

# SPARKING THE FUTURE



**VISA STEEL**

Annual Report 2014-15

## 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

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For more details visit: <http://www.visasteel.com>





# Staying Strong **FUNDAMENTALLY**

**VISA Steel Limited is committed to stay strong in the face of adversities. The Company plans to leverage new opportunities and unlock value of its strategic assets, going forward.**

The Company has a state-of-the-art facility at Kalinganagar in Odisha, for the production of Special Steel, Ferro Alloys and Coke. Kalinganagar is a major steel hub in India, and has been declared as a National Investment & Manufacturing Zone (NIMZ). It is strategically located in the mineral rich State of Odisha, which accounts for 33 % of India's total iron ore reserves, 28 % of coal reserves and 97 % of chrome ore reserves.

The plant's accessibility to raw materials and close proximity to the deep draft ports of Paradip and Dharma further strengthens its position. Besides, the plant is aided by excellent infrastructure and road and railway connectivity.

# A Glimpse of VISA Steel

VISA Steel has created a world-class facility in Kalinganagar Industrial Complex in Odisha, one of the largest steel hubs in India. The Company also plans to set up an integrated Steel Plant at Raigarh in Chhattisgarh.

## Our Capacities

### 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

## Registered Office

Bhubaneswar

## Corporate Office

Kolkata

## Listing

The Company has been listed on the National Stock Exchange of India Limited and BSE Limited



### Vision

Create long term shareholder value through value addition of natural resources



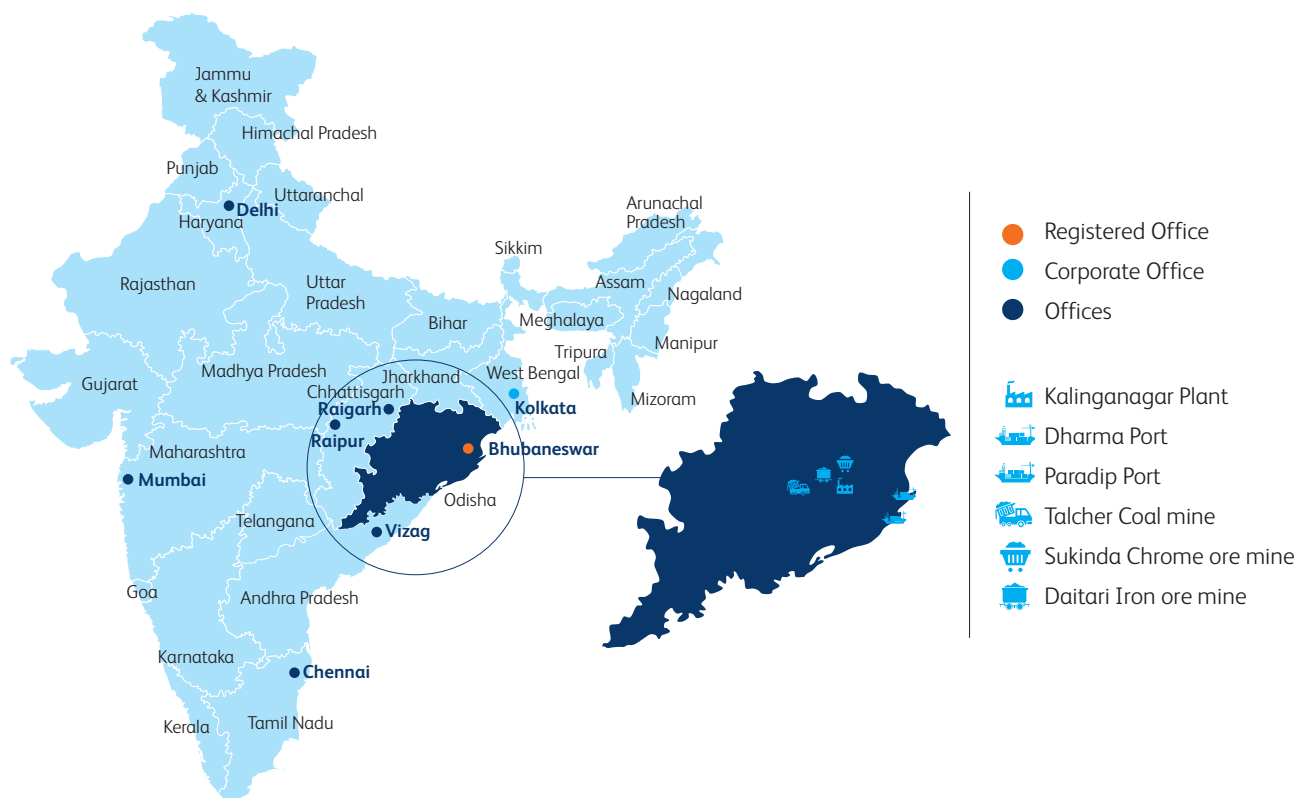
### Core Values

- » **Transparency**  
We are transparent and honest in our profession to 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
- » **Attitude**  
We demonstrate ownership in our attitude to create sustainable value for shareholders
- » **Governance**  
We are committed to best standards of safety, corporate social responsibility and corporate governance.

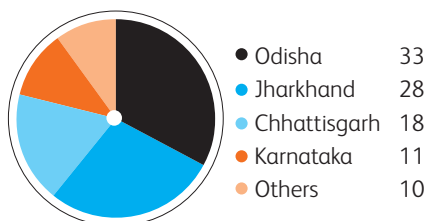


# Our Strategic Location

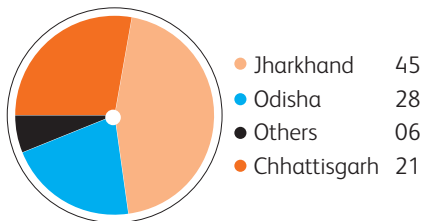
Our facility is strategically located in Kalinganagar, Odisha, India's most attractive location for Special Steel, Ferro Alloys and Coke making business.



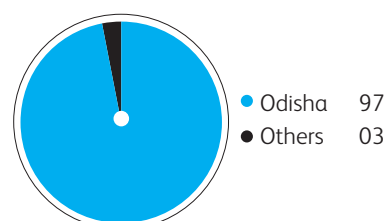
Iron Ore Reserves (%)



Coal Reserves (%)



Chrome Ore Reserves (%)





# Strategic Goals and Mission



## INTEGRATE ACROSS VALUE CHAIN WITH CAPTIVE MINES AND POWER

- Securing mining leases for key raw materials - iron ore, chrome ore and 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
- Recruit effectively

## FAMILY OF CAPABLE, MOTIVATED AND HAPPY EMPLOYEES

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

## 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

# Financial and Operational Highlights



All amount in Rs. Million, unless otherwise stated

Financial Highlights	FY 2015	FY 2014
Revenue	12,951	14,685
EBIDTA	308	1,247
EBIDTA Margin	2.38 %	8.49 %
PAT	(2,729)	(1,478)
Share Capital	1,100	1,100

Operational Highlights	FY 2015	FY 2014
Ferro Alloys (in MT)	62,719	70,568
Power (in Million Units)	367	435
Hot Metal (in MT)	42,931	105,718
Sponge Iron (in MT)	184,149	156,082
Coke (in MT)	295,734	370,099

## 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, Bars and Wire Rods, Spring Steel Flats, RCS and Rebars for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.





# 49%

Current FDI limit in Defence and Railways, which is a huge positive for demand for Special Steel products.



India's Auto sector including commercial vehicles, passenger vehicles and two / three wheeler production is likely to grow significantly over the next decade. The Auto Component Sector has attracted huge investments and exports are growing at rapid pace. The Government of India has increased FDI limit in Defence and Railways from 26 % to 49 %, which is a huge positive for demand for Special Steel products.

The Company plans to transfer its 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 investors. The Company plans to eventually expand its capacity from 0.5 million TPA to 1 million TPA Special Steel at Kalinganagar in Odisha.

## Ferro Alloys Business

VISA Steel is operating a 180,000 TPA Ferro Alloy Plant comprising of 6 submerged arc furnaces and a 75 MW Captive Power Plant.



Currently, out of 6 Furnaces, 4 Furnaces are in operation (2 Furnaces of VISA Steel Limited and 2 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 operating VISA BAO's Ferro Alloy 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 Alloys Business, and low cost and uninterrupted availability of Captive Power for Ferro Alloys production is critical to the cost competitiveness and facilitating stable operations.

The consolidation will make VISA Steel a leading player in the Ferro Alloys industry in India and globally, and enable unlocking value through strategic / financial investors.





## Coke Business

VISA Steel's Coke Business comprises a 400,000 TPA Coke Oven Plant with associated steam generating units operating through the 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.



**51%**

Stake of VISA SunCoke Limited is held by VISA Steel



Demand for Coke from Blast Furnaces has been weak due to Iron Ore availability issues and cheap imports of Coke from China. However, the Company has established itself as the best quality Coke manufacturer and enjoys advantage over imported Coke from China. Being a debt-free Company, VISA SunCoke Limited has been able to leverage its operating and technological expertise to be cost efficient and serve customers across India with the best quality Coke.



# Chairman's Insights



Vishambhar Saran, Chairman

## DEAR SHAREHOLDERS,

The financial year 2014-15 has once again been an extremely challenging year for the Iron & Steel industry due to rising steel exports from China (in view of huge surplus capacities), weak demand globally 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 Special Steel Business, Metallurgical Coke Business and Ferro Alloy & Captive Power Generation Business.

### SPECIAL STEEL BUSINESS

In order to improve focus and to facilitate fund raising by inviting a strategic / financial investor, the Company is in advanced stage for transfer of its Special Steel Business to its subsidiary - VISA Special Steel Limited, through a Scheme of Arrangement.

Going forward, the Company plans to eventually expand its capacity from 0.5 million TPA to 1 million TPA Special Steel at Kalinganagar in Odisha.

During the year under review, the Company's Special Steel Business was severely affected due to closure of several Iron Ore mines due to Shah Commission investigation and Supreme Court judgment dated 16 May 2014. The over capacity and excess production of steel in China and adverse duty structure domestically has further impacted the Special Steel Business.

### 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 Energy holds remaining 49 % stake.

The Coke Business performance has also been rather severely affected due to sluggish demand for Coke in the domestic market and pressure of cheap imports from China.

### FERRO ALLOYS BUSINESS

This business comprises of 6 Furnaces of 18 MVA each for production of 180,000 TPA Ferro Alloys. Four out of the six Furnaces belong to VISA BAO Limited (VBL), (a Subsidiary of the Company), of which 2 Furnaces have been taken on lease by the Company and 2 Furnaces are yet to be commissioned. Further 2 Furnaces & 75 MW Captive Power Plant belong to the Company. In order to consolidate the Ferro Alloys & Captive Power generation Business, the Boards of VBL and the Company have approved amalgamation of VBL with the Company. Consequently, Baosteel will be issued 5 % stake in the Company. This amalgamation of VBL with the Company will make the Company one of the largest Ferro Alloy producers in India. The integration will improve the operational and cost efficiency of the Ferro Alloy Business.

During the year under review, the Company's Ferro Alloy Business was affected due to frequent stoppage in the supply of Chrome Ore and Concentrate due to closure of various private Chrome Ore mines due to Supreme Court judgment dated 16 May 2014. The management took up the raw materials issue with OMC & Govt. officials through various Industry Chambers which is likely to improve the availability and Chrome Ore production by OMC and private 'other than captive' Chrome Ore mines from second half of FY'2015-16 onwards.



## ANNUAL RESULTS

For the year ended 31 March 2015, the Company recorded consolidated revenue of Rs. 12,951.44 Million, EBITDA of Rs. 307.59 Million and loss after tax of Rs. 2,729.10 Million. The Company's revenues were much lower than its potential, mainly due to non-availability of raw materials at viable prices, sluggish demand for its products and due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders.

## THE INDUSTRY

The Global steel industry continues to face problems of huge surplus capacity, mainly in Odisha. In FY 2015, the economy slowed down, mainly due to lower growth rates in emerging economies including China. This has resulted in weakening of commodity prices globally.

According to the Ministry of Steel, Government of India, the current per capita consumption of steel in the country is only around 52 kg against the world average of 203 kg and therefore, there is a huge growth potential in steel consumption in India. However, any significant improvement in demand for Iron and Steel products may take a little longer and show up only after investments in infrastructure and construction sectors start to pick up and import duty structure rectified.

The Global crude steel production growth slowed down to 1% and apparent finished steel demand grew by just 0.6%. Steel demand in the advanced economies grew by 6.2% in 2014 buoyed by growing US economy and a mild recovery in the Euro region. Continued deterioration in the Brazilian and Russian steel markets resulted in

a tepid demand growth of 2.3% from developing economies (excluding China) in 2014. India remained the 4th largest producer and 3rd largest consumer of steel globally. In India Crude Steel production grew by 8% to 88.25 million tonnes and consumption of Steel stood at 76.36 million tonnes, a growth of 3.1% compared to the previous year.

## VISION & STRATEGY

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

Having set up state-of-the-art value addition facilities, the Company is keen to secure iron ore mines by participating in auctions as permitted under the newly amended MMDR Act.

Going forward, the Company's Subsidiary – VISA Special Steel Limited intends to explore options to unlock value by inducting a Strategic Investor and eventually expand its Special Steel making capacity from 0.5 million TPA to 1 million TPA. Likewise, after the consolidation of its Ferro Chrome & Captive Power Generation business, the Company will become a leading player in the Ferro Chrome industry in India and globally.

## OUTLOOK

Going forward, we are confident of seeing better business scenario ahead and expect revenues and margins from Special Steel, Coke and Ferro Alloy Businesses to drive your Company.

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 and Banks for their valued support and I hope to continue to receive your support in the future.

Warm Regards,



Vishambhar Saran

# Vice Chairman & Managing Director's Message



**Vishal Agarwal, VC & MD**

Your Company has established a world class manufacturing facility for production of Special Steel, Ferro Alloys with Captive Power Plant and Metallurgical Coke at Kalinganagar in Odisha. The Kalinganagar Industrial Complex has been declared as a National Investment & Manufacturing Zone (NIMZ) and is a major Steel hub of India with excellent Road, Railway and Port connectivity with close proximity to Iron Ore, Chrome Ore and Coal mines.

The financial and operational performance of the Company has been adversely affected due to various external factors including failure of commitment to grant Iron Ore mines, de-allocation of Coal Block, non-availability of raw materials at viable prices due to mine closures, weak product prices due to over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel and commodity prices and the high interest costs, logistics costs, infrastructure bottlenecks etc. for domestic Steel Companies.

However, the raw material scenario is likely to improve significantly due to the passing of MMDR Amendment Act effective from 12th January 2015 which

provides clarity on lease renewal and enables a transparent auction process for grant of iron ore mines to user industries. We expect that because of this important reform, the mineral production in the country is set to increase significantly from second half of FY' 2015-16 onwards, and this is good news for the value addition industry. Further, the Government of Odisha has advised Odisha Mining Corporation to enter long term linkage agreements for supply of Iron Ore and Chrome Ore / Concentrates with MoU signed State based Steel & Ferro Alloy producers in Odisha. With improved raw material availability, prices of Iron Ore and Chrome Ore now need to fall to levels that are economically viable for the value addition industry, and your Company is taking up the matter with 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, weak product prices and insufficient Working Capital continued to be a major challenge for the Company which adversely impacted the Operations. Steel production was 21,263 MT during 2014-15 compared to 49,827 in 2013-14, Hot Metal/Pig Iron production was 42,931 MT compared to 105,718 MT in 2013-14 and DRI/Sponge Iron production was 184,149 MT compared to 156,082 MT in 2013-14.

The Mines and Minerals (Development and Regulation) (MMDR) Amendment Act which was passed and notified in March 2015 is likely to result in sharp increase in Iron Ore production domestically and drastically improve availability of Iron Ore at reasonable price. It will also allow allocation of Iron Ore Mining Lease for end use Steel Plants through auction in a transparent manner. The Company expects a steady supply of Iron Ore at viable prices from OMC which would significantly improve production of Iron and Steel products. Besides, the Company is confident of securing captive Iron Ore Mining Lease in Odisha through auction process.

The Company is in advanced stage to transfer its Special Steel Business to VISA Special Steel Limited (VSSL), to unlock shareholder value and enable induction of suitable strategic / financial investor. The Board of Directors, shareholders and lenders have approved the Scheme of Arrangement for transfer of Special Steel Undertaking of the Company with all its assets and liabilities, into VSSL, and the approval from the Hon'ble High Court is awaited. The Company is in discussion with strategic / financial investors for a strategic alliance in VISA Special Steel Limited.

## **FERRO ALLOY BUSINESS**

The Ferro Alloys Business is operating a 120,000 TPA capacity Plant (including the Furnaces taken on lease from VISA BAO Limited (VBL), a subsidiary Company) and has produced 62,719 MT of Ferro Alloy in the financial year

2014-15 compared to 70,568 MT in 2013-14. The generation of Electricity from the Company's Captive Power Plant (CPP), having installed capacity of 657 million units per annum, produced 367.27 million units in financial year 2014-2015 as compared to 434.82 million units in the previous year. VISA BAO Limited has commissioned two furnaces and the balance two furnaces are under completion. The Ferro Chrome operations were adversely impacted due to the various mine closures and consequent non-availability of Chrome Ore / Concentrates at viable prices.

The management has taken up the Chrome Ore availability issue with OMC & Govt. officials directly and also through various Industry Chambers which is likely to result in major improvement in the Chrome Ore production and availability from OMC, and private merchant (other than captive) mines from second half of FY' 2015-16 onwards.

The Boards of both VISA Bao Limited (VBL) and VSL and Shareholders of VBL have already approved amalgamation of VBL with VSL. Ferro Chrome and CPP business of VSL & VBL will soon get consolidated in VSL and Baosteel will hold 5 % stake in VISA Steel Limited. This amalgamation of VISA Bao with VISA Steel will make VISA Steel one of the largest Ferro Chrome producers in India. The integration will improve the operational and cost efficiency of the Ferro Chrome Business.

#### COKE BUSINESS

Against an installed capacity of 400,000 TPA, actual production of metallurgical Coke in 2014-15 was 295,734 MT, compared to 370,099 in 2013-14.

Coking Coal and Coke prices have been weakening over the year and VISA SunCoke has been adversely affected due to inventory writedown. VISA SunCoke is a leading supplier of consistent and high quality Coke to Blast Furnace of your Company and various Iron and Steel plants in Eastern India. The Coke business has been adversely

affected due to removal of 40 % Export Duty on Coke from China due to which cheap Coke is being dumped in Indian market. Your Company has taken up the matter with Government Authorities for imposition of Safeguard Duty and / or Anti-Dumping Duty.

#### FINANCE

Your Company is focusing on consolidating its operations, improving raw material availability and operational efficiencies to reduce costs. The operations and cash flow of the Company have been affected due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders.

In view of the cash losses suffered by your Company due to high cost of raw material, weak product prices and high interest rate, and the consequent impact on cash flows, the Company has not been able to service its debt in a timely manner. In order to mitigate the cash strain and irregularity in debt servicing, the Company has been in discussions with lenders for Corrective Action Plan under Corporate Debt Restructuring (CDR) mechanism since 20 May 2015. Your Company has already infused additional equity funds of Rs. 325 Crores in a phased manner as per the CDR package. Meanwhile, lenders have invoked Strategic Debt Restructuring on 22 September 2015, which is subject to necessary approvals / authorisations (including special resolution by the shareholders). The Company is also evaluating option to induct strategic / financial investor and refinance debt to sustainable level.

#### HUMAN RESOURCE INITIATIVE

Your Company has formulated a detailed Code of Conduct in order to practice ethical behavior and sound conduct to establish the principles that guide our daily actions. Ethical conduct is the cornerstone of how the Company does business. Your Company is committed to creating 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, is treated with dignity and respect.

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 our role and responsibility as a corporate citizen. In line with our core business philosophy, concern for Health, Safety and Environment continue to be one of our key priorities. As a responsible corporate, the Company is focused on the happiness of people living in its larger neighboring 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 46 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 chrome / 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, Chairman, Corporate Social Responsibility Committee*

Mr. Agarwal has over 18 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. Shiv Dayal Kapoor

*Chairman, Audit Committee & Nomination and Remuneration Committee*

Mr. Kapoor has over 46 years of 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.

#### 4. Mr. Debi Prasad 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.

#### 5. Mr. Pratip Chaudhuri

##### *Chairman, Stakeholders Relationship Committee & Finance and Banking Committee*

Mr. Chaudhuri is the former Chairman of State Bank of India and has 40 years of experience in the 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.

#### 6. Ms. Gauri Rasgotra

##### *Independent Director*

Ms. Rasgotra has over 22 years of experience in advisory and litigation. A B.A. (Hons) (Economics) and LL.B, she is a Partner in legal firm Cyril Amarchand Mangaldas, 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. 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.

#### 7. Mr. Kishore Kumar Mehrotra

##### *Independent Director*

Mr. Mehrotra, is a B. Tech & M. Tech (Metallurgy) from IT, BHU and holds a Diploma in Industrial Engineering from IIIE, Mumbai.

Mr. Mehrotra has over 36 years of experience in the field of design, consultancy, technology evaluation, process selection and optimisation in iron and steel, energy audit, marketing in the area of oil & gas and infrastructure, project management etc. Mr. Mehrotra superannuated from the post of Chairman-cum-Managing Director of MECON Ltd in the year 2013. He was also holding additional charge of Managing Director of Metallurgical & Engineering Consultants (Nigeria) Ltd., a joint venture company formed by MECON Limited with Delta Steel Plant, Ajaokuta Steel Plant and Nigerian Partners.

#### 8. Mr. Manas Kumar Nag

##### *Nominee Director*

Mr. Nag, is an MA (Econ) and Certified Associate of the Indian Institute of Bankers (CAIIB).

Mr. Nag had held senior positions in State Bank of India (SBI) including CGM (SME), ex-officio Chairman of one of the

Corporate Centre Credit Committees. He was also the Executive Vice President in SBI Capital Markets. Post retirement he was nominated to the Investment Committee of SME Growth Fund of SIDBI Venture Capital Ltd by SBI.

#### 9. Mr. Manoj Kumar Digga

##### *Wholtime Director designated as Director (Finance) & Chief Financial Officer*

Mr. Digga is a qualified Chartered Accountant and a qualified Company Secretary with over 24 years of experience in Finance, including Corporate Finance, Banking, Domestic & International Taxation, Treasury, Risk Management, Strategy and Secretarial Matters.

He had played key role in shaping the Company's business plans and financial strategy. He oversees the finance and accounting affairs of the Company. He has also played a vital role in mobilising funds for the expansion projects of the Company.

#### 10. Mr. Manoj Kumar

##### *Wholtime Director designated as Director (Kalinganagar)*

Mr. Manoj Kumar, is a Mechanical Engineer from BIT Mesra, Ranchi. Mr. Kumar has over 26 years of experience of working in various positions in the iron & steel industry.

He had been accredited with bringing the concept of ABP based procurement into the company and was also responsible was streamlining the operational procurement by entering into Annual Rate Contracts & Vendor Stockings. He had played a key role in the Company's projects & operations.

# Contributing to Social Wellbeing

As a responsible Corporate, VISA Steel takes care of the people and communities residing in its neighbouring areas, while creating wealth for its stakeholders. The Company's CSR team is dedicated towards improving the living conditions of the society's marginalised sections for a better tomorrow.



The Company has implemented some major reforms in the remote areas of Odisha and Chhattisgarh. Its initiatives in the realms of education, healthcare, rural development and sports & culture have created a positive difference in the society. Going forward, the Company will continue to put more focus on these areas.

## EDUCATION

VISA Steel believes that India's future rests in the hands of the young generation. Thus, it is dedicated in shaping the country's future through various endeavours in the area of education. The following initiatives were taken by the Company for this cause:

- 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 girls in need at Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh
- Provided facilities, such as laboratories and science labs at the Smt. Sarala Devi Saraswati Balika Inter College
- 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 vocational trainings like tailoring for women in the village

## HEALTHCARE

Community development cannot be obtained without proper healthcare facilities. VISA Steel has undertaken the following initiatives to strengthen this purpose:

- Organised medical camps in the backward areas of Odisha and Chhattisgarh
- Contributed to the construction of a blood bank in Jajpur, Odisha
- Raised awareness for the treatment of common diseases; providing free medicines and medical facilities





- Participated in international forums for mentally and physically challenged people, by way of financial sponsorship and support

### SPORTS & CULTURE

VISA Steel aims to encourage and sponsor young talent, give them platform to perform and provide help for better training. The Company plans to organise sporting activities for the all-round development of children. Few initiatives undertaken by the Company in this field are as follows:

- Sponsored and organised an annual ladies golf tournament at the Tollygunge Club, 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 of Chhattisgarh

### RURAL DEVELOPMENT

The Company aims to create better livelihood for the people residing in rural India. The following initiatives have been taken to improve their living standards:

- Installed bore-wells to provide 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 and beautification of Military Chhak in Kalinganagar, Odisha
- Contributed to road development activities in villages for better connectivity

### SAFETY & ENVIRONMENT

As a future focused organisation, VISA Steel takes care of the planet. The Company, along with its employees

comply with environmental standards to maintain ecological balance. Some initiatives taken by the Company in this respect are as follows:

- Established a strong team of medical personnel
- Implemented regular safety training sessions for employees and contract labour
- Launched water harvesting initiatives to protect ground water levels



# Report of the Directors



## Dear Shareholders,

Your Directors are pleased to present this Nineteenth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements of Accounts for the financial year ended 31 March 2015.

## FINANCIAL RESULTS

(Rs. Million)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Net Revenue	9,221.57	10,299.58	12,802.74	14,549.36
Other Income	288.52	279.97	148.70	136.02
Total Revenue	9,510.09	10,579.55	12,951.44	14,685.38
Profit before interest, depreciation, tax & exceptional item	267.98	663.42	307.59	1,247.20
Finance Cost	2,061.90	1,450.31	2,293.60	1,625.60
Depreciation	574.09	577.29	767.30	747.77
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(2,368.01)	(1,364.18)	(2,753.31)	(1,126.17)
Exceptional & Extraordinary Items	-	(160.77)	(212.95)	(374.15)
Profit / (Loss) before Tax	(2,368.01)	(1,524.95)	(2,966.26)	(1,500.32)
Tax Expenses	46.39	-	60.18	(64.73)
Profit / (Loss) after Tax	(2,414.40)	(1,524.95)	(3,026.44)	(1,435.59)
Minority Interest	-	-	(297.34)	42.69
(Loss) / Profit for the period	(2,414.40)	(1,524.95)	(2,729.10)	(1,478.28)

## OPERATIONS

The Company is pursuing Special Steel Business, Ferro Alloy 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 Alloy Business includes production of High Carbon Ferro Chrome and generation of Power for captive use and the Coke Business includes production of Coke.

The consolidated total revenue of the Company stood at Rs. 12,951.44 Million for the financial year 2014-15. The profit before interest, depreciation, tax and exceptional item is Rs. 307.59 Million in the financial year 2014-15.

During the year under review, financial and operational performance of the Company has been adversely affected due to various external factors including failure of commitment to grant Iron Ore mines, de-allocation of Coal Block, non-availability of raw materials at viable prices due to mine closures, weak product prices due to over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel and commodity prices, the high interest costs, logistics costs, infrastructure bottlenecks etc. for domestic Steel Companies, due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders.

The Blast Furnace having installed capacity of 225,000 TPA produced 42,931 MT Hot Metal. The DRI Plant having installed capacity of 300,000 TPA produced 184,149 MT Sponge Iron as compared to 156,082 MT in the previous year.

The Ferro Alloy Business, with a total current operating capacity of 120,000 TPA including the Furnaces taken on lease from VISA BAO Limited, a subsidiary Company, produced 62,719 MT of Ferro Alloy in the financial year 2014-15 compared to 70,568 MT in 2013-14. The generation of electricity from Company's Captive Power Plant, having installed capacity of 657 Million units per annum, was 367 Million units in financial year 2014-15 as compared to 435 Million units in the previous year.

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 295,734 MT during the year.

The Special Steel Business has been affected due to closure of several Iron Ore mines due to Shah Commission investigation and Supreme Court judgment dated 16 May 2014. The over capacity and excess production in China resulting in Cheap imports in the country and adverse duty structure domestically have further impacted the Special Steel Business. The Ferro Alloy Business has been affected due to frequent stoppage in the supply of Chrome Ore and Concentrate due to closure of various Chrome Ore mines, whereas the Power Plant was affected due

to stoppage of Coal Linkage. The Coke Business performance has been affected due to sluggish demand for Coke in the domestic market and pressure of cheap imports from China.

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 fifty percent of its net worth as at 31 March 2015. 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, the Company has not referred the matter to the Competent Authority. The replacement value of the assets is higher than the book value, and the Company plans to unlock value in the Special Steel Business through strategic / financial investors as it has done by inducting SunCoke Energy, USA as a strategic investor in the Coke Business and Baosteel Resources Co. Ltd., China, in Ferro Alloy Business.

## FUTURE OUTLOOK

According to the Ministry of Steel, Government of India, the current per capita consumption of finished steel in the country is only around 52 kg against the world average of 203 kg and therefore, there is a huge growth potential in steel consumption in India.

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.

Your Company is committed to its vision to emerge as an efficient producer of high quality value added products including Coke, Ferro Alloy and Special Steel. Going forward, the Company expects the revenues and margins from Metallurgical Coke, Ferro Alloy & Special Steel Businesses to remain challenging in the short term, but is positive on the outlook over the medium to long term.

## CDR

Your Company is focusing on consolidating its operations, improving raw material availability and operational efficiencies to reduce costs. The operations and cash flow of the Company have been affected due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders. In view of the cash losses suffered by your Company due to high cost of raw material, weak product prices and high interest rate, and the consequent impact on cash flows, the Company has not been able to service its debt in a timely manner. In order to mitigate the cash strain and irregularity in debt servicing, the Company has been in discussions with lenders for Corrective Action Plan under Corporate Debt Restructuring (CDR) mechanism since



20 May 2015. Your Company has already infused additional equity funds of Rs. 325 Crores in a phased manner as per the CDR package. Meanwhile, lenders have invoked Strategic Debt Restructuring on 22 September 2015, which is subject to necessary approvals / authorizations (including special resolution by the shareholders). The Company is also evaluating option to induct strategic / financial investor and refinance debt to sustainable level.

### 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 its Special Steel Business (comprising of Blast Furnace, DRI Plant, Steel Melt Shop, Rolling Mill and associated steam generation units) to 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. The Scheme has been approved by the members of the Company at the Court Convened Meeting (CCM) held on 10 June 2014. Subsequent to the approval of the members, a petition was filed before the Hon'ble High Court of Orissa on 25 June 2014. Lender's approval was received on 31 December 2014. Final Decision of the High Court of Orissa is awaited.

### AMALGAMATION OF VISA BAO LIMITED

The Board of Directors of the Company had approved a Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, between the Company and VISA BAO Limited, a subsidiary of the Company and their respective shareholders. The appointed date of the Scheme is 1 April 2015 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature of Orissa at Cuttack. The scheme is subject to necessary approval from all concerned authorities. Post Amalgamation, Baosteel will hold 5% stake in the Company.

### AMALGAMATION OF KALINGANAGAR SPECIAL STEEL PRIVATE LIMITED

The Board of Directors of the Company had approved a Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, between the Company and Kalinganagar Special Steel Private Limited, a subsidiary of the Company and their respective shareholders and creditors. The appointed date of the Scheme is 31 March 2014 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature of Orissa at Cuttack.

### DIVIDEND

In view of the loss incurred by the Company, your Directors have not recommended any dividend for the financial year ended 31 March 2015.

### TRANSFER TO RESERVES

In view of losses incurred by the Company during the year, no amount has been transferred to the General Reserve for the financial year ended 31 March 2015.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, subsequent to year end, transferred a sum of Rs. 359,635/- to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956). The said amount represents dividend for the year 2007 – 08 which remained unclaimed for a period 7 years from its due date of payment.

### SHARE CAPITAL

The Company's paid up equity share capital remained at Rs. 1,100,000,000 (Rupees One Hundred Ten Crores only) comprising of 110,000,000 equity shares of Rs. 10 each. There was no change in the Company's share capital during the year under review.

### SUBSIDIARIES

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

- (i) VISA BAO Limited (VBL) is a Joint Venture between the Company and Baosteel Resources Co. Ltd. (Baosteel), China. VBL has a Ferro Alloy Plant with 4 Submerged Arc Furnaces at Kalinganagar in Odisha of which 2 furnaces have been commissioned and balance 2 Furnaces are under completion. 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.

Subsequent to year end, the Board of Directors of the Company and VBL had approved the amalgamation of VBL with the Company through a Scheme of Amalgamation. Post Amalgamation, Baosteel will hold 5% stake in the Company. Necessary approvals have been initiated and are in progress.

- (ii) VISA SunCoke Limited (VSCL) is a Coke making Joint Venture with SunCoke 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) Kalinganagar Special Steel Private Limited, a wholly owned subsidiary, was incorporated on 27 May 2013.
- (iv) 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.
- (v) VISA Special Steel Limited incorporated on 27 July 2012 and is a wholly owned subsidiary of VISA Ferro Chrome Limited.
- (vi) Ghotaringa Minerals Limited (GML) is a Joint Venture between the Company and Orissa Industries Limited (ORIND).
- (vii) Kalinganagar Chrome Private Limited, a wholly owned subsidiary, was incorporated on 1 July 2013.

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. A statement containing the salient features of the financial statement of the Company's subsidiaries in the prescribed form AOC-1 pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed separately to the financial statements.

The 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 and will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries. The Financial statements of the Company and its subsidiaries are also available on the website of the Company.

#### **EXTENSION OF DATE 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 2015, was due to be held on or before 30 September 2015. 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 14 August 2015.

#### **BOARD MEETINGS**

The Board met 7 times during the year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of Non Independent Directors, as required under the Act and the Listing Agreement.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of the Company, Mr. Vishal Agarwal, Vice Chairman & Managing Director (DIN: 00121539), retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board has recommended his re-appointment.

Mr. Shiv Dayal Kapoor (DIN 00043634), Mr. Debi Prasad Bagchi (DIN: 00061648), Mr. Pratip Chaudhuri (DIN 00915201) and Ms. Gauri Rasgotra (DIN 06862334) have given declarations confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Saubir Bhattacharyya (DIN: 01383195) was appointed as Nominee Director (Nominee of State Bank of India (SBI)) on 10 February 2015. However, Mr. Bhattacharyya resigned from his office w.e.f. 6 April 2015. SBI has thereafter nominated Mr. Manas Kumar Nag (DIN 02058292) as its Nominee Director and the Board had accordingly appointed him as the Nominee Director w.e.f. 14 August 2015.

Mr. Manoj Kumar Digga (DIN 01090626) has been appointed as the Wholetime Director designated as Director (Finance) & Chief Financial Officer of the Company for a period of 3 (three) years w.e.f. 14 August 2015. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting.

Subsequent to the year end, Mr. Punkaj Kumar Bajaj (DIN 02216069) Joint Managing Director & CEO (Steel Business) had expressed his desire to seek voluntary retirement from the services of the Company. The Board had accordingly, accepted his request and he was relieved from the services of the Company from the close of business hours on Monday, 14 September 2015.

Mr. Manoj Kumar (DIN 06823891) has been appointed as the Wholetime Director designated as Director (Kalinganagar) of

the Company for a period of 3 (three) years w.e.f. 15 September 2015. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting.

Mr. Kishore Kumar Mehrotra (DIN 02894045) has been appointed as the Additional Director (Non Executive, Independent) of the Company w.e.f. 12 November 2015. The Company has received Notice under Section 160 of the Companies Act, 2013, along with required deposit, from a member proposing his candidature for the office of Director (Non Executive, Independent) of the Company. The Board has recommended his appointment as Independent Director of the Company.

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.

#### Key Managerial Personnel

During the year, Mrs. Subhra Giri Patnaik, Company Secretary and Compliance Officer of the Company resigned from the services of the Company. The resignation was effective 23 November 2014.

Consequent to Mrs. Patnaik's resignation, the Board appointed Mr. Keshav Sadani as the Company Secretary and Compliance Officer of the Company w.e.f. 23 May 2015.

#### BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the Listing Agreement. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) that the directors have 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 2015 and of the loss of the company for that period;
- (c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts had been prepared on a going concern basis;
- (e) that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### AUDIT COMMITTEE

The Audit Committee comprises of 3 (three) Non Executive Independent Directors. Mr. Shiv Dayal Kapoor is the Chairman of the Audit Committee. The members of the Committee possess adequate knowledge of Accounts, Audit and Finance, among others. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and of Clause 49 of the Listing Agreement and is detailed in the Corporate Governance Report forming part of this Annual Report.

All recommendations made by the Audit Committee during the financial year 2014 - 15 were accepted by the Board of Directors of the Company.

#### CEO / CFO CERTIFICATION

As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, Mr. Punkaj Kumar Bajaj, erstwhile Joint Managing Director & CEO (Steel Business) and Mr. Manoj Kumar Digga, Wholtime Director designated as Director (Finance) & Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2015, which is annexed to this Report

#### Auditors

##### Statutory Auditors and Auditors Report

The members of the Company had, at the 18th Annual General Meeting of the members of the Company held on 24 December



2014, approved the appointment of M/s. Lovelock & Lewes, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 21st Annual General Meeting, subject to ratification by members at every Annual General Meeting.

Accordingly, the existing appointment of M/s. Lovelock & Lewes, Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by shareholders at the ensuing annual general meeting.

In compliance with Section 139 and other applicable provisions of the Companies Act, 2013, the Company has obtained a written consent from the Auditors and also a certificate to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Act.

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

- As regards the para 8 of the Independent Auditors Report, attention is drawn to Note no. 34 of the Notes of the Accounts of the Standalone Account which is self-explanatory.
- Attention is drawn to para 10 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.
- As regards the para (iii) 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. 1.99 Million as at financial year end 31 March 2015, due to financial constraints and has assured that the same will be paid during the financial year 2015-16.
- The Auditors' observation in para (viii) of the Annexure to the Auditors' Report that the accumulated losses of the Company exceeds fifty percent of its net worth as at 31 March 2015 and it had incurred cash losses in the financial year ended on that date and immediate preceding financial year. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 for transfer of its Special Steel Business to VISA Special Steel Limited, subsidiary of the Company for proper focus on Special Steel Business and to facilitate attracting Investors is in the final 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;
- The Auditors observation in para (ix) of the Annexure to the Auditors report regarding dues to financial institution and banks aggregating Rs. 2,518.24 million as mentioned in Note 5D were due to severe liquidity crisis being faced by the Company on account of continued cash losses incurred.

#### Internal Auditors

In terms of the provisions of Section 138 of the Act, M/s. L B Jha & Company, Independent Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2014-15. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Report.

The Board has re-appointed M/s. L. B. Jha & Company, Independent Chartered Accountants as Internal Auditors of the Company for the financial year 2015-16.

#### Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed CS Manoj Kumar Banthia of M/s. M K B & Associates, Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for the financial year 2014 -15. The report of the Secretarial Auditor in specified form MR-3, is annexed herewith as Annexure I and forms part of this report. The report does not contain any observation or qualification or adverse remarks.

The Board has re-appointed CS Manoj Kumar Banthia of M/s. M K B & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2015 – 16.

#### Cost Auditors

As per Section 148 of the Companies Act, 2013, 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 Alloy and Sponge Iron) manufactured by the Company for the financial year ending 31 March 2016.

The Cost Audit Report for the year 2013-14 has been filed under XBRL mode within the due date of filing.

#### RISK MANAGEMENT

The volatility in the global economy and the increasingly complex interplay of factors influencing the 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 robust policy along with well-defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with the business.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

## **INTERNAL CONTROL SYSTEM**

Your Company has adequate system of internal control procedures commensurate with its size and the nature of business. The internal control systems of the Company are monitored and evaluated by the Internal Auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors of the Company.

Your Company manages and monitors the various risks and uncertainties that can have adverse impact on the Company's Business. Your Company is giving major thrust in developing and strengthening its internal audit so that risk threat can be mitigated.

## **RELATED PARTY TRANSACTIONS**

All related party transactions entered into during FY 2014-15 were on arm's length basis and also in the ordinary course of business. No related party transactions were made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons during FY 2014-15, except those reported.

All Related Party Transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which were of foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions was placed before the Audit Committee for its approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at: [www.visasteel.com](http://www.visasteel.com).

Information on transaction with related parties is given in Form AOC-2, Annexure II and the same forms part of this report.

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2014-15.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure III forming part of this Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial Statements.

## **HUMAN RESOURCES**

The Company has formulated a detailed Code of Conduct in order to practice ethical behavior and sound conduct to establish the principles that guide our daily actions. Ethical conduct is the cornerstone of how the Company does business. The Company is committed to creating 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, is treated with dignity and respect.

The Company recognizes 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.

## **PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION**

The information required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) are set out in Annexure IV to this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during working hours. Any member interested in obtaining a copy of the statement may write to the Company.

The disclosure pertaining to remuneration of Directors, Key Managerial Personnel and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Rules are provided in Annexure IVB to this report.

## **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 Director, whether whole-time or otherwise, 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 provides 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, 120,469 Stock Options have vested with the specified employees of the Company and its subsidiary (ies) under the ESOP Scheme 2010 and 403,895 Stock Options have lapsed till 31 March 2015. As on 31 March 2015, none of the Options have been exercised.

The particulars with regard to ESOP scheme as on 31 March 2015, as required to be disclosed pursuant to the provisions of Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 are set out in Annexure V to this Report.

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2010 would be placed at the forthcoming Annual General Meeting.

### DEPOSITS

The Company has not accepted or renewed any deposits during the year under review.

### CONSOLIDATED FINANCIAL STATEMENT

In terms of Clause 32 of the Listing Agreement with Stock Exchanges, Consolidated Financial Statement, conforming to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, is 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.

### MANAGEMENT DISCUSSION & ANALYSIS

A detailed analysis of the Industry and Company Outlook, 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.

### EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 as per provisions of Companies Act, 2013 and rules thereto is annexed to this report as Annexure VI.

### VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against victimization of employees and / or Directors and also provides for direct access to the Chairman of the Audit Committee. The Policy is uploaded on the website of the Company at : [www.visasteel.com](http://www.visasteel.com).

### CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) policy recommended by the Corporate Social Responsibility Committee had been approved by the Board of Directors. The CSR policy is available on the website of the Company at: [www.visasteel.com](http://www.visasteel.com) and is also attached to this report as Annexure VII.

During the year, the CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are detailed in the Annual Report.

### NOMINATION AND REMUNERATION POLICY

In terms of the requirement of Section 178 of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration policy of the Company. The Nomination and Remuneration policy is attached to the Board's Report as Annexure VIII.

### DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint of sexual harassment during the financial year 2014-15.

### 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.

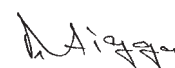
Your Directors value your involvement as shareholders and look forward to your continuing support.

For and on behalf of the Board



**Vishal Agarwal**

Vice Chairman & Managing Director



**Manoj Kumar Digga**

Kolkata

13 November 2015

Wholetime Director designated as Director (Finance) & Chief Financial Officer



## ANNEXURE 'I' TO THE DIRECTORS' REPORT

### Secretarial Audit Report

#### Form No. MR-3

#### For the Financial year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
VISA Steel Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s VISA Steel Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, to the extent applicable, according to the provisions of:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>i) The Companies Act, 2013 (the Act) and the rules made thereunder;</li> <li>ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;</li> </ul> | <ul style="list-style-type: none"> <li>iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;</li> <li>iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;</li> <li>v) The Regulations and Guidelines prescribed under the Securities &amp; Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:               <ul style="list-style-type: none"> <li>a) The Securities &amp; Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011</li> <li>b) The Securities &amp; Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992</li> <li>c) The Securities &amp; Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009</li> <li>d) The Securities &amp; Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999</li> <li>e) The Securities &amp; Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008</li> <li>f) The Securities &amp; Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993</li> <li>g) The Securities &amp; Exchange Board of India (Delisting of Equity Shares) Regulations, 2009</li> <li>h) The Securities &amp; Exchange Board of India (Buyback of Securities) Regulations, 1998</li> </ul> </li> </ul> |
|---|--|

- vi) As identified by the Management, no laws/acts are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that subject to our observation above there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed following special resolutions which authorize the Board to exercise powers in relation thereto, but presently do not have any major bearing on the Company's affairs:

- (i) Increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013.
- (ii) Sell, lease or dispose of whole or substantially the whole of the undertaking of the Company under section 180(1)(a) of the Companies Act 2013.

I further report that there are two schemes of arrangement pursuant to Section 391/394 of the Companies Act, 1956 which are pending adjudication before the Hon'ble High Court of Orissa.

- a) The Company Petition being CP no. 17 of 2014, which inter alia, envisages transfer of Special Steel Undertaking of the Company with all its assets and liabilities, into VISA Special Steel Limited. The Appointed Date of the Scheme is 1st April 2013.
- b) The Company Petition being CP no. 110 of 2014 which inter alia, envisages amalgamation of Kalinganagar Special Steel Private Limited with the Company. The Appointed Date of the Scheme is 31st March 2014.

This report is to be read with my letter of even date which is annexed as **Annexure –I** which forms an integral part of this report.

For MKB & Associates  
Company Secretaries

**Manoj Kumar Banthia**

[Proprietor]

Kolkata  
13 November 2015

ACS no. 11470  
COP no. 7596

**ANNEXURE – 1**

To  
The Members,  
VISA Steel Limited

My report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates  
Company Secretaries

**Manoj Kumar Banthia**

[Proprietor]

ACS no. 11470

COP no. 7596

Date: 13 November 2015

Place: Kolkata



**ANNEXURE 'II' TO THE DIRECTORS' REPORT****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

(a) Name(s) of the related party and nature of relationship	:	Not Applicable
(b) Nature of contracts/arrangements/ transactions	:	
(c) Duration of the contracts/arrangements/ transactions	:	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	:	
(e) Justification for entering into such contracts or arrangements or transactions	:	
(f) Date(s) of approval by the Board	:	
(g) Amount paid as advances, if any	:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	

**2. Details of material contracts or arrangements or transactions at arm's length**

(a) Name(s) of the related party and nature of relationship	:	VISA Resources India Limited, Fellow subsidiary
(b) Nature of contracts/arrangements/ transactions	:	Sale and purchase of goods and services
(c) Duration of the contracts/arrangements/ transactions	:	On Quarterly basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	:	In the Ordinary course of business and on arm's length basis
(e) Date(s) of approval by the Board	:	In the quarterly meetings of the Board
(f) Amount paid as advances, if any	:	Nil

## ANNEXURE 'III' TO THE DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY

#### i. Steps taken or impact on conservation of energy

1. Full utilization of South African Non-Coking Coal in DRI kilns, without rejecting fines, by which the utilization in the process is 100%. This helped in reducing the specific consumption of Coal as well as cost of production.
2. Direct feeding of Iron Ore Lumps from Iron Ore Crushing Plant to raw material circuit ground hopper in DRI by installation of new conveyor to reduce transportation of size Iron Ore by payloaders. In this process, the saving in diesel consumption will be around Rs. 10 Lakhs per annum.
3. Utilization of waste Char from DRI kiln process (Approx- 26,500 MT) in CFBC boiler as fuel.
4. Installation of flare tip in Blast Furnace chimney to reduce LPG consumption.
5. Replacement of HSD (High Speed Diesel) by FO (Furnace Oil) in Ferro Chrome Complex-1 for drying the briquette to reduce fuel cost.

#### ii. Steps taken by the Company for utilizing alternate sources of energy –

1. Utilizing solar energy for lighting and water heating inside the Plant premises.
2. Utilizing Coal dust from dedusting unit of DRI for steam generation in CFBC Boiler which was earlier considered as waste.

#### iii. Capital investment on energy conservation equipment's – Rs. 941.38 Million.

### B. TECHNOLOGY ABSORPTION

#### i. Efforts made towards technology absorption

Research and Development:

- a. Modification of carbon injection machine & its relocation at EAF to reduce process time in Steel Melt Shop.
- b. Relocation of Pure Water Cooler PLC Panel for continuous casting machine to Electro Magnetic Separator Room & Modification of Power & Control scheme to reduce Power consumption in Steel Melt Shop.

#### ii. Benefits derived from key projects –

- a. Energy Saving.
- b. Minimised Production Loss.
- c. Low Machine Downtime.

#### iii. Information regarding imported technology (last three years)

- a. Imported technology

2012-13	2013-14	2014-15
Order for design & supply of Sinter Plant (36 Sq.Mtr) placed on M/s.CIMM Group Co. Ltd.(China)	NIL	NIL

- b. Year of Import: 2012-13.
- c. Has technology been fully absorbed: Sinter Plant is yet to be installed.
- d. If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action: Sinter plant technology is under initial stage (yet to be installed).

#### iv. Expenditure on Research & Development – No major expenditure. All the R&D related work was done inhouse.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. Million)

Particulars	2014-15	2013-14
Foreign Exchange Earning	2,548.95	4,168.48
Foreign Exchange Outgo	606.34	891.57

## ANNEXURE 'IV' B

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1) Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2014-15:

Sl. No.	Name of the Director	Ratio
<b>Executive Directors</b>		
1	Mr. Vishambhar Saran <sup>1</sup>	50.76:1
2	Mr. Vishal Agarwal <sup>1</sup>	50.13:1
3	Mr. Punkaj Kumar Bajaj <sup>2</sup>	29.79:1
<b>Independent Directors</b>		
1	Mr. Shiv Dayal Kapoor	0.81:1
2	Mr. Debi Prasad Bagchi	0.72:1
3	Mr. Pratip Chaudhuri <sup>3</sup>	0.27:1
4	Ms. Gauri Rasgotra <sup>4</sup>	0.18:1
5	Mr. Pradip Kumar Khaitan <sup>5</sup>	-
6	Mr. Shanti Narain <sup>6</sup>	0.12:1
7	Mr. Maya Shanker Verma <sup>7</sup>	0.54:1
<b>Non Executive Directors</b>		
1	Mr. Subrato Trivedi <sup>8</sup>	0.42:1
2	Mr. Saubir Bhattacharyya <sup>9</sup>	0.06:1

#### Note:

- Mr. Vishambhar Saran, Wholtime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company had voluntarily reduced their salary retrospectively w.e.f. 1 April 2014.
- Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) had voluntarily retired from the services of the Company w.e.f. the close of business hours of 14 September 2015.
- Mr. Pratip Chaudhuri has been appointed as Independent Director on the Board of Directors of the Company w.e.f. 1 October 2014.
- Ms. Gauri Rasgotra has been appointed as Independent Director on the Board of Directors of the Company w.e.f. 26 September 2014.
- Mr. Pradip Kumar Khaitan, Independent Director resigned from the Board of Directors of the Company w.e.f. 29 May 2014.
- Mr. Shanti Narain, Independent Director resigned from the Board of Directors of the Company w.e.f. 30 June 2014.

- Mr. Maya Shanker Verma, Independent Director resigned from the Board of Directors of the Company w.e.f. the close of business hours of 24 December 2014.
- Mr. Subrato Trivedi, Non Executive Director retired from the Board of Directors of the Company w.e.f. 24 December 2014.
- Mr. Saubir Bhattacharyya had been appointed as Nominee Director w.e.f. 10 February 2015 and he ceased to be the Nominee Director w.e.f. 6 April 2015.

- 2) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2014 – 15:

There has been no increase in the remuneration of the Directors, Chief Financial Officer, Chief Executive Officer during the financial year 2014 – 15.

Further, Mr. Vishambhar Saran, Wholtime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company have volunteered to reduce their salary, retrospectively, w.e.f. 1 April 2014. The proposal was approved by the Board of Directors at its meeting held on 15 September 2015.

Mrs. Subhra Giri Patnaik, ceased to be the Company Secretary of the Company w.e.f. 23 November 2014. There has been no increase in her remuneration during 2014 – 15.

- The percentage increase in the median remuneration of employees in the financial year:  
6.03%.
- The number of permanent employees on the rolls of the Company as on 31 March 2015:  
1,101.
- The explanation on the relationship between average increase in remuneration and Company performance:

The average increase in remuneration of 6.03% in the remuneration given to the employees was in accordance with the Company's policy. The average increase is guided by factors like inflation, individual performances, industry standards and external competitiveness.



- 6) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

Particulars	(Rs. Million)
Aggregate remuneration of KMP in Financial Year 2014-15	55.05
Gross Revenue	9,221.57
Remuneration of KMPs (as % of revenue)	0.60%

- 7) Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl. No.	Particulars	(Rs. In Millions)
1	Market Cap (Mcap) variation	
	Mcap as at 31 March 2015	1,661.00
	Mcap as at 31 March 2014	1,798.50
	Variation in Mcap in FY 2014 – 15 (in %)	(7.65)
2	Price to Earning Ratio (PE)	
	PE as at 31 March 2015 (Market price / EPS)	NA
	PE as at 31 March 2014 (Market price / EPS)	NA
	Variation in PE in FY 2014 – 15 (in %)	NA

Sl. No.	Particulars	(Rs. In Millions)
3	% Increase / Decrease from last public offer	
	Initial Public Offer price per share (February 2006)	57.00
	Market price as at 31 March 2015	15.10
	% decrease from IPO	(73.51)

**Note:**

- Given that the consolidated EPS as on 31 March 2015 and 31 March 2014 are negative, PE as on 31 March 2015 and 31 March 2014 are shown as NA.
  - Closing price of the equity shares of the Company at National Stock Exchange of India Limited as on 31 March 2015 and 31 March 2014, have been considered.
- 8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in Salary of the Company's employees for the financial year 2014 – 15 was 6.03%. Further, there has been no increase in the managerial remuneration during the financial year 2014 – 15.

- 9) Comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company:

Sl. No.	Particulars	Key Managerial Personnel				
		Mr. Vishambhar Saran, Wholetime Director designated as Chairman	Mr. Vishal Agarwal, Vice Chairman & Managing Director	Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business)	Mr. Manoj Kumar Digga, CFO	Mrs. Subhra Giri Patnaik, Company Secretary <sup>1</sup>
1	Remuneration for the financial year 2014 – 15 (Rs. in millions)	16.91	16.69	9.92	10.00	1.53
2	Gross Revenue (Rs. in millions)	9,221.57				
3	Remuneration as a % of the gross revenue	0.18	0.18	0.11	0.11	0.02

**Note:**

- Mrs. Subhra Giri Patnaik, ceased to be the Company Secretary of the Company w.e.f. 23 November 2014.

- 10) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable since no employee of the Company receives remuneration in excess of the highest paid Director.

During the year under review, Mr. Punkaj Kumar Bajaj, erstwhile Joint Managing Director & CEO (Steel Business) was entitled to Performance Bonus of Rs. 2,000,000/- subject to achievement of the KRA parameters. The performance bonus is approved by the Board of Directors and will be paid after adoption of annual account by the members of the Company.

- 11) The key parameters for any variable component of remuneration availed by the Directors:

- 12) Remuneration is as per the Nomination and Remuneration policy of the Company.

## ANNEXURE 'V' TO THE DIRECTORS' REPORT

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

Disclosure Pursuant to Clause 12(9) of The Companies (Share Capital and Debentures) Rules, 2014, as at 31 March 2015:

Sl. No.	Particulars	Employee Stock Option Scheme 2010
(a)	Options granted	Options granted in the Financial Year 2014-15 – NIL 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)	Options vested	580,167
(c)	Options exercised	NIL
(d)	The total number of Equity Shares arising as a result of exercise of option	Not applicable
(e)	Options lapsed	403,895
(f)	Exercise Price	Rs. 46.30
(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	496,105
(j)	Employee wise details of options granted to:-	
	(i) Key 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

**ANNEXURE VI TO THE DIRECTORS' REPORT****Form No. MGT-9****Extract of Annual Return**

As on the financial year ended on 31.03.2015

of

**VISA STEEL LIMITED**

[Pursuant to Section 92(3) of the Companies Act, 2013

and

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L51109OR1996PLC004601
ii)	Registration Date [DDMMYY]	10 September 1996
iii)	Category/Sub Category of the Company	Public Company Limited by Shares
iv)	Address of the Registered Office and contact details	11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015 Tel: + 91 674 2552 479-84 Fax: + 91 674 2554 661-62 Email: investors@visasteel.com
v)	Whether listed Company Yes / No	Yes
vi)	Name, Address and Contact details of Registrar & Transfer Agents, if any	Karvy Computershare Private Limited, Karvy Selenium, Tower- B, Plot No 31 & 32, Gachibowli, Financial district, Nanakramguda, Hyderabad – 500032.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of basic metals	24	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
1	VISA Infrastructure Limited, 8/10 Alipore Road, Kolkata – 700 027	U74900WB2007PLC118834	Holding	53.37 %	2(46)
2	VISA BAO Limited, "VISA House", 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27101OR2008PLC009790	Subsidiary	65.00 %	2(87)(ii)
3	VISA SunCoke Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U23101OR2012PLC015728	Subsidiary	51.00 %	2(87)(ii)
4	Ghotaringa Minerals Limited, No. 11, VIP Colony, Nayapalli, Bhubaneswar – 751 015	U10102OR2003PLC007348	Subsidiary	89.00 %	2(87)(ii)
5	Kalinganagar Special Steel Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC016907	Wholly owned Subsidiary	100.00 %	2(87)(ii)



Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
6	Kalinganagar Chrome Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC017080	Wholly owned Subsidiary	100.00 %	2(87)(ii)
7	VISA Ferro Chrome Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27310OR2013PLC017186	Step down subsidiary	100.00 %	2(87)(ii)
8	VISA Special Steel Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2012PLC015729	Step down subsidiary	100.00 %	2(87)(ii)
9	VISA Urban Infra Limited, 8/10 Alipore Road, Kolkata – 700 027	U55101WB2010PLC144874	Associate Company	26.00 % *	2(6)

**Note:**

\* VISA Urban Infra Limited is a joint venture in which the Company hold 26 % in the paid up equity share capital of the Company.

**IV. SHARE HOLDING PATTERN****(Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	82,500,000	-	82,500,000	75.00	82,500,000	-	82,500,000	75.00	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>82,500,000</b>	<b>-</b>	<b>82,500,000</b>	<b>75.00</b>	<b>82,500,000</b>	<b>-</b>	<b>82,500,000</b>	<b>75.00</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)</b>	<b>82,500,000</b>	<b>-</b>	<b>82,500,000</b>	<b>75.00</b>	<b>82,500,000</b>	<b>-</b>	<b>82,500,000</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	500,111	-	500,111	0.46	500,111	-	500,111	0.46	-
g) FIIs	10,985,845	-	10,985,845	9.99	11,082,245	-	11,082,245	10.07	0.09
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1):-</b>	<b>11,485,956</b>	<b>-</b>	<b>11,485,956</b>	<b>10.44</b>	<b>11,582,356</b>	<b>-</b>	<b>11,582,356</b>	<b>10.53</b>	<b>0.09</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4,007,532	-	4,007,532	3.64	4,016,542	-	4,016,542	3.65	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6,419,805	216	6,420,021	5.84	6,344,553	216	6,344,769	5.77	(0.07)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,211,558	-	5,211,558	4.74	5,209,771	-	5,209,771	4.74	0.00
c) Others (specify)									
Non Resident Indians	344,485	-	344,485	0.31	338,168	-	338,168	0.31	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	30,448	-	30,448	0.03	8,394	-	8,394	0.01	(0.02)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>16,013,828</b>	<b>216</b>	<b>16,014,044</b>	<b>14.56</b>	<b>15,917,428</b>	<b>216</b>	<b>15,917,644</b>	<b>14.47</b>	<b>(0.09)</b>
<b>Total Public Shareholding(B)=(B)(1) + (B)(2)</b>	<b>27,499,784</b>	<b>216</b>	<b>27,500,000</b>	<b>25.00</b>	<b>27,499,784</b>	<b>216</b>	<b>27,500,000</b>	<b>25.00</b>	<b>0.00</b>
<b>C.Shares held by custodian for GDRs and ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>109,999,784</b>	<b>216</b>	<b>110,000,000</b>	<b>100.00</b>	<b>109,999,784</b>	<b>216</b>	<b>110,000,000</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VISA Infrastructure Limited	58,712,167	53.37	75.60	58,712,167	53.37	75.60	0.00
2	VISA International Limited	23,787,833	21.63	100.00	23,787,833	21.63	100.00	0.00
	<b>TOTAL</b>	<b>82,500,000</b>	<b>75.00</b>	<b>82.64</b>	<b>82,500,000</b>	<b>75.00</b>	<b>82.64</b>	<b>0.00</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Change in Promoters' Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>VISA Infrastructure Limited</b>				
	At the beginning of the year	58,712,167	53.37	58,712,167	53.37
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change			
	At the end of the year (31.03.2015)	58,712,167	53.37	58,712,167	53.37

Sl. No.	Change in Promoters' Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>2</b>	<b>VISA International Limited</b>				
	At the beginning of the year	23,787,833	21.63	23,787,833	21.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	No Change			
	At the end of the year (31.03.2015)	23,787,833	21.63	23,787,833	21.63

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>APMS Investment Limited*</b>	4,998,087	4.54	4,998,087	4.54
	At the beginning of the year				
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	4,998,087	4.54	4,998,087	4.54
	* Name was changed from Mavi Investment Fund Limited				
<b>2</b>	<b>LTS Investment Fund Limited</b>				
	At the beginning of the year	3,487,122	3.17	3,487,122	3.17
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	3,487,122	3.17	3,487,122	3.17
<b>3</b>	<b>Dalmia Sec. Pvt. Ltd.</b>				
	At the beginning of the year	2,814,077	2.56	2,814,077	2.56
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	2,814,077	2.56	2,814,077	2.56
<b>4</b>	<b>Cresta Fund Limited</b>				
	At the beginning of the year	2,497,036	2.27	2,497,036	2.27
	Purchased during the year – April, 2014	100,000	0.09	2,597,036	2.36
	At the end of the year (31.03.2015)	2,597,036	2.36	2,597,036	2.36
<b>5</b>	<b>Nishant Dalmia</b>				
	At the beginning of the year	1,100,479	1.00	1,100,479	1.00
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	1,100,479	1.00	1,100,479	1.00
<b>6</b>	<b>Vedant Dalmia</b>				
	At the beginning of the year	1,100,000	1.00	1,100,000	1.00
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	1,100,000	1.00	1,100,000	1.00
<b>7</b>	<b>Siddhant Dalmia</b>				
	At the beginning of the year	1,100,000	1.00	1,100,000	1.00
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	1,100,000	1.00	1,100,000	1.00



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>8</b>	<b>Gita Devi Dalmia</b>				
	At the beginning of the year	584,440	0.53	584,440	0.53
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	584,440	0.53	584,440	0.53
<b>9</b>	<b>United India Insurance Company Limited</b>				
	At the beginning of the year	500,111	0.46	500,111	0.46
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	500,111	0.46	500,111	0.46
<b>10</b>	<b>Narain Prasad Dalmia</b>				
	At the beginning of the year	277,072	0.25	277,072	0.25
	Increase / Decrease in shareholding during the year	No Change			
	At the end of the year (31.03.2015)	277,072	0.25	277,072	0.25

#### V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A</b>	<b>Directors</b>				
<b>1</b>	<b>Mr. Vishambhar Saran</b>				
	At the beginning of the year	NIL			
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				
<b>2</b>	<b>Mr. Vishal Agarwal</b>				
	At the beginning of the year	NIL			
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				
<b>3</b>	<b>Mr. Shiv Dayal Kapoor</b>				
	At the beginning of the year	NIL			
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				
<b>4</b>	<b>Mr. Debi Prasad Bagchi</b>				
	At the beginning of the year	NIL			
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				

Sl. No.	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5</b>	<b>Mr. Pratip Chaudhuri</b> <b>(appointed w.e.f. 1 October 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				
<b>6</b>	<b>Ms. Gauri Rasgotra</b> <b>(appointed w.e.f. 26 September 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				
<b>7</b>	<b>Mr. Punkaj Kumar Bajaj</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				
	<b>Directors Resigned during the year</b>				
<b>1</b>	<b>Mr. Pradip Kumar Khaitan</b> <b>(ceased to be Director w.e.f. 29 May 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				
<b>2</b>	<b>Mr. Shanti Narain</b> <b>(ceased to be Director w.e.f. 30 June 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				
<b>3</b>	<b>Mr. Maya Shanker Verma</b> <b>(ceased to be Director w.e.f. 24 December 2014)</b>				
	At the beginning of the year	1,017	0.00	1,017	0.00
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)	NA	NA	NA	NA
<b>4</b>	<b>Mr. Subrato Trivedi</b> <b>(ceased to be Director w.e.f. 24 December 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2015)				

Sl. No.	Shareholding of each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>B</b>	<b>Key Managerial Personnel</b>				
<b>1</b>	<b>Mr. Manoj Kumar Digga</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				
<b>2</b>	<b>Mrs. Subhra Giri Patnaik (ceased to be Company Secretary w.e.f. 23 November 2014)</b>				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2015)				

NIL

NIL

**VI) INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	238,874.56	-	-	238,874.56
ii) Interest due but not paid	2,109.70	-	-	2,109.70
iii) Interest accrued but not due	84.45	-	-	84.45
<b>Total (i+ii+iii)</b>	<b>241,068.71</b>	<b>-</b>	<b>-</b>	<b>241,068.71</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	60,526.91	2,520.00	-	63,046.91
* Reduction	3,814.73	-	-	3,814.73
<b>Net Change</b>	<b>56,712.17</b>	<b>2,520.00</b>	<b>-</b>	<b>59,232.17</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	295,586.73	2,520.00	-	298,106.73
ii) Interest due but not paid	6,170.77	-	-	6,170.77
iii) Interest accrued but not due	64.20	-	-	64.20
<b>Total (i+ii+iii)</b>	<b>301,821.70</b>	<b>2,520.00</b>	<b>-</b>	<b>304,341.70</b>

## VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Vishambhar Saran, Wholetime Director designated as Chairman	Mr. Vishal Agarwal, Vice Chairman & Managing Director	Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,06,20,000	1,08,36,000	68,20,000	2,82,76,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	43,81,567	39,46,821	6,96,300	90,24,688
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others	-	-	-	-
	<b>Total (A)</b>	<b>1,50,01,567</b>	<b>1,47,82,821</b>	<b>75,16,300</b>	<b>3,73,00,688</b>
	Ceiling as per the Act	In accordance with Companies Act, 2013			

## B. Remuneration to other Directors

Sl. No.	Name of the Director	Sitting Fees (in Rs)	Commission (in Rs)	Total (in Rs)
	<b>Independent Director</b>			
1	Mr. S D Kapoor	270,000	-	270,000
2	Mr. D P Bagchi	240,000	-	240,000
3	Mr. P Chaudhuri (appointed w.e.f. 01.10.2014)	90,000	-	90,000
4	Ms. G Rasgotra (appointed w.e.f. 26.09.2014)	60,000	-	60,000
5	Mr. M S Verma (resigned w.e.f. 24.12.2014)	180,000	-	180,000
6	Mr. S Narain (resigned w.e.f. 30.06.2014)	40,000	-	40,000
7	Mr. P K Khaitan (resigned w.e.f. 29.05.2014)	-	-	-
	<b>Sub Total (A)</b>	<b>880,000</b>	<b>-</b>	<b>880,000</b>
	<b>Non Executive Director</b>			
1	Mr. S Bhattacharyya (resigned on 06.04.2015)	20,000	-	20,000
2	Mr. S Trivedi (retired on 24.12.2014)	140,000	-	140,000
	<b>Sub Total (B)</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>
	<b>TOTAL (A) + (B)</b>	<b>1,040,000</b>	<b>-</b>	<b>1,040,000</b>
	Overall Ceiling as per the Act	In accordance with Companies Act, 2013		



**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (in Rs.)
		Mr. Manoj Kumar Digga (Chief Financial Officer)	Ms. Subhra Giri Patnaik (Company Secretary) (resigned w.e.f. 23.11.2014)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94,82,770	15,97,198	1,10,79,968
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others	-	-	-
	<b>Total (A)</b>	<b>94,82,770</b>	<b>15,97,198</b>	<b>1,10,79,968</b>

**VIII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

## ANNEXURE 'VII' TO THE DIRECTORS' REPORT

### VISA STEEL LIMITED

#### Corporate Social Responsibility Policy

#### 1. INTRODUCTION

- 1.1 As a responsible corporate, VISA Steel Limited is committed to the cause of improving the quality of life of people of all societies in order to contribute to the economic and social development of the periphery and the neighboring communities.
- 1.2 The policy is directed to ensure that VISA Steel's CSR activities work towards improving the living conditions of the underprivileged and makes a positive difference in their lives.

#### 2. OBJECTIVE

- 2.1 Strive for economic development that positively impacts the society at large.
- 2.2 Promote well-being of the communities effected by its operations and enhance the quality of life in such communities through its activities on education, healthcare, environment and rural development for all stakeholders and the society.
- 2.3 Encourage employee participation at all levels and recognize its employees for volunteering with the spirit of serving and sharing with the community.

#### 3. CSR ACTIVITIES

The CSR activities shall include the activities in accordance with the requirements under the Schedule VII of the Companies Act, 2013, but not restricted to such activities only. The focus areas shall be on education, health care, environment and rural development.

##### 3.1. Education

At VISA Steel, we truly believe in igniting young minds and in shaping the future of young India. Our endeavors are to promote education, including employment enhancing vocational skills especially among children and women and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, scholarships etc; with the objective of assisting students in their studies.

##### 3.2. Healthcare

In Healthcare, our primary objective is the community development programs through raising awareness on treatment of common diseases, sanitation and hygiene. Further we intend to focus on eradication of extreme hunger and poverty,

malnutrition, reducing child mortality, making available safe drinking water, building toilets and also support the healthcare drives being conducted by government, semi-government and non-government organizations.

##### 3.3. Environment

We seek to ensure environmental sustainability by adopting best ecological practices, support preservation and sensible utilization of natural resources and hence create a sustained positive impact on society. Protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining the appropriate quality of soil, air and water.

##### 3.4. Rural Development

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainability in them.

##### 3.5. Others

- (a) Sports: Promoting sports by encouraging young talent, especially women.
- (b) Art and Culture: Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, promotion and development of traditional arts and handicrafts.
- (c) Women empowerment: Promoting gender equality, empowering women, facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (d) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.

#### 4. CSR COMMITTEE

The CSR Committee of the Board of Directors will govern and review the CSR plan for every financial year. They will look into the effective planning and implementation of the CSR activities in accordance with the Companies Act, 2013.

The composition of the CSR Committee of the Board shall be as follows:

(a). Mr. Vishal Agarwal	-	Chairman
(b). Mr. Shiv Dayal Kapoor	-	Member
(c). Ms. Gauri Rasgotra	-	Member

The responsibility of the CSR Committee shall include:

- (a) Formulate and recommend to the Board of Directors, the CSR Policy and indicating activities to be undertaken.
- (b) Recommend the amount of expenditure for the CSR activities; and
- (c) Monitor the CSR activities from time to time.

The responsibility of the Board of Directors of the Company shall include:

- (a) Approve the CSR policy of the Company and disclose contents of the policy in its report and also place it on the Company's website, as prescribed
- (b) Ensure that the activities included in the CSR Policy of the Company are undertaken by the Company

The Company's CSR Executive Committee chaired by Ms. Bhawna Agarwal, President (CSR & Corporate Communication) and comprising of Senior Management Team shall periodically review the activities and monitor achievements against targets as per annual CSR Plan.

The Company's CSR Working Committee shall work under the guidance of the CSR Executive Committee and ensure implementation of the CSR activities and maintain ground level connectivity with the local communities.

#### 4 CSR BUDGET

- 4.1 An annual CSR budget as per the Companies Act, 2013 will be allocated by the CSR Committee for CSR activities. The Company shall allocate budget and spend in every financial year atleast 2% of the average net profit of the Company made during the three immediate preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

- 4.2 The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

- 4.3 If the Company fails to spend the allocated fund; the Board shall, in its report, specify the reasons for not spending the amount.

- 4.4 Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

#### 5 CRITERIA FOR IDENTIFYING PROJECTS AND NGO'S

- 5.1 The Company attempts to identify the needs of communities, plan projects and facilitate their implementation to help in social economic development. Our activities are set with targets to promote the principles of inclusive growth and equitable development through which the members of society can participate and benefit from the growth.
- 5.2 While identifying the projects all efforts will be made to the extent possible to define the Project objectives, Implementation schedules with impact on society, results and its usefulness.
- 5.3 While identifying Projects the Company shall also identify the external agency (NGO) who would execute the said Project. These NGOs / Agencies must have a permanent office in India and should be registered society under Societies' Registration Act / Public Trust Act/ not for profit Company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956) with valid Income-tax Exemption Certificate.

#### 6 RESPONSIBILITY STATEMENT

The CSR Committee will issue a responsibility statement that the CSR activities are in compliance with CSR Policy of the Company duly signed by the Chairman of the CSR Committee. The Responsibility statement shall be included in the Annual Report of the Company.

##### Note:

- (a) The Policy comes into effect from 31st March 2015.
- (b) This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

## ANNEXURE 'VIII' TO THE DIRECTORS' REPORT

### Nomination and Remuneration Policy

#### 1. PREAMBLE

This Nomination and Remuneration Policy ("**Policy**") has been formulated inter-alia for nomination and remuneration of Directors, Key Managerial Personnel and Senior Management by the Nomination and Remuneration Committee and approved by the Board of Directors, in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended.

#### 2. DEFINITIONS AND INTERPRETATIONS

2.1. Unless the context requires otherwise, capitalized terms used in this Policy shall have the following meanings:

**"Board"** means the collective body of the Directors of the Company.

**"The Committee"** means the Nomination and Remuneration Committee of the Board of Directors of the Company as constituted or reconstituted from time to time in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

**"The Company"** means VISA Steel Limited.

**"Director"** means a Director of the Company.

**"Independent Director"** means a Director appointed in accordance with Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

**"Key Managerial Personnel"** or **"KMP"** means

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Whole-time director;
- (iii) The Chief Financial Officer;
- (iv) The Company Secretary; and
- (v) The such other officer as may be prescribed.

**"Listing Agreement"** shall mean the Listing Agreement executed between the Company and the relevant stock exchange(s), as amended from time to time;

**"Other Employees"** means all the employees other than the Directors, KMPs and the Senior Management Personnel.

**"Senior Management Personnel or Senior Management"** means all personnel of the

Company who are one level below the Board, viz., Executive Directors, Presidents, Senior Vice Presidents, Vice Presidents, Chief Financial Officer, Company Secretary, General Managers and all other executives having similar or equivalent rank in the Company including all Functional heads and any other person who the Board may include within the definition of senior management.

2.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 or the Rules made thereunder (as may be amended from time to time) or the Listing Agreement shall have the meaning respectively assigned to them in the Companies Act, 2013 the Rules made thereunder or the Listing Agreement, as the case may be.

#### 3. OBJECTIVES OF THIS POLICY

3.1. The key objective of this Policy of VISA Steel Limited ("**the Company**") is to provide a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations.

3.2. **The objectives of this Policy include the following:**

3.2.1. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management or KMP of the Company;

3.2.2. To lay down the terms and conditions in relation to the appointment of Directors, Senior Management Personnel or KMP and recommend to the Board the appointment and removal of Directors, Senior Management Personnel or KMP;

3.2.3. To lay down criteria to carry out evaluation of every Director's performance;

3.2.4. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

3.2.5. To determine the composition and level of remuneration, including reward linked with



the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel and other Employees to work towards the long term growth and success of the Company;

3.2.6. To devise a policy on the diversity of the Board; and

3.2.7. To assist the Board with developing a succession plan for the Board.

#### 4. GENERAL

4.1. This Policy shall be applicable to all Directors, KMP and Senior Management Personnel of the Company.

#### 5. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

5.1. The Committee shall inter alia:

5.1.1. Identify persons who are qualified to become Director(s), KMP and Senior Management Personnel of the Company;

5.1.2. Recommend to the Board, appointment and removal of Director(s) of the Company and carry out evaluation of every Director's performance;

5.1.3. Formulate criteria for determining qualification, positive attributes and independence of Directors;

5.1.4. Formulate a criteria for evaluation of Independent Director(s) and the Board;

5.1.5. Make recommendations to the Board with respect to incentive compensation plans for Executive Director(s) and remuneration of Non-Executive Director(s);

5.1.6. Review the annual performance of Executive and Non-Executive Director(s);

5.1.7. Assist the Board in the establishment and implementation of an appropriate performance evaluation / self-assessment process for the Members of the Board and the Committees;

5.1.8. Perform review and evaluation, of the performance of the Members of the Board and the Committee Members, at least annually;

5.1.9. Periodically review the composition and duties of the Company's Board Committees and recommend any changes in these committees to the Board;

5.1.10. devise a policy on Board diversity;

5.1.11. Carry out any other responsibilities and duties delegated to it by the Board from time to time;

5.1.12. Carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions.

#### 5.2. QUALIFICATIONS

5.2.1. Criteria for identifying persons who are qualified to be appointed as Directors / KMP / Senior Management Personnel of the Company:

##### 5.2.1.1. Directors

Section 164 of the Companies Act, 2013 provides for the disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

##### 5.2.1.2. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Companies Act, 2013 and the Rules made thereunder (including but not limited to Section 149 of the Companies Act, 2013 and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the Listing Agreement.

##### 5.2.1.3. Senior Management Personnel and KMP

The Company shall have an Organogram displaying positions of Senior Management and KMP with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations.

## 6. POLICY FOR APPOINTMENT OF DIRECTOR, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES, THEIR EVALUATION AND RETIREMENT & REMOVAL

### 6.1. Appointment criteria and qualifications

6.1.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP or at Senior Management and recommend to the Board his / her appointment.

6.1.2. Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

6.1.3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice convening the meeting for this purpose shall indicate the justification for extension of appointment beyond seventy years.

### 6.2. Term / Tenure:

6.2.1. Managing Director/ Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

### 6.2.2. Independent Director:

6.2.2.1. An Independent Director shall hold office for a maximum term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

6.2.2.2. No Independent Director shall hold office for more than two consecutive terms of maximum five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be

associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

6.2.3. At the time of appointment of Directors (including Independent Directors), it should be ensured that the persons proposed to be appointed as Directors (including Independent Directors) do not hold Directorship exceeding the maximum number of directorships a person can hold as per applicable laws.

### 6.3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### 6.3.1. Evaluation of directors:

In terms of Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act, states that the Independent Directors shall at its separate meeting review performance of Non-Independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

#### 6.3.2. Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the Company's Policy.

### 6.4. Removal

Subject to the provisions of applicable laws, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP and Senior Management Personnel.

### 6.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 7. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- 7.1. This Policy aims to strike a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 7.2. The remuneration / compensation / commission etc. to the Whole-time Director/Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval based on factors and parameters that the Committee considers relevant. While determining the remuneration / compensation / commission etc, the Committee shall ensure that:
  - 7.2.1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; and
  - 7.2.2. There exists a clear relationship between remuneration and performance and that such relationship meets appropriate performance benchmarks.
- 7.3. The remuneration / compensation / commission etc. shall be in accordance the provisions of applicable laws, including the Companies Act, 2013 and the Rules made thereunder.
- 7.4. The remuneration and commission to be paid to the Directors/ KMP/ Senior Management shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company (if any) and as per the provisions of the applicable laws.
- 7.5. Where any insurance is taken by the Company on behalf of its Whole-time Director/Managing Director, KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 7.6. Remuneration to Non- Executive / Independent Director:
  - 7.6.1. Remuneration / Commission:  
The remuneration / commission shall

be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

- 7.6.2. Sitting Fees:  
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be decided by the Board. Provided that the amount of such fees shall not exceed limits prescribed by the Central Government from time to time.
- 7.6.3. Commission:  
Commission may be paid, whenever applicable, within the monetary limit approved by shareholders, subject to the limit not exceeding 1 % of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- 7.6.4. Stock Options:  
An Independent Director shall not be entitled to any stock option of the Company.

## 8. DISCLOSURE OF INFORMATION

Disclosures required under applicable laws regarding the remuneration paid by the Company shall be made in the financial statements of the Company.

## 9. AMENDMENT

Any change in this Policy shall, on recommendation of the Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

## 10. IMPLEMENTATION AND REVIEW

The Committee is responsible for the monitoring, implementation and review of this Policy. The Committee shall provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company. The Board shall review the (i) contents of and (ii) compliance with this Policy at regular interval

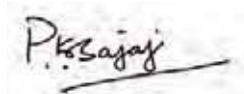
## CEO / CFO CERTIFICATION TO THE BOARD

The Board of Directors  
VISA Steel Limited  
Kolkata 700 027

29 May 2015

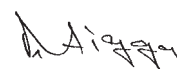
Pursuant to the provisions of Clause 49(IX) of the Listing Agreement, we, Punkaj Kumar Bajaj, Jt. Managing Director & CEO (Steel Business) and Manoj Kumar Digga, Executive Director (Finance) & Chief Financial Officer hereby certify that:

- (a) we have reviewed financial statements and the cash flow statement for the year 2014-15 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**

Jt. Managing Director & CEO (Steel Business)



**Manoj Kumar Digga**

Executive Director (Finance) & Chief Financial Officer



# Management Discussion and Analysis



## OVERVIEW

During the financial year 2014-15, the financial and operational performance of the Company has been adversely affected due to various external factors including failure of commitment to grant Iron Ore mines, de-allocation of Coal Block, non-availability of raw materials at viable prices due to mine closures, weak product prices due to over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel, delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders. During the financial year 2014-15, your Company has registered consolidated revenue of Rs. 12,951.44 million, EBITDA of Rs. 307.59 million and the loss after tax is Rs. 2,729.10 million.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Industry Overview

The Global steel industry continues to face problems of large surplus capacity, especially in China. In FY 2015, the World economy has slowed down, mainly due to lower growth rates in emerging economies such as China and India. This has resulted in sharp weakening of commodity prices. The index of Industrial production for steel recorded a significant fall from 11.5 % in FY'14 to mere 0.5 % in FY'15. This is the lowest growth recorded in last 10 years.

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.

India's auto sector including passenger vehicles and two / three wheeler production is likely to grow significantly over the next decade. The Auto Component Sector has attracted huge investments and exports are growing at rapid pace. The Government of India has increased FDI limit in Defence and Railways from 26 % to 49 %, which is positive for demand for Special Steel products.

India is a significant player with almost a tenth of the Global Ferro Chrome output and produces about 1 million TPA. At present, Stainless Steel demand has been weak, but with the increase in production of Stainless Steel going forward, the Ferro Alloys demand is likely to recover.

Demand for Coke from Blast Furnaces has been weak due to Iron Ore availability issues domestically and cheap imports of Coke from China. However, the Company has established itself as the best quality Coke manufacturer and enjoys advantage over imported Coke from China. Being a debt free Company, VISA SunCoke Limited has been able to leverage its operating and technological expertise to be cost efficient and serve customers across India with the best quality Coke.

## COMPANY OVERVIEW

The Company has created a world class facility for production of Special Steel, Ferro Alloys and LAM Coke at Kalinganagar 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 and Ferro Alloys. In addition, the Company generates Power mainly for captive use.

The manufacturing facilities of your Company are situated at Kalinganagar in Odisha. The Kalinganagar Industrial Complex has been declared as a National Investment & Manufacturing Zone (NIMZ) and is a major Steel hub of India.

During the year under review, the financial and operational performance of the Company has been adversely affected due to various external factors including failure of commitment to grant Iron Ore mines, de-allocation of Coal Block, non-availability of raw materials at viable prices due to mine closures, weak product prices due to over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel and commodity prices and the high interest costs, logistics costs, infrastructure bottlenecks etc. for domestic Steel Companies.

The Special Steel and Ferro Alloys operation were adversely impacted due to the various mine closures and consequent non-availability of Iron Ore and Chrome Ore / Concentrates at viable prices. The Coke Business has been adversely affected due to removal of 40% Export Duty on Coke from China due to which cheap Coke is entering Indian market. Your Company has been taking up with Government Authorities for imposition of Safeguard Duty and / or Anti-Dumping Duty.

## PRODUCTS

### (a) Ferro Alloys

The Ferro Alloys Plant, with a present operating capacity of 120,000 TPA (including the Furnaces taken on lease from VISA BAO Limited (VBL), a subsidiary Company) has produced 62,719 MT of Ferro Alloys in 2014-15 compared to 70,568 MT in 2013-14. The main raw material is Chrome Ore and Chrome Concentrates (sourced from OMC, Tata Steel & B. C. Mohanty). Ferro Alloys produced by the Company is sold to various Special and Stainless Steel Plants in India and globally. Ferro Alloys business has contributed 30.57 percent of total revenues during the year amounting to Rs. 3,959.06 million.

### (b) Power

The Power Plant produced 367 million units in 2014 -15 as compared to 435 million units in the previous year. The Power produced was mainly used captively.

Due to the lower production of Ferro Alloys and Steel, the captive requirement of power resulted in lower capacity utilisation in comparison to the previous year.

### (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.

Due to non-availability of Iron Ore at viable prices, Blast furnace operated at a low capacity with production of 42,931 MT in 2014-15 as compared to 105,718 MT in 2013-14. Pig Iron sales contributed 3.83 percent to the total revenues amounting to Rs. 496.21 million.

### (d) Sponge Iron

The Sponge Iron Plant having total capacity of 300,000 TPA produced 184,149 MT of Sponge Iron in 2014-15 as compared to 156,082 MT of Sponge Iron in 2013-14. Sponge Iron sales contributed 28.24 percent to the total revenues amounting to Rs. 3,657.11 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 through imports 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 and finished products.

## STRATEGIC INITIATIVES

### Transfer of Special Steel Business

The Company is in advanced stage to transfer its Special Steel business to VISA Special Steel Limited (VSSL), to unlock shareholder value and enable induction of suitable strategic / financial investor. The Board of Directors, shareholders and lenders have approved the Scheme of Arrangement for transfer of Special Steel Undertaking of the Company with all its assets and liabilities, into VSSL, and the approval from the Hon'ble High Court is awaited.

The Company is in discussions with strategic / financial investors for a strategic alliance in VISA Special Steel Limited.

### Amalgamation of VISA BAO Limited

VISA BAO Limited, a Joint Venture with Baosteel Resources Company Limited, China (Baosteel), with the Company holding 65 percent equity while the remaining 35 percent is held by Baosteel, has a Ferro Alloys Plant with 4 Submerged Arc Furnaces at Kalinganagar Industrial Complex in Odisha out of which 2 furnaces are operational and have been leased to the Company and the remaining two furnaces under completion.

The Board of Directors both VISA BAO Limited (VBL) and the Company and Shareholders of VBL have already approved the amalgamation of VBL with the Company. Post amalgamation, Baosteel will hold 5% stake in the Company. This amalgamation will make the Company one of the largest Ferro Alloys producers in India and also improve the operational and cost efficiency of the Ferro Alloys business.

#### Joint Venture with SunCoke

The Company has entered into a coke making joint venture with SunCoke Energy, USA, in which the Company holds 51 percent stake and remaining 49 percent is held by the 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 2014-15, the total Coke production was 295,734 MT, compared to 370,999 MT in 2013-14 in VISA SunCoke. Coking Coal, the primary raw material for producing Coke, was imported from Australia. Coke was partly consumed in the Blast Furnace of the Company and partly sold with sales contribution amounting to Rs. 3,635.18 million, equating to 28.07 percent of total consolidated revenues.

### OPPORTUNITIES AND THREATS

#### Opportunities

India's per capita steel consumption of 52 kg is one-fourth of the global average of 203 kg. India has favourable demographic factors, which will result in higher demand for high quality steel and higher value Long Steel products.

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

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

Further the raw material scenario is likely to improve significantly due to the passing of MMDR Amendment Act effective from 12 January, 2015 which provides clarity on lease renewal and enables a transparent auction process for grant of iron ore mines to user industries. We expect that because of this important reform, the mineral production in the country is set to

increase significantly from second half of FY'2015-16 onwards, and this is good news for the value addition industry including your Company.

#### Threats

Due to global over capacity, mainly in China, and sharp fall in commodity prices, the business environment remains extremely challenging. There is huge competition in the domestic and international markets, due to low demand, non-availability of vital raw material at viable prices, volatile foreign exchange, adverse duty structure, unfair trade practices including dumping of products.

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.

However, your Company is determined and capable to face the challenges in the Steel Industry through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise.

### RISK MANAGEMENT

The volatility 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. 12,951.44 million showing a decrease of 11.80% as compared to the previous year mainly because of low capacity utilisation due to non availability of raw materials at viable prices due to mine closures, weak product prices as a result of over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel and commodity prices. The Loss after Tax is Rs. 2,729.10 million.

## HIGHLIGHTS

(Rs. Million)		
Particulars	2014-15	2013-14
<b>Total Revenue</b>	<b>12,951.44</b>	<b>14,685.38</b>
<b>Expenditure</b>		
Raw Materials consumed	9,578.81	10,565.69
Purchase of Stock-in-trade	583.19	818.00
(Increase) / decrease in stock	(140.83)	(156.43)
Employee Cost	468.18	379.02
Other expenses	2,154.50	1,831.90
<b>Operating Profit</b>	<b>307.59</b>	<b>1,247.20</b>
Finance Cost	2,293.60	1,625.60
Depreciation	767.30	747.77
Exceptional & Extraordinary Items	212.95	374.15
<b>Profit/(Loss) before Tax</b>	<b>(2,966.26)</b>	<b>(1,500.32)</b>
Tax expense	60.18	(64.73)
Minority Interest	(297.34)	42.69
<b>Profit/(Loss) after tax</b>	<b>(2,729.10)</b>	<b>(1,478.28)</b>

### Sales & Other Income

Sales have declined mainly due to drop in sales volume and prices of Pig Iron and Coke.

### Raw materials consumed

Raw material consumption has decreased due to lower production of Pig Iron and Coke.

### Finance Cost

Finance cost has increased during the year compared to previous year due to increase in the value of tangible asset and borrowings.

### Depreciation

Depreciation has marginally increased due to change in depreciation method pursuant to applicability of Companies Act, 2013, from 1 April 2014.

### Exceptional & Extraordinary Item

Exceptional & Extraordinary items mainly represents write down of excess of costs of period end inventories in coke business over their net realisable values.

### Profit after Tax

PAT was adversely impacted due to low EDITDA margin and high interest costs.



## BALANCE SHEET ANALYSIS

### Fixed Assets

There is an increase in the value of fixed assets including CWIP on account of additions in Capital Work in Progress in Steel Units.

### Inventories

Inventory of Raw Materials have gone down due to lower operation of Blast Furnace, Ferro Alloys and Coke Oven.

### Sundry Debtors, Loans & Advances

Sundry Debtors level has reduced by 37 percent as compared to previous year mainly due to lower revenue during the year.

Loans & advances decreased on account of receipt of tax refunds and lesser advances made to suppliers for raw materials, goods and services owing to lower production.

### Cash & Bank Balances

During the year Cash and Bank balances have reduced substantially by more than 80%. Your Company has realized fixed deposits maintained with banks and deployed in the operations.

The subsidiary Company continues to maintain Fixed Deposit at attractive rates of interest towards margin money for working capital.

### Trade Payables & Current Liabilities

Trade Payables & Current Liabilities has increased due to adverse financial performance of the Company during the year.

## FINANCE

Your Company is focusing on consolidating its operations, improving raw material availability and operational efficiencies to reduce costs. The operations and cash flow of the Company have been affected due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operation by some lenders. In view of the cash losses suffered by your Company due to high cost of raw material, weak product prices and high interest rate, and the consequent impact on cash flows, the Company has not been able to service its debt in a timely manner. In order to mitigate the cash strain and irregularity in debt servicing, the Company has been in discussions with lenders for a Corrective Action Plan under Corporate Debt Restructuring (CDR) mechanism since 20 May 2015. Your Company has already infused additional equity funds of Rs. 325 Crores in a phased manner as per the CDR package. Meanwhile, lenders have invoked Strategic Debt Restructuring on 22 September 2015, which is subject to necessary approvals/authorizations (including special resolution

by the shareholders). The Company is also evaluating option to induct strategic / financial investor to refinance debt to a sustainable level.

## DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

Your Company has formulated a detailed Code of Conduct in order to practice ethical behavior and sound conduct to establish the principles that guide our daily actions. Ethical conduct is the cornerstone of how the Company does business. Your Company is committed to creating 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, is treated with dignity and respect.

Your Company recognizes 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.

The total number of employees in your Company, including those inducted as trainees in the Company, as on 31 March 2015 was 1,101.

## 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 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 reforms initiated by the new government, and railways, defence and infrastructure sector being one of the major focus areas, there is huge potential for growth of this industry.

The Indian economy is on a path of gradual recovery. The government has undertaken several steps improve raw material availability and to revive the business confidence. The Indian economy stands to benefit from the correction in global crude oil prices and will have positive impact on the macro economy in the form of lower inflation, reduced current account deficit, healthier fiscal accounts, increased consumption and a stable INR.

Indian economy is among a few economies globally for which economic growth forecast has been raised by the IMF. The IMF has raised its GDP growth estimates for India for FY 2015-16 to 7.5%

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 & 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 structures and processes for direction and control of the companies. It is the process carried out by the Board of Directors and its related committees, on behalf of and for the benefit of the Company's stakeholders, to provide direction, authority and oversight to the management. It also provides the structure through which the objectives of the Company are set and the means of attaining those objectives and monitoring performances are determined.

The Company takes pride in being a responsible corporate citizen and in maintaining the highest standard of good Corporate Governance. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

The purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders. The Company has established systems and procedures to ensure that its Board of Directors is well informed and equipped to fulfil its overall responsibilities and to provide the management with strategic direction needed to create long-term shareholder

value. The Company always endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its vision of emerging as a low cost and efficient producer of value added steel products with backward integration and captive power.

## COMPLIANCE WITH THE SEBI CODE ON CORPORATE GOVERNANCE

We are pleased to inform you that, as on 31 March 2015, 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

The Principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. The Company has a judicious mix of Executive, Non Executive and Independent Directors on its Board.



## ■ Composition of the Board

### Board / Committee Position as on 31 March 2015

Name of the Director	Executive / Non Executive / Independent <sup>1</sup>	No. of outside Directorship(s) held			Outside Committee positions held <sup>2</sup>	
		Public	Private	Foreign	Chairman	Member
Mr. Vishambhar Saran	Executive Chairman	9	-	-	1	1
Mr. Vishal Agarwal	Vice Chairman & Managing Director	9	-	-	2	1
Mr. Shiv Dayal Kapoor	Non Executive, Independent	6	-	-	2	4
Mr. Debi Prasad Bagchi	Non Executive, Independent	7	-	-	1	5
Ms. Gauri Rasgotra <sup>5</sup>	Non Executive, Independent	2	-	-	-	4
Mr. Pratip Chaudhuri <sup>6</sup>	Non Executive, Independent	6	1	-	1	-
Mr. Saubir Bhattacharya <sup>9</sup>	Non Executive, Nominee Director	1	-	-	1	1
Mr. Punkaj Kumar Bajaj <sup>12</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 8 of the Companies Act, 2013.
3. Mr. Pradip Kumar Khaitan, Independent Director resigned from the Board of Directors of the Company w.e.f. 29 May 2014.
4. Mr. Shanti Narain, Independent Director resigned from the Board of Directors of the Company w.e.f. 30 June 2014.
5. Ms. Gauri Rasgotra has been appointed as Independent Director on the Board of Directors of the Company w.e.f. 26 September 2014.
6. Mr. Pratip Chaudhuri has been appointed as Independent Director on the Board of Directors of the Company w.e.f. 1 October 2014.
7. Mr. Maya Shanker Verma, Independent Director resigned from the Board of Directors of the Company w.e.f. the close of business hours of 24 December 2014.
8. Mr. Subrato Trivedi, Non Executive Director retired from the Board of Directors of the Company w.e.f. 24 December 2014.
9. Mr. Saubir Bhattacharyya was appointed as Nominee Director w.e.f. 10 February 2015 and he ceased to be the Nominee Director w.e.f. 6 April 2015.



10. Mr. Manas Kumar Nag has been appointed as the Nominee Director of the Company w.e.f. 14 August 2015.
11. Mr. Manoj Kumar Digga has been appointed as Wholetime Director designated as Director (Finance) & Chief Financial Officer w.e.f. 14 August 2015.
12. Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) had voluntarily retired from the services of the Company w.e.f. the close of business hours of 14 September 2015.
13. Mr. Manoj Kumar has been appointed as Wholetime Director designated as Director (Kalinganagar) w.e.f. 15 September 2015.
14. Mr. Kishore Kumar Mehrotra has been appointed as Additional Director (Non Executive, Independent) on the Board of Directors of the Company w.e.f. 12 November 2015.

## BOARD MEETINGS

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Board generally meets at regular intervals to discuss and decide on Company's business policy and strategy apart from normal business. Agenda and Notes on the agenda are circulated among the Directors, well in advance, in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. In addition to the information required under Annexure X to the Revised Clause 49 of the Listing Agreement, the Board is also kept informed of major events wherever necessary.

The details of Board meetings held during the financial year and the number of Directors present are listed below:

### Details of the Board Meeting and Attendance

Date of the Board Meeting	City	No. of Directors Present
23 May 2014	Kolkata	8
4 July 2014	Kolkata	7
12 August 2014	Kolkata	6
26 September 2014	Kolkata	7
14 November 2014	Kolkata	8
18 December 2014	New Delhi	5
10 February 2015	Bhubaneswar	8

### ■ 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 2014-15	No. of Board Meetings		Attended Last AGM <sup>2</sup>
	(Rs.)	(Rs.)	Held	Attended	
Mr. Maya Shanker Verma	180,000	180,000	7	5	No
Mr. Shiv Dayal Kapoor	270,000	270,000	7	7	Yes
Mr. Debi Prasad Bagchi	240,000	240,000	7	7	Yes
Mr. Pradip Kumar Khaitan	-	-	7	-	No
Mr. Shanti Narain	40,000	40,000	7	1	No
Mr. Subrato Trivedi	140,000	140,000	7	5	No
Ms. Gauri Rasgotra	60,000	60,000	7	2	No
Mr. Pratip Chaudhuri	90,000	90,000	7	3	No
Mr. Saubir Bhattacharyya	20,000	20,000	7	1	No
<b>Total</b>	<b>1,040,000</b>	<b>1,040,000</b>			

#### Note:

1. During 2014 - 15, sitting fees were paid @ Rs. 20,000 per Board Meeting and Rs. 10,000 per Committee Meeting, i.e. Audit, Stakeholders Relationship, Finance & Banking and Nomination and Remuneration Committees.
2. Annual General Meeting was held on 24 December 2014.
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 2014-15			
			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	16,905,943/-	See note (b)	See note (c)	See note (d)
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	16,694,220/-	See note (b)	See note (c)	See note (d)
Mr. Punkaj Kumar Bajaj	See Note (a)	Joint Managing Director & CEO(Steel Business)	9,920,060/-	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) In view of the ongoing losses being incurred by the Company, Mr. Vishambhar Saran and Mr. Vishal Agarwal had volunteered for reducing their salary retrospectively w.e.f. 1 April 2014. The same has been approved by the Board of Directors on 15 September 2015.

Mr. Punkaj Kumar Bajaj, erstwhile 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. The performance bonus for the financial year 2014 – 15 is to be paid to him. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

(c) Mr. Vishambhar Saran has been reappointed as Wholtime 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 reappointed 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.

Mr. Punkaj Kumar Bajaj had been appointed as the Joint Managing Director & CEO (Steel Business) of the Company with effect from 1 March 2014. Mr. Bajaj voluntarily retired from the services of the company w.e.f the close of business hours of 14 September 2015.

(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 were granted to Mr. Punkaj Kumar Bajaj.

(e) During the financial year 2014-15, 7 meetings of the Board of Directors were held. Mr. Vishambhar Saran, Chairman was present in all the 7 Board Meetings and Mr. Vishal Agarwal, Vice Chairman & Managing Director was present in 5 Board Meetings. Mr. Punkaj Kumar Bajaj was present in 6 Board Meetings. Mr. Vishambhar Saran, Mr. Vishal Agarwal and Mr. Punkaj Kumar Bajaj were present at the Annual General Meeting held on 24 December 2014.

## II. BOARD COMMITTEES

### ■ Audit Committee

The Audit Committee comprises of 3 Directors, all Non Executive Independent Directors, details given under as on 31 March 2015:

- Mr. Shiv Dayal Kapoor, Chairman - Independent Director
- Mr. Debi Prasad Bagchi - Independent Director
- Mr. Pratip Chaudhuri - Independent 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 the provisions Section 177 of the Companies Act, 2013 and 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 2014-15, the Committee met 6 (six) times on 23 May 2014, 12 August 2014, 26 September 2014, 14 November 2014, 18 December 2014 and 10 February 2015. 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. Debi Prasad Bagchi	6	6
Mr. Pratip Chaudhuri <sup>1</sup>	6	1
Mr. Maya Shanker Verma <sup>2</sup>	6	4
Mr. Subrato Trivedi <sup>3</sup>	6	4

- Note:**
1. Mr. Pratip Chaudhuri became a member of the Committee w.e.f. 24 December 2014.
  2. Mr. Maya Shanker Verma ceased to be a Director w.e.f. 24 December 2014.
  3. Mr. Subrato Trivedi retired as Director w.e.f. 24 December 2014.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 24 December 2014.

### ■ Stakeholders Relationship Committee

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-named the then "Share Transfer and Investor Grievance Committee" as the Stakeholders Relationship Committee w.e.f. 23 May 2014.

The Stakeholders Relationship Committee comprises of the following Directors as on 31 March 2015:

- Mr. Pratip Chaudhuri, Chairman - Independent Director
- Mr. Vishal Agarwal - Vice Chairman & Managing Director
- Ms. Gauri Rasgotra - Independent Director

The primary function of the Committee is to consider and resolve the grievances of the stakeholders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends and such other grievances as may be raised by the security holders from time to time. As on 31 March 2015, 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 2014-15, the Committee met 4 (four) times on 23 May 2014, 12 August 2014, 14 November 2014 and 10 February 2015 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Pratip Chaudhuri <sup>1</sup>	4	1
Mr. Vishal Agarwal	4	3
Ms. Gauri Rasgotra <sup>2</sup>	4	1
Mr. Shiv Dayal Kapoor <sup>3</sup>	4	3
Mr. Maya Shanker Verma <sup>4</sup>	4	2
Mr. Shanti Narain <sup>5</sup>	4	1

**Note:**

<sup>1</sup> Mr. Pratip Chaudhuri was appointed as Chairman of the Committee w.e.f. 24 December 2014.

<sup>2</sup> Ms. Gauri Rasgotra became a member of the Committee w.e.f. 24 December 2014.

<sup>3</sup> Mr. Shiv Dayal Kapoor ceased to be a member of the Committee w.e.f. 24 December 2014.

<sup>4</sup> Mr. Maya Shanker Verma ceased to be a Director w.e.f. 24 December 2014.

<sup>5</sup> Mr. Shanti Narain ceased to be a Director w.e.f. 30 June 2014.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting of the Company held on 24 December 2014.

In terms of the listing agreement, the Board has appointed Company Secretary as the Compliance Officer of the Company.

**Complaints received and redressed by the Company during the financial year:**

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

■ **Nomination and Remuneration Committee**

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-constituted the then Remuneration Committee into "the Nomination and Remuneration Committee" w.e.f. 19 May 2014

The role and terms of reference of the Nomination and Remuneration Committee, *inter alia*, includes the following:

- to lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management or KMP of the Company;
- to lay down the terms and conditions in relation to the appointment of Directors, Senior Management Personnel or KMP and recommend to the Board the appointment and removal of Directors, Senior Management Personnel or KMP;
- to lay down criteria to carry out evaluation of every Director's performance;
- to formulate criteria for determining qualification, positive attributes and Independence of a Director;

- to determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel to work towards the long term growth and success of the Company;
- to devise a policy on the diversity of the Board; and
- to assist the Board with developing a succession plan for the Board.

The Committee comprises of the following Directors as on 31 March 2015:

- Mr. Shiv Dayal Kapoor, Chairman - Independent Director
- Mr. Debi Prasad Bagchi - Independent Director
- Ms. Gauri Rasgotra - Independent Director

During the financial year 2014-15, the Committee met 4 (four) times on 23 May 2014, 26 September 2014, 14 November 2014 and 10 February 2015. 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 <sup>1</sup>	4	3
Mr. Debi Prasad Bagchi	4	4
Ms. Gauri Rasgotra <sup>2</sup>	4	1
Mr. Shanti Narain <sup>3</sup>	4	1
Mr. Pradip Kumar Khaitan <sup>4</sup>	4	-
Mr. Maya Shanker Verma <sup>5</sup>	4	2

**Note:**

<sup>1</sup> Mr. Shiv Dayal Kapoor has been appointed as the Chairman of the Committee w.e.f. 30 May 2014.

<sup>2</sup> Ms. Gauri Rasgotra became a member of the Committee w.e.f. 24 December 2014.

<sup>3</sup> Mr. Shanti Narain ceased to be a Director w.e.f. 30 June 2014.

<sup>4</sup> Mr. Pradip Kumar Khaitan ceased to be a Director w.e.f. 30 May 2014.

<sup>5</sup> Mr. Maya Shanker Verma ceased to be a Director w.e.f. 24 December 2014.

The Nomination and Remuneration policy of the Company forms part of the Board Report.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 24 December 2014.

#### ■ Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, the Board on 26 September 2014, constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility (CSR) Policy of the Company and the activities included in the policy.

The Committee comprises of the following Directors as on 31 March 2015:

- Mr. Vishal Agarwal, Chairman - Vice Chairman & Managing Director
- Mr. Shiv Dayal Kapoor - Independent Director
- Ms. Gauri Rasgotra - Independent Director

The CSR policy is available on the website of the Company [www.visasteel.com](http://www.visasteel.com) and also forms part of the Board Report.

During the financial year 2014-15, no meeting of the Committee was held. The CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are detailed in the Annual Report.



#### ■ Risk Management Committee

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.

In terms of Clause 49 of the Listing Agreement, the Company had constituted a Risk Management Committee (RMC) on 26 September 2014, *inter alia* for framing, implementing and monitoring the risk management policy of the Company.

The Committee comprised of the following Directors as on 31 March 2015:

- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| ■ Mr. Shiv Dayal Kapoor, Chairman | - Independent Director              |
| ■ Mr. Vishal Agarwal              | - Vice Chairman & Managing Director |
| ■ Ms. Gauri Rasgotra              | - Independent Director              |

The Risk Management Committee has been dissolved by the Board of Directors on 13 November 2015.

#### ■ 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 2015:

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| ■ Mr. Pratip Chaudhuri, Chairman | - Independent Director              |
| ■ Mr. Vishal Agarwal             | - Vice Chairman & Managing Director |
| ■ Mr. Shiv Dayal Kapoor          | - Independent Director              |

Mr. Pradip Kumar Khaitan was a member of the Finance & Banking Committee upto 30 May 2014. He ceased to be a Director w.e.f. 30 May 2014.

A meeting of the Finance & Banking Committee was held on 10 February 2015, which was attended by all the members of the Committee.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Program intends to provide insights into the Company so that the Independent Directors can understand the Company's business in depth and the roles, rights, responsibility that they are expected to perform/enjoy in the Company to keep them updated on the operations and business of the Company thereby facilitating their active participation in managing the affairs of the Company.

The Familiarisation Programme is available on the website of the Company at [www.visasteel.com](http://www.visasteel.com).

### VIGIL MECHANISM

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against victimization of employees and / or Directors and also provides for direct access to the Chairman of the Audit Committee. The Policy is uploaded on the website of the Company at [www.visasteel.com](http://www.visasteel.com)

### III. SUBSIDIARY COMPANIES

The Company has 7 (Seven) subsidiaries including indirect subsidiaries, VISA BAO Limited (VBL), VISA SunCoke Limited (VSCL), Kalinganagar Special Steel Private Limited, VISA Ferro Chrome Limited, VISA Special Steel Limited, Ghotaringa Minerals Limited and Kalinganagar Chrome Private Limited, as on 31 March 2015.

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year or income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year. Under this definition, VBL and 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 and 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.

In terms of Clause 49(V) of the Listing Agreement the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at: [www.visasteel.com](http://www.visasteel.com).

#### IV. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business. These have been placed and approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: [www.visasteel.com](http://www.visasteel.com).

#### V. DISCLOSURES

##### ■ Related Party transactions

Related Party transactions as specified under Clause 49 of the Listing Agreement are 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

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards

- ##### ■ Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- There has been no instance of any non-compliance.

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

Company is in compliance with all the mandatory requirements of this Clause. The Company issues Investor & Press Releases wherever applicable, 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.

##### ■ 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 2015 are as given below:

Name of the Director	No. of shares held
Mr. Shiv Dayal Kapoor	-
Mr. Debi Prasad Bagchi	-
Mr. Pratip Chaudhuri	-
Ms. Gauri Rasgotra	-
Mr. Saubir Bhattacharyya	-

## ■ Management

A detailed report on Management's Discussion and Analysis forms part of this Annual Report.

## ■ Code of Conduct

The Board of Directors adopted a Code of Conduct for the members of the Board, Committees and Senior Management of the Company and also for Independent Directors in compliance with the provisions of Revised Clause 49 of the Listing Agreement. In compliance with Clause 49 (II)(E) the Code of Conduct suitably lays down the duties of the Independent Director as laid down in the Companies Act, 2013.

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 at: [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 erstwhile Joint Managing Director & CEO (Steel Business) is given below:

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"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 2014-15."

Place: Kolkata

Date: 29 May 2015

Punkaj Kumar Bajaj

Joint Managing Director &  
CEO(Steel Business)

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## ■ Shareholders

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                                 | - Financial Express<br>- Sambad (Oriya)                    |
| ■ Any website, where displayed   | - <a href="http://www.visasteel.com">www.visasteel.com</a> |
| ■ Whether it displays official news releases                             | - Yes  |
| ■ Presentation to investors / analysts                                   | - Available as and when made                               |
| ■ Whether Shareholder Information Report forms part of the Annual Report | - Yes  |

The Annual Report containing *inter alia* audited Annual Accounts, Consolidated Financial Statements, Reports of the Auditors and Directors, Chairman's Statement, Management Discussion and Analysis Report and other important information is circulated to the members and displayed on the Company's website.

## ■ Intimation to Stock Exchanges

The Company intimates the Stock Exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

## ■ Details on use of proceeds from public issue, right issue, preferential issue

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

## ■ Code for prevention of Insider Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Fair practices and procedures for fair disclosure of UPSI. All the Directors on the Board, Senior Management and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

#### ■ CEO and CFO certification

As required by Clause 49 of the Listing Agreement, the CEO and CFO have given appropriate certifications to the Board of Directors.

#### ■ General Body Meetings

- Current AGM date, time and venue:

The forthcoming Annual General Meeting will be held on Monday, 28 December 2015 at 12:30 p.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009.

Location and time, where last three AGM's were held:

Year	Location	Date	Time	Special resolutions passed
2013-2014	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	24 December 2014	10.30 a.m.	<ol style="list-style-type: none"> <li>1. Approval and adoption of new set of Articles of Association of the Company.</li> <li>2. Appointment of Mr. Punkaj Kumar Bajaj as the Joint Managing Director &amp; CEO (Steel Business) of the Company.</li> <li>3. Re-appointment of Mr. Vishal Agarwal as Vice Chairman &amp; Managing Director of the Company.</li> <li>4. Approval of related party transactions.</li> <li>5. Waiver of excess remuneration paid to Mr. Vishambhar Saran, Wholtime Director designated as Chairman.</li> <li>6. Waiver of excess remuneration paid to Mr. Vishal Agarwal, Vice Chairman &amp; Managing Director.</li> <li>7. Waiver of excess remuneration paid to Mr. Pankaj Gautam, Joint Managing Director &amp; CEO.</li> <li>8. Consent to pay commission to Non-Executive Directors not exceeding 1 % of the net profit.</li> <li>9. Appointment of Ms. Bhawna Agarwal, to hold office or place of profit as President (CSR &amp; Corporate Communication)</li> </ol>

Year	Location	Date	Time	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.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Pankaj Gautam as Joint Managing Director &amp; CEO.</li> <li>2. Waiver of recovery of remuneration paid in excess of the prescribed statutory limits to Mr. Pankaj Gautam as Joint Managing Director &amp; CEO.</li> <li>3. Revision of remuneration of Mr. Vishambhar Saran, Whole-time Director designated as Chairman and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</li> <li>4. Re-appointment of Mr. Vishambhar Saran as Whole-time Director designated as Chairman of the Company.</li> <li>5. Revision of remuneration of Mr. Vishal Agarwal, Vice Chairman and Managing Director and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</li> <li>6. Revision of remuneration of Mr. Pankaj Gautam, Joint Managing Director &amp; CEO, and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</li> </ol>



Year	Location	Date	Time	Special resolutions passed
2011-2012	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	14 August 2012	4.00 p.m.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Prabir Ramnendralal Bose as Deputy Managing Director of the Company.</li> <li>2. Re-Approval, Rectification &amp; Confirmation of Remuneration Payable to Mr. Vishambhar Saran, Wholetime Director Designated as Chairman, as approved by the members at the 15th Annual General Meeting of the Company held on 26 July, 2012, in case of Loss/Inadequacy of profits in any Financial year during the remaining tenure of appointment and waiver of remuneration paid in excess of the specified limits to Mr. Saran as Chairman of the Company for the Financial year 2011 – 12.</li> <li>3. Re-Approval, Rectification &amp; Confirmation of Remuneration Payable to Mr. Vishal Agarwal, Managing Director, as approved by the members at the 15th Annual General Meeting of the Company held on 26 July, 2012, in case of Loss/Inadequacy of profits in any Financial year during the remaining tenure of appointment and waiver of remuneration paid in excess of the specified limits to Mr. Agarwal as Managing Director of the Company for the Financial year 2011 – 12.</li> <li>4. Waiver of remuneration paid in excess of the specified limits to Mr. Basudeo Prasad Modi as Deputy Managing Director of the Company for the Financial year 2011 – 12.</li> </ol>

#### ■ Postal Ballot

- Whether resolutions were put through postal ballot last year : Yes

The Company has passed special resolution through postal ballot during 2014-15 in regards to the following matters:

- Borrowing powers of the Board
- Creation of charge on the assets of the Company

Sl. No.	Particulars	Resolution No.1 under section 180(1)(c) of the Companies Act, 2013, as a Special Resolution			Resolution No. 2 under section 180(1)(a) of the Companies Act, 2013, as a Special Resolution		
		No. of Postal Ballot Forms/ E-Voting	No. of Shares	% of total paid up equity capital	No. of Postal Ballot Forms/ E-Voting	No. of Shares	% of total paid up equity capital
a.	Postal Ballot Forms received	146	2,35,83,751	21.44	146	2,35,83,751	21.44
b.	E-voting	34	5,89,85,264	53.62	34	5,89,85,264	53.62
	Total Voting	180	8,25,69,015	75.06	180	8,25,69,015	75.06
c.	Less: Invalid Postal Ballot Forms/E-voting confirmations	5	1,753	0.00	5	2,412	0.00
d.	Net Valid Postal Ballot Forms/E voting confirmations	175	8,25,67,262	75.06	175	8,25,66,603	75.06
	Less: No. of shares not voted for/ abstained from voting		315	0		305	0
	Total voted shares		8,25,66,947	75.06		8,25,66,298	75.06
i)	Postal ballot Forms/ E-Voting with assent for the Resolution	158	8,25,63,295	75.06	158	8,25,62,527	75.06
ii)	Postal ballot Forms/ E-Voting with dissent for the Resolution	16	3,652	0.00	16	3,771	0.00

#### ■ Person who conducted the postal ballot exercise

Mr. Debendra Raut, of M/s. D. Raut & Associates, Practising Company Secretary was appointed by the Board as Scrutinizer to receive and scrutinize the completed postal ballot forms/e-votes received from the Members and for conducting the Postal Ballot in a fair and transparent manner.

#### ■ Procedure of postal Ballot

During the conduct of the Postal Ballot, the Company had in terms of Clause 35B of the Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the Karvy e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by posting ballot were then announced by the Chairman. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

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 : 28 December 2015 at 12:30 p.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 (TENTATIVE)

:

Financial reporting and Limited Review for the quarter ending 30 June 2015	Mid August 2015
Financial reporting and Limited Review for the half year ending 30 September 2015	Mid November 2015
Financial reporting and Limited Review for the quarter ending 31 December 2015	Mid February 2016
Financial reporting for the year ending 31 March 2016	End May 2016
Annual General Meeting for the year ending 31 March 2016	End July 2016

## 4. DATES OF BOOK CLOSURE

: 21 December 2015 to 28 December 2015  
(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](mailto:investors@visasteel.com)  
Website: [www.visasteel.com](http://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 2015-16.

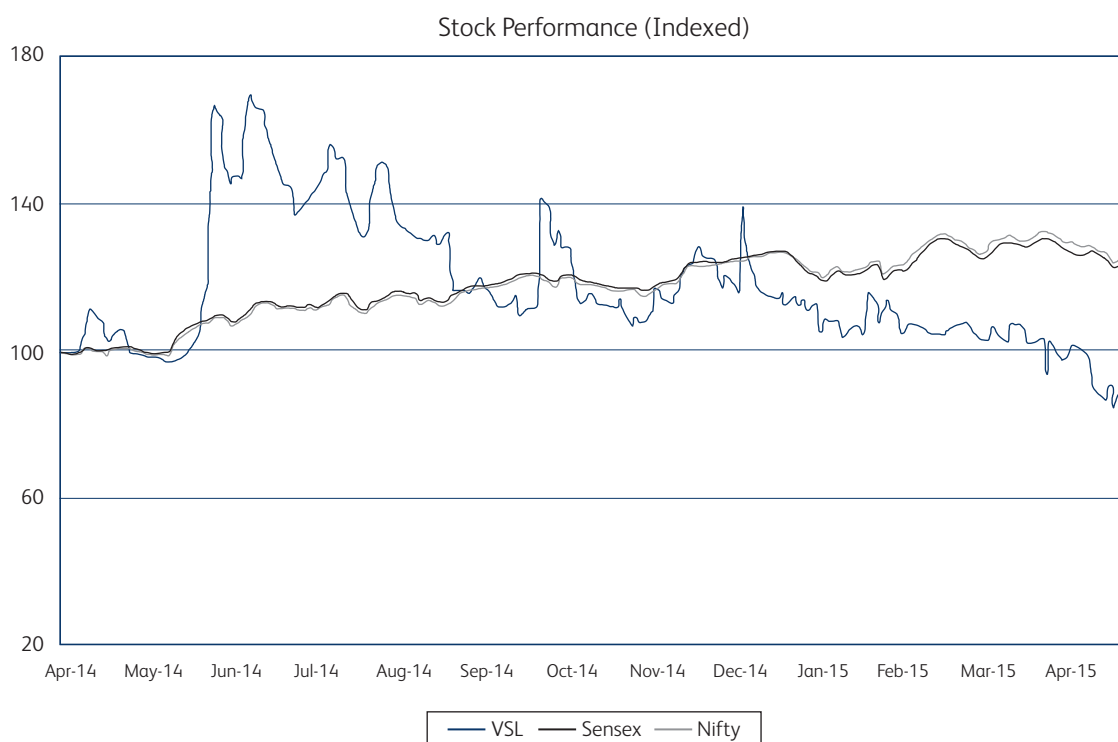
## 8. STOCK PRICE DATA

	BSE Limited				National Stock Exchange of India Limited			
	High	Low	Close	No. of Shares Traded	High	Low	Close	No. of Shares Traded
Apr-2014	18.45	16.00	16.15	199,504	18.50	16.00	16.20	520,978
May-2014	30.15	15.20	24.30	775,450	30.05	15.55	24.00	1,936,269
Jun-2014	29.00	21.90	24.35	255,157	29.00	22.00	24.55	680,796
Jul-2014	26.25	21.20	21.45	201,624	26.15	21.00	21.55	513,778
Aug-2014	22.55	18.20	18.30	134,521	23.50	18.05	18.40	230,672
Sep-2014	25.60	17.50	18.90	369,034	25.65	17.50	19.00	976,229
Oct-2014	20.25	17.10	20.15	71,330	20.65	17.20	20.20	171,834
Nov-2014	23.55	18.65	18.85	399,319	23.60	18.60	19.05	814,595
Dec-2014	21.40	16.40	17.20	146,518	19.65	16.50	17.20	255,451
Jan-2015	21.20	16.80	17.50	98,515	19.30	14.55	17.65	287,671
Feb-2015	18.50	16.55	16.90	76,921	18.45	16.10	17.00	182,537
Mar-2015	17.40	13.65	14.60	113,041	19.25	13.55	15.10	278,864

## 9. STOCK CODE

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

## 10. STOCK PERFORMANCE



## 11. STOCK PERFORMANCE OVER THE PAST FEW YEARS

(In Percentage)

	1 Year	2 Years	3 Years	4 Years	5 Years
VISASTEEL (BSE)	(-)7.65	(-)65.41	(-)73.51	(-)66.59	(-)64.39
BSE Sensex	24.89	48.43	60.64	43.78	59.50
NSE Nifty	25.98	49.42	60.34	45.55	61.76

## 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  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad-500032  
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	2014-15		2013-14	
	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	1	1	4	5
Relating to non receipt of annual reports	2	2	-	-
Relating to complaints from SEBI / Stock Exchanges	-	-	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>6</b>

- Number of pending complaints as on 31 March 2015 : NIL
- Number of pending share transfers as at 31 March 2015 : NIL



**15. DETAILS OF UNCLAIMED SHARES AS ON 31 MARCH 2015:**

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 2015 are as follows:

Year	Opening Balance as on 01.04.2014		Cases disposed off during the Financial Year 2014-15		Closing Balance as on 31.03.2015	
	No. of Cases	No. of Shares	No. of Cases	No. of Shares	No. of Cases	No. of Shares
2014-15	14	4,055	-	-	14	4,055

**16. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2015 :**

No. of equity shares held	2015				2014			
	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	15,437	82.74	2,526,208	2.30	16,808	83.68	2,732,225	2.48
501 – 1000	1,943	10.41	1,460,190	1.32	2,030	10.11	1,518,300	1.38
1001 – 2000	808	4.33	1,175,442	1.07	791	3.94	1,138,924	1.04
2001 – 3000	162	0.87	423,694	0.39	161	0.80	422,132	0.38
3001 – 4000	69	0.37	247,493	0.22	61	0.30	219,894	0.20
4001 – 5000	81	0.43	386,763	0.35	88	0.44	421,152	0.38
5001 – 10000	84	0.45	624,856	0.57	74	0.37	579,171	0.53
10001 and above	74	0.40	103,155,354	93.78	73	0.36	102,968,202	93.61
<b>Total</b>	<b>18,658</b>	<b>100.00</b>	<b>110,000,000</b>	<b>100.00</b>	<b>20,086</b>	<b>100.00</b>	<b>110,000,000</b>	<b>100.00</b>

**17. CATEGORIES OF SHAREHOLDING AS ON 31 MARCH 2015:**

Category	2015			2014		
	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	-	-	-	-	-	-
Insurance Companies	1	500,111	0.45	1	500,111	0.45
FIIs	3	11,082,245	10.07	4	10,985,845	9.99
NRIs	277	338,168	0.31	306	344,485	0.31
Bodies Corporate	281	4,016,542	3.65	326	4,007,532	3.64
Indian Public	18,093	11,562,934	10.51	19,446	11,662,027	10.60
<b>Total</b>	<b>18,658</b>	<b>110,000,000</b>	<b>100.00</b>	<b>20,086</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 2015.

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 subsidiary, VISA BAO Limited 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.

During the year under review, 120,469 Stock Options have vested with the specified employees of the Company and its subsidiary(ies) under the ESOP Scheme 2010 and 403,895 Stock Options have lapsed till 31 March 2015. As on 31 March 2015, none of the Options have been exercised.

## 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

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 REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

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 March 31, 2015, as stipulated in Clause 49 of the Listing Agreements 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 Agreements.

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.

**Pradip Law**

Partner

Membership Number 51790

For and on behalf of

**Lovelock & Lewes**

Firm registration Number-301056E

Chartered Accountants

Place : Kolkata

Date : November 13, 2015

## Independent Auditors' Report

### To the Members of VISA Steel Limited

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of VISA Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

#### BASIS FOR QUALIFIED OPINION

8. We draw your attention to Note 34 (a) 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, its intimation to the stock exchanges in which the Company's shares are listed and filing of the Scheme of demerger as approved by shareholders of the Company with the High Court. 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 24, Discontinuing Operations. The impact of such deviation on total assets and liabilities as at March 31, 2015 and loss or earnings per share, cash flows for the year on that date is presently not ascertainable.

#### QUALIFIED OPINION

9. 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 the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information

## Independent Auditors' Report

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, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

### EMPHASIS OF MATTER

10. We draw attention to Note 44 to the financial statements, regarding the preparation of the same on going concern basis. The Company has incurred a net loss of Rs. 2414.40 million during the year ended March 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 10,521.43 million, and the Company's net worth has been eroded as at the balance sheet date. However, in view of developments regarding the supply of raw materials as well as fresh line of credit from lenders in line with existing increased production capacity and other matters stated in the aforesaid note, 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. Our opinion is not qualified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 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 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, except for the indeterminate effect of the matter referred to in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, 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 the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) The matter mentioned under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements - Refer Note 22;
  - ii) The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses as at March 31, 2015;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015

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

### Pradip Law

Partner  
Membership Number 51790

Kolkata  
May 29, 2015



## Annexure to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone financial statements as of and for the year ended March 31, 2015

- 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.
  - 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. The Company has granted an unsecured loan, to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.
    - (a) In respect of the aforesaid loan, an amount aggregating Rs. 1.99 million is overdue as at Balance Sheet date, as the party is not repaying the principal amount as stipulated and is also not regular in payment of interest thereon.
    - (b) 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 the principal amount and interest.
  - 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
  - vi. 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 specified under sub-section (1) of Section 148 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.
  - vii.
    - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, service tax, tax deducted at source and labour welfare cess, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

## Annexure to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone financial statements as of and for the year ended March 31, 2015

- (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, duty of customs, cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax and duty of excise, as at March 31, 2015 which have not been deposited on account of a dispute, are as follows

Name of the Statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	28.13	Assessment Year 2006-07	The Commissioner of Income Tax Appeals, Bhubaneswar, Orissa
Central Sales Tax Act, 1956	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, Jaipur Road, Orissa
West Bengal Value Added Tax Act, 2003	Value Added Tax	43.00	Financial Year 2006-07	The Commissioner of Commercial Taxes, West Bengal
Central Excise Act, 1944	Excise Duty	10.95	Financial Year 2008-09 to 2010-11	Central Excise Service Tax Appellate Tribunal

- c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has accumulated losses exceeding fifty percent of its networth as at March 31, 2015 and it has also incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanations given to us, except for dues to financial institutions and banks aggregating Rs. 2,518.24 million for the period as mentioned in Note 5D to the financial statements, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. 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 3(x) of the Order are not applicable to the Company.
- xi. 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.
- xii. 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.

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

**Pradip Law**  
Partner  
Membership Number 51790

Kolkata  
May 29, 2015

## Balance Sheet as at 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2015	As at 31 March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	124.31	2,570.14
		1,224.31	3,670.14
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	23,254.30	21,842.14
Deferred Tax Liabilities (Net)	6	-	-
Other Long-term Liabilities	7	787.20	787.20
Long-term Provisions	8	14.91	12.54
		24,056.41	22,641.88
<b>Current Liabilities</b>			
Short-term Borrowings	9	4,397.23	1,395.00
Trade Payables	10	2,757.80	3,994.31
Other Current Liabilities	11	6,171.06	5,689.35
Short-term Provisions	12	35.78	28.09
		13,361.87	11,106.75
<b>Total</b>		<b>38,642.59</b>	<b>37,418.77</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13 A	27,467.92	9,141.65
Intangible Assets	13 B	5.29	7.66
Capital Work-in-progress	13 C	2,964.54	19,391.06
		30,437.75	28,540.37
Non-current Investments	14	4,511.39	4,511.39
Long-term Loans and Advances	15	851.87	888.21
Other Non-current Assets	16	1.14	29.27
		35,802.15	33,969.24
<b>Current Assets</b>			
Inventories	17	1,124.87	1,519.38
Trade Receivables	18	561.17	408.25
Cash and Bank balances	19	50.60	135.12
Short-term loans and advances	20	1,016.21	1,218.91
Other Current Assets	21	87.59	167.87
		2,840.44	3,449.53
<b>Total</b>		<b>38,642.59</b>	<b>37,418.77</b>

This is the Balance Sheet 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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## Statement of Profit and Loss for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2015	Year ended 31 March 2014
<b>INCOME</b>			
Revenue from Operations (Gross)	24	9,847.05	10,893.65
Less: Excise duty		625.48	594.07
Revenue from operations (Net)		9,221.57	10,299.58
Other income	25	288.52	279.97
<b>I. Total Revenue</b>		<b>9,510.09</b>	<b>10,579.55</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	5,989.55	7,012.98
Purchases of Stock-in-Trade	27	571.22	818.00
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in- Progress	28	257.95	(48.30)
Employee Benefits Expense	29	378.02	292.44
Finance Costs	30	2,061.90	1,450.31
Depreciation and Amortization Expense	31	574.09	577.29
Other Expenses	32	2,045.37	1,841.01
<b>II. Total Expenses</b>		<b>11,878.10</b>	<b>11,943.73</b>
<b>III. (Loss) / Profit before exceptional and extraordinary items and tax</b>		<b>(2,368.01)</b>	<b>(1,364.18)</b>
<b>IV. Exceptional items</b>	33	-	(160.77)
<b>V. (Loss) / Profit before extraordinary items and tax</b>		<b>(2,368.01)</b>	<b>(1,524.95)</b>
<b>VI. Extraordinary items</b>		-	-
<b>VII. (Loss) / Profit before tax</b>		<b>(2,368.01)</b>	<b>(1,524.95)</b>
<b>VIII. Tax Expense</b>			
Current taxes		-	-
Less : MAT credit entitlement		32.33	-
Net current tax		32.33	-
Deferred taxes		14.06	-
<b>IX. (Loss) / Profit for the period</b>		<b>(2,414.40)</b>	<b>(1,524.95)</b>
<b>X. Earning/(loss) per equity share (Nominal Value per Share of Rs. 10 each)</b>	40		
Basic		(21.95)	(13.86)
Diluted		(21.95)	(13.86)

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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## Cash Flow Statement for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before Tax	(2,368.01)	(1,524.95)
Adjusted for :		
Depreciation and Amortization	574.09	577.29
Finance Cost	2,061.90	1,450.31
Interest Income	(109.51)	(100.37)
Bad Debts Written off	-	13.82
Provision for Bad & Doubtful Debts	54.98	-
Provision for Doubtful Advances and Other Current Assets	144.56	21.31
Income from Shared Services	(164.26)	(170.83)
Liabilities no longer required written back	(4.77)	(100.36)
Provision for Doubtful Debts/ Advances written back	(18.20)	(12.39)
(Profit) / Loss on sale of Fixed Assets	(0.21)	-
Unrealised Forex Loss / (Gain) [Net]	(11.66)	(20.76)
<b>Operating (Loss)/ Profit before working capital changes</b>	<b>158.91</b>	<b>133.07</b>
Adjustments for changes in working capital		
(Increase) / Decrease in trade and other receivables	(54.54)	236.25
(Increase) / Decrease in inventories	394.51	(94.07)
Increase / (Decrease) in trade and other payables	(2,597.43)	2,237.75
<b>Cash generated / (used in) from Operations</b>	<b>(2,098.55)</b>	<b>2,513.00</b>
Direct Taxes paid	0.35	(21.27)
<b>Net Cash (used in) Operating Activities</b>	<b>(2,098.20)</b>	<b>2,491.73</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(505.93)	(1,294.41)
(Increase) / Decrease in Capital Advances	4.65	16.25
Sale of Fixed Assets	0.30	0.35
Investment in Subsidiary Companies	-	(1.30)
Proceeds from Sale of Investments in a Subsidiary	-	0.70
Release of Margin Money Account	112.70	23.12
Income from Shared Services	164.26	170.83
(Increase) / Decrease in Share Refund order Account	-	0.32
Interest received	115.19	89.63
<b>Net cash (used in) Investing Activities</b>	<b>(108.83)</b>	<b>(994.51)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	3,259.43	44.33
Repayment of Long Term Borrowings	(338.44)	(597.69)
(Repayment)/Proceeds of Short Term Borrowings (net)	3,002.23	389.62
(Increase) / Decrease in Earmarked Accounts	-	(0.32)
Finance Cost paid (Refer (c) below)	(3,716.14)	(1,384.67)
<b>Net Cash used from / (used in) Financing Activities</b>	<b>2,207.08</b>	<b>(1,548.73)</b>
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	0.05	(51.51)



## Cash Flow Statement for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	<b>0.05</b>	<b>(51.51)</b>
Cash and Cash Equivalents as on 01 April	1.10	52.61
<b>Cash and Cash Equivalents as at 31 March</b>	<b>1.15</b>	<b>1.10</b>

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

	Year ended 31 March, 2015	Year ended 31 March, 2014
Balance with Banks in		
Current Account	0.45	0.41
Cash on hand	0.70	0.69
<b>Cash and Cash Equivalents as at 31 March (Refer Note 19)</b>	<b>1.15</b>	<b>1.10</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 Capitalized.

(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

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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## 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 Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 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, 2013.

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 Schedule III to the Companies Act, 2013. 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

- (i) Depreciation including amortization on tangible assets, where applicable is provided on pro-rata basis under Straight Line Method (SLM) over the estimated useful lives of the assets as specified in Schedule II to the Companies Act, 2013 ('the Act'), other than the following:

Leasehold assets (Buildings and Plant and Machinery) which are jointly held are amortized over the period of lease i.e., 10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.

Furnace refractories are depreciated over useful life of 5-6 years based on technical assessment done by the Company.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- (ii) Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.
- (iii) Amortisation of Intangible Assets is done over its useful life of three years under SLM.

### 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.

### 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.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- (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 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 is 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

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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.

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 2015	As at 31 March 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 Equity Shares (31 March 2014 : 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 2014 : 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 2015		As at 31 March 2014	
	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	110,000,000	1,100.00	110,000,000	1,100.00

**(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 2015	As at 31 March 2014
58,712,167 (31 March 2014 : 58,712,167) Equity Shares of Rs. 10/- each held by VISA Infrastructure Limited, the Holding Company	587.12	587.12

Pursuant to Sale of Shares by VISA Infrastructure Limited, VISA infrastructure Limited has since ceased to be the Holding Company of the Company with effect from April 22, 2015. However VISA Infrastructure Limited and VISA international Limited continue to be part of the promoter and promoter group holding in aggregate 73,923,000/- equity shares representing 67.21 % of total paid up share capital as on 29 May 2015.

**(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 and Contracts/Commitments**

For details of share reserved for issue under the Employee Stock Option Plan (ESOP) of the Company [Refer Note 41].

For Right of conversion of Debt into Equity Shares of the Company in terms of CDR Package [Refer Note 5(E)].

**(f) VISA Infrastructure Limited, the Holding Company continues to have pledged 44,387,167 (31 March 2014 : 44,387,167) numbers of Equity Shares at the year end being 75.60 % (31 March 2014 : 75.60 %) of its total shareholding.**



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<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	3,852.92
Less: Depreciation adjustment (Net of Deferred Tax Rs. 14.06 Million ) [Refer Note 13(D)]	(31.43)	-
Balance as at the end of the year	3,821.49	3,852.92
<b>(Deficit) / Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(2,927.85)	(1,402.90)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(2,414.40)	(1,524.95)
Amount available for appropriation	(5,342.25)	(2,927.85)
Balance as at the end of the year	(5,342.25)	(2,927.85)
<b>Total</b>	<b>124.31</b>	<b>2,570.14</b>

@ Refer Note 49

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
Term Loans(I & II), SMC(Sub Debt), Corporate Term Loans(I & II) and Fresh Term Loan (For Sinter Plant)						
[Refer B(i), C(i), C(ii), C(iii) and D below]						
From Banks	18,121.10	16,481.56	1,564.85	375.48	19,685.95	16,857.04
From Other Parties	568.55	613.93	60.24	14.85	628.79	628.78
<b>Working Capital Term Loans (WCTL)</b>						
[Refer B(i), C(iv) and D below]						
From Banks	967.04	1,304.22	409.60	169.68	1,376.64	1,473.90
From Other Parties	23.13	28.68	9.25	3.70	32.38	32.38
<b>Funded Interest Term Loans (FITL)</b>						
[Refer B(i), C(v) and D below]						
From Banks	2,864.66	2,888.56	34.99	12.72	2,899.65	2,901.28
From Other Parties	118.61	122.90	-	-	118.61	122.90
<b>Equipment and Vehicle Term Loans</b>						
From Banks [Refer B(ii) and C(vi) below]	-	0.71	0.71	8.45	0.71	9.16
From Other Parties [Refer B(ii) and C(vii) below]	1.46	2.31	1.10	24.39	2.56	26.70
<b>Term Loans from Other Parties</b>	337.75	399.27	78.41	41.05	416.16	440.32
[Refer B(iii), C(viii) and D below]						
	23,002.30	21,842.14	2,159.15	650.32	25,161.45	22,492.46
<b>Unsecured</b>						
Loans from Related Parties	252.00	-	-	-	252.00	-
[Refer C(ix) below]						
	<b>23,254.30</b>	<b>21,842.14</b>	<b>2,159.15</b>	<b>650.32</b>	<b>25,413.45</b>	<b>22,492.46</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(2,159.15)	(650.32)	(2,159.15)	(650.32)
	<b>23,254.30</b>	<b>21,842.14</b>	<b>-</b>	<b>-</b>	<b>23,254.30</b>	<b>21,842.14</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### A. Debt Restructuring

The Company was referred to the Corporate Debt Restructuring Forum (CDR), a non statutory voluntary mechanism set up under the aegis of the Reserve Bank of India, for the restructuring of its corporate debt during the year 2012-13 w.e.f 1 March 2012 and pursuant to which the CDR package was approved vide the letter of approval of CDR cell dated 27 September 2012 and a Master Restructuring Agreement (MRA) dated 19 December 2012 was executed to give effect to the CDR package. The CDR Package includes reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc.

During the current year Company's Business Re-organisation Plan (Refer Note 34) was referred to CDR cell by the lenders and same has been approved by CDR cell vide its letter dated 31 December 2014 and pursuant to this approval Common Loan Agreement (CLA) has been executed on 28 March 2015 among the Company, its Subsidiary company, VISA Special Steel Limited, and lenders. CLA would operate in continuation of above mentioned MRA. In terms of CLA, inter-alia, additional credit facilities have been granted and effective 28 March 2015 Company's existing Debt portfolio has been reorganised/ reallocated and secured as under:

- i) Term Loans (I &II), Corporate Term Loans (I &II) and Fresh Term Loan (for sinter plant)]
- ii) Working Capital Term Loans (WCTL)
- iii) Funded Interest Term Loans (FITL)
- iv) Working Capital Loans [Indicated in Note 9]
- v) Structured Mezzanine Credit Facility [SMCF (Sub debt)]

### B. Details of Securities

#### i. Term Loans (I & II), SMCF (Sub debts), Working Capital Term Loans(WCTL), Funded Interest Term Loans (FITL), Corporate Term Loans (I & II) , Fresh Term Loan (For Sinter Plant) and Working Capital facilities:

- (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 Bhubaneshwar, Odisha.
- (c) Pledge of 51 % of Promoter's Shareholding 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 entire Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) Hypothecation on profits of the Company, both present and future.
- (f) Lien on all Bank Accounts including the Trust and Retention Account.
- (g) 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.
- (h) 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.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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. 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. This loan is also covered by a Corporate Guarantee of VISA International Limited.

- (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.

## C. Terms of Repayment of loans

### i. Terms of Repayment and outstanding balance as at the year end of Term Loans including SMCF (TL):

Upon implementation of CDR Package during the Financial Year 2012-13, then existing Restructured Term Loan of Rs. 12,355.48 Million and Additional Term Loan of Rs. 6,100.00 Million sanctioned as per CDR package, were to be repaid over a period of 10 years in quarterly instalments commencing from March 2013. 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. Above mentioned loan amounting to Rs. 17,286.71 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
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 %

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### ii. Terms of Repayment and outstanding balances of Corporate Term Loans :

In line of aforementioned CLA, Corporate Term Loan amounting Rs. 4,500 Million, bearing an interest rate at 2.50 % p.a. above the SBI's Base Rate, was sanctioned. Outstanding balance of such loan as at the balance sheet date is Rs. 3,019.53 Million, which shall be repayable in structured quarterly installments starting from June 2016 and ending on March 2023, as mentioned below.

Repayment Schedule :

Year	Percentage of Corporate Term Loan due for Repayment (%)
2016-17	4.00 %
2017-18	8.00 %
2018-19	10.00 %
2019-20	12.00 %
2020-21	12.00 %
2021-22	16.00 %
2022-23	38.00 %

### iii. Terms of Repayment and outstanding balances of Fresh Term Loan (For Sinter Plant):

Fresh Term Loan (For Sinter Plant) of Rs. 650 Million was sanctioned vide the CLA, bearing an interest rate at 2.50 % p.a. above the SBI's Base Rate. Outstanding balance of such loan as at balance sheet is Rs. 8.50 Million which shall be repayable in structured quarterly installments starting from December 2015 and ending on March 2022, as mentioned below.

Repayment Schedule :

Year	Percentage of Fresh Term Loan due for Repayment (%)
2015-16	4.00 %
2016-17	8.00 %
2017-18	12.00 %
2018-19	12.00 %
2019-20	12.00 %
2020-21	20.00 %
2021-22	32.00 %

### iv. Terms of Repayment and outstanding balance as at year end of Working Capital Term Loan (WCTL):

Upon implementation of CDR package during the Financial Year 2012-13, then overdrawn cash credit accounts of the Company amounting to Rs.1,720.00 Million had been carved out into a separate Working Capital Term Loans, which were to be repaid over a period of 8 years in quarterly instalments commencing from March 2013. Further 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 WCTL (originally restructured) due for Repayment (%)
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

### v. Terms of Repayment and outstanding balances of Funded Interest Term Loans (FITL):

In terms of the CDR Package, the aggregate amount of interest accrued and due on the principal amounts of TL, WCTL and Additional Term Loan for the period 1 March 2012 to 28 Feb 2014 had 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 FY 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 FITL (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 %

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

Banks	As at 31 March 2015	As at 31 March 2014	Terms of Repayment	Interest rate
ICICI Bank	-	0.85	Repaid during the year.	9.5 % to 11.25 % p.a.
Kotak Mahindra Bank	0.40	7.51	Equal Monthly installments over the period of loan. The period of maturity with respect to the balance sheet date is 1 month.	11.75 % p.a.
AXIS Bank	0.31	0.80	Equal Monthly installments over the period of loan. The period of maturity with respect to the balance sheet date is 7 months.	9.75 % p.a.
<b>Total</b>	<b>0.71</b>	<b>9.16</b>		

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

Other Parties	As at 31 March 2015	As at 31 March 2014	Terms of Repayment	Interest rate
Tata Capital	2.56	17.25	Equal Monthly installments over the period of loan. The period of maturity with respect to the balance sheet date is 1 year 4 months.	9.50 % to 11.50 % p.a.
SREI Equipment Finance (P) Ltd.	-	9.45	Repaid during the year.	10.00 % to 11.00 % p.a.
<b>Total</b>	<b>2.56</b>	<b>26.70</b>		

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

Other Parties	As at 31 March 2015	As at 31 March 2014	Terms of Repayment	Interest rate
IL&FS Financial Services Limited	300.00	300.00	Repayable in eighteen quarterly installments from December 2014 onwards.	10.75 % p.a.
			<b>Year</b>	
			2015-16	
			2016-17	
			2017-18	
			2018-19	
HUDCO	116.16	140.32	Seventeen quarterly installments of Rs. 6.69 Million each from Balance sheet date.	HUDCO Benchmark rate + 1 % p.a.
<b>Total</b>	<b>416.16</b>	<b>440.32</b>		

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

Related Parties	As at 31 March 2015	As at 31 March 2014	Terms of Repayment	Interest rate
VISA Infrastructure Limited	252.00	-	Will be repaid subsequent to the Strategic investment in the Company	8 % p.a.
<b>Total</b>	<b>252.00</b>	<b>-</b>		

### D. Details of defaults of principal and interest:

#### Period and amount of continuing defaults as on 31 March 2015:

	1-30		31-60		> 60		Total	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Term Loans	5.81	-	227.04	-	37.47	29.36	270.32	29.36
Working Capital Term Loans	1.04	-	20.80	-	0.86	3.01	22.70	3.01
Funded Interest Term Loan	1.54	-	44.07	-	13.37	1.73	58.98	1.73
Term loans from other parties	-	-	9.35	-	1.75	10.50	11.10	10.50
Working Capital Loan	-	1,750.68	21.18	191.98	4.58	142.12	25.76	2,084.78
<b>Total</b>	<b>8.39</b>	<b>1,750.68</b>	<b>322.44</b>	<b>191.98</b>	<b>58.03</b>	<b>186.72</b>	<b>388.86</b>	<b>2,129.38</b>

### E. Conversion Right

In terms of MRA/CLA as mentioned under item 'A' above the lenders have right to convert at their option the entire/part of the defaulted amount of interest and principal as set out under item 'D' above, into fully paid up equity shares of the Company at a pricing to be determined as per the SEBI Regulation, on the date, as may be opted for conversion.



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<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	# 2269.93	1,303.63
(A)	2,269.93	1,303.63
Deferred Tax Assets		
Unabsorbed Tax Depreciation	(2,114.12)	(1,227.08)
Unabsorbed Business Loss Carried Forward	(18.08)	(0.98)
Provision for doubtful debts and advances	(123.85)	(62.69)
Disallowances allowable for tax purpose on payment	(13.88)	(12.88)
(B)	(2,269.93)	(1,303.63)
<b>Deferred Tax Liabilities (Net)</b> (A)+(B)	-	-

# After considering adjustments against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. 14.06 Million (31 March 2014: Rs. Nil)[Refer Note 13 (D)]. As a matter of prudence, deferred tax assets have been recognised only to the extent of the deferred tax liability.

	As at 31 March 2015	As at 31 March 2014
<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 2015	As at 31 March 2014
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	14.91	12.54
	<b>14.91</b>	<b>12.54</b>

	As at 31 March 2015	As at 31 March 2014
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer Note 5.B (i) and 5.D]	4,202.25	1,307.82
From Other Parties [Refer Note 5.B (i) and 5.D]	125.50	24.32
Other Working Capital Loan		
From Other Parties [Refer (a) below]	69.48	62.86
	<b>4,397.23</b>	<b>1,395.00</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 2014 : 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.B (i) for details of security.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>10 TRADE PAYABLES</b>		
Dues to Micro and Small Enterprises	145.44	42.49
Dues to other than Micro and Small Enterprises	2,612.36	3,951.82
	<b>2,757.80</b>	<b>3,994.31</b>

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

	31 March 2015		31 March 2014	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of the accounting year : - Principal	145.44	-	42.49	-
(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 2015	As at 31 March 2014
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	2,159.15	650.32
Interest accrued but not due on borrowings	6.42	8.44
Interest accrued and due on borrowings	617.08	210.97
Employee related liabilities	208.55	152.69
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	210.94	75.26
Unclaimed Dividend [Refer (a) below]	0.99	0.99
Advances from Customers	67.49	88.10
Liability towards Subsidiary	464.70	1,092.83
Advance from Fellow Subsidiary	1,896.52	2,811.85
Capital Creditors	335.79	375.90
Other liabilities	203.43	222.00
	<b>6,171.06</b>	<b>5,689.35</b>

(a) There are no amount due for payment to the Investor Education and Protection Fund.

	As at 31 March 2015	As at 31 March 2014
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	35.78	28.09
	<b>35.78</b>	<b>28.09</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 13 A TANGIBLE ASSETS

Particulars	Gross Block			Depreciation / Amortization				Net Block		
	As at 1 April 2014	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2015	As at 1 April 2014	Adjustment consequent to revision of useful lives (Refer Note-13 D)	For the year	On Disposals /Adjustments during the Year	As at 31 March 2015	As at 31 March 2014
<b>Owned</b>										
Land- Freehold	13.61	-	-	13.61	-	-	-	-	13.61	13.61
Land- Leasehold	208.88	-	-	208.88	18.99	-	-	-	18.99	189.89
Factory Building	859.21	3,746.89	-	4,606.10	129.43	-	48.16	-	177.59	4,428.51
Buildings	559.79	225.54	-	785.33	26.54	0.38	14.28	-	41.20	744.13
Road	553.69	2.71	-	556.40	12.42	0.12	142.88	-	155.42	400.98
Plant and Equipment	9,008.95	14,961.43	(96.54)	24,066.92	2,121.91	31.85	326.75	(63.57)	2,544.08	21,522.84
Computer	43.38	3.56	-	46.94	36.46	2.61	1.96	-	41.03	5.91
Office Equipment	17.63	0.58	(9.75)	27.96	7.04	9.91	3.16	(3.43)	23.54	4.42
Furniture and Fixtures	84.70	0.55	0.21	85.04	27.52	0.25	10.19	0.10	37.86	47.18
Vehicles	201.97	0.45	109.67	92.75	131.00	0.37	9.07	70.41	70.03	22.72
<b>Leasehold (Jointly Held):</b>										
Buildings	129.08	-	-	129.08	38.73	-	11.99	-	50.72	78.36
Plant and Machinery	15.42	-	-	15.42	4.62	-	1.43	-	6.05	9.37
<b>Total</b>	<b>11,696.31</b>	<b>18,941.71</b>	<b>3.59</b>	<b>30,634.43</b>	<b>2,554.66</b>	<b>45.49</b>	<b>569.87</b>	<b>3.51</b>	<b>3,166.51</b>	<b>27,467.92</b>
<b>2013-14</b>	<b>11,585.79</b>	<b>110.52</b>	<b>-</b>	<b>11,696.31</b>	<b>1,986.98</b>	<b>-</b>	<b>567.68</b>	<b>-</b>	<b>2,554.66</b>	<b>9,141.65</b>

## 13 B INTANGIBLE ASSETS

Particulars	Gross Block			Amortization			Net Block		
	As at 1 April 2014	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2015	As at 1 April 2014	For the year	On Disposals/ Adjustments during the Year	As at 31 March 2015	As at 31 March 2014
Computer Software - acquired	40.08	1.85	-	41.93	32.42	4.22	-	36.64	5.29
Total	40.08	1.85	-	41.93	32.42	4.22	-	36.64	7.66
2013-14	37.61	2.82	0.35	40.08	23.16	9.61	0.35	32.42	7.66

## 13 C CAPITAL WORK-IN-PROGRESS

	As at 31 March 2015	As at 31 March 2014
<b>CAPITAL WORK-IN-PROGRESS</b>	<b>2,964.54</b>	<b>19,391.06</b>

Capital Work-in-Progress includes Exchange Gain / (Loss) capitalised during the year Rs. Nil [31 March 2014 : (Rs. 4.80 Million)] and borrowing cost for the year capitalized amounting to Rs. 2044.14 Million (31 March 2014 : Rs. 1,970.23 Million).

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 13 D REVISION IN USEFUL LIVES OF TANGIBLE ASSETS

Effective 1 April 2014 the Company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 (the 'Act') and as a result of which the estimated useful lives of certain tangible assets have been revised. Pursuant to the transitional provision set out in the said Schedule II, the carrying amount (after retaining the residual values) aggregating Rs. 45.49 Million (31 March 2014: Rs. Nil) relating to tangible assets, where the revised useful lives are nil as on 1 April 2014, has been debited to General Reserve [Refer Note 4]. Further, related tax impact on such adjustment amounting to Rs. 14.06 Million (31 March 2014: Rs. Nil) has been credited to General Reserve.

Consequent to the above, the total depreciation charge for the year ended 31 March 2015 is lower by Rs. 119.61 Million compared to corresponding previous year with corresponding impact on the loss before tax of the Company.

	As at 31 March 2015	As at 31 March 2014
<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 2014 : 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 2014 : 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 2014 : 1,054,476) Equity Shares of Rs. 10/- each, fully paid up		
Kalinganagar Chrome Private Limited	0.60	0.60
60,000 (31 March 2014 : 60,000) Equity Shares of Rs. 10/- each fully paid up [Including beneficial interest in 1 Equity Shares of Rs. 10/- each, fully paid up]		
Kalinganagar Special Steel Private Limited	0.70	0.70
70,000 (31 March 2014 : 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]		
<b>Investment in Joint Venture</b> [Refer Note 45]	10.00	10.00
VISA Urban Infra Limited [Refer (b) below]		
1,000,000 (31 March 2014 : 1,000,000) Equity Shares of Rs. 10/- each, fully paid up		
	<b>4,511.39</b>	<b>4,511.39</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 2014 : Rs. 1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [i.e. 46,410,000 (31 March 2014 : 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.B (i) (d).

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>15 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Capital Advance	85.66	90.31
Security Deposits	218.71	218.55
Loans and Advances to related parties		
Loan 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	0.79	0.31
MAT Credit Entitlement	274.71	307.04
	<b>851.87</b>	<b>888.21</b>

	As at 31 March 2015	As at 31 March 2014
<b>16 OTHER NON-CURRENT ASSETS</b>		
Margin Money held with Bank with maturity more than 12 months	1.14	29.27
	<b>1.14</b>	<b>29.27</b>

	As at 31 March 2015	As at 31 March 2014
<b>17 INVENTORIES</b>		
(Refer Note 2.6)		
Raw Materials [Refer (a) below]	531.39	713.49
Work-in-Progress [Refer (b) below]	27.59	59.35
Finished Goods [Refer (c) below]	176.90	274.06
Stock-in-Trade [Refer (d) below]	35.27	-
Stores and Spares Parts	279.79	315.15
By-products	73.93	157.33
	<b>1,124.87</b>	<b>1,519.38</b>
<b>(a) Raw Materials includes goods in transit Rs. Nil (31 March 2014 : Rs. 36.97 Million)</b>		
<b>(b) Details of Work-in-Progress</b>		
Chrome Briquette	27.59	59.35
	<b>27.59</b>	<b>59.35</b>
<b>(c) Details of Finished Goods</b>		
Pig Iron	2.95	2.75
Ferro Chrome	117.74	203.12
Sponge Iron	24.10	65.37
Bloom	29.81	-
Rolled Product	1.95	-
Others	0.35	2.82
	<b>176.90</b>	<b>274.06</b>
<b>(d) Details of Stock-in-Trade</b>		
Coke	35.27	-
	<b>35.27</b>	<b>-</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<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	212.90
Considered Doubtful	206.61	152.71
Other Debts		
Considered Good [Refer (a) below]	348.27	195.35
	767.78	560.96
Less: Provision for Doubtful Debts	206.61	152.71
	<b>561.17</b>	<b>408.25</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	217.94	130.67

	As at 31 March 2015	As at 31 March 2014
<b>19 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Account	0.45	0.41
Cash on hand	0.70	0.69
	1.15	1.10
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Unclaimed Dividend Account	0.99	0.99
Margin Money with Banks with maturities less than 12 months	48.46	133.03
	49.45	134.02
<b>(i) + (ii)</b>	<b>50.60</b>	<b>135.12</b>

	As at 31 March 2015	As at 31 March 2014
<b>20 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Prepaid Expenses	46.89	126.29
Advances against Supply of goods and rendering services		
Considered Good	239.52	318.07
Considered Doubtful	149.05	15.78
Less: Provision for doubtful Advances	(149.05)	(15.78)
Loans and Advances to related parties		
Advances to Key Managerial Personnel [Refer (a) (b) and (c) below]	85.54	88.46
Advances to Subsidiary Company	-	0.74
Advance Payment of Income Tax	183.10	183.45
[Net of Provision Rs. 463.07 Million (31 March 2014 : Rs. 463.07 Million)]		
Security Deposit	3.29	6.29
Others taxes receivable / adjustable		
Considered Good	457.87	495.61
Considered Doubtful	7.62	24.74
Less: Provision for Other Taxes receivable / adjustable	(7.62)	(24.74)
	<b>1,016.21</b>	<b>1,218.91</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- a) Necessary application had been made to Central Government for payment of remuneration in excess of the prescribed limits under the Companies Act, 1956 to Mr. Vishambhar Saran, Whole Time Director of the Company for a period of 3 years w.e.f. 15 December 2013 to 14 December 2016 (including payment of 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. The said application has been turned down during the year and thereafter representation to the concerned authority against the said rejection has been made and the necessary approval is pending. Further, an application for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, for the period 1 April 2012 to 14 December 2013 has also been filed and the same is also pending. Pending approvals of the Central Government, Rs. 40.05 Million is being held in trust by Mr. Vishambhar Saran on behalf of the Company.
- b) Necessary application had been filed with the Central Government for payment of remuneration to Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company for the period of 3 (three) years w.e.f. 25 June 2014 till 24 June 2017 (including payment of 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 24 December 2014. Further, an application for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, for the period 1 April 2012 to 24 June 2014 has also been filed. Pending approvals of the Central Government, Rs. 36.58 Million is being held in trust by Mr. Vishal Agarwal on behalf of the Company.
- c) Necessary application had been filed with the Central Government for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, to Mr. Pankaj Gautam, erstwhile Joint Managing Director & CEO of the Company (Mr. Gautam has ceased to be Joint Managing Director and CEO and Director of the Company w.e.f. 28 February 2014) for the period 1 April 2013 to 28 February 2014. During the Financial year company has received approval from Central Government for Rs. 2.90 Million relating to Period 12/12/2013 to 31/03/2014. Pending approval of the Central Government, Rs. 8.91 Million is being held in trust by Mr. Gautam on behalf of the Company.
- d) During the financial Year 2014-15, Company has provided managerial remuneration as per limit prescribed in Schedule V to Companies Act, 2013. Remuneration beyond such limit will be paid/provided after receiving Central Government approval for payment of remuneration in excess of Limits.

	As at 31 March 2015	As at 31 March 2014
<b>21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Receivable from DGFT and Customs towards Export Incentive		
Consider Good	55.93	130.53
Considered Doubtful	11.29	-
Less: Provision for doubtful Receivable	(11.29)	-
Interest Accrued on advances to Subsidiary Company	0.99	-
Interest Accrued on Deposits	30.67	37.34
	<b>87.59</b>	<b>167.87</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 (31 March 2014: 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.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- (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 2014: 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 2015	As at 31 March 2014
<b>(b) Other money for which the Company is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	29.76	11.86
(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	10.96
(vi) In terms of CDR package for restructuring of Debt of the Company as referred to in Note 5A, the recompense payable by the Company towards the reliefs/sacrifices/waivers extended by the concerned lenders, which is conditional upon achievement of certain favourable financial parameters by the Company, in future. Estimated recompense amount at year end	2,730.30	1,640.60
<b>(c) Guarantees</b>		
(i) Bank Guarantee	25.00	25.00
(ii) Corporate Guarantee issued on behalf of a subsidiary company to its Lenders	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.

	As at 31 March 2015	As at 31 March 2014
<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. 85.66 Million, (31 March 2014 : Rs. 90.31 Million)]	539.56	393.85

### (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. 167.21 Million (31 March 2014 : Rs. 164.90 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).

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>24 REVENUE FROM OPERATIONS (GROSS) (CONTD.)</b>		
<b>(a) Sale of products</b>		
<b>Manufactured Goods</b>		
Pig Iron	482.82	1,436.33
Ferro Chrome	3,707.58	4,582.86
Silico Manganese	361.32	-
Sponge Iron	4,038.21	3,111.11
Bloom / Round	831.45	1,330.14
Rolled Product	11.37	234.97
By-products	383.82	434.58
Power	67.48	66.20
<b>Total</b>	<b>9,884.05</b>	<b>11,196.19</b>
<b>Traded Goods</b>		
Coal and Coke	540.90	870.19
Others	3.50	1.20
<b>Total</b>	<b>544.40</b>	<b>871.39</b>
Less : Trial Run Sales	784.29	1,565.11
<b>Total</b>	<b>9,644.16</b>	<b>10,502.47</b>
<b>(b) Other Operating Income</b>		
Scrap Sales	41.91	27.95
Export Incentives	138.01	250.48
Liabilities no longer required written back	4.77	100.36
Provisions for doubtful debts, advances etc. no longer required written back	18.20	12.39
<b>Total</b>	<b>202.89</b>	<b>391.18</b>
<b>Revenue from Operations (Gross)</b>	<b>9,847.05</b>	<b>10,893.65</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>25 OTHER INCOME</b>		
Insurance claim received	5.10	5.30
Interest Income	109.51	100.37
Net Gain from sale of Fixed assets	0.21	-
Income from Shared Services	164.26	170.83
Other non operating income	9.44	3.47
	<b>288.52</b>	<b>279.97</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>26 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	1,627.90	2,240.71
Iron Ore	2,313.61	2,539.63
Coal and Coke	2,185.82	3,095.86
Others	460.03	395.61
	<b>6,587.36</b>	<b>8,271.81</b>
Less : Trial Run Consumption	597.81	1,258.83
	<b>5,989.55</b>	<b>7,012.98</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>27 PURCHASE OF STOCK-IN-TRADE</b>		
Coal and Coke	565.55	814.08
Others	5.67	3.92
	<b>571.22</b>	<b>818.00</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening 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>
<b>Add: Transfer from Project</b>		
Finished Goods	66.84	-
By-Products	15.25	-
	<b>82.09</b>	<b>-</b>
<b>Less : Closing Stock</b>		
Finished Goods	176.90	274.06
Stock-In-Trade	35.27	-
By-products	73.93	157.33
Work-in-Progress	27.59	59.35
	<b>313.69</b>	<b>490.74</b>
Increase / (Decrease) in Excise Duty on Stock	(1.19)	(9.73)
Increase / (Decrease) in Stock	<b>257.95</b>	<b>(48.30)</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>29 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	354.16	274.06
Contribution to Provident and Other Funds	21.26	17.37
Staff Welfare Expenses	2.60	1.01
	<b>378.02</b>	<b>292.44</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. 8.08 Million (31 March 2014: Rs. 9.45 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 (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 2.10, 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.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<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	30.92	23.25
Fair Value of Plan Assets at the end of the year	22.49	22.87
<b>Net (Asset) / Liability recognized in the Balance Sheet</b>	<b>8.43</b>	<b>0.38</b>
<b>(II) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service cost	5.21	5.08
Interest cost	2.09	1.50
Expected Return on Plan Assets	(2.00)	(2.08)
Actuarial loss / (gain)	2.75	2.18
<b>Total Expenses (Recognised under Contribution to Provident and Other Funds)</b>	<b>8.05</b>	<b>6.68</b>
<b>(III) Reconciliation of opening and closing balances of the present value of the Defined benefit obligations:</b>		
Opening defined benefit obligation	23.25	16.64
Current Service cost	5.21	5.08
Interest cost	2.09	1.50
Actuarial loss / (gain)	2.71	2.05
Benefits paid	(2.34)	(2.02)
<b>Closing Defined Benefit Obligation</b>	<b>30.92</b>	<b>23.25</b>
<b>(IV) Reconciliation of opening and closing balances of the fair value of plan assets:</b>		
Opening fair value of Plan Assets	22.87	22.44
Expected Return on Plan Assets	2.00	2.08
Actuarial (loss) / gain	(0.04)	(0.13)
Contributions by employer	-	0.50
Benefits paid	(2.34)	(2.02)
<b>Closing Fair Value on Plan Assets</b>	<b>22.49</b>	<b>22.87</b>
<b>(V) Actual Return on Plan Assets [Assets consist of funds maintained with LICI for gratuity scheme]</b>	<b>1.96</b>	<b>1.95</b>
<b>(VI) Category of Plan Assets</b>		
Fund with LIC	22.49	22.87
<b>Total</b>	<b>22.49</b>	<b>22.87</b>
<b>(VII) Principal Actuarial Assumption Used:</b>		
Discount Rates	7.80 %	9.00 %
Expected Return on Plan Assets	9.00 %	8.75 %
Expected Salary increase rates	5.00 %	5.00 %
Withdrawal Rate	2 % depending on age	1 % to 2 % depending on age
Mortality Rates	IALM(06-08) mortality tables	IALM(06-08) mortality tables
<b>(VIII) Investment Details of Plan Assets (% allocation)</b>		
Insurer managed funds	100 %	100 %

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 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 2016 cannot be readily ascertainable and therefore not disclosed.

	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>(IX) Experience Adjustment</b>					
Present Value of Defined Benefit Obligation as at end of the year	30.92	23.25	16.64	15.26	11.47
Fair Value of Plan Assets as at end of the year	22.49	22.87	22.44	19.01	16.34
(Surplus) / Deficit as at end of the year	8.43	0.38	(5.80)	(3.75)	(4.87)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	1.28	(5.10)	(2.21)	(0.67)	Not available
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.04)	(0.13)	(0.01)	0.09	

	Year ended 31 March 2015	Year ended 31 March 2014
<b>30 FINANCE COSTS</b>		
Interest Expense	1,272.58	779.90
Other Borrowing Costs	789.32	670.41
	<b>2,061.90</b>	<b>1,450.31</b>

The amount of finance cost capitalised for qualifying assets during the year 31 March 2015 is Rs. 2,044.14 Million (31 March 2014 : Rs. 1,970.23 Million)

	Year ended 31 March 2015	Year ended 31 March 2014
<b>31 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and Amortization expense on Tangible Assets	569.87	567.68
Amortization expense of Intangible Assets	4.22	9.61
	<b>574.09</b>	<b>577.29</b>



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>32 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	352.42	408.26
Power and Fuel [Refer (a) below]	578.97	612.40
Rent	11.67	9.28
Lease Rent for Production Facility	146.40	109.80
Repairs to Buildings	4.23	1.61
Repairs to Machinery	60.03	57.17
Insurance Expenses	13.01	9.71
Rates and Taxes, excluding taxes on income	38.69	29.98
Material Handling Expenses	211.42	107.11
Freight and Selling Expenses	179.30	299.56
Loss on exchange fluctuation (net)	79.03	-
Bad Debts Written off	-	13.82
Provision for Doubtful Debts	54.98	-
Provision for Doubtful Advances and Other Current Assets	144.56	21.31
Miscellaneous Expenses	225.09	264.49
Transfer to Project	(54.43)	(103.49)
	<b>2,045.37</b>	<b>1,841.01</b>
(a) Power and Fuel includes consumption of coal (Reclassified from raw material consumption effective current year with regrouping of prior year's figures)	399.86	377.18

### 33 EXCEPTIONAL ITEMS

In view of high volatility in the value of Indian Rupee against USD and other foreign currency, the loss arising out of the re-instatement of foreign currency monetary items had been considered as exceptional item in the previous year.

### 34 BUSINESS RE-ORGANISATION/RE-STRUCTURING PLAN

- (a) 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.
- (b) The Board of Directors of the Company at its meeting held on 1 October 2013, accorded their in-principle approval to the merger of VISA BAO Limited (Subsidiary Company) with the Company, subject to the approvals as may be necessary from stakeholders, lenders and other relevant authorities.

	Year ended 31 March 2015		Year ended 31 March 2014	
<b>35 VALUE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIALS AND STORES</b>				
<b>(a) Value of Indigenous and Imported Raw Materials Consumed</b>	<b>%</b>	<b>Value</b>	<b>%</b>	<b>Value</b>
Indigenous	78.41%	5,164.99	85.02%	7,032.50
Imported	21.59%	1,422.37	14.98%	1,239.31
	<b>100.00%</b>	<b>6,587.36</b>	<b>100.00%</b>	<b>8,271.81</b>
<b>(b) Stores and Spares Consumed</b>				
Indigenous	99.69%	351.34	100.00%	408.26
Imported	0.31%	1.08	-	-
	<b>100.00%</b>	<b>352.42</b>	<b>100.0%</b>	<b>408.26</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>36 C.I.F VALUE OF IMPORTS</b>		
Raw Materials	1,757.57	1,488.39
Traded Goods	140.24	592.09
Capital Goods	3.60	58.94
	<b>1,901.41</b>	<b>2,139.42</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>37 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF</b>		
Foreign Travel	6.90	6.25
Interest	0.84	7.61
Professional and Consultation Fees	0.15	1.91
Other Matters	31.71	25.26
	<b>39.60</b>	<b>41.03</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>38 EARNING IN FOREIGN CURRENCY</b>		
Export of goods calculated on F.O.B. basis	2,491.98	4,168.48

	Year ended 31 March 2015	Year ended 31 March 2014
<b>39 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITOR</b>		
<b>As Auditors :</b>		
Audit Fees	1.50	1.25
Tax Audit Fees	0.20	0.15
Other Services	1.81	1.90
Re-imbursement of expenses	0.14	0.05
	<b>3.65</b>	<b>3.35</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>40 EARNING / (LOSS) PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. (Loss) / Profit after tax	(2,414.40)	(1,524.95)
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.)	(21.95)	(13.86)
<b>(II) Diluted</b>		
a. Weighted Average number of Equity Shares for computing Dilutive earning / (Loss) per Share	110,000,000	110,000,000
b. Diluted Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	(21.95)	(13.86)

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 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	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 2015 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	583,446	46.30	46.30	3
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	87,341	46.30	46.30	-
Outstanding at the end of the year	496,105	46.30	46.30	2
Exercisable at the end of the year	493,601			

During the year total 120,469 number of Options were vested.

#### 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

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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 2015	Year ended 31 March 2014
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(2,414.40)</b>	<b>(1,524.95)</b>
Less : Compensation cost under ESOP as per Fair Value	(1.10)	0.69
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(2,413.30)</b>	<b>(1,525.63)</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.)	(21.95)	(13.86)
Diluted EPS (in Rs.)	(21.95)	(13.86)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(21.94)	(13.87)
Diluted EPS (in Rs.)	(21.94)	(13.87)

### 42. DETAILS OF FOREIGN CURRENCY EXPOSURE

Particulars	As at 31 March 2015			As at 31 March 2014		
	USD	EURO	Amount (INR)	USD	EURO	Amount (INR)
<b>Unhedged Portion as at Balance Sheet Date *</b>						
a) Trade Receivable	-	-	-	0.74		44.30
b) Trade Payable	-	-	-	1.09		65.56
c) Capital Advance	0.51	0.01	32.23	0.71	0.01	43.93
d) Capital Creditors	0.12	0.27	25.29	0.12	0.41	41.11
e) Advance to Supplier	0.02	0.01	1.27	0.02	0.02	3.03
f) Advance from Customers	0.03	-	2.15	0.14		8.61
* Unhedged foreign currency exposure as on 31 March 2015 has been derived without considering the effect of any natural hedge.						
<b>Derivatives Outstanding as at the reporting date</b>						
a) Forward Contracts to sell USD - Hedge of firm commitment and highly probable forecast transaction	9.00	-	571.79	3.89		239.50
b) Forward Contracts to buy USD - Hedge of firm commitment and highly probable forecast transaction	3.33		212.71	-		-
<b>Mark to market losses provided for</b>			0.62			-

### 43 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2015

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

##### Identification of the Business Segment

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.

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

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### Segment Revenue, Segemnt Results and other information

A) Primary Business Segment	31 March 2015			31 March 2014		
	Special Steel	Ferro Chrome	Total of Reportable Segments	Special Steel	Ferro Chrome	Total of Reportable Segments
External Revenue from Operations*	4,766.06	4,455.51	9,221.57	5,260.24	5,039.34	10,299.58
Inter Segment Revenue from Operations*	42.91	49.94	92.85	72.98	40.38	113.36
Segment Revenues	4,808.97	4,505.45	9,314.42	5,333.22	5,079.72	10,412.94
Segment Results	(60.83)	267.34	206.51	58.67	353.87	412.54
Segment Assets	21,894.70	5,714.16	27,608.86	20,134.26	6,304.80	26,439.06
Segment Liabilities	1,687.61	1,676.02	3,363.63	1,105.46	1,088.83	2,194.29
Capital Expenditure	155.40	14.48	169.88	609.71	9.10	618.81
Depreciation & Amortization	192.52	152.19	344.71	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

	31 March 2015				31 March 2014			
	Revenues	Results/Net Profit(Loss)	Assets	Liabilities #	Revenues	Results/Net Profit(Loss)	Assets	Liabilities #
Total of Reportable Segments	9,314.42	206.51	27,608.86	3,363.63	10,412.94	412.54	26,439.06	2,194.29
Corporate-Unallocated / Others (Net)	276.46	(512.62)	11,033.73	34,054.65	274.67	(487.18)	10,979.71	31,554.34
Inter Segment Revenues from Operations	(92.85)	-	-	-	(113.36)	-	-	-
Other Allocated Segment Income	12.06	-	-	-	5.30	-	-	-
Finance Costs	-	(2,061.90)	-	-	-	(1,450.31)	-	-
MAT Credit Entitlement	-	(32.33)	-	-	-	-	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	(14.06)	-	-	-	-	-	-
As per Financial Statements	9,510.09	(2,414.40)	38,642.59	37,418.28	10,579.55	(1,524.95)	37,418.77	33,748.63

# Excluding Shareholder's Funds

### 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 2015			31 March 2014		
	India	Outside India	Total	India	Outside India	Total
Revenue External	6,696.37	2,525.20	9,221.57	6,156.57	4,143.01	10,299.58
Total Segment Assets	27,254.93	353.93	27,608.86	26,113.27	325.79	26,439.06
Capital Expenditure	169.88	-	169.88	618.81	-	618.81

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

- 44** The Company has incurred a net loss of Rs. 2414.40 Million (31 March 2014 : Rs. 1524.95 Million) during the year ended 31 March 2015 and the year-end current liabilities exceeded current assets by Rs. 10521.43 Million (31 March 2014 : Rs. 7,657.22 Million), and defaulted in its debt servicing obligations as mentioned in Note-5D and has negative net worth 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 high interest cost.

With the substantial improvement in the availability of major raw material and reducing raw material cost and signs of recovery in the general economic scenario, the Company expects a positive turnaround with substantial increase in its top line and reasonable increase in its bottom line.

The Company's Debt had been restructured under the package approved by Corporate Debt Restructuring (CDR) cell in the earlier years 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.

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 operations, it is expected that the overall financial health of the Company would improve.

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, Chhattisgarh.

Name of Joint Venture	Country of Incorporation	Proportion of Ownership Interest	
		As at 31 March 2015	As at 31 March 2014
VISA Urban Infra Limited	India	26.00 %	26.00 %

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

	31 March 2015	31 March 2014
a) Assets	27.54	22.98
b) Liabilities	17.66	13.11
c) Income	0.12	-
d) Expenses	0.12	0.05

### 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 previous 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 2015	Year ended 31 March 2014
<b>With respect to all operating lease</b>		
Lease payments recognised in the Statement of Profit and Loss during the year	158.07	119.08



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

	As at 31 March 2015	As at 31 March 2014
<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

- 47 (B)** Disclosure pursuant to Sub-Section (4) of Section 186 of the Companies Act, 2013 regarding loans given, investment made and guarantees given are mentioned in the respective Notes of Non Current Investments [Refer Note 14], Long-term Loans & Advances [Refer Note 15] and Guarantees [Refer Note 22(c)].

### 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 SunCoke Limited
	Kalinganagar Special Steel Private Limited
	Kalinganagar Chrome Private Limited
	VISA Ferro Chrome Limited
	VISA Special Steel Limited
<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
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Punkaj Kumar Bajaj - Joint Managing Director & CEO (Steel Business)
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal) w.e.f. 01 January 2015
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 2015	31 March 2014
Rent Charges	VISA International Limited	3.54	4.13
	VISA Infrastructure Limited	4.39	3.92
Purchase of Goods	VISA Resources India Limited	1,249.39	1,459.33
	VISA SunCoke Limited	728.72	1,542.93
Purchase of Traded Goods	VISA Resources India Limited	247.61	-
Sale of Goods	VISA Resources India Limited	1,330.70	1,303.79
	VISA Resources PTE Limited	259.61	-
	VISA SunCoke Limited	-	308.19
Sale of Traded Goods	VISA SunCoke Limited	33.66	-
Freight	VISA Bulk Shipping Pte Limited	-	91.18
	VISA Resources India Limited	4.84	21.22
Hire Charges	VISA Resources India Limited	14.57	14.57
Commission	VISA Trading (Shanghai) Co., Limited	12.65	4.11
Interest Income	Ghotaringa Minerals Limited	0.28	0.28
	VISA SunCoke Limited	-	5.71
Rent Income	VISA SunCoke Limited	-	0.44
Income from Shared Services	VISA SunCoke Limited	180.90	173.52
Finance Cost	VISA Resources India Limited	426.75	-
	VISA International Limited	-	28.23
	VISA BAO Limited	-	42.44
	VISA SunCoke Limited	-	11.19
Lease Rental	VISA BAO Limited	164.50	123.37
Remuneration	Mr. Vishambhar Saran	16.91	7.15
	Mr. Vishal Agarwal	20.19	6.99
	Mr. Pankaj Gautam	-	4.61
	Mr. Pankaj Kumar Bajaj	9.92	0.42
Investment made	Kalinganagar Special Steel Private Limited	-	0.70
	Kalinganagar Chrome Private Limited	-	0.60
Investment sold	Kalinganagar Special Steel Private Limited	-	0.70
Sale of FPS Licenses	VISA SunCoke Limited	72.88	132.93
Transfer of Intangible Assets	VISA BAO Limited	-	2.84
Reimbursement of Expenses (Net)	VISA BAO Limited	-	3.06
	VISA Resources India Limited	184.86	3.47
	VISA SunCoke Limited	-	52.88
	VISA Bulk Shipping Pte Limited	-	30.07
	VISA Resources PTE Limited	49.42	50.87
Advance against Sales	VISA Power Limited	27.00	-
Unsecured Loan Repaid	VISA International Limited	-	500.00
Unsecured Loan Taken	VISA Infrastructure Limited	252.00	-

# 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 2015							31 March 2014									
	Holding Company	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of 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	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	
Rent Charges	4.39	-	-	-	3.54	-	-	-	3.92	-	-	-	-	4.13	-	-	-
Hire Charges	-	-	-	14.57	-	-	-	-	-	-	-	14.57	-	-	-	-	-
Purchase of Goods	-	728.72	-	1,249.39	-	-	-	3.09	80.26	1,546.04	-	1,538.06	-	-	-	-	-
Purchase of Traded Goods	-	-	-	247.61	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods	-	25.38	-	1,330.70	-	-	-	259.61	-	314.21	-	1,303.79	-	-	-	-	132.96
Sale of Traded Goods	-	33.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Freight	-	-	-	4.84	-	-	-	-	-	-	-	21.22	-	-	-	-	95.13
Commission	-	-	-	-	-	-	-	12.65	-	-	-	-	-	-	-	-	4.11
Income from Shared Services	-	180.90	-	-	-	-	-	-	-	173.52	-	-	-	-	-	-	-
Transfer of Intangible Assets	-	-	-	-	-	-	-	-	-	2.84	-	-	-	-	-	-	-
Sale of FPS Licenses	-	72.88	-	-	-	-	-	-	-	132.93	-	-	-	-	-	-	-
Interest Income	-	0.28	-	-	-	-	-	-	-	5.99	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	0.44	-	-	-	-	-	-	-
Finance Cost	0.53	26.48	-	426.75	-	-	-	-	-	53.63	-	-	28.23	-	-	-	-
Lease Rental	-	164.50	-	-	-	-	-	-	-	123.37	-	-	-	-	-	-	-
Investment made	-	-	-	-	-	-	-	-	-	1.30	-	-	-	-	-	-	-
Investment sold	-	-	-	-	-	-	-	-	-	0.70	-	-	-	-	-	-	-
Re-imbursement of Expenses (Net)	0.21	10.15	-	189.45	0.45	-	-	70.29	2.24	56.16	-	4.73	0.34	-	-	-	80.94
Unsecured Loan Taken	252.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan Repaid	-	-	-	-	-	-	-	-	-	-	-	-	500.00	-	-	-	-
Advance against Sales	-	-	-	27.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	47.02	0.67	-	-	-	-	-	-	-	-	-	-
Receivable	258.09	3.49	-	-	11.91	85.54	-	160.90	256.97	2.50	-	-	8.00	88.46	-	-	130.67
Payable	-	1,251.90	-	1,918.53	-	-	-	20.63	-	1,865.02	-	2,905.59	4.18	-	-	-	14.83
Long Term Borrowing	252.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**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 2014: 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

**Pradip Law**

Partner

Membership Number 51790

Place: Kolkata

Date: 29 May 2015

For and on behalf of the Board of Directors

**Vishal Agarwal**

Vice Chairman & Managing Director

**Punkaj Kumar Bajaj**

Joint Managing Director & CEO (Steel Business)

**Keshav Sadani**

Company Secretary

**Manoj Kumar Digga**

Executive Director (Finance) & CFO

## Independent Auditors' Report

### To The Members of VISA Steel Limited

#### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of VISA Steel Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entity; [refer Note 2.2 (vii) to the attached consolidated financial statements], comprising the consolidated Balance Sheet as at March 31 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

#### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report,

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### OTHER MATTER

8. We did not audit the financial statements of five subsidiaries, and one jointly controlled entity whose financial statements

## Independent Auditors' Report

reflect total assets of Rs. 3415.62 Million and net assets of Rs. 1,282.03 Million as at 31 March 2015, total revenue of Rs. 3,659.20 Million, net loss of Rs. 887.40 Million and net cash flows amounting to Rs. 845.49 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies and jointly controlled company incorporated in India (Refer Note 2.2 (vii) to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group

and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its jointly controlled company incorporated in India, none of the directors of the Group companies and its jointly controlled company incorporated in India is disqualified as on March 31 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2015 on the consolidated financial position of the Group and jointly controlled entity - Refer Note 22 to the consolidated financial statements.
  - ii. The Group and its jointly controlled entity had long-term contracts including derivative contracts as at March 31, 2015 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2015. However there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and Jointly controlled company of the Holding Company incorporated in India during the year ended March 31, 2015.

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

#### Pradip Law

Partner  
Membership Number 51790

Place: Kolkata  
Date: 29 May 2015

## 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 consolidated financial statements as of and for the year ended 31 March 2015

- i. (a) The Holding Company and one of its Subsidiaries, VTSA Bao Limited (VBL) incorporated in India, are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. In case of VISA SunCoke Limited (VSCL), a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 26, 2015 has reported as follows:

"The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets."

- (b) The fixed assets of the Holding Company and its subsidiary VBL incorporated in India have been physically verified by the respective Management of the Company during the year and no material discrepancies have been noticed on such verification. In case of VSCL, a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 26, 2015 has reported as follows:

"All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification."

VISA Urban Infra Limited (VUIFL), a Jointly Controlled entity of the Holding Company incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 28, 2015 has reported as follows:

"The Company does not have any fixed assets and has only incurred some expenses relating to acquisition of land and setting up Star Hotel and Convention Centre and such expenses are lying in Capital Work in Progress. Hence Clause 3 (i) (a) and (b) of 'the Order' are not applicable."

VISA Ferro Chrome Limited (VFCL), VISA Special Steel Limited (VSSL) and Ghotaringa Minerals Limited (GML), subsidiaries of the Holding Company incorporated in India, do not have any fixed assets, therefore, the provisions of Clause 3(i)(a) of the said Order are not applicable to such subsidiaries.

- ii. (a) The inventory has been physically verified by the respective Managements of the Holding Company and VSCL, its subsidiary incorporated in India, during the year. In our opinion, and the frequency of verification is reasonable.

- (b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company are reasonable and adequate in relation to the size of the Holding Company and the nature of its business. In case of VSCL a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 26, 2015 has reported as follows:

"As the Company's inventory mostly comprises bulk materials such as coal and metallurgical coke requiring technical expertise for establishing the quality and quantification thereof, the company has hired independent agencies with relevant technical competencies for physical verification of such stocks. Relying on the above, according to the information and explanations furnished to us, 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 and the report of the other auditors, in our opinion, the Holding Company and its subsidiary VSCL incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company and its subsidiary as compared to the respective book records were not material.

VBL, VSSL, GML and VFCL subsidiaries and VUIFL, a jointly controlled entity of the Holding Company incorporated in India does not hold any inventory. Therefore, the provisions of Clause 3 (ii) of the said Order are not applicable to such subsidiaries and the jointly controlled entity.

- iii. After considering elimination of intragroup balances and transactions, the Holding Company its subsidiaries and the jointly controlled entity incorporated in India have not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Group.



## Annexure to Independent Auditors' Report

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 Holding Company and its subsidiary, VBL incorporated in India and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods and services in case of Holding Company and for the purchase of fixed assets in case of VBL as the present operations of VBL do not involve purchase of inventory and sale of goods and services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and its subsidiary VBL, 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.

In case of VSCL a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated 26th May 2015 has reported as follows:

"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. The activities of the Company do not involve sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas."

In case of VUIFL, a jointly controlled entity of the Holding Company incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 28 • 2015 has reported as follows:

"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 in respect of purchases of inventory and fixed assets and for sale of goods and services. Since, the Company is in the project stage and there were no instances of purchase of inventory or sale of goods or services during the period under review. 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."

During the year, operations of VSSL, GML and VFCL, subsidiaries of the Holding Company incorporated in India do not involve purchase of inventory and fixed assets and sale of goods and services. Therefore, the provisions

of Clause 3(iv) of the Order are not applicable to such subsidiaries.

vi. The Holding Company, its subsidiaries and jointly controlled entity incorporated in India have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. We have broadly reviewed the books of account maintained by the Holding Company incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review and the report of the other auditors on VSCL, a subsidiary of the Holding Company incorporated in India, as furnished to us, we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We/the other auditors have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

As VBL and VSSL subsidiaries of the Holding Company incorporated in India are not engaged in the production of any goods and rendering services, prescribed under sub-section (1) of Section 148 of the Act, in our opinion, the provisions of Clause 3(vi) of the Order are not applicable to such subsidiaries.

In case of GML and VFCL subsidiaries and VUIFL the jointly controlled entity of the Holding Company incorporated in India, audited by other firms of Chartered Accountants who vide their reports dated May 28, 2015 have reported as follows:

"The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company."

vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company, examined by us, the Holding Company is generally regular in depositing the undisputed statutory dues in respect of provident fund, service tax, tax deducted at source and labour welfare cess, although there have been a slight delay in a few cases and are regular in depositing the undisputed statutory dues, including employees' state insurance, income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

## Annexure to Independent Auditors' Report

In case of Holding Company's subsidiary, VBL, incorporated in India, in our opinion, and according to the information and explanations given to us and the records of the Company examined by us, the said subsidiary is generally regular in depositing the undisputed statutory dues, in respect of tax deducted at source, service tax and works contract tax, although there have been a slight delay in a few cases and is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

Further, according to the information and explanations given to us and the records of the VSSL, a subsidiary of the Holding Company incorporated in India, examined by us and based on the reports of the

other auditors of the Holding Company's subsidiaries VSCL, VFCL, GML and its jointly controlled entity VUIFL incorporated in India, the said entities are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, there are no dues of wealth tax, service tax, duty of customs, cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax and duty of excise, as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
VISA Steel Limited	Holding Company	Income Tax Act, 1961	Income Tax	28.13	Assessment Year 2006-07	The Commissioner of Income Tax Appeals, Bhubaneswar, Orissa
VISA Steel Limited	Holding Company	Central Sales Tax Act, 1956	Sales Tax	111.81	Financial Year 1999-2000	Sales Tax Tribunal, Orissa, Appeal
VISA Steel Limited	Holding Company	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
VISA Steel Limited	Holding Company	West Bengal Value Added Tax, 2003	Value Added Tax	43.00	Financial Year 2006-07	The Commissioner of Commercial Taxes, West Bengal
VISA Steel Limited	Holding Company	Central Excise Act, 1944	Excise Duty	10.95	Financial Year 2008-09 to 2010-11	Central Excise Service Tax Appellate Tribunal

In case of GML, VFCL, subsidiaries of the Holding Company and VUIFL, jointly controlled entity of the Holding Company incorporated in India, audited by other firms of chartered accountants, who vide their reports dated May 28, 2015, May 29, 2015 and May 29, 2015 respectively, have reported as follows:

"According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute."

According to the information and explanations given to us and the records of VBL and VSSL, subsidiaries of the Holding Company incorporated in India, examined by us and based on the reports of the other auditors of VSCL, a subsidiary of the Holding Company incorporated in India, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs,

duty of excise, value added tax or cess which have not been deposited on account of any dispute as at March 31, 2015.

- (c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

There are no amounts required to be transferred by the Holding Company's subsidiaries and the jointly controlled entity incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Holding Company has accumulated losses exceeding fifty percent of its net worth as at March 31, 2015 and it has also incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

## Annexure to Independent Auditors' Report

In case of VBL, a subsidiary company incorporated in India, audited by us, the accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2015 and it has incurred cash losses in the financial year ended on that date and not in the immediately preceding financial year.

In case of GML, a subsidiary of the Holding company incorporated in India, audited by another firm of chartered accountants, who vide their report dated May 28, 2015 has reported as follows:

"The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and in the immediately preceding financial year."

As VSSL, VSCL and VFCL subsidiaries of the Holding Company and VUIFL, the jointly controlled entity, incorporated in India, were registered for a period of less than five years, the provisions of Clause 3( viii) of the Order are not applicable to such entities.

- ix. According to the records of the Holding Company and VBL, one of its subsidiaries incorporated in India, examined by us and the information and explanations given to us , except for dues to financial institutions and banks for the period as specified under Note 5B.iv to the consolidated financial statements aggregating Rs. 2570.61 Million the Holding Company and the aforesaid subsidiary Company have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

In case of VSCL a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 26, 2015 has reported as follows:

"Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues to financial institutions or debenture holders during the year."

As the Holding Company's subsidiaries, VSSL, GML, VFCL and the jointly controlled entity VUIFL, incorporated in India do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to such entities.

- x. After considering elimination of intra group balances and transactions in our opinion, and according to the

information and explanations given to us and based on the reports of the other auditors furnished to us, the Holding Company, its subsidiaries and its jointly controlled entity incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company, its subsidiaries and its jointly controlled entity.

- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company and its subsidiary VBL incorporated in India have been applied for the purposes for which they were obtained.

In case of VSCL a subsidiary of the Holding Company, incorporated in India and audited by another firm of chartered accountants, who vide their report dated May 26, 2015 has reported as follows:

"The Company did not have any term loans outstanding during the year."

The Holding Company's subsidiaries VSSL, GML, VFCL and jointly controlled entity VUIFL incorporated in India, have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the aforesaid subsidiaries and the jointly controlled entity.

- xii. During the course of our examination of the books and records of the Holding Company and its subsidiaries, VBL and VSSL incorporated in India, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us and based on the reports of the other auditors, we/ the other auditors have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and its jointly controlled entity incorporated in India noticed or reported during the year, nor have we/ the other auditors been informed of any such case by the respective Managements of the aforesaid Holding Company, its subsidiaries and its jointly controlled entity.

In case of Kalinganagar Special Steel Private Limited and Kalinganagar Chrome Private Limited, subsidiaries of the Holding Company incorporated in India, the provisions of Clauses (i) to (xii) of the Order are not applicable, as reported by their respective auditors vide reports dated May 29, 2015 and May 28, 2015.

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

**Pradip Law**

Partner  
Membership Number 51790

Place: Kolkata  
Date: 29 May 2015

## Consolidated Balance Sheet as at 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2015	As at 31 March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	(3,147.70)	(369.66)
		(2,047.70)	730.34
<b>Minority Interest</b>		1,032.45	1,346.60
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	24,879.66	23,686.29
Deferred Tax Liabilities (Net)	6	1.08	10.17
Other Long-term Liabilities	7	17.76	13.16
Long-term Provisions	8	16.93	13.36
		24,915.43	23,722.98
<b>Current Liabilities</b>			
Short-term Borrowings	9	6,308.14	3,657.32
Trade Payables	10	3,206.52	5,544.71
Other Current Liabilities	11	6,131.35	4,818.32
Short-term Provisions	12	36.03	28.25
		15,682.04	14,048.60
<b>Total</b>		<b>39,582.22</b>	<b>39,848.52</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13 A	30,355.76	11,709.34
Intangible Assets	13 B	5.29	9.56
Capital Work-in-progress	13 C	3,496.80	20,329.32
		33,857.85	32,048.22
Non-current Investment	14	0.10	0.10
Long-term Loans and Advances	15	969.14	1,000.20
Other Non-current Assets	16	19.58	66.20
		34,846.67	33,114.72
<b>Current Assets</b>			
Inventories	17	2,741.23	3,069.21
Trade Receivables	18	582.39	917.61
Cash and Bank Balances	19	193.49	1,189.21
Short-term Loans and Advances	20	1,109.63	1,353.15
Other Current Assets	21	108.81	204.62
		4,735.55	6,733.80
<b>Total</b>		<b>39,582.22</b>	<b>39,848.52</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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## Consolidated Statement of Profit and Loss for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2015	Year ended 31 March 2014
<b>INCOME</b>			
Revenue from Operations (Gross)	24	13,638.03	15,450.03
Less: Excise duty		835.29	900.67
Revenue from operations (Net)		12,802.74	14,549.36
Other income	25	148.70	136.02
<b>I. Total Revenue</b>		<b>12,951.44</b>	<b>14,685.38</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	9,578.81	10,565.69
Purchases of Stock-in-Trade	27	583.19	818.00
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in- Progress	28A	(140.83)	(171.56)
Change in Job-in-Progress	28B	-	15.13
Employee Benefits Expense	29	468.18	379.02
Finance Costs	30	2,293.60	1,625.60
Depreciation and Amortization Expense	31	767.30	747.77
Other Expenses	32	2,154.50	1,831.90
<b>II. Total Expenses</b>		<b>15,704.75</b>	<b>15,811.55</b>
<b>III. Loss before Exceptional and Extraordinary Items and Tax</b>		<b>(2,753.31)</b>	<b>(1,126.17)</b>
<b>IV. Exceptional items</b>	33	(240.38)	(339.23)
<b>V. Loss before Extraordinary Items, Tax and Minority Interest</b>		<b>(2,993.69)</b>	<b>(1,465.40)</b>
<b>VI. Extraordinary items</b>	35	27.43	(34.92)
<b>VII. Loss before Tax and Minority Interest</b>		<b>(2,966.26)</b>	<b>(1,500.32)</b>
<b>VIII. Tax Expense</b>			
Current tax		7.44	6.35
MAT credit entitlement		38.68	(6.35)
Net current tax		46.12	-
Deferred taxes		14.06	(64.73)
<b>IX. Loss for the period after Tax before Minority Interest</b>		<b>(3,026.44)</b>	<b>(1,435.59)</b>
<b>X. Minority Interest</b>		<b>(297.34)</b>	<b>42.69</b>
<b>XI. Loss for the period</b>		<b>(2,729.10)</b>	<b>(1,478.28)</b>
<b>XII. Earning per Equity Share (Nominal Value per Share of Rs. 10 each)</b>	34		
Basic		(24.81)	(13.44)
Diluted		(24.81)	(13.44)

This is the Consolidated 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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## Consolidated Cash Flow Statement for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Extraordinary Items and Tax	(2,993.69)	(1,465.40)
Adjusted for:		
Depreciation and Amortization	767.30	747.77
Finance Cost	2,293.60	1,625.60
Interest Income	(129.32)	(129.70)
Bad Debts Written Off	-	13.82
Provision for Bad and Doubtful Debts	54.98	-
Provision for Doubtful Advances	144.56	21.31
Liabilities no longer required written back	(7.74)	(100.36)
Provision no longer required written back	(18.20)	(12.39)
Exceptional Item	240.38	-
(Profit) / Loss on sale of Fixed Assets	1.17	1.08
Unrealised Forex Loss / (Gain) [Net]	9.57	(19.34)
<b>Operating (Loss) / Profit before working capital changes</b>	<b>362.61</b>	<b>682.39</b>
Adjustments for changes in working capital		
(Increase) / Decrease in Trade and Other Receivables	242.75	(358.83)
(Increase) / Decrease in Long Term Loans and advances	154.20	-
(Increase) / Decrease in Short Term Loans and advances	(23.07)	-
(Increase) / Decrease in Other Current Assets	5.74	-
(Increase) / Decrease in Other Non Current Assets	1.24	-
Increase/(Decrease) in Other Long Term Liabilities	1.29	-
Increase/(Decrease) in Long Term Provisions	1.28	-
Increase / (Decrease) in other liabilities and provisions	436.39	-
(Increase) / Decrease in Inventories	94.70	(1,577.91)
Increase / (Decrease) in Trade and Other Payables	(3,459.69)	2,608.66
<b>Cash generated from / (used in) Operations</b>	<b>(2,182.56)</b>	<b>1,354.31</b>
Direct Taxes paid	(9.39)	(56.54)
<b>Net Cash from / (used in) Operating Activities before extraordinary items</b>	<b>(2,191.95)</b>	<b>1,297.77</b>
Extraordinary Items - Loss on account of cyclone at plant (Note 35)	-	(34.92)
Extraordinary Items - Insurance claim received against loss on account of cyclone at plant (Note 35)	27.43	-
<b>Net Cash from / (used in) Operating Activities</b>	<b>(2,164.52)</b>	<b>1,262.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Capital Work in Progress	(571.86)	(1,488.32)
(Increase) / Decrease in Capital Advances	4.65	16.25
Proceeds from Sale of Fixed Assets	(0.80)	0.35
Purchase of Non current Investments	-	(0.10)
Investments in Bank Deposits (having original maturity of more than three months)	59.86	-
(Placement in) / Release of Margin Money	110.51	(172.54)
Interest received	137.33	150.45
<b>Net cash from / (used in) Investing Activities</b>	<b>(260.31)</b>	<b>(1,493.91)</b>



## Consolidated Cash Flow Statement for the year ended 31 March 2015

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	3,269.67	374.30
Repayment of Long Term Borrowings	(339.00)	(597.83)
(Repayment) / Proceeds of Short Term Borrowings	2,650.79	2,717.88
Payment out of Earmarked Accounts	-	(0.32)
Proceeds from increase in Preference Share capital	4.55	-
Finance Cost paid	(4,014.64)	(1,649.83)
<b>Net Cash from Financing Activities</b>	<b>1,571.37</b>	<b>844.20</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	<b>(853.46)</b>	<b>613.14</b>
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	(853.46)	613.14
Cash and Cash Equivalents as on 1 April	859.53	246.39
<b>Cash and Cash Equivalents as at 31 March</b>	<b>6.07</b>	<b>859.53</b>

### Notes:

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

	As at 31 March 2015	As at 31 March 2014
<b>Balance with Banks in</b>		
Current Accounts	4.21	71.23
Demand Deposits with maturity less than 3 months	0.87	787.53
Cheque - In - Hand	0.02	-
Cash on hand	0.73	0.72
Share of Joint Venture [Refer Note 2.2]	0.24	0.05
<b>Cash and Cash Equivalents as at 31 March</b>	<b>6.07</b>	<b>859.53</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)' issued by Institute of Chartered Accountants of India.
- (c) Finance Costs includes borrowing cost capitalized.
- (d) Refer Note 42.

This is the Consolidated Cash Flow Statement 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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

## 1. GENERAL INFORMATION

### VISA Steel Limited

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 Ferro Chrome Limited, which holds 100 % stake in 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.

## 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 Section 133 of the Companies Act, 2013 read with rules 7 of the Companies (Accounts) Rules, 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, 2013.

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 Schedule III to the Companies Act, 2013. 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.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (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.
- (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 2015 [Including Beneficial Interest]	Proportion of ownership interest as at 31 March 2014 [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 %	@ 100 %
Kalinganagar Special Steel Private Limited	India	100 %	100 %
Kalinganagar Chrome Private Limited	India	100 %	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.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

**(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.

**(d) Depreciation and Amortisation**

Depreciation including amortization on tangible assets, where applicable is provided on pro-rata basis under Straight Line Method (SLM) over the estimated useful lives of the assets as specified in Schedule II to the Companies Act, 2013 ('the Act'), for all the assets of the Group other than those mentioned below:

**Assets of the Parent Company**

Leasehold assets (Buildings and Plant and Machinery) which are jointly held are amortized over the period of lease i.e, 10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.

Furnace refractory are depreciated over useful life of 5-6 years based on technical assessment done by the Company.

**Assets of the Subsidiaries**

VISA Suncoke Limited(VSCL) has determined the useful lives of its tangible assets on the basis of estimation performed by the management. The useful lives determined for the tangible assets have been mentioned below:

Class of Assets	Useful Lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Equipments	4 to 25
Computer and Data Processing Equipments	3 to 6
Furnitures and Fixtures	10
Vehicles	8
Office Equipments	5

The useful life of coke oven door has been considered as 4-5 years due to shorter life on account of cracks and warping of cast iron door body.

(ii) Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

(iii) Amortisation of Intangible Assets is done over its useful life of three years under SLM.

### 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.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 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 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.

### 2.8 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 : Sales are recognised upon the rendering of services and are recognised net of service tax.
- (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) Dividend: Dividend income is recognised when the right to receive dividend is established.
- (iii) 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.

#### (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.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### (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 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.



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 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 2015	As at 31 March 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 (31 March 2014 : 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 Equity Shares (31 March 2014 : 110,000,000) of Rs. 10/- each fully paid up	1,100.00	1,100.00
	As at 31 March 2015	As at 31 March 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	11.19	11.19
<b>Securities Premium Reserve</b>	2,552.80	2,552.80
<b>General Reserve [Refer (a) below]</b>		
Balance as at the beginning of the year	91.76	91.76
Adjustment on account of revision in useful life of fixed asset [Refer Note 13 D]	(31.44)	-
<b>Balance as at the end of the year</b>	<b>60.32</b>	<b>91.76</b>
<b>(Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(3,025.42)	(1,547.14)
Adjustment on account of revision in useful life of fixed asset [Refer Note 13 D]	(17.50)	-
Net Loss after Tax transferred from Statement of Profit and Loss	(2,729.10)	(1,478.28)
<b>Balance as at the end of the year</b>	<b>(5,772.01)</b>	<b>(3,025.42)</b>
<b>Total</b>	<b>(3,147.70)</b>	<b>(369.66)</b>

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

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
<b>Term Loans(I &amp; II), SMCF(Sub Debt),Corporate Term Loans(I &amp; II) and Fresh Term Loan (For Sinter Plant)</b>						
[Refer B(i) and B(iv) below]						
From Banks	19,939.68	18,153.32	1,565.08	375.62	21,504.76	18,528.94
From Other Parties	568.55	613.93	60.24	14.85	628.79	628.78
<b>Working Capital Term Loans (WCTL)</b>						
[Refer B(i) and B(iv) below]						
From Banks	967.04	1,304.22	409.60	169.68	1,376.64	1,473.90
From Other Parties	23.13	28.68	9.25	3.70	32.38	32.38
<b>Funded Interest Term Loans (FITL)</b>						
[Refer B(i) and B(iv) below]						
From Banks	2,864.66	2,888.56	34.99	12.72	2,899.65	2,901.28
From Other Parties	118.61	122.90	-	-	118.61	122.90
<b>Equipment and Vehicle Term Loans</b>						
From Banks [Refer B(ii) below]	-	0.71	0.48	8.45	0.48	9.16
From Other Parties [Refer B(ii) below]	6.84	2.31	1.10	24.39	7.94	26.70
<b>Foreign Currency Buyer's Credit from bank for capital expenditure</b>	-	142.39	-	-	-	142.39
<b>Term Loans from Other Parties</b>	367.75	429.27	78.41	41.05	446.16	470.32
[Refer B(iii) and B (iv) below]						
	<b>24,856.26</b>	<b>23,686.29</b>	<b>2,159.15</b>	<b>650.46</b>	<b>27,015.41</b>	<b>24,336.75</b>
<b>Unsecured</b>						
Loans from Related Parties	252.00	-	-	-	252.00	-
	<b>25,108.26</b>	<b>23,686.29</b>	<b>2,159.15</b>	<b>650.46</b>	<b>27,267.41</b>	<b>24,336.75</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	(228.60)	-	(2,159.15)	(650.46)	(2,387.75)	(650.46)
	<b>24,879.66</b>	<b>23,686.29</b>	<b>-</b>	<b>-</b>	<b>24,879.66</b>	<b>23,686.29</b>

### A. DEBT RESTRUCTURING

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

The parent company was referred to the Corporate Restructuring Forum (CDR), a non statutory voluntary mechanism set up under the aegis of the Reserve Bank of India, for the restructuring of its corporate debt during the year 2012-13 w.e.f 1 March 2012 and pursuant to which the CDR package was approved vide the letter of approval of CDR cell dated 27 September, 2012 and a Master Restructuring Agreement(MRA) dated 19 December 2012 was executed to give effect to the CDR package. The CDR Package includes reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc. During the current year, parent company's business re-organisation plan was referred to CDR cell by the lenders and the same has been approved by CDR cell vide its letter dated 31st December 2014 and pursuant to this approval Common Loan Agreement (CLA) has been executed on 28 March 2015 among the parent company, its Subsidiary company, VISA Special Steel Limited and lenders. CLA would operate in continuation of above mentioned MRA. In terms of CLA, inter-alia, additional credit facilities have been granted and effective 28 March 2015 parent Company's existing Debt portfolio has been reorganised/reallocated and secured as under :

- Term Loans (I &II), Corporate term loans (I &II) and Fresh term loan (for sinter plant)
- Working capital Term loans (WCTL)
- Funded Interest Term Loans (FITL)
- Working Capital loans [Indicated in Note 9]
- Structured Mezzanine Credit Facility [SMCF (Sub debt)]

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### B. DETAILS OF SECURITIES

- i. **Term loans (I & II), SMCF (Sub debts), Working Capital Term Loans(WCTL), Funded Interest Term Loans (FITL), Corporate Term Loans (I & II), Fresh Term Loan (For Sinter Plant) and Working Capital facilities: :**

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

- (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 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 entire Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) Hypothecation on profits of the Company, both present and future.
- (f) Lien on all Bank Accounts including the Trust and Retention Account.
- (g) 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.
- (h) SIDBI (exposure of Rs. 76.40 Million as on 01 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. 1820.00 million (Facility) together with all interest, all fees, commitment charges, costs, charges, expenses and other monies whatsoever stipulated in or payable under the Agreement and the other Financing Documents is 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. 786.00 Million as per project cost") from VISA Steel Ltd. under the Infrastructure Sharing Agreements between VISA Steel Ltd. & VISA BAO Ltd. for sharing the former's facilities by the latter, in case of termination of Infrastructure Sharing Agreements.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (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. Term Loans from Other Parties

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

#### 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

The facility is secured by exclusive first charge on certain plant & equipments (valued at Rs. 36 million approximately

- (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 Kalanganagar 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.

### iv. Details of defaults of principal and interest:

#### Period and amount of continuing defaults as on 31 March 2015:

	1-30		31-60		> 60		Total	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest (A)	Principal (B)
Term Loans	5.81	-	227.04	-	37.47	29.36	270.32	29.36
Term Loans of Subsidiary-VISA BAO Ltd.	16.58	-	31.52	-	4.27	-	52.37	-
Working Capital Term Loans	1.04	-	20.80	-	0.86	3.01	22.69	3.01
Funded Interest Term Loan	1.54	-	44.07	-	13.37	1.73	58.98	1.73
Equipment and Vehicle Term Loans	-	-	9.35	-	1.75	10.50	11.10	10.50
Term loans from other parties	-	-	-	-	-	-	-	-
Working Capital Loan	-	1,750.68	21.18	191.98	4.58	142.12	25.76	2,084.78
<b>Total</b>	<b>24.98</b>	<b>1,750.68</b>	<b>353.95</b>	<b>191.98</b>	<b>62.30</b>	<b>186.72</b>	<b>441.22</b>	<b>2,129.38</b>
<b>Grand Total [(A)+(B)]</b>							<b>2570.61</b>	

### v. Conversion Right

In terms of MRA/CLA as mentioned under item 'A' above the lenders of parent Company have right to convert at their option the entire/part of the defaulted amount of interest and principal as set out under item 'iv' above pertaining to parent company, into fully paid up equity shares of the Company at a pricing to be determined as per the SEBI Regulation, on the date, as may be opted for conversion.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<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	# 2532.51	1,516.77
<b>(A)</b>	<b>2,532.51</b>	<b>1,516.77</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Tax Depreciation	(2,233.55)	(1,303.17)
Unabsorbed Business Loss Carried Forward	(158.32)	(126.75)
Provision for doubtful debts and advances	(123.85)	(62.69)
Disallowances allowable for tax purpose on payment	(15.69)	(13.95)
Others	(0.02)	(0.04)
<b>(B)</b>	<b>(2,531.43)</b>	<b>(1,506.60)</b>
<b>Deferred Tax Liabilities (Net) (A + B)</b>	<b>1.08</b>	<b>10.17</b>

# After considering adjustments against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. 24.23 Million (31 March 2014: Rs. Nil)[Refer Note 13 (D)].

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

	As at 31 March 2015	As at 31 March 2014
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Liability on Lease Equalisation	0.12	0.07
Add - Share of Joint Venture [Refer Note 2.2]	17.64	13.09
	<b>17.76</b>	<b>13.16</b>

	As at 31 March 2015	As at 31 March 2014
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	16.93	13.36
	<b>16.93</b>	<b>13.36</b>

	As at 31 March 2015	As at 31 March 2014
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer (a) below]	5,613.84	3,032.03
Buyers' Credit (In Foreign Currency)	435.23	-
From Other Parties [Refer (a) below]	125.50	24.32
Other Working Capital Loan		
From Other Parties [Refer (b) below]	69.48	62.86
Unsecured		
Working Capital Facilities [Refer (c) below]	64.09	538.11
	<b>6,308.14</b>	<b>3,657.32</b>



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (a) For details of securities of Working Capital loan of Parent Company, refer Note 5 B (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 2014 : 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.
- (c) Working capital facilities of Rs. 640.92 Million in VSCL has been guaranteed by the corporate guarantee of SunCoke Energy Inc., the holding company of SunCoke Europe Holdings B.V., an enterprise having significant influence over VSCL.

	As at 31 March 2015	As at 31 March 2014
<b>10 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises	150.74	45.00
Due to other than Micro and Small Enterprises	3,055.78	5,499.71
	<b>3,206.52</b>	<b>5,544.71</b>

	As at 31 March 2015	As at 31 March 2014
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	2,387.75	650.46
Interest accrued and due on borrowings	58.79	265.74
Interest accrued but not due on borrowings	617.75	13.42
Employee related liabilities	216.04	160.88
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	235.58	92.43
Unclaimed Dividend [Refer (a) below]	0.99	0.99
Advances from Customers	88.90	142.41
Advance from Fellow Subsidiary	1,896.52	2,811.85
Capital Creditors	409.40	436.91
Forward Contract Payable	14.10	-
Other liabilities	205.52	243.22
Add - Share of Joint Venture [Refer Note 2.2]	0.01	0.01
	<b>6,131.35</b>	<b>4,818.32</b>

- (a) There are no amount due for payment to the Investor Education and Protection Fund.

	As at 31 March 2015	As at 31 March 2014
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	36.03	28.25
	<b>36.03</b>	<b>28.25</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

## 13 A TANGIBLE ASSETS

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As at 1 April 2014	Additions during the year	Disposals / Adjustments during the Year	As at 31 March 2015	As at 1 April 2014	Adjustment consequent to revision of useful lives (Refer Note-13 D)	For the year	On Disposals / Adjustments during the Year	As at 31 March 2015	As at 31 March 2014
<b>Owned</b>										
Land- Freehold	13.61	-	-	13.61	-	-	-	-	-	13.61
Land- Leasehold	225.23	-	-	225.23	19.23	-	0.22	-	19.45	205.78
Factory Building	1,125.77	3,980.86	-	5,106.63	163.21	-	58.56	-	221.77	4,884.86
Buildings	1,229.72	225.54	-	1,455.26	44.31	0.38	19.26	-	63.95	1,391.31
Road	553.70	2.71	-	556.41	12.43	0.12	142.88	-	155.43	400.98
Plant and Equipment	11,533.04	15,278.00	(90.53)	26,901.57	2,988.49	75.25	501.72	(58.41)	3,623.87	23,277.70
Computer	43.47	3.56	-	47.03	36.49	2.61	1.96	-	41.06	5.97
Office Equipment	22.23	1.16	(9.75)	33.14	7.96	9.91	4.93	(3.43)	26.23	6.91
Furniture and Fixtures	85.23	0.55	0.21	85.57	27.79	0.25	10.25	0.10	38.19	47.38
Vehicles	209.50	7.11	109.67	106.94	133.41	0.36	10.06	70.41	73.42	33.52
<b>Leasehold (Jointly Held):</b>										
Buildings	129.08	-	-	129.08	38.72	-	11.99	-	50.71	78.37
Plant and Machinery	15.42	-	-	15.42	4.62	-	1.43	-	6.05	9.37
<b>Total</b>	<b>15,186.00</b>	<b>19,499.49</b>	<b>9.60</b>	<b>34,675.89</b>	<b>3,476.66</b>	<b>88.88</b>	<b>763.26</b>	<b>8.67</b>	<b>4,320.13</b>	<b>30,355.76</b>
<b>2013-14</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>-</b>	<b>737.99</b>	<b>0.19</b>	<b>3,476.66</b>	<b>11,709.34</b>

## 13 B INTANGIBLE ASSETS

Particulars	Gross Block			Amortization			Net Block	
	As at 1 April 2014	Additions during the year	Disposals / Adjustments during the Year	As at 31 March 2015	As at 1 April 2014	For the year	As at 31 March 2015	As at 31 March 2014
Computer Software - acquired	42.14	1.85	2.07	41.92	32.58	4.91	36.63	5.29
<b>Total</b>	<b>42.14</b>	<b>1.85</b>	<b>2.07</b>	<b>41.92</b>	<b>32.58</b>	<b>4.91</b>	<b>36.63</b>	<b>9.56</b>
<b>2013-14</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>32.58</b>	<b>9.56</b>

## 13 C CAPITAL WORK-IN-PROGRESS

	As at 31 March 2015	As at 31 March 2014
Capital work-in-progress	3,473.84	20,306.81
Add - Share of Joint Venture [Refer Note 2.2]	22.96	22.51
	<b>3,496.80</b>	<b>20,329.32</b>

Capital Work-in-Progress includes Exchange (Gain) / Loss capitalised during the year Rs. (0.59) Million [31 March 2014: Rs. 21.33 Million] and borrowing cost for the year capitalized amounting to Rs. 2,123.36 Million (31 March 2014: Rs. 2,076.85 Million).

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 13D REVISION IN USEFUL LIVES OF TANGIBLE ASSETS

Effective 1 April 2014 the Group has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 (the 'Act') and as a result of which the estimated useful lives of certain tangible assets have been revised. Pursuant to the transitional provision set out in the said Schedule II, the carrying amount (after retaining the residual values) aggregating Rs. 88.88 Million relating to tangible assets of the Group other than of one of its subsidiary VISA BAO Ltd. (VBL), where the revised useful lives are nil as on 1st April 2014, has been adjusted against Retained Earnings (General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss). Tangible Assets of VBL whose useful lives are nil as on 1 April 2014, amounting Rs. 0.28 million has been charged in the Statement of Profit and Loss. On Consolidation Rs. 67.62 Million and Rs. 21.27 Million has been debited to Retained Earnings (General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss) and minority interest respectively. Further, corresponding tax impact on such adjustment amounting to Rs. 18.69 Million and Rs. 4.45 Million has been credited to the respective accounts of Retained Earnings (General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss) and minority interest. Cosequent to the above, the total depreciation charge for the year ended 31 March 2015 is lower by Rs. 121.95 Million compared to corresponding previous year with corresponding impact on the loss from ordinary activities of the Group.

	As at 31 March 2015	As at 31 March 2014
<b>14 NON - CURRENT INVESTMENTS</b>		
National Savings Certificate	0.10	0.10
	<b>0.10</b>	<b>0.10</b>

	As at 31 March 2015	As at 31 March 2014
<b>15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advance	94.45	98.63
Security Deposits	221.10	220.71
Loans & Advances to related parties		
Security Deposit with Ultimate Holding Company: VISA Infrastructure Limited	294.00	294.00
Security Deposit with Enterprise having significant influence: VISA International Limited	8.00	8.00
Balances with Government Authorities	36.66	41.21
Prepaid Expenses	1.46	1.19
Advance Payment of Income Tax [Net of Provision for Income Tax Rs. 39.93 Million (31 March 2014 : Rs. 21.25 Million) & Provision for FBT Rs. 0.10 Million FBT (31 March 2014 : Rs. 0.10 Million)]	36.82	22.60
MAT Credit Entitlement	274.70	313.39
Other Long Term Advances	0.47	0.47
Add - Share of Joint Venture [Refer Note 2.2]	1.48	-
	<b>969.14</b>	<b>1,000.20</b>

	As at 31 March 2015	As at 31 March 2014
<b>16 OTHER NON-CURRENT ASSETS</b>		
Margin Money with maturity more than 12 months	7.32	36.14
Advance Income Tax / TDS (Net of Provision for Tax)	-	17.91
Interest Accrued on Investments	0.02	0.01
Non-Current Bank Balances	0.12	-
Gratuity	0.19	0.21
Unamortised Expenses - Prospecting Licence	11.93	11.93
	<b>19.58</b>	<b>66.20</b>

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All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>17 INVENTORIES</b>		
(Refer Note 2.7)		
Raw Materials [Refer (a) below]	1,734.19	2,067.90
Work-In-Progress	67.28	114.21
Finished Goods	517.38	394.08
Stock-in-Trade	35.27	-
Traded Goods	11.05	-
Stores and Spares parts	302.13	335.69
By-products	73.93	157.33
	<b>2,741.23</b>	<b>3,069.21</b>

(a) Raw Materials includes goods in transit Rs. Nil (31 March 2014 : 36.97 Million)

	As at 31 March 2015	As at 31 March 2014
<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	220.53	212.93
Considered Doubtful	206.61	152.71
Other Debts		
Considered Good [Refer (a) below]	361.86	704.68
	789.00	1,070.32
Less: Provision for Doubtful Debts	206.61	152.71
	<b>582.39</b>	<b>917.61</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	217.94	130.67

	As at 31 March 2015	As at 31 March 2014
<b>19 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Accounts	4.21	71.23
Demand Deposits with maturity less than 3 months	0.87	787.53
Cheque - In - Hand	0.02	-
Cash on hand	0.73	0.72
Add - Share of Joint Venture [Refer Note 2.2]	0.24	0.05
	<b>6.07</b>	<b>859.53</b>
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Unclaimed Dividend Account	0.99	0.99
Margin Money with Banks with maturities more than 3 months but less than 12 months	183.74	328.69
Deposits with original maturity for more than 12 months	0.50	-
Add - Share of Joint Venture [Refer Note 2.2]	2.19	-
	<b>187.42</b>	<b>329.68</b>
<b>(i) + (ii)</b>	<b>193.49</b>	<b>1,189.21</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>20 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Prepaid Expenses	54.94	148.92
Advances against Supply of goods and rendering services		
Considered Good	256.80	342.08
Considered Doubtful	149.05	15.78
Less: Provision for doubtful Advances	(149.05)	(15.78)
Loans and Advances to related parties		
Advances to Key Managerial Personnel	85.54	88.86
Advance Payment of Income Tax	183.10	183.45
[Net of Provision Rs. 496.65 Million (31 March 2014 : Rs. 484.41 Million)]		
Security Deposit	3.29	6.29
Others taxes receivable / adjustable		
Considered Good	525.09	581.84
Considered Doubtful	7.62	24.74
Less: Provision for Other Taxes receivable / adjustable	(7.62)	(24.74)
Employee Advances	0.06	-
Other Advances	0.33	1.36
Add - Share of Joint Venture [Refer Note 2.2]	0.48	0.35
	<b>1,109.63</b>	<b>1,353.15</b>
	As at 31 March 2015	As at 31 March 2014
<b>21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Receivable from DGFT and Customs towards Export Incentive		
Consider Good	55.93	130.53
Considered Doubtful	11.29	-
Less: Provision for doubtful Advances	(11.29)	-
Interest Accrued on Deposits	36.89	49.95
Other Receivables	-	1.41
Unamortized Premium on Forward Covers	14.10	19.83
Job in Progress	1.70	1.72
Discarded Fixed Assets held for sale	-	1.10
Add - Share of Joint Venture [Refer Note 2.2]	0.19	0.08
	<b>108.81</b>	<b>204.62</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.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (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 2014: 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 2015	As at 31 March 2014
<b>(b) Other money for which the Group is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	29.78	25.74
(ii) Disputed Sales Tax matter under Appeal	159.03	159.03
(iii) Disputed Entry Tax matters under Appeal	51.77	27.10
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
(v) Disputed Excise duty matters under Appeal	10.96	10.96
(vi) In terms of CDR package for restructuring of Debt of the Parent Company as referred to in Note 5A, the recompense payable by the Parent Company towards the reliefs/sacrifices/waivers extended by the concerned lenders, which is conditional upon achievement of certain favourable financial parameters by the Parent Company, in future. Estimated recompense amount at year end	2,730.30	1,640.60
<b>(c) Guarantees</b>		
(i) Bank Guarantee	25.00	25.00
<b>(d)</b> 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.		

	As at 31 March 2015	As at 31 March 2014
<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. 85.66 Million, (31 March 2014 : Rs. 90.31 Million)]	770.02	540.31
<b>(b) Other Commitments</b>		
(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. 414.24 Million (31 March 2014 : Rs. 411.93 Million). The Company 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 2014 : Rs. 1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [ i.e. 46,410,000 (31 March 2014 : 46,410,000) number of shares] of VISA BAO Limited.		



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>24 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>(a) Sale of products</b>		
<b>Manufactured Goods</b>		
Pig Iron	482.82	1,436.33
Coke	3,252.07	4,683.84
Silico Managanese	361.32	-
Ferro Chrome	3,707.58	4,582.86
Sponge Iron	4,038.21	3,111.11
Bloom / Round	831.45	1,330.14
Rolled Product	11.37	230.56
By-products	360.88	388.74
Power	67.48	66.20
<b>Total</b>	<b>13,113.18</b>	<b>15,829.78</b>
<b>Traded Goods</b>		
Coal and Coke	1,102.98	687.27
Others	3.50	1.20
<b>Total</b>	<b>1,106.48</b>	<b>688.47</b>
Less: Trial Run Sale	784.29	1,560.70
<b>Sale of products</b>	<b>13,435.37</b>	<b>14,957.55</b>
<b>(b) Sale of Services</b>		
Conversion Income	-	101.56
	-	<b>101.56</b>
<b>(c) Other Operating Revenues</b>		
Scrap sales	41.68	27.69
Export Incentives	138.01	250.48
Liabilities no longer required written back	4.77	100.36
Provisions for doubtful debts, advances etc. no longer required written back	18.20	12.39
	<b>202.66</b>	<b>390.92</b>
<b>Total Revenue from Operations (Gross)</b>	<b>13,638.03</b>	<b>15,450.03</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>25 OTHER INCOME</b>		
Insurance claim received	5.10	5.30
Interest Income	129.32	129.70
Scrap sales	1.15	-
Liabilities no longer required written back	2.96	-
Other non operating income	10.17	1.02
	<b>148.70</b>	<b>136.02</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>26 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	1,627.90	2,240.71
Iron Ore	2,313.61	2,539.63
Coal and Coke	5,771.36	6,648.57
Others	463.75	395.61
	<b>10,176.62</b>	<b>11,824.52</b>
Less: Trial Run Consumption	597.81	1,258.83
	<b>9,578.81</b>	<b>10,565.69</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>27 PURCHASES OF STOCK-IN-TRADE</b>		
Coal and Coke	577.52	814.08
Others	5.67	3.92
	<b>583.19</b>	<b>818.00</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>28A CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening 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>
<b>Add: Transfer from project</b>		
Finished Goods	66.83	-
By-Products	15.25	-
<b>Total</b>	<b>82.08</b>	<b>-</b>
<b>Less: Closing Stock</b>		
Finished Goods	517.38	394.08
Stock-In-Trade	46.32	-
By-products	73.93	157.33
Work-in-Progress	67.28	114.21
	<b>704.91</b>	<b>665.62</b>
Increase/(Decrease) in Excise Duty on Stock	11.24	(2.72)
Less: Transferred to exceptional item (Refer note 33)	(194.86)	-
Increase/(Decrease) in Stock	<b>(140.83)</b>	<b>(171.56)</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>28B CHANGE IN JOB-IN-PROGRESS</b>		
Opening Job-in-Progress	1.72	16.11
Less: Closing Work-in-Progress	1.70	1.72
Increase/ (Decrease) in Excise Duty on Job-in- Progress	(0.02)	0.74
	<b>-</b>	<b>15.13</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>29 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	438.79	356.05
Contribution to Provident and Other Funds	24.48	21.20
Staff Welfare Expenses	4.91	1.77
	<b>468.18</b>	<b>379.02</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

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

#### Other Disclosures in terms of Accounting Standard-15 (Revised 2005) on 'Employees Benefits'

##### (i) Defined Contribution Plan

The Group contributes to the Provident Funds (PF) maintained by the Regional Provident Fund Commissioner. Under the PF Scheme Contributions are made by both the Group Companies and its eligible employees to the Funds, based on the current salaries. An amount of Rs. 9.91 Million (31 March 2014 : Rs. 11.78 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the aforesaid PF schemes. Apart from making monthly contribution to the scheme, the Group 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 2015	As at 31 March 2014
<b>(i) RECONCILIATION OF THE PRESENT VALUE OF THE DEFINED BENEFIT</b>		
<b>Obligation and the Fair Value of Plan Assets :</b>		
Present Value of funded obligation at the end of the year	35.84	26.92
Fair Value of Plan Assets at the end of the year	26.81	27.74
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>9.03</b>	<b>(0.82)</b>
<b>(ii) Expenses recognised in the Consolidated Statement of Profit and Loss:</b>	5.95	5.79
Current Service cost		
Interest cost	2.42	1.77
Expected Return on Plan Assets	(2.43)	(2.34)
Actuarial loss / (gain)	3.91	1.83
<b>Total Expenses</b>	<b>9.85</b>	<b>7.05</b>
<b>(iii) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligations:</b>		
Opening defined benefit obligation	26.92	19.72
Current Service cost	5.95	5.79
Interest cost	2.42	1.77
Actuarial loss / (gain)	3.48	1.70
Benefits paid	(2.93)	(2.06)
<b>Closing Defined Benefit Obligation</b>	<b>35.84</b>	<b>26.92</b>
<b>(iv) Reconciliation of opening and closing balances of the fair value of plan assets:</b>		
Opening fair value of Plan Assets	27.74	25.79
Expected Return on Plan Assets	2.43	2.34
Contributions by employer	-	1.80
Benefits paid	(2.93)	(2.06)
Actuarial (loss) / gain	(0.44)	(0.13)
<b>Closing Fair Value on Plan Assets</b>	<b>26.80</b>	<b>27.74</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

<b>(v) Actual Return on Plan Assets</b>	<b>2.41</b>	<b>2.21</b>
<b>(vi) Category of Plan Assets</b>		
Fund with LIC	26.81	27.74
	<b>26.81</b>	<b>27.74</b>
<b>(vii) Principal Actuarial Assumption Used:</b>		
Discount Rates	7.80 % / 7.78 %	9 %
Expected Return on Plan Assets	9 % / 8 %	6.75 % / 8.75 % / 9 %
Expected Salary increase rates	5 %	5 %
Withdrawal Rate	2 % depending on age	1 % to 2 % depending on age
Mortality Rates	IALM (2006-08) mortality tables	IALM (2006-08) 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.

<b>(x) Experience Adjustment</b>	<b>31 Mar. 2015</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2012</b>	<b>31 Mar 2011</b>
Present Value of Defined Benefit Obligation as at end of the year	35.84	26.92	19.72	15.53	11.47
Fair Value of Plan Assets as at end of the year	26.80	27.74	25.79	19.34	16.34
(Surplus) / Deficit as at end of the year	9.03	(0.82)	(6.07)	(3.81)	(4.87)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	1.28	(5.10)	(2.21)	(0.67)	Not available
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.04)	(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.

	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
<b>30 FINANCE COSTS</b>		
Interest expense	1,476.20	881.61
Other borrowing costs	812.50	743.99
Interest on Income Tax relating to earlier years	4.90	-
	<b>2,293.60</b>	<b>1,625.60</b>

The amount of finance cost capitalised for qualifying assets during the year 31 March 2015 is Rs. 2,123.36 Million (31 March 2014 : Rs. 2,076.85 Million)

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>31 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and Amortization expense on Tangible Assets	763.25	737.99
Amortization expense of Intangible Assets	4.05	9.78
	<b>767.30</b>	<b>747.77</b>
	Year ended 31 March 2015	Year ended 31 March 2014
<b>32 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	394.48	455.22
Power and Fuel [Refer (a) below]	505.52	507.24
Rent	16.81	13.56
Repairs to Buildings	6.32	5.71
Repairs to Machinery	72.98	68.82
Repairs Others	0.63	1.02
Insurance Expenses	17.42	16.94
Rates and Taxes, excluding taxes on income	39.47	30.63
Contract Labour Charges	27.71	21.40
Material Handling Expenses	218.50	128.00
Freight and Selling Expenses	223.74	342.31
Bad Debts Written off	-	13.82
Provision for Doubtful Debts	54.98	-
Provision for Doubtful Advances	144.66	21.31
Premium on Forward Exchange Contract Amortized	53.37	19.71
Exchange differences (Net)	119.71	-
Net Loss on Sales/Discard of Fixed Assets	1.16	1.08
Miscellaneous Expenses [Refer (b) below]	311.35	288.57
Transfer to Project	(54.43)	(103.49)
Add: Share of Joint Venture [Refer Note 2.2]	0.12	0.05
	<b>2,154.50</b>	<b>1,831.90</b>

(a) Power and Fuel of Parent Company includes consumption of coal (Reclassified from raw material consumption effective current year with regrouping of prior year's figures)

(b) includes Prior Period Rs. 0.18 million (31 March 2014 : Nil) related to VSCL.

**33** Exceptional Items amounting to Rs. 240.38 million for the year ended 31 March 2015 represents write down of excess of costs of period end inventories of one of its Subsidiary Company (VSCL) in coke business over their net realisable values in accordance with Accounting Standard 2 - Valuation of Inventories. The said Subsidiary Company had procured coal in line with its planned production programme. However, metallurgical coke prices have fallen significantly due to recessionary conditions. Due to unexpected and steep fluctuation in the value of Indian Rupee against US Dollar and other foreign currencies during previous year ended 31 March 2014, the net gain/loss arising out of re-instatement of foreign currency monetary items had been considered as an exceptional item for the Group as a whole.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2015	Year ended 31 March 2014
<b>34 CONSOLIDATED EARNING PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. Loss after Tax and Minority Interest	(2,729.10)	(1,478.28)
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>(24.81)</b>	<b>(13.44)</b>
<b>(II) Diluted</b>		
a. Weighted average number of Equity Shares for computing dilutive earning/ Loss per share	110,000,000	110,000,000
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	<b>(24.81)</b>	<b>(13.44)</b>

- 35.** Extra-ordinary item of Rs. 27.43 million for the year ended 31 March 2015 represents insurance claim received during the year in respect of claim against loss / destruction suffered by the one of its Subsidiary Company (VSCL) in coke business due to cyclonic weather conditions in Odisha in October 2013. The loss of Rs. 34.92 million had been recognised during the previous year as an extra-ordinary item in accordance with Accounting Standard 5 – “Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

### **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



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### MOVEMENT OF OPTIONS GRANTED

The movement of the options for the year ended 31 March 2015 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	583,446	46.30	46.30	3
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	87,341	46.30	46.30	-
Outstanding at the end of the year	496,105	46.30	46.30	2
Exercisable at the end of the year	493,601			

During the year total 120,469 number of Options were vested.

### 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 2015	Year ended 31 March 2014
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(2,414.40)</b>	<b>(1,524.95)</b>
Less: Compensation cost under ESOP as per Fair Value	(1.10)	0.69
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(2,413.30)</b>	<b>(1,525.63)</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.)	(21.95)	(13.86)
Diluted EPS (in Rs.)	(21.95)	(13.86)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(21.94)	(13.87)
Diluted EPS (in Rs.)	(21.94)	(13.87)

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 37. DETAILS OF FOREIGN CURRENCY EXPOSURE

Particulars	As at 31 March 2015			As at 31 March 2014		
	USD	EURO	Amount (INR)	USD	EURO	Amount (INR)
<b>Unhedged Portion as at Balance Sheet Date</b>						
a) Trade Receivable	-	-	-	0.74	-	44.30
b) Trade Payable	0.50	-	31.08	1.09	-	65.56
c) Capital Advance	0.51	0.01	32.23	0.71	0.01	43.93
d) Capital Creditors	0.12	0.27	25.29	0.12	0.41	41.11
e) Advance to Supplier	0.02	0.01	1.27	0.02	0.02	3.03
f) Advance from Customers	0.03	-	2.15	0.14	-	8.61
g) Advances Recoverable in cash or kind	0.01	-	0.67	0.28	-	16.67
h) Short Term Borrowings	6.54	-	409.18	1.53	-	91.85
i) Buyers Credit	-	-	-	2.37	-	142.39
* Unhedged foreign currency exposure as on 31 March 2015 has been derived without considering the effect of any natural hedge.						
<b>Derivatives Outstanding as at the reporting date</b>						
a) Forward Contracts to sell USD - Hedge of firm commitment and highly probable forecast transaction	9.00	-	571.79	3.89	-	239.50
b) Forward Contracts to buy USD - Hedge of firm commitment and highly probable forecast transaction	21.47	-	2,058.85	30.72	-	1,846.14
<b>Mark to market losses provided for</b>	-	-	0.62	-	-	-

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

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

##### Identification of the Business Segment

The Group has identified primary business segments namely "Special Steel", "Ferro Alloys" and "Coke" in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act and has disclosed segment information accordingly.

##### 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 Alloys</b>	Ferro Chrome, Ferro Manganese, Silico Manganese and Captive Power
<b>Coke</b>	Metallurgical Coke

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

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

(A) Primary Business Segment	As at 31 March 2015				As at 31 March 2014			
	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments
External Revenue from Operations*	4,712.05	4,455.51	3,635.18	12,802.74	4,978.75	5,039.34	4,531.27	14,549.36
Inter Segment Revenue from Operations*	96.91	49.94	648.14	794.99	354.46	40.37	1,373.46	1,768.29
Segment Revenues	4,808.96	4,505.45	4,283.32	13,597.73	5,333.21	5,079.71	5,904.73	16,317.65
Segment Results	(60.01)	365.54	(509.42)	(203.89)	58.73	424.90	144.21	627.84
Segment Assets	21,894.99	7,529.91	1,759.10	31,183.99	20,135.35	8,428.64	4,979.83	33,543.82
Segment Liabilities	1,540.31	1,749.65	200.98	3,490.93	1,105.80	1,153.85	754.15	3,013.80
Capital Expenditure	155.40	217.99	3,048.20	3,421.59	609.71	274.11	18.29	902.11
Depreciation & Amortisation	192.52	200.48	174.15	567.15	155.10	356.12	134.35	645.57
Non Cash Expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-

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

### Reconciliation of Reportable Segments with the Financial Statements

	As at 31 March 2015				As at 31 March 2014			
	Revenues	Results / Net Profit (Loss)	Assets	Liabilities #	Revenues	Results / Net Profit (Loss)	Assets	Liabilities #
Total of Reportable Segments	13,597.73	(203.89)	31,183.99	3,490.93	16,317.65	627.84	33,543.82	3,013.80
Corporate-Unallocated/Others(Net)	-	@ (468.77)	8,398.23	37,106.54	-	@ (502.56)	6,304.70	34,757.78
Inter Segment Revenues from Operations	(794.99)	-	-	-	(1,768.29)	-	-	-
Other Allocated Segment Income	-	-	-	-	-	-	-	-
Finance Costs	-	2,293.60	-	-	-	(1,625.60)	-	-
Tax Expenses-Current Tax	-	(7.44)	-	-	-	(6.35)	-	-
MAT Credit Entitlement	-	(38.68)	-	-	-	6.35	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	(14.06)	-	-	-	64.73	-	-
As per Financial Statements	12,802.74	## (3,026.44)	39,582.22	40,597.47	14,549.36	## (1,435.59)	39,848.52	37,771.58

@ After considering Extraordinary item (Gross of Tax) Rs. 27.43 Million (31 March 2014 : Rs. (34.92 million))

# Excluding Shareholder's Funds and Minority Interest

## Profit after Taxation and before Minority Interest

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 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 2015			31 March 2014		
	India	Outside India	Total	India	Outside India	Total
Revenue External (Net of Excise Duty)	10,277.54	2,525.20	12,802.74	10,406.35	4,143.01	14,549.36
Total Segment Assets	30,830.06	353.93	31,183.99	33,218.03	325.79	33,543.82
Capital Expenditure	3,421.59	-	3,421.59	902.11	-	902.11

### 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 2015	Year ended 31 March 2014
<b>WITH RESPECT TO ALL OPERATING LEASE</b>		
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	16.81	13.56

### 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
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Punkaj Kumar Bajaj - Joint Managing Director & CEO (Steel Business)
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal) w.e.f. 01 January 2015
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 2015	31 March 2014
Rent Paid	VISA International Limited	3.54	4.13
	VISA Infrastructure Limited	4.39	3.92
Purchase of Goods	VISA Resources India Limited	1,249.39	1,459.33
Purchase of Traded Goods	VISA Resources India Limited	247.61	-
Sale of Goods	VISA Resources India Limited	1,330.70	1,303.79
	VISA Resources PTE Limited	259.61	-
Freight	VISA Bulk Shipping Pte Limited	-	91.18
	VISA Resources India Limited	4.84	21.22
Hire Charges-Paid	VISA Resources India Limited	14.57	14.57
Commission -Paid	VISA Trading (Shanghai) Co. Limited	12.65	4.11
Finance Cost	VISA International Limited	-	28.23
	VISA Resources India Limited	426.75	-
Remuneration	Mr. Vishambhar Saran	16.91	7.15
	Mr. Vishal Agarwal	20.19	6.99
	Mr. Pankaj Gautam	-	4.61
	Mr. Punkaj Kumar Bajaj	9.92	0.42
Reimbursement of Expenses (Net)	VISA Resources India Limited	184.86	3.47
	VISA Bulk Shipping Pte Limited	-	30.07
	VISA Resources PTE Limited	49.42	50.87
Advance against Sales	VISA Power Limited	27.00	-
Unsecured Loan Repaid	VISA International Limited	-	500.00
Unsecured Loan Taken	VISA Infrastructure Limited	252.00	-

# 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 2015						31 March 2014					
	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of 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	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Charges	4.39	-	3.54	-	-	-	3.92	-	4.13	-	-	-
Hire Charges	-	14.57	-	-	-	-	-	14.57	-	-	-	-
Purchase of Goods	-	1,249.39	-	-	-	3.09	80.26	1,538.06	-	-	-	-
Purchase of Traded Goods	-	247.61	-	-	-	-	-	-	-	-	-	-
Sale of Goods	-	1,330.70	-	-	-	259.61	-	1,303.79	-	-	-	132.96
Freight	-	4.84	-	-	-	-	-	21.22	-	-	-	95.13
Commission	-	-	-	-	-	12.65	-	-	-	-	-	4.11
Finance Cost	0.53	426.75	-	-	-	-	-	-	28.23	-	-	-
Re-imbursement of Expenses (Net)	0.21	189.45	0.45	-	-	70.29	2.24	4.73	0.34	-	-	80.94
Unsecured Loan Taken	252.00	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan Repaid	-	-	-	-	-	-	-	-	500.00	-	-	-
Advance against Sales	-	27.00	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	47.02	0.67	-	-	-	-	19.16	-	-
Outstanding at closing	-	-	-	-	-	-	-	-	-	-	-	-
Receivable	258.09	-	11.91	85.54	-	160.90	256.97	-	8.00	88.86	-	130.67
Payable	-	1,918.53	-	-	-	20.63	-	2,905.59	4.18	-	-	14.83
Long Term Borrowing	252.00	-	-	-	-	-	-	-	-	-	-	-

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 41. ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.

SL No	Name of the Entity [Refer Note ( a ) below]	As At		Year Ended	
		31 March 2015	31 March 2015	31 March 2015	31 March 2015
		Net Assets	As a % of Consolidated Net Assets	Net Profit	As a % of Consolidated Profit /(Loss)
	<b>Parent</b>				
1	VISA Steel Limited	(3,142.42)	153.46%	(2,045.82)	74.96%
	<b>Subsidiaries</b>				
2	VISA Suncoke Limited	1,259.11	-61.49%	(887.34)	32.51%
3	VISA Bao Limited	845.11	-41.27%	(93.08)	3.41%
4	Kalinganagar Special Steel Limited	0.10	0.00%	(0.04)	0.00%
5	Kalinganagar Chrome Private Limited	0.24	-0.01%	(0.01)	0.00%
6	Ghotaringa Minerals Limited	12.67	-0.62%	0.02	0.00%
7	VISA Ferro Chrome Limited*	0.02	0.00%	(0.03)	0.00%
8	VISA Special Steel Limited*	0.04	0.00%	(0.14)	0.01%
	Minority Interest in Subsidiaries	(1,032.45)	50.42%	(297.34)	-10.90%
	<b>Joint Venture</b>				
9	VISA Urban Infra Limited	9.88	-0.48%	0.01	0.00%
		<b>(2,047.70)</b>	<b>100%</b>	<b>(2,729.10)</b>	<b>100%</b>

- (a) All entities specified above have been incorporated in India.  
 (b) The Net Asset position / Net Profit of the Company considered above is after considering elimination if any, for determining the Profit for the Year in the Consolidated Statement of Profit and Loss  
 (c) \*Represents Step down Subsidiary

### 42 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

**Keshav Sadani**  
 Company Secretary

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

Place: Kolkata  
 Date: 29 May 2015



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

(PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 READ WITH RULES 5 OF THE COMPANIES (ACCOUNTS) RULES 2014)

Statement containing salient features of the financial statement of subsidiaries/joint ventures for the year ended on 31 March 2015

### PART -A - Subsidiary Company

(Amount in Rs.)

Name of the Subsidiary	VISA SunCoke Limited	VISA BAO Limited	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited	Ghotaringa Minerals Limited
Financial Year Ending on	31 March 2015	31 March 2015	31 March 2015	31 March 2015	31 March 2015
Reporting Currency	INR	INR	INR	INR	INR
Share Capital	20,676,000	910,000,000	700,000	600,000	10,000,000
Reserves & Surplus	1,464,287,572	(45,394,639)	(790,260)	(59,183)	6,535
Total Assets	3,599,738,793	2,844,678,006	335,582	544,188	13,556,107
Total Liabilities	2,114,775,328	1,980,072,645	425,843	3,371	3,549,572
Details of Investment (Except in case of Subsidiaries)	100,000	-	-	-	-
Turnover (including Other Income)	4,314,479,461	160,900,130	-	-	69,594
Profit/(Loss) Before Taxation	(543,077,049)	(72,929,551)	(202,679)	(14,980)	27,748
Provision for Taxation	6,346,003	7,428,590	-	-	8,576
Profit/(Loss) after Taxation	(549,423,052)	(80,358,141)	(202,679)	(14,980)	19,172
Proposed Dividend	-	-	-	-	-
Percentage of Shareholding	51 %	65 %	100 %	100 %	89 %

#### Notes:

Name of the Subsidiary yet to commence operations : Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA BAO Limited and Ghotaringa Minerals Limited

### PART -B - Joint Ventures

Name of the Joint Ventures	VISA Urban Infra Limited
Latest Audited Balance Sheet Date	31 March 2015
Number of Shares held as on 31 March 2015	1,000,000
Amount of Investment in Joint Ventures as on 31 March 2015	10,000,000
Extent of Shareholding % as on 31 March 2015	26 %
Description of how there is a significant influence	By virtue of Share Holding
Reason why Joint ventures is not consolidated	Not Applicable
Net worth attributable to Shareholding	27,524,397
Profit/(Loss) for the year (Consolidated)	19,232
a) considered in Consolidation	5,000
b) Not Considered in Consolidation	14,231

For and on behalf of the Board of Directors

**Vishal Agarwal**  
Vice Chairman & Managing Director

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

**Keshav Sadani**  
Company Secretary

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

Place: Kolkata  
Date: 29 May 2015

## Notes

[illegible]

## Notes

[illegible]

# Corporate Information

## Board of Directors

Mr. Vishambhar Saran, Chairman  
Mr. Vishal Agarwal, Vice Chairman & Managing Director  
Mr. Shiv Dayal Kapoor, Independent Director  
Mr. Debi Prasad Bagchi, Independent Director  
Mr. Pratip Chaudhuri, Independent Director  
Ms. Gauri Rasgotra, Independent Director  
Mr. Kishore Kumar Mehrotra, Independent Director  
Mr. Manas Kumar Nag, Nominee Director  
Mr. Manoj Kumar Digga, Wholetime Director designated as Director (Finance) & Chief Financial Officer  
Mr. Manoj Kumar, Wholetime Director designated as Director (Kalinganagar)

## Company Secretary

Mr. Keshav Sadani

## Statutory Auditors

Lovelock & Lewes

## Internal Auditors

L. B. Jha & 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  
Syndicate Bank  
UCO Bank  
Union Bank of India  
Vijaya Bank  
Edelweiss Asset Reconstruction Company Limited

## 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

## Corporate Identification Number

L51109OR1996PLC004601

**VISA STEEL**

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