to the Members, the facility to vote at the AGM by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

The Company has appointed Mr. Debendra Raut, Practicing Company Secretary of M/s. D Raut and Associates, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM. The Company has appointed Karvy Computershare Private Limited (Karvy) as the Agency for the purpose of facilitating the electronic voting.

(a) INSTRUCTION FOR E-VOTING

- i. Use the following URL for e-voting from Karvy website:  
<https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper



case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new password.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e. VISA Steel Limited.
  - vii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
  - viii. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
  - ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id: [csdraut@gmail.com](mailto:csdraut@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com)
- (b) The e-voting period commences on Thursday, 18 December 2014 at 9:00 A.M. and ends on Saturday, 20 December 2014 at 06.00 P. M. During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as on 14 November 2014, the cut-off date, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it

subsequently. Further, the members who have cast their vote electronically shall not be able to vote at the Annual General Meeting in case poll is held at the meeting.

- (c) In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>
- (d) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date, being 14 November 2014.
- (e) The Board of Directors has appointed Mr. Debendra Raut, Company Secretary of M/s. D Raut and Associates, Practicing Company Secretary, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorised by the Chairman.
- (g) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (h) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.visasteel.com](http://www.visasteel.com)) and on Service Provider's website (<https://evoting.karvy.com>) within 2 (two) days of the passing of the resolutions at the 18th AGM of the Company on 24 December 2014 and would also be communicated to the BSE Limited and the National Stock Exchange of India Limited where the shares of the Company are listed.

14. All documents referred to in the Notice will be available for inspection at the Company's Registered Office for inspection during normal business hours on working days.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item no. 3**

The existing Articles of Association of the Company are based on the provisions of the Companies Act, 1956. Consequent to the coming into effect of the Companies Act, 2013 (the Act) and Rules framed there under, it has become necessary to alter the existing Articles of Association of the Company to be in line with the Act. The Board of Directors considered this matter in its meeting held on 14 November 2014 and decided to adopt a new set of Articles of Association and replace the existing Articles of Association.

As per Section 14 of the Act, approval of the Members of the Company by way of a Special Resolution is required for alteration of Articles of Association of the Company.

A copy of the new Articles of Association is available for inspection at the Registered Office of the Company during normal business hours on all working days and is also available on the website of the Company at [www.visasteel.com](http://www.visasteel.com)

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 3 of the Notice.

#### **Item No. 4 and 5**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from 1 April 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Shiv Dayal Kapoor and Mr. Debi Prasad Bagchi, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Board of Directors have recommended appointment of Mr. Shiv Dayal Kapoor and Mr. Debi Prasad Bagchi as Independent Directors of the Company.

Mr. Shiv Dayal Kapoor and Mr. Debi Prasad Bagchi, Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notice(s) have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.100,000 each.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided in Annexure 1 of this Notice.

The Board recommends the Resolutions set out at Item No. 4 and 5 of the Notice for approval of the members of the Company.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolutions set out at item No. 4 and 5.

#### **Item no. 6 and 7**

Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri were appointed as Additional Directors of the Company w.e.f. 26 September 2014 and 1 October 2014 respectively. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri hold office as such up to the date of this Annual General Meeting. The Company has received notices in writing alongwith requisite deposit from member(s) under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Directors.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1 April 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation. Accordingly, it is proposed to appoint Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri as Independent Directors of the Company to hold office as such for a period of 5 years i.e. up to 25 September 2019 and 30 September 2019 respectively, who shall not be liable to retire by rotation.

Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri, proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided in Annexure 1 of this Notice.

The Board recommends the Resolutions set out at Item No. 6 and 7 of the Notice for approval of the members of the Company.

Except Ms. Gauri Rasgotra and Mr. Pratip Chaudhuri, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolutions set out at item No. 6 and 7, respectively.

#### **Item no. 8 and 9**

Mr. Punkaj Kumar Bajaj was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 1 March 2014 in accordance with Section 161 of the Companies Act, 2013, to hold office till the date of this Annual General Meeting of the Company. The Company has received a Notice from a Member of the Company under Section 160 of the Companies Act, 2013 along with the requisite deposit signifying his intention to propose the name of Mr. Bajaj, for appointment as a Director of the Company.

Keeping in view his vast experience and knowledge, the Board of Directors also appointed him as Joint Managing Director & CEO (Steel Business) of the Company for a period of 3 (three) years w.e.f 1 March 2014 on the terms and conditions as mentioned in the said resolution and pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 (corresponding to the provisions of Sections 196, 197 and 203 and any other applicable provisions, if any, of the Companies Act, 2013). An abstract under Section 302 of the Companies Act, 1956 dated 14 February 2014, regarding the appointment and remuneration of Mr. Bajaj has already been circulated to the Members.

Mr. Bajaj is a professional Director and is not related to the promoters of the Company, nor does he hold shares in the Company. In terms of Ministry of Corporate Affairs Notification No.GSR 534 (E) dated 14/07/2011, no approval of Central Government is required for payment of remuneration to him in excess of the limits prescribed in the erstwhile Schedule XIII of the Companies Act, 1956. Further, the MCA Circular No.32/2014 regarding implementation of transitional provisions, also protects the resolutions passed by the Company during the period 1 September 2013 to 31 March 2014, subject to their implementation having commenced before 1 April 2014. In terms of the said Circular, the Company has time till 31 March 2015 to comply with the New Act.

Thus, the appointment of and remuneration payable to Mr. Bajaj requires the approval of the Members by way of Special Resolution. Mr. Bajaj will be responsible for the operations and projects of the Company.

The information as required under the provisions of Schedule V the Companies Act, 2013 (erstwhile Schedule XIII of Companies Act, 1956) and also under Clause 49 of the Listing Agreement is furnished below.

(I) General Information: As per Annexure A to the Notice

(II) Information about Mr. Punkaj Kumar Bajaj

(1) Background details

Mr. Bajaj, 62 years, is a graduate in Metallurgical Engineering, Gold Medalist from MNIT, Jaipur. He has over 38 years of rich experience in Iron & Steel industry with Steel Authority of India Ltd. (SAIL). He has held various strategic positions at three integrated steel plants of SAIL viz, Rourkela, Bhilai & Durgapur as well as its Corporate Office. Mr. Bajaj served as Executive Director of Chairman's Secretariat at Steel Authority of India Ltd and its Executive Director of Operations & SS until November 2009. Mr. Bajaj served as the Managing Director of Durgapur Steel Plant at SAIL since 1 November 2009. He has been a Director of Steel Authority of India Ltd. since 21 July 2008. Mr. Bajaj served as a Director at Tata Refractories Ltd., since 16 March 2010 to 30 April 2012. He served as a Director of Maharashtra Elektrosmet Ltd. from 21 July 2008 to 20 November 2009.

Mr. Punkaj Kumar Bajaj has also been appointed as the Managing Director of VISA BAO Limited, subsidiary company with effect from 1 March 2014.

(2) Past Remuneration

Mr. Bajaj has been appointed as Joint Managing Director & CEO (Steel Business) with effect from 1 March 2014. Prior to his appointment on the Board of Directors of the Company, he was engaged as Advisor by SAIL and he had drawn retention fees of Rs.1,260,000/- during the year 2012 – 2013.

(3) Recognition or awards

During his career, Mr. Bajaj has been conferred several awards, the prestigious amongst them being the "Jawahar Award for the Best Executive" and the "Best CEO Award".

(4) Job profile and his suitability

Mr. Punkaj Kumar Bajaj as Joint Managing Director & CEO (Steel Business) is responsible for the management of affairs of the Company and specifically the operations & project implementation of the Company's facilities and is accountable to the Board of Directors. Considering his past track record, qualifications, vast experience and his achievement in the same business, Mr. Bajaj is best suited for the assignment as Joint Managing Director & CEO (Steel Business) of the Company.

(5) Remuneration proposed

Particulars	(Rs. per month)
<b>FIXED</b>	
Salary	100,000
Special allowance	4,50,000
House Rent Allowance	55,000
Reimbursement of personal driver's wages	8,000
Bonus (1 month's salary)	8,330
Leave Travel Concession (1 month's salary)	8,330
Medical Reimbursement (1 month's salary)	8,330
Gratuity	4,810
Provident Fund and Superannuation	12,000
Leave Salary	5,205
Total	6,60,005
Total per annum	79,20,060
<b>VARIABLE</b>	
Performance Bonus for the Financial Year, based on KRA achievements, subject to approval of the Board	20,00,000
Annual CTC	99,20,060

Other than the above, the Company will reimburse actual expenses for fuel, lubricants, repair & maintenance for the Company provided car. Use of Car for personal purpose shall be billed to him separately.

Mr. Bajaj will also be entitled to other benefits & perquisites, as may be approved from time to time that may be granted to him.

- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Bajaj which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence, and the growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Not applicable

- (III) Other Information: As per Annexure B to the Notice

- (IV) Disclosures

- (1) Remuneration package of the managerial person

As mentioned in point no.II (5) above.

- (2) Disclosures in the Board of Directors' Report under the heading "Corporate Governance"

The required disclosures have been made in the Board of Directors' Report under the heading "Corporate Governance" in the Annual Report 2013-14.

The companies in which Mr. Bajaj is a Director and holds Committee positions is given in the Annexure 1 of this Notice.

The Board recommends the Resolutions set out at Item No. 8 and 9 of the Notice for approval of the members of the Company.

Mr. Punkaj Kumar Bajaj is deemed to be interested/concerned in this resolution to the extent specified hereinabove. No other Director and key managerial personnel of the Company including their relatives are interested, financially or otherwise in this resolution.

#### Item no. 10

The Members of the Company at the Annual General Meeting held on 26 July 2011 had re-appointed Mr. Vishal Agarwal as Managing Director of the Company for a period of three years with effect from 25 June 2011. Mr. Agarwal was re-designated as the Vice Chairman & Managing Director with effect from 12 December 2012.

Keeping in view the efforts put in by Mr. Vishal Agarwal in developing and expanding the business operations of the Company

which is reflected by the growth and progress made by the Company over the years, the Board of Directors at its meeting held on 23 May 2014, on the recommendation of the Nomination and Remuneration Committee, has re-appointed and remuneration of Mr. Vishal Agarwal as the Vice Chairman & Managing Director for a further period of 3 (three) years with effect from 25 June 2014. He is also a Key Managerial Personnel under Section 203 of the Companies Act, 2013.

The re-appointment of and the remuneration payable requires the approval of the Members under the relevant provisions of the Companies Act, 2013. Since the remuneration payable to Mr. Agarwal exceeds the limits specified in Section 197 and Schedule V of the Companies Act, 2013, the payment of remuneration to Mr. Agarwal is subject to the provisions of Schedule V of Companies Act, 2013 and the approval of Central Government is required.

The information as required under the provisions of Schedule V the Companies Act, 2013 and also under Clause 49 of the Listing Agreement is furnished below.

- (I) General Information: As per Annexure A to the Notice

- (II) Information about Mr. Vishal Agarwal

- (1) Background details

Mr. Vishal Agarwal, 40 years, has over 18 years of rich experience in the iron and steel industry with hands on experience of setting up greenfield large projects and international trading business. Mr. Agarwal has been associated with the Company since its inception and due to his relentless efforts the Company has transformed into a leading player in the Special Steel, Ferro Alloys & Power and Coke Industry.

He holds a Bachelors degree in Economics from the London School of Economics and a Masters degree in Economics for Development from Oxford University. He is a Committee Member of the CII - Eastern Region Council and Indian Chamber of Commerce. He is also Chairman of ICC Odisha Expert Committee.

- (2) Past Remuneration

A sum of Rs.24,610,985/- was paid to Mr. Agarwal (including contribution to Provident Fund, Gratuity and encashment of leave), being the remuneration and approved perquisites for the financial year 2013-14.

- (3) Recognition or awards

As stated in (1) above

- (4) Job profile and his suitability

Mr. Vishal Agarwal, as the Vice Chairman & Managing Director of the Company, is responsible for overall management of operations and implementation of projects and is the driving force behind many of the Company's strategic and human resource initiatives. Mr. Agarwal has in-depth experience of commissioning of greenfield projects of the Company by successfully establishing the plants at Golagaon and Kalinganagar.

(5) Remuneration proposed

Particulars	(Rs. per month)
<b>FIXED</b>	
Salary	840,000
Special Allowance	1,011,000
Free furnished residential accommodation or House Rent Allowance up to 50 % of salary in lieu thereof	88,062
Bonus (1 month's salary)	70,000
Leave Travel Concession (1 month's salary)	70,000
Medical Reimbursement (1 month's salary)	70,000
Gratuity	40,385
Provident Fund and Superannuation Fund	100,800
Total	2,290,247
Total Fixed (per annum)	27,482,964
<b>VARIABLE</b>	
Performance Bonus of Rs. 2,000,000 based on the achievement of KRA	2,000,000
Total (per annum)	29,482,964

Other than the above, Mr. Agarwal is also entitled to Company provided Car, Telephone, Leave Salary, Club Fees and other benefits and perquisites, as the Nomination and Remuneration Committee may approve from time to time. Use of Car for personal purpose shall be billed to him separately.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Agarwal which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence and the growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Mr. Vishal Agarwal was appointed as the Executive Director of the Company with effect from 11 August 1997 for a period of 5 years. Subsequently he was appointed as Managing

Director with effect from 1 October 2001 for a period of 5 years, re-appointed as Managing Director for a period of 3 years with effect from 25 June 2005, further re-appointed as Managing Director for a period of 3 years with effect from 25 June 2008 and again re-appointed as Managing Director for a period of 3 years with effect from 25 June 2011. He was re-designated as the Vice Chairman & Managing Director with effect from 12 December 2012. Mr. Agarwal is the son of Mr. Vishambhar Saran, Whole-time Director designated as Chairman of the Company.

(III) Other Information: As per Annexure B to the Notice

(IV) Disclosures

(1) Remuneration package of the managerial person

As mentioned in point no.II (5) above.

(2) Disclosures in the Board of Directors' Report under the heading "Corporate Governance"

The required disclosures have been made in the Board of Directors' Report under the heading "Corporate Governance" in the Annual Report 2013-14.

Mr. Agarwal does not hold any equity shares in your Company. Mr. Agarwal is the Director of VISA Infrastructure Limited, VISA International Limited, VISA BAO Limited, Ghotaringa Minerals Limited, VISA Cement Limited, VISA Aluminium Limited, VISA Urban Infra Limited, VISA Special Steel Limited, VISA SunCoke Limited, VISA Ferro Chrome Limited and Indian Chamber of Commerce Calcutta. He is the member of the Finance & Banking Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of your Company.

Mr. Agarwal does not hold any Equity Share in his own name and no share or convertible instrument in the Company is held by him, either in his name or in the name of any other person, on a beneficial basis.

As required under the Listing Agreement, the companies in which Mr. Agarwal is Director and holds Committee positions are given in the table at the end of this Notice.

To ensure compliance with the provisions of the Schedule V of the Companies Act, 2013, the Company is in the process of making necessary application to the Central Government.

The Board recommends the Resolution set out at Item No. 10 of the Notice for approval of the members of the Company.

Mr. Vishal Agarwal and Mr. Vishambhar Saran are deemed to be interested / concerned in this resolution to the extent specified hereinabove. No other Director and other key managerial personnel of the Company including their relatives are interested, financially or otherwise in this resolution.

**Item no. 11**

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. DGM & Associates as the Cost Auditors of the Company to conduct Cost Audits relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder for the year ending 31 March 2015, at a remuneration of Rs. 40,000 plus out-of-pocket expenses.

M/s. DGM & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

M/s. DGM & Associates have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past few years under the provisions of the erstwhile Companies Act, 1956.

The Board has approved the remuneration of Rs. 40,000 plus out-of-pocket expenses to DGM & Associates as the Cost Auditors and the ratification of the shareholders is sought for the same by an Ordinary Resolution at Item No. 11.

The Board recommends the Resolution set out at Item No. 11 of the Notice for approval of the members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 11 of the Notice.

**Item no. 12**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) which has become effective on 1 April 2014, read with the Rules framed thereunder, the Related Party Transactions beyond the threshold limit prescribed need Shareholders prior approval by a special resolution. However, if the proposed transactions with the related parties are at arm's length and in its ordinary course of business, the said approval of the shareholders is not required. Further, SEBI circular CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014, vide amended Clause 49(VII) of Listing Agreement effective from 1 October 2014 has prescribed that all related party transactions shall require prior approval of the Audit Committee and all material transactions with related party shall require approval of the Shareholders of the Company through special resolution and the related parties shall abstain from voting on such resolutions. "Material Transaction" means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds ten percent of the consolidated turnover of the Company as per the last audited financial statements of the Company.

In terms of the said amendment, approval of the Members is requested on these transaction(s), which are material in terms of the provisions of Revised Clause 49 of the Listing Agreement and therefore, the Board has proposed the same to be placed before the shareholders for their approval as Special Resolution.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

No	Name of Party	Nature of Relationship	Nature of Contract	Particulars / Material Terms of the Contract/ Arrangement				Manner of price determination	Estimated Annual Value INR (in Crores)
				Product	Quantity (Not exceeding)	Rate	Date of contract		
1	VISA SunCoke Limited	Subsidiary Company	Purchase	Lam Coke/ Nut Coke	100,000	As per Contract	20 November 2012	Arms length pricing as agreed in Audit Committee Meeting	125
2	VISA SunCoke Limited	Subsidiary Company	Purchase	Steam	As per Contract	As per Contract	20 November 2012	Arms length pricing as agreed in Audit Committee Meeting	14.08
3	VISA Resources India Ltd.	Fellow Subsidiary	Sale	High Carbon Ferro Chrome	12,000	As per Contract	28 December 2012	Arms length pricing as agreed in Audit Committee Meeting	84
4	VISA Resources India Ltd.	Fellow Subsidiary	Sale	Sponge Iron	50,000	As per Contract	28 December 2012	Arms length pricing as agreed in Audit Committee Meeting	100
5	VISA Resources India Ltd.	Fellow Subsidiary	Purchase	Steam (Non-Coking) Coal	325,000	As per Contract	For the Year	Arms length pricing as agreed in Audit Committee Meeting	178
6	VISA Resources India Ltd.	Fellow Subsidiary	Purchase	Manganese Ore	3,950	As per Contract	29 August 2014	Arms length pricing as agreed in Audit Committee Meeting	3.55
7	VISA Resources India Ltd.	Fellow Subsidiary	Purchase	Lam Coke/ Nut Coke	63,000	As per Contract	13 August 2014	Arms length pricing as agreed in Audit Committee Meeting	81.48
8	VISA Resources India Ltd.	Fellow Subsidiary	Purchase	Pellet	21,000	As per Contract	5 July 2014	Arms length pricing as agreed in Audit Committee Meeting	15.32



The Board recommends the Resolution set out at Item No. 12 of the Notice for approval of the members of the Company.

Except Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution set out at Item No.12 of the Notice.

#### Item No. 13-15

Due to certain unforeseen circumstances, the profits of the Company were lower during the previous years and the remuneration paid to Mr. Vishambhar Saran, Wholetime Director designated as Chairman, Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company, and Mr. Pankaj Gautam, erstwhile Joint Managing Director & CEO, mentioned in the resolutions above have exceeded the limit prescribed under section 197 of the Companies Act, 2013.

The Company has paid to its managerial personnels remuneration (as stated in the resolutions) in excess of the limits prescribed under the applicable provisions of the Companies Act, 1956 & 2013, as applicable.

Since the amount so paid was in excess of the limits approved by the shareholders in their meetings held on 16 December 2013 and 14 August 2012, the Board recommends the Resolutions set out at Item No.13 - 15 of the Notice for approval of the members of the Company.

Except Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolutions set out at Item No.13-15 of the Notice.

#### Item No.16

The members of the Company in Annual General Meeting held on 26 August 2009 had passed a Special Resolution for approving payment of Commission pursuant to Section 309(7) of the Companies Act, 1956 to the Independent Directors of the Company not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in erstwhile Section 349 & 350 of the Companies Act, 1956) for a period of five financial years commencing from 1 April 2010 to 31 March 2015.

Pursuant to notification of Section 197 of Companies Act, 2013 w.e.f 1 April 2014 the remuneration payable to the directors who are neither managing director nor whole-time directors shall be paid under Section 197 of the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 16 of the Notice for approval of the members of the Company.

All the Independents Directors of the Company are concerned or interested financially in the resolution since the resolution relates to payment of commission to self. Save and except these persons, no other Director and Key Managerial Personal of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

#### Item No. 17

Ms. Bhawna Agarwal, 37 years, holds a Masters Degree in Economics from Bhopal University. She was previously associated with one of India's leading newspapers, Dainik Bhaskar. She has also worked as Vice President (Corporate Communications) at VISA Steel looking after the media and communications strategy of the Company from 2004 to 2009, and has successfully handled the IPO. Presently she is managing the charitable activities of the VISA Trust in areas of education, health care, rural development and sports & culture.

Ms. Agarwal's valuable and rich experience will immensely benefit the Company in its branding, advertising, public relations and communication strategy and in implementing the CSR activities.

The Board of Directors at its meeting held on 14 November 2014 has approved the appointment of Ms. Bhawna Agarwal as President (CSR & Corporate Communication) of the Company w.e.f. 1 January 2015, as per terms & conditions mentioned below:

<b>Salary (including Dearness Allowance)</b>	Rs. 65,000/- per month
<b>Special Allowance</b>	Rs. 144,497/- per month
<b>Performance Bonus</b>	Performance Bonus of Rs. 800,000/- per annum, subject to achievement of KRA parameters.
<b>Perquisites</b>	
House Rent Allowance	Rs. 32,400/- per month.
Medical Reimbursement	As per the rules of the Company applicable to the senior executives.
Leave Travel Concession	As per the rules of the Company applicable to the senior executives.
Contribution to Provident Fund and Superannuation / Annuity Fund	The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.
Gratuity	As per Rules of the Company applicable to the senior executives.
Bonus	As per Rules of the Company applicable to the senior executives.
Leave Pay	Leave with full pay and allowances as per the Rules of the Company.
Other benefits, amenities and facilities as per Company's Rules.	As per Rules of the Company applicable to the senior executives.



The Board of Directors believes that the remuneration proposed to be paid to Ms. Bhawna Agarwal is commensurate with her qualification & knowledge and is in line with industry standards prevalent in the current scenario.

The particulars of the transaction pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 are as under:-

1. Name of the Related Party : Ms. Bhawna Agarwal
2. Name of the Interested Director or Key Managerial Personnel who is related : Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director
3. Nature of Relationship : Daughter in law of Mr. Vishambhar Saran, Wholetime Director designated as Chairman and wife of Mr. Vishal Agarwal, Vice Chairman & Managing Director
4. Nature, Material Terms, Monetary Value and particulars of the contract or arrangement : As mentioned above
5. Any other information relevant or important for the members to take a decision on the proposed resolution : As mentioned above

The Board recommends the Resolution set out at Item No. 17 of the Notice for approval of the members of the Company

Except Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution set out at Item No. 17 of the Notice.

By Order of the Board  
For VISA Steel Limited

Place: Kolkata  
Date: 14 November 2014

(Manoj Kumar Digga)  
Executive Director (Finance) &  
Chief Financial Officer

Registered Office:  
11 Ekamra Kanan, Nayapalli  
Bhubaneswar 751 015

## ANNEXURE A

### General Information about the Company

(1) Nature of industry

The Company is pursuing Special Steel Business, Ferro Alloys & Captive Power Business and Coke Business. The Special Steel Business includes production of Hot Metal/Pig Iron, DRI/Sponge Iron, Special Steel Blooms/Billets and Bar & Wire Rods. Whereas, the Ferro Chrome Business includes production of High Carbon Ferro Chrome and generation of power for captive use and the Coke Business includes production of Coke and steam.

The iron and steel industry is a highly cyclical industry wherein the demand is affected by the global trends and growth in sectors such as construction and automobile and the cost of production is affected by the international prices of iron ore and coking coal.

(2) Date of commencement of commercial production

Status of Projects

Sl. No.	Name of the Unit	Annual Production Capacity	Date of commencement of Commercial Production
(i)	Completed		
1.	Blast Furnace	225,000 TPA	March 2005
2.	Coke Oven Plant	400,000 TPA	March 2006 to July 2007
3.	Ferro Alloy Plant	60,000 TPA	November 2007
4.	Power Plant	1st 25 MW	October 2008
		2nd 25 MW	March 2009
		3rd 25 MW	September 2010
5.	DRI Plant	150,000 TPA	October 2008
		150,000 TPA	June 2009
6.	Steel Melt Shop	500,000 TPA	Under trial run
7.	Bar & Wire Rod Mill	500,000 TPA	Under trial run

(ii) Under Implementation

The Board had decided to set up an Iron Ore Sinter Plant and additional captive power generation facilities.

(3) Financial performance based on given indicators

(Rs. Million)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Net Revenue	10,299.58	5,214.06	14,549.36	10,248.91
Other Income	279.97	111.44	136.02	194.76
Total Revenue	10,579.55	5,325.50	14,685.38	10,443.67
Profit before interest, depreciation, tax & exceptional item	663.42	(286.55)	1,247.21	(67.07)
Finance Cost	1,450.31	1,258.81	1,625.60	1,684.37
Depreciation	577.29	524.77	747.77	652.08
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(1,364.18)	(2,070.13)	(1,126.17)	(2,403.52)
Exceptional & Extraordinary Items	(160.77)	1,620.04	(374.15)	1,365.33
Profit /(Loss) before Tax of Continuing Operation	(1,524.95)	(450.09)	(1,500.32)	(1,038.19)
Tax Expenses	-	-	(64.73)	74.81
Profit / (Loss) after Tax of Continuing Operation	(1,524.95)	(450.09)	(1,435.59)	(1,113.00)
Profit /(Loss) before Tax of Discontinuing Operation	(1,524.95)	(584.58)	-	-
Tax Expense of Discontinuing Operation	-	-	-	-
Operating (Loss) / Profit from discontinued operations	-	(584.58)	-	-
Net Profit on Disposal of Assets and Liabilities of Discontinuing Operations	-	124.28	-	-
Profit / (Loss) after Tax of Discontinuing Operation	-	(460.30)	-	-
Minority Interest	-	-	42.69	(37.28)
(Loss) / Profit for the period	(1,524.95)	(910.39)	(1,478.28)	(1,075.72)

(4) Export performance and net foreign exchange collaborations

Particulars	(Rs. Million)	(Rs. Million)
	2013-14	2012-13
Foreign Exchange Earning		
Export Sales	4,168.48	1,718.24
Foreign Exchange Outgo		
Imports		
Raw Materials	196.18	2,434.28
Finished Goods	592.09	606.47
Capital Goods	58.94	33.58
Traveling	6.25	4.58
Interest	7.61	105.68
Others	30.49	206.23

(5) Foreign investments or collaborators, if any.

As on 31 March 2014, the total holdings of Foreign Institutional Investors in the Company was 10985845 equity shares equivalent to 9.99 % of the total paid up capital of the Company. The total holdings of Non Resident Indians as on 31 March 2014 in the Company was 344,485 equity shares equivalent to 0.31 % of the total paid up capital of the Company.

## ANNEXURE B

1) Reasons of loss or inadequate profits

The Company is pursuing Special Steel Business, Ferro Alloys & Captive Power Business and Coke Business. The Special Steel Business includes production of Hot Metal/Pig Iron, DRI/ Sponge Iron, Special Steel Blooms/Billets and Bar & Wire Rods. Whereas, the Ferro Alloys Business includes production of High Carbon Ferro Chrome and generation of power for captive use and the Coke Business includes production of Coke and steam.

The iron and steel industry is a highly cyclical industry wherein the demand is affected by the global trends and growth in sectors such as construction and automobile and the cost of production is affected by the international prices of iron ore and coking coal.

The financial year 2013 – 14 has been an extremely challenging year for the Iron & Steel industry due to global slowdown in demand and domestic challenges of non-availability of vital raw material at viable prices. This has adversely impacted the Company as well. During the year under review, the Company's financial performance has been adversely affected and margins remained under pressure due to non-availability of vital raw material at viable prices, high interest cost and foreign exchange volatility. Due to shortage in availability of iron ore, Iron & Steel making facilities, i.e. Blast Furnace, Sponge Iron, SMS & Rolling Mill operated at low production level and were unable to achieve its revenue potential. Other units i.e. Ferro Chrome, Power Plant and Coke oven have operated at moderate capacity. As a result the Company has incurred loss after tax of Rs.1,478.28 million for the financial year 2013-14 as compared to a loss after tax of Rs.1075.72 million during the previous financial year.

(2) Steps taken or proposed to be taken for improvement

To address these challenges, the Company has initiated several measures towards achieving organisational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls inter-alia

1. The Company is taking various measures to reduce its input Raw Material cost including its specific consumption per unit of product.
2. Hedging of Forex exposure
3. Cost reduction by optimizing production.
4. The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating & energy efficiencies and increasing overall productivity.
5. During the year 2012-13, the debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism. Pursuant to the approval by CDR Empowered Group in September 2012, a Master Restructuring Agreement (MRA) and other Individual Agreement have been executed by the Company with the CDR Lenders. The Scheme has given relief to the Company. The Scheme, inter-alia, includes restructuring of repayment schedule, reduction of interest rates, sanction of fresh term loan, sanction of Working Capital Term Loan and Funding Interest Term Loan, sanction of need based working capital, creation of additional security in favour of CDR Lenders. This will provide your Company with the breathing space to further reduce costs, improve operational margins, sell non-core assets and improve the cash position. The Company has also adopted various measures for cutting production & administrative costs, improving operating & energy efficiencies and increasing overall productivity.

- (3) Expected increase in productivity and profits in measurable terms
- As mentioned in para above, the Company has taken appropriate steps to ensure improvement in profitability in future and subject to improvement in economic scenario and market condition, the Company expects to make good profit. Since profitability of the Company was adversely affected primarily due to external factors, in the prevailing political scenario and ongoing policy entanglements relating to coal supply and mining of iron ore, despite the steps taken for improvement in internal factors it would be inappropriate to quantify in measurable terms the likely increase in productivity and profits which may take place as a result of the steps taken by Company.

## ANNEXURE 1

### Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Vishal Agarwal	Mr. Punkaj Kumar Bajaj
Date of Birth	14 September 1974	5 April 1952
Date of Appointment	10 September 1996	1 March 2014
Qualifications	Bachelor's degree in Economics from the London School of Economics and a Masters degree in Economics for Development from Oxford University.	Graduate in Metallurgical Engineering and Gold Medalist from MNIT Jaipur
Expertise in specific functional area	<p>Mr. Vishal Agarwal has over 18 years of experience in the iron &amp; steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Coke and Ferro Chrome industry.</p> <p>He is a Committee Member of the CII - Eastern Region Council and Indian Chamber of Commerce. He is also the Chairman of ICC Odisha Expert Committee.</p>	<p>Mr. Punkaj Kumar Bajaj brings with him over 38 years of rich experience in iron &amp; steel industry with Steel Authority of India Ltd. (SAIL). He has held various senior positions at the integrated steel plants of SAIL including Rourkela, Bhilai, Durgapur as well as its Corporate office in New Delhi.</p> <p>He is currently responsible for the Steel business of the Company. Prior to joining VISA Steel Limited he was the Chief Executive Officer of Durgapur Plant at SAIL. Mr. Bajaj is also the Managing Director of VISA BAO Limited, subsidiary company.</p>
Directorship held in other public companies (excluding foreign companies)	VISA Infrastructure Limited VISA International Limited VISA Aluminium Limited Ghotaringa Minerals Limited VISA BAO Limited Indian Chamber of Commerce Calcutta VISA Urban Infra Limited VISA Cement Limited VISA Special Steel Limited VISA SunCoke Limited VISA Ferro Chrome Limited	VISA BAO Limited VISA Special Steel Limited KIOCL Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders Investors' Grievance Committee / Stakeholders Relationship Committee)	<u>Audit Committee - Chairman</u> VISA Infrastructure Limited VISA International Limited VISA BAO Limited <u>Audit Committee - Member</u> VISA Urban Infra Limited VISA SunCoke Limited	<u>Audit Committee - Member</u> KIOCL Limited
Number of shares held in the Company	Nil	Nil

Name of the Director	Mr. Shiv Dayal Kapoor	Mr. Debi Prasad Bagchi
Date of Birth	1 August 1946	21 October 1942
Date of Appointment	1 September 2008	22 February 2005
Qualifications	B.Sc. in Metallurgical Engineering from BHU and MBA from University of Leeds, UK	A Master of Arts in Economics and an M. Phil in Public Administration
Expertise in specific functional area	<p>Mr. Shiv Dayal Kapoor has over 45 years of rich experience in the minerals and metals industry. He is the former Chairman of MMTC Limited and Neelachal Ispat Nigam Ltd. and had been on the Board of many renowned Public Sector Enterprises.</p> <p>He is a recipient of the Best Chief Executive Gold Award – Rajiv Ratna National Award 2005 and Top CEO of the year Award 2000 – Indian Institute of Marketing &amp; Management, amongst others.</p>	<p>Mr. Debi Prasad Bagchi brings to the Board his deep knowledge of the administrative services and the State of Odisha, especially in the steel &amp; mining sector. He has held prestigious positions of authority like Additional Secretary, Commerce – Government of India; Secretary, Ministry of Small Scale Industry – Government of India; Chief Secretary – Government of Odisha, etc.</p> <p>Mr. Bagchi was also the Chairman cum Managing Director of Orissa Lift Irrigation Corporation and Managing Director of Orissa Mining Corporation Limited</p>
Directorship held in other public companies (excluding foreign companies)	IIDC Limited Apex Buildsys Limited Era Infra Engineering Limited VISA Resources India Limited VISA BAO Limited VISA SunCoke Limited INTEX Technologies (India) Limited Vindhya Telelinks Limited	Neelachal Ispat Nigam Limited Kajaria Ceramics Limited T.K. International Limited Jindal India Thermal Power Limited Ind- Barath Power Infra Limited Mideast Integrated Steels Limited Jindal India Powertech Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders Investors' Grievance Committee / Stakeholders Relationship Committee)	<u>Audit Committee - Chairman</u> VISA Resources India Limited <u>Audit Committee- Member</u> IIDC Limited Era Infrastructure (India) Limited Apex Buildsys Limited VISA SunCoke Limited INTEX Technologies India Limited <u>Stakeholders Relationship Committee - Member</u> Apex Buildsys Limited Vindhya Telelinks Limited	<u>Audit Committee - Chairman</u> Neelachal Ispat Nigam Limited <u>Audit Committee- Member</u> T.K. International Limited Jindal India Thermal Power Limited Mideast Integrated Steels Limited
Number of shares held in the Company	Nil	Nil

<b>Name of the Director</b>	<b>Ms. Gauri Rasgotra</b>	<b>Mr. Pratip Chaudhuri</b>
Date of Birth	5 September 1968	12 September 1953
Date of Appointment	26 September 2014	1 October 2014
Qualifications	B.A. (Hons) (Economics) and LL.B	Master's Degree in Science and Statistics from University of Rajasthan and is an alumnus of University Business School, Chandigarh
Expertise in specific functional area	<p>Ms. Gauri Rasgotra has over 21 years of rich experience in advisory and litigation. She is a Partner of Khaitan &amp; Co. in New Delhi.</p> <p>She has expertise in the area of dispute resolution, commercial law and other emerging areas such as data privacy, etc. She has active experience in litigation in the Supreme Court as well as other courts in India on behalf of Khaitan &amp; Co. She has managed litigation of some landmark cases such as 'Right of citizen to fly the National Flag'. In her advisory role, she has been working with top Indian and foreign firms, where she has handled a variety of settled and emerging laws governing the working of the corporate sector in India.</p>	<p>Mr. Pratip Chaudhuri is the former Chairman of State Bank of India and has 40 years of rich experience in banking sector. He has also served as the Chairman of SBI Global Factors Ltd, State Bank of Mysore, State Bank of Bikaner &amp; Jaipur, State Bank of Travancore and State Bank of Hyderabad.</p> <p>He was also a Director at Export-Import Bank of India and State Bank of Patiala</p>
Directorship held in other public companies (excluding foreign companies)	HIL Limited Orient Paper and Industries Limited	CESC Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders Investors' Grievance Committee / Stakeholders Relationship Committee)	<u>Audit Committee- Member</u> HIL Limited Orient Paper and Industries Limited <u>Stakeholders Relationship Committee - Member</u> HIL Limited Orient Paper and Industries Limited	NONE
Number of shares held in the Company	Nil	Nil

18th Annual General Meeting  
Wednesday, 24 December  
2014, at 10:30 A.M.

## VISA Steel Limited

CIN: L51109OR1996PLC004601

Regd. Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar- 751015  
Tel: (+91-674) 255 2479 Fax: (+91-674) 255 4661, e-mail id: investors@visasteel.com, website: www.visasteel.com

ATTENDANCE SLIP

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Eighteenth Annual General Meeting of the Company to be held on Wednesday, 24 December 2014 at 10.30 A.M. at IDCOL Auditorium, IDCOL HOUSE, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar - 751009.

.....  
Name of the member/proxy (in BLOCK letters)

.....  
Signature of Shareholder / Proxy Present

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

### ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	Password

18th Annual General Meeting  
Wednesday, 24 December  
2014, at 10:30 A.M.

## VISA Steel Limited

CIN: L51109OR1996PLC004601

Regd. Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar- 751015  
Tel: (+91-674) 255 2479 Fax: (+91-674) 255 4661, e-mail id: investors@visasteel.com, website: [www.visasteel.com](http://www.visasteel.com)  
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

I/We, being the member(s), holding..... shares of above named Company, hereby appoint

- |     |                 |                                     |
|-----|-----------------|-------------------------------------|
| (1) | Name .....      | Address .....                       |
|     | E-mail id ..... | Signature ..... or failing him/her  |
| (2) | Name .....      | Address .....                       |
|     | E-mail id ..... | Signature ..... or failing him/her, |
| (3) | Name .....      | Address .....                       |
|     | E-mail id ..... | Signature .....                     |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Wednesday, 24 December 2014 at 10.30 A.M. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009, and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.	Description of Resolution	V O T E		
		For	Against	Abstain
1.	Adoption of Audited Statement of Profit and Loss for the financial year ended 31 March 2014, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors' thereon.			
2.	Appointment of Auditors and fixing of their remuneration.			
3.	Approval and adoption of new set of Articles of Association of the Company.			
4.	Appointment of Mr. Debi Prasad Bagchi as an Independent Director.			
5.	Appointment of Mr. Shiv Dayal Kapoor as an Independent Director.			
6.	Appointment of Ms. Gauri Rasgotra as an Independent Director.			
7.	Appointment of Mr. Pratip Chaudhuri as an Independent Director.			
8.	Appointment of Mr. Punkaj Kumar Bajaj as the Director of the Company.			
9.	Appointment of Mr. Punkaj Kumar Bajaj as the Joint Managing Director & CEO (Steel Business).			
10.	Re-appointment of Mr. Vishal Agarwal as Vice Chairman & Managing Director of the Company.			
11.	Ratification of Remuneration to Cost Auditor.			
12.	Approval of related party transactions.			
13.	Waiver of excess remuneration paid to Mr. Vishambhar Saran, Wholetime Director designated as Chairman.			
14.	Waiver of excess remuneration paid to Mr. Vishal Agarwal, Vice Chairman & Managing Director			
15.	Waiver of excess remuneration paid to Mr. Pankaj Gautam, Joint Managing Director & CEO.			
16.	Consent to pay commission to Non-Executive Directors not exceeding 1% of the net profit.			
17.	Appointment of Ms. Bhawna Agarwal, to hold office or place of profit as President(CSR & Corporate Communication).			

Signed this..... day of .....:2014

Member's Folio / DP ID-Client ID No.....

Signature of Shareholder(s)..... Signature of Proxy holder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix  
Revenue  
Stamp  
Re. 1/-