VISA STEEL

Annual Report 2017-18

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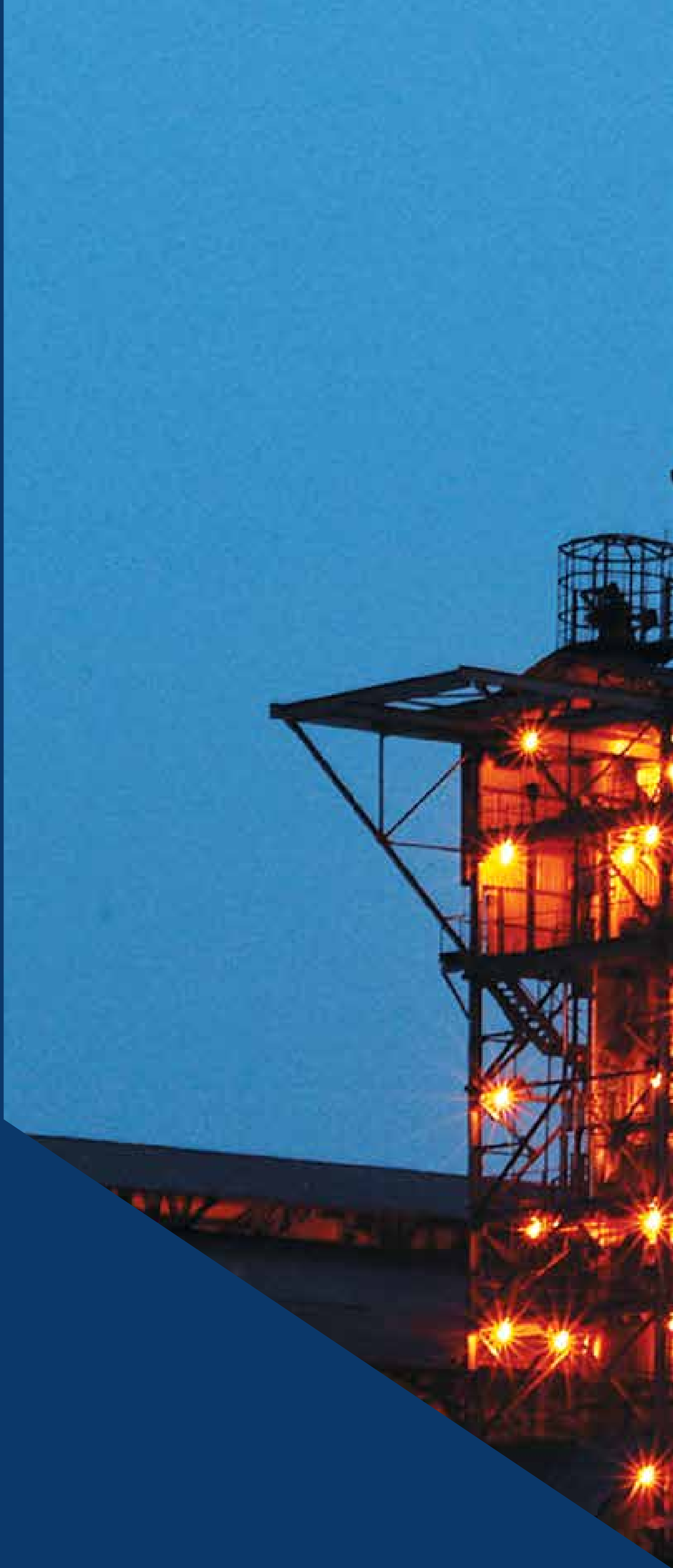
FINANCIAL STATEMENTS



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 our 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.

Listing
Your Company has been listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited

For more details, visit: http://www.visasteel.com

VISION & VALUES

Vision

Create long term stakeholder 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

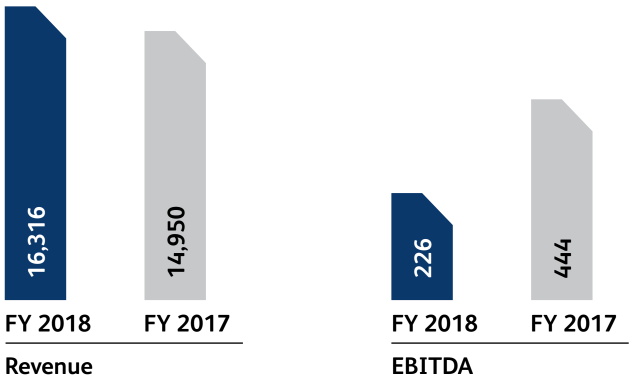
Attitude
We demonstrate ownership in our attitude to create sustainable value for shareholders

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

Financial and Operational Performance

All amount in ₹ Million, unless otherwise stated

Financial Highlights (Standalone)



Operational Highlights	FY 2018	FY 2017
Hot Metal (in MT)	93,812	1,62,815
Sponge Iron (in MT)	2,37,418	2,51,290
Steel (in MT)	38,634	53,206
Ferro Alloys (in MT)	1,15,020	99,596

Your Company had set up a Steel Plant in Odisha on the basis of assurance that captive Iron Ore and Coal mines shall be allotted as per the Memorandum of Understanding (MOU) signed with Government of Odisha. The Captive Iron Ore and Coal mines would have ensured uninterrupted long term supply of raw material at cost to the Plant and reasonable EBITDA margin.

However, the Deallocation of Coal block by Ministry of Coal and Hon'ble Supreme Court order in September 2014 and Notification of Mines & Minerals (Development & Regulation) (MMDR) Amendment Act in March 2015 wherein captive mines can now be available through auction only, has deprived the availability of raw material at actual cost and increased dependence on Odisha Mining Corporation (OMC) for supply of Iron Ore & Chrome Ore and imported supplies for Coal at auction/index prices.

Meanwhile, the lenders have not disbursed sanctioned facilities for operations and have adjusted the same towards interest and it now appears that the so called restructuring was to postpone the classification of the then existing loan as Non-Performing Asset without even considering its adverse effect on Plant operations and financial performance of your Company. Your Company has been requesting lenders to implement Resolution outside the Insolvency and Bankruptcy Code (IBC) 2016 as per Reserve Bank of India (RBI) Guidelines.

RAW MATERIAL

Captive Iron Ore and Coal mines would have ensured uninterrupted long term supply of raw material at actual mining cost to the Plant. The Deallocation of Coal block and notification of MMDR Amendment Act has deprived the availability of captive mines and increased dependence on imports of Coal and OMC for supply of Iron Ore & Chrome Ore at auction prices, thereby increasing raw material costs.

There is also going to be a period of huge uncertainty in supply of Iron Ore and Chrome Ore after 31 March 2020 when leases of all non-captive mines will expire. The ending validity of such Iron Ore mines is likely to trigger deficit of 66 million tonnes of Iron Ore in Odisha.

The road transportation cost are very high in Odisha as the rates are fixed by the transportation associations in mining areas which are double the Government notified rates. Your Company needs to have its own railway siding so that it does not have to incur shifting charges to/from nearest public siding.

OPERATIONS

Your Company had set up Electric Arc Furnace (EAF) technology for Steel Melting Shop on the basis of assurance that captive Iron Ore and Coal mines shall be allotted as per MoU signed with Government of Odisha which would have reduced cost of Direct Reduced Iron (DRI) to compensate higher arcing costs.

Meanwhile, without captive mines, the EAF route is viable only to the extent of Hot Metal available, thereby reducing the potential capacity utilisation of Steel Plant which is adversely impacting cost competitiveness. The cost of graphite electrodes has also increased sharply.

Your Company had planned to add a Sinter Plant to improve Blast Furnace productivity and reduce its dependence on Iron Ore Lumps which is more expensive, but the sanctioned funds were not disbursed by lenders, resulting in adverse implications on the operations and financial performance.

CHAIRMAN'S INSIGHTS

Vishambhar Saran, Chairman

DEAR SHAREHOLDERS,

The recent few years have witnessed major reforms by the Government of India including MMDR Amendment Act 2015, imposition of Anti-Dumping Duty on Steel Products and implementation of Goods & Service Tax (GST) from 1 July 2017. However, there are still concerns relating to availability of raw material at fair price, auction of several non-captive mines expiring in March 2020 to ensure smooth transition with no disruption in supplies of Iron Ore and Chrome Ore, exorbitant road transport rates and availability of railway wagons etc.

For the year ended 31 March 2018, your Company's standalone revenues increased from ₹ 14,950 million in FY 2016-17 to ₹ 16,316 million in FY 2017-18 and EBITDA decreased from ₹ 444 million in FY 2016-17 to ₹ 226 million in FY 2017-18. Your Company's operations and margins have been adversely affected due to non-availability of working capital and high prices of vital raw materials which have not moved correspondingly in tandem with product prices.

The non-disbursement of sanctioned facilities by lenders has resulted in the production facilities being operated at sub-optimum level resulting in adverse financial performance. Your Company has also been facing challenges regarding availability and pricing of Iron Ore and Chrome Ore.

For the year ended 31 March 2018, your Company's standalone revenues increased from ₹ 14,950 million in FY 2016-17 to ₹ 16,316 million in FY 2017-18 and EBITDA decreased from ₹ 444 million in FY 2016-17 to ₹ 226 million in FY 2017-18.

The Ferro Chrome prices have witnessed huge price volatility whereas Chrome Ore Mining Companies have been capturing the entire margin in the value chain.

A period of huge uncertainty in supply of Iron Ore and Chrome Ore is likely after 31 March 2020, when leases of all non-captive mines will expire. Your Company needs to manage these risks effectively.

THE INDUSTRY

India is the World's 3rd largest producer of Crude Steel with Steel production in 2017 at 101.4 million tonnes. China has made supply side reforms by closing Induction Furnaces and Chinese Steel demand has been strong in the background of Chinese Elections due to which Steel Exports from China have fallen. The Chinese Government in mid December 2017 announced removal of Export Tax on various Steel Products including Long products from 1 January 2018. However, the threat of Trade War between USA and China escalating and depreciation in Chinese RMB is a significant risk and concern for your Company's business going forward.

VISION & STRATEGY

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources. Your Company is focused on Debt Resolution as per RBI guidelines, and is making efforts to raise funds for working capital and increasing capacity utilisation for all Units, reducing cost and improving operational efficiencies.

OUTLOOK

The Government of India is giving a thrust to the infrastructure and manufacturing sector and your Company is ready to benefit from this opportunity. However, the emergence of various disruptive technologies is an area of concern and will remain a challenge going forward.

I would like to place on record my sincere appreciation and gratitude to the entire team of VISA Steel 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 and acknowledge the support of all shareholders. I would also like to convey my sincere thanks to all the stakeholders, lenders, suppliers, customers, employees, Government officials etc. for their valued support as we navigate through these challenging times and I hope to continue to receive your support in the future.

With warm regards & best wishes,

Vishambhar Saran
Chairman

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources. Your Company is focused on Debt Resolution as per RBI guidelines, and is making efforts to raise funds for working capital and increasing capacity utilisation for all Units, reducing cost and improving operational efficiencies.

VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Vishal Agarwal
Vice Chairman & MD

DEAR SHAREHOLDERS,

Your Company has set up manufacturing facilities at Kalinganagar in Odisha for production of Steel and Ferro Alloys. Your Company's performance has been adversely impacted mainly due to non-availability of working capital. The non-disbursement of sanctioned facilities has resulted in sub-optimum utilisation of facilities and adverse financial performance.

RAW MATERIAL

Your Company has been adversely impacted by high prices of Iron Ore and Chrome Ore due to lack of fair and transparent mechanism during e-auction and is taking up these matters with OMC on top most priority to ensure that the Iron Ore and Chrome Ore supplies and price are streamlined.

Your Company is taking up with the Government to ensure smooth transition and no disruption in supplies of Iron Ore and Chrome Ore when the mining leases which have been deemed extended upto 31 March 2020 expire.

OPERATIONS

Your Company's Blast Furnace production was 93,812 MT during FY 2017-18 compared to 162,815 MT in FY 2016-17, DRI/Sponge Iron production was 237,418 MT during FY 2017-18 compared to 251,290 MT in FY 2016-17. Steel production was 38,634 MT in FY 2017-18 compared to 53,206 MT in FY 2016-17 and Ferro Chrome production was 115,020 MT in FY 2017-18 compared to 99,596 MT in FY 2016-17.

MARKETING

The recent Trade War between USA and China with retaliatory tariffs and depreciation in Chinese RMB will create uncertainty in demand, prices and trade flows of Steel products going forward. The Chinese Government Policy on various Raw Materials and Steel products will also have a significant impact on market prices.

FINANCE

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Company and its management. Despite the debt restructuring as per CDR LoA dated 27 September 2012 and 31 December 2014, the lenders have not disbursed sanctioned facilities for operations and have adjusted the same towards interest resulting in complete depletion of working capital and it now appears that the purported restructuring was to postpone the classification of the then existing loan as Non-Performing Asset without even considering its adverse effect on Plant operations and financial performance of your Company.

As per RBI press release dated 13 June 2017, the Internal Advisory Committee (IAC) after reviewing top 500 exposures classified partly or wholly as Non Performing, arrived at an objective, non-discretionary criterion and recommended that for other Non-Performing Accounts such as your Company, with exposure below ₹ 5,000 Crore, the lenders should finalise Resolution Plan within six months and details of the Resolution Framework for other Non-Performing Accounts will be released in the coming days. Your Company has been requesting lenders to implement a viable Resolution Plan as per RBI guidelines. Meanwhile, State Bank of India (SBI) filed an application with NCLT, Kolkata Bench to initiate Corporate

Your Company's Blast Furnace production was 93,812 MT during FY 2017-18 compared to 162,815 MT in FY 2016-17, DRI/ Sponge Iron production was 237,418 MT during FY 2017-18 compared to 251,290 MT in FY 2016-17. Steel production was 38,634 MT in FY 2017-18 compared to 53,206 MT in FY 2016-17 and Ferro Chrome production was 115,020 MT in FY 2017-18 compared to 99,596 MT in FY 2016-17.

Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC). Your Company has filed a writ petition in Hon'ble High Court of Orissa and the matter is sub-judice. Meanwhile, Banks including UCO Bank, Central Bank of India and State Bank of Travancore (since merged with State Bank of India) have implemented Resolution through sale of loan to ARCs. Other Banks including Indian Overseas Bank and Syndicate Bank etc. are in advanced stages of implementing Resolution through sale of loan to ARCs.

HUMAN RESOURCE

Your Company recognises its employees as its most important assets. We improve our team building and encourage family bonding through various employee engagement social activities. Your Company has formulated a detailed Code of Conduct in order to practice ethical behavior and 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.

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. Your Company's CSR team has directed its community development work in the areas of education, healthcare, rural development, sports & culture and your Company wishes to continue its support and focus on these issues. The team has taken special initiatives to promote "Swachhata Hi Seva" movement on Gandhi Jayanti and distribute Diyas to under privileged families during Diwali.

I would like to convey my sincere thanks to all the stakeholders including shareholders, lenders, suppliers, customers, Government officials and employees for their valued support.

With warm regards & best wishes,

Vishal Agarwal
Vice Chairman & MD

Your Company recognises its employees as its most important assets. We improve our team building and encourage family bonding through various employee engagement social activities.

BOARD OF DIRECTORS

Mr. Vishambhar Saran,
Chairman

Born on 4th December 1947 at Faizabad, U.P., Mr. Saran secured a Bachelor's Degree in Mining Engineering from Indian Institute of Technology, Banaras Hindu University in 1969. He served Tata Steel for 25 years, starting from their various mines, Paradip Port and Kolkata & Jamshedpur Offices. He rose to the position of Director – Raw Materials, Tata Steel in 1988 & Director of Budgets in 1993. He availed voluntary retirement from 31st March, 1994. Mr. Saran founded the VISA Group in April 1994 and has built it up from scratch to a significant minerals and metals conglomerate. Philanthropically, creating and improving educational and medical facilities for the poor in backward districts of Odisha, UP and West Bengal through "VISA Trust", founded by him and his wife.

Mr. Saran is Honorary Consul of the Republic of Bulgaria for Eastern India; Trustee on the Board of Kalyan Bharti Trust & VISA Trust; Chairman of the Board of Governors, Heritage Law College, Kolkata; Member of National Executive Committee of Federation of Indian Chamber of Commerce Industry (FICCI).

Formerly, Mr. Saran was the President of Indian Chamber of Commerce, Kolkata; President of Coal Consumers Association; Trustee on the Board of Chennai Port Trust; Member, Governing Council of the International Chromium Development Association, Paris; Raw Material Committee of the International Iron & Steel Institute, Brussels; CII Eastern Regional Committee; Board of Tata Sponge Iron Limited. He is a keen golfer and an avid art collector.

"I am grateful to the members of the Board of the Company for their invaluable guidance and contribution and acknowledge the support of all shareholders."

Mr. Vishal Agarwal
Vice Chairman & Managing Director, Chairman, Corporate Social Responsibility Committee

Mr. Agarwal holds a Bachelors Degree from London School of Economics and a Masters Degree from Oxford University. He was born in Faizabad, Uttar Pradesh and completed his schooling from Mayo College, Ajmer and Cheltenham College, UK. He has over 21 years of rich experience in the Iron & Steel industry with hands on experience of setting up greenfield projects and international trading business. During 1997 to 2004, Mr. Agarwal developed the international trading business for the VISA Group in minerals and metals including Chrome Ore, Iron Ore, Manganese Ore, Alumina, Ferro Alloys etc. Since 2004, he has built the Special Steel, Ferro Chrome and Coke manufacturing business from scratch. He is also the Chairman of VISA Coke Limited.

Mr. Pratip Chaudhuri
Chairman, Stakeholders Relationship Committee, Nomination & Remuneration Committee & Finance and Banking Committee

Mr. Pratip Chaudhuri is the former Chairman of State Bank of India (SBI) and has 40 years of rich experience in banking sector. He holds Master's Degree in Science and Statistics from University of Rajasthan and is an alumnus of University Business School, Chandigarh. 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 was also a Director at Export-Import Bank of India and State Bank of Patiala.

Ms. Rupanjana De
Independent Director, Chairperson, Audit Committee

Ms. Rupanjana De is a Fellow Member of the Institute of Company Secretaries of India (ICSI) and a Council Member of EIRC of ICSI. She is a triple Master Degree holder. Ms. De has a hands-on expertise in Company Law and Management, Corporate Governance, Legal Compliance, Corporate Sustainability, Corporate Social Responsibility and Quality Control. She has also been faculty and speaker at various forums viz. ICSI, The Indian Chamber of Commerce, Institution of Engineers (India).She has authored a number of articles on Corporate Governance, Insurance market &products and Renewable Energy Technology in both Indian publications and International journals.

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.

Mr. Sheo Raj Rai
Independent Director

Born on 10 September 1955, Mr. S R Rai secured a Bachelor's Degree in Mechanical Engineering Technology and Executive MBA (Marketing) from Banaras Hindu University, Varanasi. He joined Steel Authority of India Limited (SAIL) in 1977 as Executive. He served SAIL for 38 years in various positions and offices. He rose to the position of Executive Director (Material Management & Marketing), Bhilai in the year 2011 and retired in the year 2015 as Executive Director (Marketing-Long Product), Headquarter, Kolkata.

Mr. Manoj Kumar
Wholetime 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 your Company and was also responsible for streamlining the operational procurement by entering into Annual Rate Contracts & Vendor Stockings. He had played a key role in your Company's projects and operations.

CORPORATE SOCIAL RESPONSIBILITY

VISA STEEL FOCUSES ON THE WELFARE OF PEOPLE LIVING IN ITS LARGER NEIGHBOURING COMMUNITIES. VISA STEEL'S CSR TEAM WORKS TOWARDS IMPROVING THE LIVING CONDITIONS OF THE UNDERPRIVILEGED AND MAKES A POSITIVE DIFFERENCE IN THEIR LIVES. SEVERAL WELFARE INITIATIVES HAVE BEEN IMPLEMENTED PARTICULARLY IN THE REMOTE AREAS OF ODISHA.

EDUCATION

At your Company, we are helping build a knowledge-driven society. We truly believe in igniting young minds and in shaping the future of young India. The organisation lays special emphasis on the quality of education being imparted at all its educational institutions and interventions. Some of the important initiatives comprise:

- 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 various schools
- Planning to set up world-class, professionally managed primary and secondary school in Kalinganagar, with facilities for extracurricular activities and sports
- Supporting various local schools in the region and planning to adopt few schools to train local teachers and improve the medium of imparting knowledge
- Providing vocational trainings like tailoring for women in the village to improve their skill set for better quality living
- Computer education for adults is also a main focus of attention

HEALTHCARE

In your Company, we are driving positive health outcomes. We have undertaken the following initiatives to strengthen this purpose:

- Organised medical camps in backward areas of Odisha
- Contributed to the construction of a blood bank in Jajpur, Odisha
- Organise blood donation camps
- Raised awareness for the treatment of common diseases; providing free medicines and other medical facilities
- Work towards eradication and control of diseases with programmes by creating hygiene awareness and taking measures to control the spread of diseases like malaria and dengue
- Participated in international forums for mentally and physically challenged people, by way of financial sponsorship and support

RURAL DEVELOPMENT

Your Company focuses on promoting quality of life through sustainable livelihood rural initiatives. 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 of Military Chhak in Kalinganagar, Odisha
- Contributed to road development activities in villages for better connectivity

SAFETY AND ENVIRONMENT

Your Company cares for the planet. We continuously take initiatives to help protect the environment and stimulate efforts for green growth to maintain ecological balance

- Established a strong team of medical personnel
- Implemented regular safety training sessions for employees and contract labour
- Launched water harvesting, water reuse, recover and recycled initiatives to protect ground water levels
- Undertook mass plantation drives to improve greenery in industrial region
- Distribution of sapling to villages

SPORTS AND CULTURE

Your Company aims to encourage and sponsor young talent, give them platform to perform and provide help for better training. We plan to organise sporting activities for the all-round development of children. Few initiatives undertaken by your 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
- Celebrate occasions of festivity in schools, old age homes, orphanages and with underprivileged community

Report of the Directors

Dear Shareholders,

Your Directors are pleased to present this Twenty Second Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements of Accounts for the financial year ended 31 March 2018.

FINANCIAL RESULTS

(₹ in Million)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	16,315.52	14,950.48	20,997.72	16,696.96
Other Income	221.96	280.38	552.76	176.40
Total Income	16,537.48	15,230.86	21,550.48	16,873.36
Profit before interest, depreciation, tax & exceptional item	225.89	443.59	947.97	757.73
Finance Cost	273.34	365.88	339.06	465.80
Depreciation	1,408.73	1,504.26	1505.84	1626.06
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(1,456.18)	(1,426.55)	(896.93)	(1334.13)
Exceptional & Extraordinary Items	-	-	-	-
Profit /(Loss) before Tax	(1,456.18)	(1,426.55)	(896.93)	(1334.13)
Tax Expenses	-	-	-	-
Profit / (Loss) after Tax	(1,456.18)	(1,426.55)	(896.93)	(1334.13)
Other Comprehensive Income	1.95	(2.33)	2.47	(2.89)
Total Comprehensive Income for the period	(1,454.23)	(1,428.88)	(894.46)	(1337.02)

OPERATIONS

The standalone and consolidated Revenue of the Company stood at ₹16,315.52 million and ₹ 20,997.72 million respectively for the FY 2017-18. The standalone and consolidated profit before interest, depreciation, tax and exceptional item is ₹ 225.89 million and ₹ 947.97 million respectively during the FY 2017-18.

The Blast Furnace produced 93,812 Metric Tonne (MT) Hot Metal as compared to 162,815 MT in the previous year. The DRI Plant produced 237,418 MT Sponge Iron as compared to 251,290 MT in the previous year. The Steel production was 38,634 MT as compared to 53,206 MT.

The Ferro Alloys Plant produced 115,020 MT compared to 99,596 MT in the previous year.

During the year under review, operational performance of your Company have been adversely affected due to non-availability of working capital for operations and due to high prices of vital raw material which have not moved correspondingly in tandem with the product prices. Your Company has been accordingly dependent upon OMC for purchasing Iron Ore and Chrome Ore at auction prices. Also, the cutback amount by Banks has been much higher than the EBITDA which is adversely impacting operations and has increased the outstanding dues payable to operational creditors including statutory dues. The Company has been taking financial support of operational creditors to continue Plant operations without which there is a risk of Plant closure and agitation and other law and order problems from workers and this has severely impacted the profitability of the Company and its working.

Debt Resolution

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Company and its management. Despite the Debt Restructuring as per CDR LoA dated 27 September 2012 and 31 December 2014, the lenders have not disbursed sanctioned facilities for operations and adjusted the same towards interest resulting in complete depletion of working capital and it now appears that the purported restructuring was to postpone the classification of the then existing loan as Non-Performing Asset without even considering its adverse effect on Plant operations and financial performance of your Company.

As per RBI press release dated 13 June 2017, the Internal Advisory Committee (IAC) after reviewing top 500 exposures classified partly or wholly as Non Performing, arrived at an objective, non-discretionary criterion and recommended that for other Non-Performing Accounts, such as your Company with exposure below ₹ 5,000 crore, the lenders should finalise Resolution Plan within six months and details of the Resolution Framework for other Non-Performing Accounts will be released in the coming days. Your Company has been requesting lenders to implement a viable Resolution Plan as per RBI Guidelines.

Meanwhile, State Bank of India (SBI) filed an application with National Company Law Tribunal, Kolkata Bench (NCLT) to initiate

Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC). Your Company has filed a writ petition in Hon'ble High Court of Orissa and the matter is sub-judice. Meanwhile, Banks including UCO Bank, Central Bank of India and State Bank of Travancore (since merged with State Bank of India) have implemented Resolution through Sale of loan to ARCs. Other Banks including Indian Overseas Bank and Syndicate Bank etc. are in advanced stages of implementing Resolution through sale of loan to ARCs.

FUTURE OUTLOOK

The disruptive technologies in Energy and Transportation are likely to have a significant impact on demand for Steel products. Meanwhile, the National Steel Policy approved by the Government of India aspires to achieve 300 million tonne of Steelmaking capacity by 2030 and seek to increase consumption of Steel in major segments of infrastructure, automobiles, housing etc.

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources. The Company is focused on implementing Debt Resolution outside IBC as per RBI guidelines and is making efforts, for raising funds for working capital and increasing capacity utilization of all Units, reducing cost and improving operational efficiency.

DIVIDEND

In view of the loss incurred by the Company, your Directors have not recommended any dividend for the FY ended 31 March 2018.

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 FY ended 31 March 2018.

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)

Dividend

During the year under review, your Company had transfered ₹ 378,532/- to the Investor Education and Protection Fund lying is Unpaid/Unclaimed Dividend Account FY 2009-10. During the financial year 2018-19, your Company shall transfer balance lying in the Unpaid/ Unclaimed Dividend Account FY 2010-11 to the Investor Education and Protection Fund.

Equity Share

During the year your Company had transferred 44,332 equity shares to IEPF.

SHARE CAPITAL

Your Company's paid up equity share capital is ₹1,157,895,000 (Rupees One Hundred Fifteen Crore Seventy Eight Lac Ninety Five Thousand only) comprising of 115,789,500 equity shares of ₹ 10/- each.

During the year, the Company has allotted 57,89,500 equity shares of ₹ 10 each to Baosteel Resources Co. Ltd, China pursuant to the order dated 12 October 2017 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench approving the Scheme of Amalgamation of VISA Bao Limited (Subsidiary Company) with the Company.

TRANSFER OF SPECIAL STEEL BUSINESS

The Board of Directors of your Company had approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, between your Company and VISA Special Steel Limited (VSSL), a subsidiary of your Company, and their respective shareholders and creditors, which inter alia, envisages transfer of Special Steel Business of your Company with all its assets and liabilities, into VSSL. The Appointed Date of the Scheme is 1 April 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature of Orissa at Cuttack or such other competent authority. 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. Meanwhile, due to continuous and persistent objections raised by one of the lenders namely HUDCO before the Hon'ble Orissa High Court, the sanction of the Scheme for transfer of VSL's Special Steel business into VSSL got indefinitely delayed, thereby resulting in serious breaches and violations of the terms of the Resolution Plan and your Company lost the opportunity to induct investor and infuse funds in VISA Special Steel Limited.

Meanwhile, there was a Notification dated 7 December 2016 by Ministry of Corporate Affairs due to which our matter was to be transferred to National Company Law Tribunal, Kolkata Bench. However, this Notification was challenged through a writ petition by Orissa High Court Advocate's Bar Association and the Hon'ble Orissa High Court vide its order dated 10 February 2017 granted stay on transfer of cases to National Company Law Tribunal, Kolkata Bench.

The Scheme is still pending before the Hon'ble Orissa High Court and it is excepted that once the Cuttack Bench of NCLT is functional, the Scheme shall be transferred to NCLT, Cuttack Bench for approval.

AMALGAMATION OF VISA BAO LIMITED

During the year under review, your Company's application for approval of Scheme of Amalgamation of VISA Bao Limited with your Company, was approved vide order dated 12 October 2017 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench.

Subsequent to amalgamation of VISA Bao Limited with your Company, 57,89,500 Equity Shares of ₹ 10 each of your Company have been allotted to Baosteel Resources Co. Ltd, China (Baosteel). Baosteel now holds 5% of the Equity Shares of your Company.

AMALGAMATION OF KALINGANAGAR SPECIAL STEEL PRIVATE LIMITED

The Board of Directors of your Company had approved a Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, between your Company and Kalinganagar Special Steel Private Limited, a subsidiary of your 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. The matter is still awaiting final decision.

INCREASE IN FOREIGN INSTITUTIONAL INVESTORS ("FII") / FOREIGN PORTFOLIO INVESTOR ("FPI") / NON-RESIDENT INDIAN ("NRI") SHAREHOLDING LIMIT IN THE PAID UP SHARE CAPITAL OF THE COMPANY FROM 24% TO 74%

During the year under review, the foreign shareholding by FIIs/ FPIs in your Company had reached the trigger limit. In lieu of this and as per an advisory letter no. FE.CO.FID//11.01.091/2016 -17 dated 26 May 2017 from the Reserve Bank of India (RBI), the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non-Resident Indian ("NRI") shareholding limit in the paid up capital of Company has been increased from 24% to 74%.

SUBSIDIARIES

As on 31 March 2018, the Company has five subsidiaries including indirect subsidiaries namely, Ghotaringa Minerals Limited, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited:

i) Ghotaringa Minerals Limited (GML) is a Joint Venture between your Company and Orissa Industries Limited (ORIND).

ii) Kalinganagar Special Steel Private Limited, a wholly owned subsidiary, was incorporated on 27 May 2013.

iii) Kalinganagar Chrome Private Limited, a wholly owned subsidiary, was incorporated on 1 July 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 (VSSL), a step down subsidiary incorporated on 27 July 2012 and is a wholly owned subsidiary of VISA Ferro Chrome Limited.

State Bank of India (SBI) had filed an application for initiation of Corporate Insolvency Resolution Process (CIRP) of Ghotaringa Minerals Limited, a subsidiary of your Company under IBC with Hon'ble National Company Law Tribunal, Kolkata, Bench (NCLT). The application was admitted vide Order dated 16 February 2018 and moratorium was declared and Mr. Ashok Kumar Gulla was appointed as Interim Resolution Professional (IRP).

During the year, the Board of VISA SunCoke Limited (since renamed as VISA Coke Limited) approved fund raising through issuance of new equity shares which was completed on 31 March 2018 consequent to which VISA Coke Limtied ceased to be a Subsidiary of your Company.

VISA Bao Limited (VBL), one of the subsidiary of your Company was amalgamated with your Company pursuant to the Order dated 12 October 2017 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statement presented by your Company includes financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. A statement containing the salient features of the financial statement of your 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 your Company as and when they demand and will also be kept for inspection by any investor at the registered office of your Company and these subsidiaries. The financial statements of your Company and its subsidiaries are also available on the website of your Company.

The highlights of performance of subsidiaries as on 31 March 2018 and their contribution to the overall performance of your Company during the period under review are tabulated below:

(₹ in Million)

Name of the Subsidiary	Total Income	Total Comprehensive Income	Profit / Loss considered in Consolidation	Networth Attributable
Kalinganagar Special Steel Private Limited	-	(0.07)	(0.07)	(0.47)
Kalinganagar Chrome Private Limited	-	(0.01)	(0.01)	0.52
Ghotaringa Minerals Limited	0.06	(0.58)	(0.51)	8.39

Note: Above figures are rounded off.

BOARD MEETINGS

The Board met 6 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 Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further, the Independent Directors at their separate 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.

The Independent Directors at their separate meeting also assessed the quality, quantity and timelines of flow of information between your Company Management and the Board of Directors of your Company.

COMMITTEES OF THE BOARD

As a matter of good corporate governance and to ensure better accountability and to deal with specific areas/concerns that need a closer view, various board level Committees have been constituted in terms of the provisions of the Act and the Listing Regulations under formal approval of the Board. There exists an Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Finance & Banking Committee and Committee of Directors of the Board.

The details of the composition, brief terms of reference, meetings held during the year 2017-18, attendance of the Members etc., of the said Committees are given in the Report on Corporate Governance annexed hereto and forming part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

The Board comprises of an optimum mix of Executive and Non-Executive Directors including Independent 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, Whole time Director designated as 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 recommends for his re-appointment.

Mr. Pratip Chaudhuri (DIN 00915201), Mr. Kishore Kumar Mehrotra (DIN 02894045), Ms. Rupanjana De (DIN 01560140) and Mr. Sheo Raj Rai (DIN 07902184) 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 Regulation 17 of the Listing Regulations.

Mr. Debi Prasad Bagchi (DIN 00061648), Independent Director resigned w.e.f. 21 April 2017. Ms. Puja Sondhi (DIN 06592082), Independent Woman Director resigned w.e.f 9 May 2017. Ms. Ramya Hariharan (DIN 06928511) was appointed as an Additional Director (Non-Executive, Independent Woman Director) on the Board of Director of your Company w.e.f 19 May 2017 and resigned w.e.f. 26 August, 2017.

Mr. Sheo Raj Rai (DIN: 07902184) was appointed as the Additional Director (Independent) for a period of 3 years w.e.f 8 August 2017 and Ms. Rupanjana De (DIN 01560140) was appointed as Additional Woman Director (Independent) for a period of 3 years w.e.f 26 August 2017. Subsequent to the end of the year under review, Mr. Kishore Kumar Mehrotra (DIN 02894045) Independent Director resigned w.e.f. 11 July 2018.

Mr. Manas Kumar Nag (DIN 02058292) continues as Nominee Director (Nominee of State Bank of India).

Mr. Manoj Kumar (DIN 06823891) continues to be the Whole time Director designated as Director (Kalinganagar) of your Company for a period of 3 (three) years w.e.f. 15 September 2015. The Board of Directors of your Company has at its meeting held on 6 August 2018 have extended the term of Mr. Kumar for a further period of 3 (three) years w.e.f. 15 September 2018, subject to the approval of the members at the ensuing Annual General Meeting and other necessary approvals.

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 Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements), 2015 are given in the Notice for the ensuing Annual General Meeting.

Key Managerial Personnel

Mr. Vishambhar Saran is responsible for Chief Executive functions of your Company in addition to being the Whole time Director designated as the Chairman, Mr. Vishal Agarwal acts as Deputy Chief Executive Officer in addition to being the Vice Chairman & Managing Director and Mr. Manoj Kumar, acts as Chief Operating Officer in addition to being the Whole time Director designated as Director (Kalinagnagar).

Subsequent to the end of the year under review, Mr. Manoj Kumar Digga ceased to be the Chief Financial Officer of your Company w.e.f 14 July 2018 and Mr. Ranjan Kumar Jindal was appointed as the Chief Financial Officer of your Company w.e.f 6 August 2018.

Mr. Sudhir Kumar Banthiya continues to be the Company Secretary and Compliance Officer of your Company.

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 out by the entire Board and 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 your Company.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by your 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 2018 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. As on date, Ms. Rupanjana De, Independent Director is the Chairperson 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 as is detailed in the Corporate Governance Report forming part of this Annual Report.

All recommendations made by the Audit Committee during the FY 2017-18 were accepted by the Board of Directors of the Company.

CEO / CFO CERTIFICATION

As required under SEBI (Listing Obligation and Disclosure Requirements), 2015, Vice Chairman & Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2018, which is annexed to this Report.

AUDITORS

Statutory Auditors and Auditors Report

The members of the Company had, at the 21st Annual General Meeting of the members of the Company held on 14 December 2017, approved the appointment of M/s. Singhi & Co., Chartered Accountants (FRN 302049E) as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 26th Annual General

Meeting, subject to ratification by members at every Annual General Meeting.

Subsequent to the enforcement of relevant provision of Companies Amendment Act, 2017, w.e.f 7th May, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

1. Attention is drawn to para 8 of the Independent Auditors Report regarding Basis for Qualified Opinion. The clarification of the same is provided in Note No. 18D of the Standalone Financial Statements for FY 2017-18.
2. Attention is drawn to para 10 of the Independent Auditors Report regarding Emphasis of Matter. The clarification of the same is provided in Note No. 38 of the Standalone Financial Statements for FY 2017-18.
3. Attention is drawn to para 8-10 of Annexure A to the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note No. 18D of the Standalone Financial Statements for FY 2017-18.
4. As regards para (iii) (b) and (c) of the Annexure B to the Independent Auditors Report , your Directors report that Ghotaringa Minerals Limited(GML), a subsidiary of the Company could not pay the interest of ₹ 3.40 million as at Balance Sheet date. The issue has been addressed in Note No. 18B of the Standalone Financial Statements for FY 2017-18.
5. The Auditors observation in para viii of the Annexure B to the Auditors report regarding dues to financial institution and banks aggregating ₹ 26413 million has been addressed in Note No. 18D of the Standalone Financial Statements for FY 2017-18.

Internal Auditors

In terms of the provisions of Section 138 of the Act, M/s. L B Jha & Company, an Independent Chartered Accountants were appointed as Internal Auditors of the Company for FY 2018-19. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, interalia, reviews the Internal Audit Report.

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 M/s. M K B & Associates, Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for FY 2017-18. 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 M/s. M K B & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2018-19.

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 Chrome and Sponge Iron) manufactured by the Company for the FY ending 31 March 2019. The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolutions seeking ratification to the remuneration of the said Cost Auditors are appearing in the Notice convening the 22nd AGM of the Company.

RISK MANAGEMENT

The speed and degree of changes 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.

The Company has formulated and implemented a risk management policy in accordance with Listing Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks.

In accordance with the policy, the risk associated with the Company's business is always reviewed by the management team and placed before the Audit Committee.

The Audit Committee reviews these risks on periodical basis and ensures that mitigation plans are in place. The Board is briefed about the identified risks and mitigation plans undertaken.

The risks faced by the Company are detailed in Management Discussion and Analysis Report forming part of this Annual Report.

In the opinion of the Board, as on date there are no material risks which may threaten the existence of the Company, except as stated in Management Discussion and Analysis Report forming part of this Annual Report.

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.

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee for their inputs and suggestions. The Audit Committee through Internal Auditor regularly reviews the system for cost control, financial controls, accounting controls, etc. to assess the adequacy and effectiveness of the internal control systems. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during FY 2017-18 were on an arm's length basis and in the ordinary course of business. No other Related Party Transactions were entered into by the Company during FY 2017-18 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 reviewed by M/s BSR & Co. LLP, Chartered Accountants for arm's length and in ordinary course of business 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.

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 2017-18 except those reported.

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 Statement.

HUMAN RESOURCES

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

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 (Particulars of Employees) Rules, 1975, as amended, and 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. 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 members of the Company in the Annual General Meeting held on 17 August, 2010, had approved an Employee Stock Option Scheme 2010 (the "ESOP Scheme 2010"), formulated by the Company, under which the Company could have issued 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. The Scheme had a 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 with exercise period of 3 years from the date of vesting. There were neither any vesting of ESOP nor any exercise of vesting of the ESOP Scheme 2010 during the tenancy of the Scheme and there will not be any further exercise of the vested options upon expiry of the scheme as on 4 February 2018. The particulars with regard to ESOP scheme as on 31 March 2018, 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.

DEPOSITS

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

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Regulation 17-23 of the Listing Regulation. 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 SEBI (Listing Obligation and Disclosure Requirements) 2015 is presented under a separate section titled "Management Discussion and Analysis" forming part of the Annual Report.

ANNUAL RETURN

Subsequent to the enforcement of the relevant provision of the Companies Amendment Act, 2017, the Annual Return in Form MGT 9 shall be available on the website of the Company, i.e. www.visasteel.com.

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.

During the year under review no person was denied access to the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee comprises of 3 (three) Directors. As on date, Mr. Vishal Agarwal is the Chairman of the CSR Committee.

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 www.visasteel.com.

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.

Detailed annexure as per Companies (CSR Policy) Rules, 2014 is attached as Annexure VI.

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 Remuneration policy of the Company. The Remuneration policy is available on the website of the Company www.visasteel.com.

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 FY 2017-18.

The Company has complied with provisions relating to the constitution of Internal Compliant Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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
(DIN 00121539)

Manoj Kumar
Wholetime Director designated as
Director (Kalinganagar)
(DIN 06823891)

Kolkata
6 August 2018

Annexure I to the Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2018

[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 our 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 our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, generally 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:

We 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, 2018, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The 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;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015

   c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

   e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

   f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

   g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

   h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

   a) The Legal Metrology Act, 2009 and Rules made there under

   b) The Orissa Electricity (Duty) Act, 1961 and Rules made there under

   c) The Static And Mobile Pressure Vessels (Unfired) Rules, 1981

   d) The Gas Cylinder Rules, 2004

   e) The Petroleum Act, 1934 and Rules made there under

   f) The Environment (Protection) Act, 1986

   g) The Air(Prevention and Control of Pollution) Act, 1981

   h) Orissa Air (Prevention & Control Of Pollution) Rules, 1983

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

a) The Secretarial Standards issued by The Institute of Company Secretaries of India.

b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We 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.

We further report that 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.

We further report that during the period under audit, the Company has passed the following special resolutions:

a) To increase the aggregate limit for investment by the Foreign Institutional Investors and Non Resident in Equity Share Capital of the Company.

b) Approval of related party transactions under section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under.

We further report that during the audit period the following Orders has been received by the Company:

(a) Withdrawn Order dated 3rd August, 2017 from the Hon'ble Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata for shifting of Registered Office from the State of Odisha to the State of West Bengal.

(b) Approval for Amalgamation of VISA Bao Limited with the Company from the Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated 12th October, 2017.

We further report that during the audit period the Company has issued and allotted 57,89,500 equity shares of face value of ₹ 10 each to the shareholders of the VISA Bao Limited, pursuant to the approval of the Scheme of the Amalgamation of the aforesaid company with the Company by the Hon'ble National Company Law Tribunal, Kolkata Bench.

We further report that two Schemes of Arrangement pursuant to Section 391/394 of the Companies Act, 1956 and corresponding sections of Companies Act, 2013, involving the Company were filed and are pending adjudication before the Hon'ble High Court, 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 being 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 being 31st March, 2014.

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

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 30.7.2018
Place: Kolkata

Annexure - I

To
The Members,
VISA STEEL LIMITED

Our 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. Our responsibility is to express an opinion on those records based on our audit.

2. We 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 we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we 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

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 30.7.2018
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 (Enterprises over which KMP or relative of KMP exercise significant influence); VISA Coke Limited (Enterprises over which KMP or relative of KMP exercise significant influence); VISA Minmetal Limited (Enterprises over which KMP or relative of KMP exercise significant influence)
(b)	Nature of contracts/arrangements/ transactions	:	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions
(c)	Duration of the contracts/arrangements/ transactions	:	As mutually agreed
(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

Note: *Details mentioned in the Notice of the 22nd Annual General Meeting.@ Date of the quarterly meetings of the Board of Directors of the Company are mentioned in the Corporate Governance Report for the year ended 31 March 2018.

Annexure III to the Directors' Report

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

A. CONSERVATION OF ENERGY

(I) Energy Conservation measures taken:

1. Installation of stave cooling system at Blast furnace to enhance refractory lining life and also to prevent production loss with reduction of coke rate.
2. Insulation of cold blast duct to prevent the temperature drop of cold blast which resulted into increase in cold blast temperature by 30^0C resulting increase in hot blast temperature equivalent to 3 Kg/ MT decrease in coke rate.
3. Usage of nut coke fines (size 5-8 mm) generated in the Blast Furnace resulting reduction in gross coke rate and increase in permeability of burden in side of furnace.
4. Bustle pipe and Hot blast main replacement along with the refractory for prevention of the heat losses and frequent shutdowns.
5. Implementation of 2.5 mm thick casing sheet in place of 3.14 mm for better baking of electrode and further reduction in the specific consumption of electrode carbon paste.
6. In SMS, ID Fan damper control switched to auto mode at the time of EBT tapping & closing which results up to 10 % motor loading for 10 minutes in each tapping i.e. around 245 kw power saving in a day for 9 heat.
7. Char & De-dust input as fuel in CFBC Boiler resulted in reduction of coal consumption as well as utilization of Char & De-dust produced from DRI Kilns.
8. PLC installation in DM Plant (CPP) enabling to run the equipment in auto mode based on the requirement only.
9. In DM Plant (CPP) a modification in process implemented as SBA unit regeneration by using DM water through MB regeneration pump (2.2 kW) in place of Degasser transfer pump (11 kW) resulting saving in auxiliary power consumption during SBA regeneration by 17.6 kWh.
10. Changing of Raisin in DM Plant (CPP) enhanced the OBR which result in saving of DM Water production hours and therefore energy saving occurs in each cycle of production
11. In the FY 17-18, around 536 kw energy saved per day(196 MW per year) by replacing different unit's lights, HPSV etc.
12. Insulation of 300 sq. meter area of steam line/boiler in CPP for preventing loss of steam enthalpy.
13. Combustor maintenance done of blast furnace waste heat recovery boiler (CPP) which has prevented the loss of 2.5 MWH generation by preventing the blast furnace flue gas loss.
14. During rainy to winter season cooling tower fan's blade angle reduced from 17.5 deg. to 14 deg resulting saving of 1.25 MW per day in auxiliary power consumtion in captive power plant.

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

1. FRP type blades replacement in 15 C.T. fans (4 in DRI, 6 in FECR and 5 in MBF) to reduce the auxiliary power consumption.
2. FRP type blades replacement in tube axial fans (16 no. for each) of FECR to save up to 800 MW annually (approx. 10 lac investment for each complex which can be payback in 2.4 years).
3. Arrangement for supply air duct and return from package air conditioner to CFBC ESP panel room which will remove two numbers of ACs (one window & one Split) permanently resulting saving of 26KW/day.

FORM B

Form for disclosure of particulars with respect to absorption.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

(I) Specific areas in which R&D was carried out by the Company:

1. Installation of pollution control measures like Dust extraction system at DRI, Blast Furnace and Ferrochrome, Slurry handling system at Blast Furnace and Fume extraction system at cast house of Blast furnace.
2. Up-gradation of PLC system in Blast Furnace.
3. Installation of AVGF (Auto valve less gravity filter) and Softner in the water circuit of staves, tuyere, tuyere coolers and stove valves.
4. Installation of cooling tower in the water cooling circuit of Gas Cleaning Plant.
5. Charging grid billet loading mechanism is changed by doing some logic modification, additional sensor mounting and mechanical structure design modification.

6. McLeod Gauge installed in Vacuum Degassing system for measuring low level of vacuum to improve the product quality
7. Modification in material handling of +15 mm Friable Chrome ore to inside the covered shed,
8. Implementation of bigger size pocket in segment installed in briquette plant.

(II) Benefits derived as a result of the above R&D :

1. 100 % clean environment for work and utilization of fines collected through the above said system in main operation process.
2. To enhance operational parameter control and ensure storing of the critical sequence of event for longer duration.
3. Prevention of chocking and burning of staves, tuyere, tuyere coolers and stove valves.
4. Separation of water vapour from blast furnace flue gas while getting it cleaned through the gas cleaning plant by lowering the temperature of blast furnace flue gas with the help of cold water which helps in condensation of water vapour and separation through the drip/seal pots.

   With the installation of GCP cooling tower lesser % of water vapour is going with the BFG to end users like stove, CPP and rolling mill.
5. Implementation of additional logic and equipment has prevented frequent breakdown related to civil foundation bolt due to heavy impact of billet free fall.
6. Quality of special steel has been improved also operation control has been optimized further improvement in yield.
7. Multiple handling of 15 mm friable chrome and further fines generation in the working area has been stopped.
8. Green briquette strength has been increased further fines generation due to less strength is reduced.

Future plan of action:

1. Installation of Sample Conveying system in EAF Platform to reduce heat processing time.
2. Up gradation of automation system for Furnace 3 & 4 to enhance operational parameter control, ensure storing of the critical sequence of event for longer duration and to prevent no production loss due to automation
3. Replacement of 20TPH shaft to 30tph in roller shaft assembly to reduce the running time of briquette plant.
4. Implementation of additional jigs Metal Recovery Plant-2 to achieve the rated capacity also processing of slag in set operation time

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Imported technology

2015-16	2016-17	2017-18
NIL	NIL	NIL

(b) Year of Import : Not Applicable

(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 therefore and future plan of action :
Sinter plant technology is under initial stage (yet to be installed).

TECHNOLOGY INNOVATION

Implementation of stave cooling system in Blast furnace by modification in existing system to get better refractory lining life and to prevent production loss due to change in refractory.

Annexure IV B to the Directors' Report

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 2017-18:

Sl. No.	Name of the Director	Ratio
	EXECUTIVE DIRECTORS	
1	Mr. Vishambhar Saran	45.47
2	Mr. Vishal Agarwal	47.34
3	Mr. Manoj Kumar	21.26
	INDEPENDENT DIRECTORS	
1	Mr. Kishore Kumar Mehrotra	0.52
2	Mr. Pratip Chaudhuri	0.36
3	Ms. Rupanjana De	0.42
4	Mr. Sheo Raj Rai	0.36
	NON – EXECUTIVE DIRECTORS	
1	Mr. Manas Kumar Nag	0.42

Note:

i. Mr. Sheo Raj Rai (DIN 07902184) has been appointed as an Additional Director (Non-Executive and Independent) on the Board of Directors of the Company w.e.f 8 August 2017.

ii. Ms. Rupanjana De (DIN 01560140) has been appointed as an Additional Director (Non-Executive, Independent Woman Director) on the Board of Directors of the Company w.e.f 26 August 2017.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year 2017-18: There has been no increase in the remuneration of the Director, Chief Financial Officer, Chief Executive Officer during the Financial Year 2017-18, except increase in remuneration (@ 10%) of Mr. Sudhir Kumar Banthiya, Company Secretary w.e.f. 1 January 2018.

3. The percentage increase in the median remuneration of employees in the financial year: 12% (approx).

4. The number of permanent employees on the rolls of the Company as on 31 March 2018:1150.

5. 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 2017-18 was 12% (approx).

6. 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 2018:

Sl. No	Particulars	Employee Stock Option Scheme 2010
(a)	Options granted	Options granted in the Financial Year 2016-17 – NIL Options granted in the Financial Year 2015-16 – NIL 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	NIL
(c)	Options exercised	NIL
(d)	The total number of Equity Shares arising as a result of exercise of option	Not applicable
(e)	Options lapsed	93,750
(f)	Exercise Price	₹ 46.30
(g)	Variation of terms of options	Not applicable
(h)	Money realised by exercise of options during the year (₹)	NIL
(i)	Total number of options in force	NIL
(j)	Employee wise details of options granted to;-	
	Key Managerial personnel the year;	NIL
	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
	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

Annexure VI to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

Sl. No	Particulars	Details
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has formulated a CSR policy as per the provisions of the Companies Act, 2013 to take up projects or programs relating to CSR activities as decided by the Corporate Social Responsibility Committee from time to time every year, as per the availability of CSR expenditure activities specified in Section 135 read with Schedule VI to the Companies Act 2013.
2	The Composition of the CSR Committee (as on 31.03.2018)	Mr. Vishal Agarwal Mr. Kishore Kumar Mehrotra Ms. Rupanjana De
3	Average net profit of the company for last three financial years	₹ (2,970) million
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NA
5	Details of CSR spent during the financial year.	
	a. Total amount to be spent for the financial year;	NA
	b. Amount unspent , if any;	NA
	c. Manner in which the amount spent during the financial year is detailed below.	NA
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	

Sd/-
Managing Director

Sd/-
Chairman
CSR Committee

Management Discussion and Analysis

OVERVIEW

During FY 2017-18, operational performance of the Company has been adversely impacted due to non-availability of working capital and high prices of vital raw material which have not moved correspondingly in tandem with the movement in product prices and has adversely affected the margins of the Company. During FY 2017-18, your Company has registered standalone Revenue of ₹ 16,315.52 million and EBITDA of ₹ 225.89 million.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Industry Overview

India is the 3rd largest Steel Producer in the World with production of 101.4 million tonnes in 2017 and is poised to become the 2nd Largest Steel Producer in the World with expected production of 110 million tonne in 2018. Meanwhile, the National Steel Policy of the Government of India aspires to achieve 300 million tonne of Steel making capacity by 2030 and seeks to increase consumption of Steel in major segments of infrastructure, automobiles, housing etc.

The recent USA-China Trade War is likely to trigger retaliatory tariffs and Steel volumes are expected to get diverted to Asian markets which will create pricing pressure on Steel products and may shift trade flows going forward. The disruptive technologies in Energy and Transportation are likely to have a significant impact on demand for Steel products. The ending validity of Iron Ore mines on 31 March 2020 is likely to trigger a deficit of 66 million tonnes of Iron Ore in Odisha.

India is ranked 4th in Global Ferro Chrome production with 1 million TPA production and contributes approx. 10% of Global Ferro Chrome output. India consumes over 4 million tonnes of Chrome Ore and contributes approx. 13% to total Global Chrome Ore production. There is going to be a period of huge uncertainty in supply of Chrome Ore for Ferro Chrome Producers without captive mines, after 31 March 2020 when leases of all non-captive mines will expire.

Company Overview

Your Company has established manufacturing assets for production of Special Steel and Ferro Alloys at Kalinganagar in Odisha.

BUSINESS REVIEW

Your Company is engaged in the manufacturing of products including Pig Iron, Sponge Iron, Steel and Ferro Alloys.

During the year under review, the operational performance and financial performance of your Company has been adversely affected mainly due to non-availability of working capital and non-disbursement of sanctioned facilities by lenders for operations. The Operations have also been affected due to non-availability of railway wagons for transportation of imported raw materials from the Port, high road transport rates and high prices of Iron Ore and Chrome Ore.

Products

(a) Ferro Alloys

The Company has achieved Ferro Chrome production of 115,020 MT in FY 2017-18 from 99,596 MT in FY 2016-17. The main raw material for Ferro Chrome is Chrome Ore & Chrome Concentrates which is being sourced mainly from OMC & Misrilal Mines. Ferro Chrome produced by your Company is sold to various Special and Stainless Steel Plants in India and globally.

OMC's Chrome Ore e-auction saw unprecedented increase in prices due to increase in number of participants and due to participation from Ferro Chrome producers having captive mines. The biggest concern for the Ferro Alloy business is the uncertainty in supply of Chrome Ore after 31 March 2020 when leases of all non-captive mines will expire.

(b) Special Steel

Production of Blast Furnace was 93,812 MT during FY 2017-18 compared to 162,815 MT in FY 2016-17. The production of Sponge Iron was 237,418 MT in FY 2017-18 compared to 251,290 MT in FY 2016-17. The production of Steel was 38,634 MT in FY 2017-18 compared to 53,206 MT in FY 2016-17.

The main raw material for Hot metal / Pig Iron is Iron Ore procured mainly from OMC and Metallurgical Coke procured mainly from VISA Coke Limited. The main raw material for DRI/Sponge Iron Plant is Iron Ore procured mainly from OMC and Thermal Coal procured through imports from South Africa.

During the year, the Scheme of Amalgamation of VISA Bao Limited (VBL) with your Company was approved by National Company Law Tribunal, Kolkata Bench vide order dated 12 October 2017 subsequent to which 57,89,500 Equity Shares of ₹ 10 each of your Company have been allotted to Baosteel Resources Co. Ltd, China (Baosteel) and Baosteel now holds 5% of the Equity Shares of your Company.

During the year, the Board of VISA SunCoke Limited (since renamed VISA Coke Limited) approved fund raising through issuance of new equity shares which was completed on 31 March 2018 consequent to which VISA Coke Limited ceased to be a Subsidiary of your Company.

STRATEGIC INITIATIVES

Transfer of Special Steel Business

The Board of Directors of your Company had approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, between your Company and VISA Special Steel Limited (VSSL), a subsidiary of your Company, and their respective shareholders and creditors, which inter alia, envisages transfer of Special Steel Business of your Company with all its assets and liabilities, into VSSL. The Appointed Date of the Scheme is 1 April 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature of Orissa at Cuttack or such other competent authority. The Scheme has been approved by the members of your 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. Meanwhile, due to continuous and persistent objections raised by one of the lenders namely HUDCO before the Hon'ble Orissa High Court, the sanction of the Scheme for transfer of VSL's Special Steel business into VSSL got indefinitely delayed, thereby resulting in serious breaches and violations of the terms of the Resolution Plan and your Company lost the opportunity to induct investor and infuse funds in VISA Special Steel Limited.

Meanwhile, there was a Notification dated 7 December 2016 by Ministry of Corporate Affairs due to which the above matter was to be transferred to National Company Law Tribunal, Kolkata Bench. However, this Notification was challenged through a writ petition by Orissa High Court Advocate's Bar Association and the Hon'ble Orissa High Court vide its order dated 10 February 2017 granted stay on transfer of cases to National Company Law Tribunal, Kolkata Bench.

The Scheme is still pending before the Hon'ble Orissa High Court and it is expected that once the Cuttack Bench of NCLT is functional, the Scheme shall be transferred to NCLT, Cuttack Bench for approval.

OPPORTUNITIES AND THREATS

Opportunities

India is the world's 3rd largest producer of Crude Steel and is expected to move to the 2nd position soon consequent to the Government's thrust on infrastructure creation and urban development. India has favourable demographic factors, which will result in higher demand for Steel products. The Government of India's policies focusing on "Make in India", "Smart Cities and Infrastructure", should benefit your Company.

Threats

Due to Global over capacity, mainly in China and the high production run rate of above 800 million tonnes, the Steel business environment remains extremely challenging. Due to low demand, non-availability of vital raw material at viable prices, shortage of working capital and delay in debt resolution of the Steel Companies, the Steel Sector in India remains under stress. There is going to be a period of huge uncertainty in supply of Iron Ore and Chrome Ore after 31 March 2020 when leases of all non-captive mines will expire.

The disruptive technologies including Electric Vehicles, Solar Energy, Battery Storage and Ride Hailing services are likely to increase average automobile asset utilisation rates and change consumer behaviour towards buying Cars thereby impacting automobile sales. The shift to Electric Vehicles from Internal Combustion Engine Vehicles will also impact the auto component industry. These factors shall impact demand for Steel products.

The long-term competitiveness of the Steel Industry in India will depend on the cost of doing business including regulatory costs, raw material costs, logistics costs for inbound and outbound transportation of raw material and finished goods, finance costs and also the availability of energy at competitive costs. We have seen significant increase in levies, duties and regulatory costs in India in the recent years and also high interest rates and infrastructural challenges especially in logistics. The port and rail infrastructure also 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 imported Coal.

Due to the filing of application by SBI in NCLT, there is panic among operational creditors whose financial support is necessary for Plant operations, without which there is a risk of Plant closure and agitation and law and order problems from workers.

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 that organisational objectives are achieved and your Company 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, non-availability of working capital 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 & 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. Your 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 your Company and also covers transit of all the incoming raw materials.

b) **Foreign Exchange –** Your Company deals in 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 Standalone Revenues of ₹16,315.52 million, an increase of 9% as compared to the previous year. The standalone EBITDA was ₹ 225.89 million.

Highlights (Standalone)

(₹ Million)

Particulars	2017-18	2016-17
Revenue from operations	16,315.52	14,950.48
Other Income	221.96	280.38
Total Income	**16,537.48**	**15,230.86**
Expenditure		
Raw Materials consumed	10,525.74	9,417.96
Purchase of Stock-in-trade	21.97	619.40
(Increase) / decrease in stock	465.06	(445.19)
Excise Duty	287.51	978.67
Employee Cost	741.51	640.42
Other expenses	4,269.80	3,576.01
Operating Profit	**225.89**	**443.59**
Finance Cost	273.34	365.88
Depreciation	1,408.73	1,504.26
Profit/(Loss) before Tax	**(1,456.18)**	**(1,426.55)**
Tax Expenses	-	-
Profit/(Loss) after Tax	**(1,456.18)**	**(1,426.55)**
Other Comprehensive Income	1.95	(2.33)
Total Comprehensive Income for the period	**(1,454.23)**	**(1,428.88)**

Sales & Other Income: Sales Revenue has increased with increase in sales volume of Ferro Chrome and improvement in price realisations of Ferro Chrome , Pig Iron and DRI.

Expenditure: The expenditure has increased with major increase in raw material prices and other expenses including Power cost and consumption in stores and consumables.

Finance Cost: Your Company did not provide interest on loan as per details mentioned in Note 18D of the Standalone Financial Statement.

Finance – Cash Flow & Borrowings

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of your Company and its management. The lenders have not disbursed sanctioned limits for operations and have adjusted the same with interest resulting in complete depletion of working capital and it now appears that the purported restructuring was to postpone the classification of the then existing loan as Non-Performing Asset without even considering its adverse effect on Plant operations and financial performance of your company.

The lenders have provided "holding on operations" status to your Company with monthly cut-back out of the sale proceeds. Your Company is regularly servicing the cut-back amount and has not defaulted therein. The monthly cut-back amount is presently being adjusted in the books of your Company with the principal amount of the loan. The cut-back amount has been much higher than the EBITDA which is adversely impacting operations and increasing the outstanding dues payable to operational creditors including Statutory dues. Your Company has been requesting lenders to reduce the cut-back to nil so that Plant operations do not suffer.

Your Company has reserved its right to claim losses suffered due to the actions and inactions of lenders including arising out of breaches and violations of contractual and other arrangements and such amount shall be claimed as a set-off against any dues.

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

Your Company has formulated a detailed Code of Conduct in order to practice ethical behaviour and sound conduct to establish the principles that guide our daily actions. Ethical conduct is the cornerstone of how your 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 your Company, as on 31 March 2018 was 1,182.

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 your Company's processes, systems and procedures ascertained during the course of their audit. Your 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. Your Company has appointed BSR & Co., a member firm of KPMG to report on arms length pricing policy and its compliance with the Companies Act, SEBI regulations on related party transaction. 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. Your Company has successfully migrated to cloud which will reduce the IT Cost and will also protect from data loss in case of hardware failure. 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 ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System) Certification by BSI (British Standards Institution). It has also 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 your Company a Global standing as a reputable supplier, improved risk management, ability to win more business and subsequently a wider spectrum of customer base.

Your Company has an adequate internal financial controls system over financial reporting and the same were operating effectively as at 31 March 2018 which have been audited and certified by the Statutory Auditors.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate, your Company is focused on the happiness of people living in its larger neighboring communities. Your Company's CSR team has directed its community development work in the areas of education, healthcare, rural development, sports & culture and your Company wishes to continue its support and focus on these issues. The team has taken special initiatives to promote "Swachhata Hi Seva" movement on Gandhi Jayanti and distribute Diyas to under privileged families during Diwali.

HEALTH AND SAFETY

Your 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

The USA-China Trade War and volatility in exchange rates will result in Global macro headwinds which will also impact the Steel Sector. The uncertainty in supply of Iron Ore and Chrome Ore after 31 March 2020 when leases of all non-captive mines will expire, and emergence of various disruptive technologies in the Automobile Sector are also areas of concern and will remain a challenge for your Company going forward.

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.

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 oversights 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 fulfill its overall responsibilities and to provide the Management with strategic direction needed to create long-term shareholder value. The Company always endeavors 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.

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.

- **Composition of the Board as on 31 March 2018**

The Composition of the Board of Directors of the Company is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. The Company has a judicious mix of Executive, Non-Executive and Independent Directors on its Board. As on 31 March 2018, the Board comprised of eight members, out of which eight members, four members are Independent Directors including one Woman Director, one member is Nominee Director and three members are Executive Directors.

The Chairman is the Executive Director of the Board. An Independent Director is the Chairman of the following Board Committees except Corporate Social Responsibility Committee:

a. Audit Committee;
b. Nomination and Remuneration Committee;
c. Stakeholders Relationship Committee and
d. Finance and Banking Committee

Name of the Directors and DIN	Category	No. of Board Meetings attended	Attendance at AGM	No. of Directorship held in other Companies1	No. of Chairmanship/ Membership in Committees2
Mr. Vishambhar Saran 00121501	Promoter Executive Chairman	6	Yes	7	Member - 1 Chairman - 0
Mr. Vishal Agarwal 00121539	Promoter Vice Chairman & Managing Director	6	Yes	7	Member - 2 Chairman -1
Mr. Kishore Kumar Mehrotra 02894045	Independent Non-Executive	6	Yes	1	Member - 3 Chairman - 1
Mr. Pratip Chaudhuri 00915201	Independent Non-Executive	4	No	9	Member - 7 Chairman - 5
Ms. Rupanjana De 01560140	Independent Non-Executive	4	No	8	Member - 4 Chairperson -0
Mr. Sheo Raj Rai 07902184	Independent Non-Executive	4	No	0	Member - 1 Chairman -0
Mr. Manas Kumar Nag 02058292	Nominee Director Non-Executive	5	No	1	Member - 0 Chairman -0
Mr. Manoj Kumar 06823891	Executive Director	5	Yes	2	Member – 0 Chairman – 0

Note:

1. This excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013.
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. Debi Prasad Bagchi (DIN 00061648) ceased to be the Director of the Company w.e.f. 21 April 2017.
4. Ms. Puja Sondhi (DIN 06592082) ceased to be the Director of the Company w.e.f 9 May 2017.
5. Ms. Ramya Hariharan (DIN 06928511) was appointed as an Additional Director (Non-Executive, Independent Woman Director) on the Board of Director of the Company w.e.f 19 May 2017 and resigned w.e.f. 26 August 2017.
6. Mr. Sheo Raj Rai (DIN 07902184) has been appointed as an Additional Director (Non-Executive and Independent) on the Board of Directors of the Company w.e.f 8 August 2017.
7. Ms. Rupanjana De (DIN 01560140) has been appointed as an Additional Director (Non-Executive, Independent Woman Director) on the Board of Director of the Company w.e.f 26 August 2017.
8. Mr. Manas Kumar Nag is the nominee director of State Bank of India (Lender).
9. Mr. Kishore Kumar Mehrotra (DIN 02894045) has resigned w.e.f. 11 July 2018.

During the year under review, 6 (Six) Board Meetings were held on the following dates: 26 May 2017; 14 August 2017; 24 October 2017; 9 November 2017; 13 November 2017 and 14 February 2018.

Mr. Vishambhar Saran and Mr. Vishal Agarwal are related to each other in terms of clause 77 of Section 2 of the Companies Act, 2013 read with the applicable Rules made thereunder.

The Non-Executive Directors of the Company does not hold any shares/ convertible instruments in the Company.

The detail of familiarization program imparted to Independent Directors is disclosed in the following Web link of the Company: http://www.visasteel.com/investors/pdf/familiarization-programme.pdf.

Details of Remuneration paid to Board of Directors

Name of the Director	Sitting Fees paid1 (₹)	Total payments paid / payable in 2017-18 (₹)
Mr. Pratip Chaudhuri	270,000	270,000
Mr. Kishore Kumar Mehrotra	370,000	370,000
Mr. Manas Kumar Nag	160,000	160,000
Ms. Rupanjana De	160,000	160,000
Mr. Sheo Raj Rai	200,000	200,000
Ms. Ramya Hariharan	10,000	10,000
Total	**1,170,000**	**1,170,000**

Note:

1. Sitting fees were paid @ ₹ 20,000 per Board Meeting and ₹ 10,000 per Committee Meeting i.e Audit, Stakeholders Relationship and Nomination & Remuneration Committee(s). On 14 August 2017, the sitting fees was reviewed and the Directors were paid @ ₹ 40,000 per Board Meeting and ₹ 20,000 per Committee Meeting, i.e. Audit, Stakeholders Relationship and Nomination and Remuneration Committee(s).

2. No stock options have been granted during the year to any of the Directors.

3. During the financial year 2017-18, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company apart from the above.

4. The criteria of making payment to the Non-Executive Directors are as and when decided by the Board of Directors/ Nomination and Remuneration Committee. For the financial year 2017-18, the Company paid only sitting fees to the Non-Executive Directors.

B. Executive Directors

			Remuneration paid during 2017-18			
Name of the Director	**Relationship with other Directors**	**Business relationship with the Company, if any**	**All elements of remuneration package, i.e. salary, benefits, bonuses etc.**	**Fixed component & performance linked incentives, along with performance criteria**	**Service contracts, notice period, severance fee**	**Stock option details, if any**
Mr. Vishambhar Saran	See Note (a)	Whole time Director designated as Chairman	₹ 17.46 Mn	See note (b)	See note (c)	See note (d)
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	₹ 18.17 Mn	See note (b)	See note (c)	See note (d)
Mr. Manoj Kumar	See Note (a)	Whole time Director designated as Director (Kalinganagar)	₹ 8.58 Mn	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. Mr. Manoj Kumar, Whole time Director designated as Director (Kalinganagar) is entitled to Performance Bonus of ₹ 792,000. The Company has internal norms for assessing performance of its Executive Directors which is done by the Boards.

(c) Mr. Vishambhar Saran was reappointed as Whole time Director designated as Chairman of the Company for a period of 5 years with effect from 15 December 2016. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

Mr. Vishal Agarwal was reappointed as Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 25 June 2017. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

Mr. Manoj Kumar was appointed as the Whole time Director designated as Director (Kalinganagar) of the Company for a period of 3 years with effect from 15 September 2015 Mr. Kumar's term has been further extended for a period of 3 years w.e.f. 15 September 2018. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

(d) Mr. Vishambhar Saran and Mr. Vishal Agarwal, being the Promoter Directors of the Company are not eligible for grant of Options under the ESOP Scheme 2010 of the Company. Other Executive Directors have not exercised their right of Options.

II. BOARD COMMITTEES

- **Audit Committee**

The Audit Committee comprises of 3 Non-Executive Independent Directors. Details are given under as on 31 March 2018:

Mr. Kishore Kumar Mehrotra, Chairman	- Independent Director
Mr. Sheo Raj Rai, Member	- Independent Director
Mr. Pratip Chaudhuri, Member	- 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 of Section 177 of the Companies Act, 2013 and Regulation 18 read with applicable Schedule of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR))

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 2017-18, the Committee met 6 (Six) times on - 26 May 2017, 14 August 2017, 24 October 2017, 9 November 2017, 13 November 2017 and 14 February 2018. The details of attendance by the Committee Members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Ms. Ramya Hariharan*	6	1
Mr. Sheo Raj Rai	6	3
Mr. Pratip Chaudhuri	6	4
Mr. Kishore Kumar Mehrotra	6	6

Note:
*Ms. Ramya Hariharan (DIN 06928511) ceased to be the Director of the Company w.e.f. 26 August 2017. The committee was suitably reconstituted and Mr. Sheo Raj Rai (DIN 07902184) was appointed w.e.f 8 August 2017 as the member of the Audit Committee .

Mr. Debi Prasad Bagchi (DIN 00061648) ceased to be the Director of the Company w.e.f. 21 April 2017. The Committee was reconstituted and Ms. Ramya Hariharan (DIN 06928511) was appointed w.e.f 19 May 2017 as the member of the Audit Committee.

Mr. Kishore Kumar Mehrotra ceased to be the Director of the Company w.e.f. 11 July 2018 and Ms. Rupanjana De has been appointed as the Chairperson of the Audit Committee w.e.f. 26 July 2018.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 14 December 2017.

- **Stakeholders Relationship Committee**

The composition, powers, role and terms of reference of the Committee are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with applicable Schedule of SEBI (LODR).

The Stakeholders Relationship Committee comprises of the following Directors as on 31 March 2018:

Mr. Pratip Chaudhuri, Chairman	- Independent Director
Mr. Vishal Agarwal, Member	- Vice Chairman & Managing Director
Mr. Kishore Kumar Mehrotra, Member	- 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 2018, 95% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the Stock Exchanges in the dematerialised form. As on 24 October 2017, 57,89,500 fully paid Equity Shares of ₹ 10/- have been allotted to Baosteel Resources Co. Ltd., China pursuant to the order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench in lieu of which 5% of the Company's shares are in physical form.

Particulars	Status
Number of shareholders' complaints received so far	3
Number of shareholders' complaints not solved to the satisfaction of shareholders	NIL
Number of shareholders' pending complaints	NIL

During the financial year 2017-18, the Committee met 4 (Four) times on 26 May 2017, 14 August 2017, 13 November 2017 and 14 February 2018. The details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Kishore Kumar Mehrotra	4	4
Mr. Vishal Agarwal	4	4
Mr. Pratip Chaudhari	4	3

Mr. Kishore Kumar Mehrotra ceased to be the Director of the Company w.e.f. 11 July 2018 and Ms. Rupanjana De has been appointed as the member of the Stakeholders Relationship Committee w.e.f. 26 July 2018.

- **Nomination and Remuneration Committee**

The composition, powers, role and terms of reference of the Committee are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with applicable Schedule of SEBI (LODR).

- Mr. Pratip Chaudhuri, Chairman - Independent Director
- Ms. Rupanjana De, Member - Independent Director
- Mr. Kishore Kumar Mehrotra, Member - Independent Director

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.

During the financial year 2017-18, the Committee met 1 (One) time on 14 August 2017. The details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Pratip Chaudhari	1	1
Ms. Ramya Hariharan*	1	-
Mr. Kishore Kumar Mehrotra	1	1
Ms. Rupanjana De	1	-

Mr. Debi Prasad Bagchi (DIN 00061648) ceased to be the Director w.e.f. 21 April 2017. The Committee was reconstituted and Ms. Ramya Hariharan (DIN 06928511) was appointed w.e.f 19 May 2017 as the member of the Nomination and Remuneration Committee.

*Ms. Ramya Hariharan (DIN 06928511) ceased to be the Director of the Company w.e.f 26 August 2017. The Committee was reconstituted and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f. 26 August 2017 as the member of the Nomination and Remuneration Committee.

Mr. Kishore Kumar Mehrotra ceased to be the Director of the Company w.e.f. 11 July 2018 and Ms. Rupanjana De has been appointed as the member of the Nomination & Remuneration Committee w.e.f. 26 July 2018.

Performance evaluation criteria

The Company has in place a Remuneration Policy adopted in terms of the provisions of the Companies Act, 2013. The Board of Directors carried out an annual evaluation of its own performance and that of its Committees and individual Directors including the criteria of independence of the Independent Directors, in line with the Policy, requirements of the Companies Act, 2013 and SEBI (LODR). The Remuneration Policy of the Company is available at www.visasteel.com.

The Nomination and Remuneration Committee also reviewed the performance of the individual Directors. A separate Meeting of the Independent Directors of the Company was also held, wherein, the Independent Directors evaluated the performance of the Board as a whole and non - Independent Directors of the Company.

- **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 CSR Policy of the Company and the activities included in the Policy.

The Committee comprises of the following Directors as on 31 March 2018:

Mr. Vishal Agarwal, Chairman	-	Vice Chairman & Managing Director
Mr. Kishore Kumar Mehrotra, Member	-	Independent Director
Ms. Rupanjana De, Member	-	Independent Director

The CSR Policy is available on the website of the Company (www.visasteel.com) and also forms part of the Board's Report.

Note:
Ms. Puja Sondhi (DIN 06592082) ceased to be the Director of the Company w.e.f. 9 May 2017, the committee was suitably reconstituted and Ms. Ramya Hariharan (DIN 06928511) was appointed w.e.f. 19 May 2017 as the member of the Corporate Social Responsibility Committee.

Ms. Ramya Hariharan (DIN 06928511) ceased to be the Director of the Company w.e.f 26 August 2017 and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f 26 August 2017 as the member of the Corporate Social Responsibility Committee.

Mr. Kishore Kumar Mehrotra ceased to be the Director of the Company w.e.f. 11 July 2018 and Mr. Manoj Kumar has been appointed as the member of the Corporate Social Responsibility Committee w.e.f. 26 July 2018.

The CSR policy of the Company is available on the website at http://www.visasteel.com/code-policies/csr-policy.pdf.

During the financial year 2017-18, 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 applicable Rules made thereunder, are detailed in the Annual Report.

- **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 2018:

Mr. Pratip Chaudhuri, Chairman	-	Independent Director
Mr. Vishal Agarwal, Member	-	Vice Chairman & Managing Director
Ms. Rupanjana De, Member	-	Independent Director

Ms. Puja Sondhi (DIN 06592082) ceased to be the Director of the Company w.e.f. 9 May 2017, the Committee was reconstituted and Ms. Ramya Hariharan (DIN 06928511) was appointed w.e.f 19 May 2017 as the member of the Finance & Banking Committee.

Ms. Ramya Hariharan (DIN 06928511) ceased to be the Director of the Company w.e.f 26 August 2017 and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f 26 August 2017 as the member of the Finance & Banking Committee.

During the financial year 2017-18, the Committee did not meet.

III. SUBSIDIARY COMPANIES

The Company has 5 (Five) subsidiaries including indirect subsidiaries, as on 31 March 2018:
Kalinganagar Special Steel Private Limited
VISA Ferro Chrome Limited
VISA Special Steel Limited
Ghotaringa Minerals Limited (under CIRP)
Kalinganagar Chrome Private Limited

Note:
Pursuant to the Scheme of Amalgamation and order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench dated 12 October 2017, VISA Bao Limited (VBL) amalgamated with VISA Steel Limited with an exchange ratio of 5,789,500 Shares of VISA Steel Limited against 31,850,000 Shares of VISA BAO Limited.

VISA SunCoke Limited (VSCL) ceased to be a subsidiary w.e.f. 31 March 2018.

During the year under review, the following has been duly complied with in accordance with the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:

- Mr. Kishore Kumar Mehrotra, an Independent Director on the Board of Directors of the Company was an Independent Director on the Board of Directors of VBL (amalgamated with the Company as on 17 October 2017) and VSCL (subsidiary upto 30 March 2018).
- The Audit Committee reviewed 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 were placed before the Board of Directors of the Company for their review.

The Company had formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at: www.visasteel.com.

Means of communication

Quarterly results	-	Posted on our website www.visasteel.com
Newspapers normally published in	-	One English Language National Daily One daily published in Oriya Language
Any website, where displayed	-	www.visasteel.com
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 Standalone and 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.

General Body Meetings

Location and time, where last three AGMs were held and the Special Resolutions passed there at:

Year	Location	Date	Time	Special Resolutions passed
2016 - 2017	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	14 December 2017	12.00 PM	1. To increase the remuneration payable to Mr. Manoj Kumar (DIN: 06823891) as the Wholetime Director designated as Director (Kalinganagar). 2. To approve Related Party Transaction.
2015 - 2016	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	28 December 2016	11.00 AM	1. To appoint Mr. Vishambhar Saran (DIN 00121501) as the Whole time Director designated as Chairman. 2. To appoint Mr. Vishal Agarwal (DIN 00121539) as the Vice Chairman & Managing Director. 3. To approve Related Party Transaction.
2014 - 2015	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	28 December 2015	12.30 PM	1. To appoint of Mr. Manoj Kumar Digga (DIN 01090626) as the Whole time Director designated as Director (Finance) & Chief Financial Officer. 2. To appoint Mr. Manoj Kumar (DIN 06823891) as the Whole time Director designated as Director (Kalinganagar)

Postal Ballot

- Whether resolutions were put through postal ballot last year: Yes
- One resolution had been passed through postal ballot on 20 September 2017 in regard to the following:
  - Increase the aggregate limit for investment by the Foreign Institutional Investors and Non Resident Indians in Equity Share Capital of the Company.
- Person who conducted the postal ballot exercise: Karvy Computershare Private Limited
- Procedure of postal Ballot: Remote E- voting & Physical Ballot.
- Whether any Special Resolution is proposed to be conducted through postal ballot: No

General Shareholder Information

A) ANNUAL GENERAL MEETING FOR CURRENT FY

Date	:	29 September 2018
Time	:	1200 Hours
Venue	:	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751009

B) FINANCIAL YEAR : April to March.

C) DIVIDEND PAYMENT DATE : The Company did not declare any dividend during the FY 2017 - 18.

D) THE NAME AND ADDRESS OF THE STOCK EXCHANGE(S) AT WHICH THE LISTED ENTITY'S SECURITIES ARE LISTED AND A CONFIRMATION ABOUT PAYMENT OF ANNUAL LISTING FEE TO EACH OF SUCH STOCK EXCHANGE:

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Scrip Symbol - VISASTEEL

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code – 532721

CIN of the Company – L51109OR1996PLC004601

The ISIN No. of the Company – INE286H01012

Listings fees have been paid to the Stock Exchanges for the financial year 2018 - 19.

E) MARKET PRICE DATA

	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
	(₹)		(₹)	
Apr-17	23.25	20.95	23.45	20.80
May-17	30.20	21.00	30.10	21.55
Jun-17	26.40	22.65	26.50	22.65
Jul-17	24.20	21.60	23.95	21.65
Aug-17	23.05	16.50	23.00	14.65
Sep-17	20.60	16.00	20.15	16.50
Oct-17	28.00	14.55	28.25	16.25
Nov-17	21.90	17.20	21.95	17.20
Dec-17	20.25	17.50	20.40	17.25
Jan-18	22.80	18.15	23.65	18.60
Feb-18	20.10	17.30	19.60	17.20
Mar-18	19.85	13.30	18.90	13.50

F) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICIES SUCH AS BSE SENSEX, CRISIL INDEX ETC.

Financial Year	NSE CNX NIFTY		BSE SENSEX	
	Change in VSL share price	Change in Nifty	Change in VSL share price	Change in SENSEX
2017 - 18	(35.88)	9.69	(34.19)	10.86

G) IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF : Not Applicable

H) REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS :

Karvy Computershare Private Limited
Unit: VISA Steel Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel: + 91 40 67162222,
Fax: + 91 40 23001153
Email: einward.ris@karvy.com
Website: www.karvy.com

I) SHARE TRANSFER SYSTEM

The Board of Directors have delegated powers to the Registrar & Share Transfer Agent 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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.

J) DISTRIBUTION OF SHAREHOLDING

No. of equity shares held	2018				2017			
	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 – 5000	14,695	81.14	2,443,515	2.11	15,015	82.05	2,485,067	2.26
5001 – 10000	1,981	10.94	1,532,189	1.32	1,963	10.73	1,504,907	1.37
10001 – 20000	845	4.67	1,259,709	1.09	797	4.36	1,173,217	1.07
20001 – 30000	203	1.12	530,694	0.46	180	0.98	469,594	0.43
30001 – 40000	89	0.49	324,319	0.28	74	0.40	263,305	0.24
40001 – 50000	92	0.51	442,050	0.38	97	0.53	460,720	0.42
50001 – 100000	116	0.64	894,648	0.77	95	0.52	7,244,853	0.66
100001 and above	89	0.49	108,362,376	93.57	78	0.42	102,918,337	93.56
Total	**18,110**	**100.00**	**115,789,500**	**100.00**	**18,299**	**100.00**	**110,000,000**	**100.00**

K) DEMATERIALIZATION OF SHARES AND LIQUIDITY : 95% of Equity Shares of the Company are in dematerialized form and 5% of Equity Shares of the Company are in physical form as on 31 March 2018.

L) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY : Not Applicable

M) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES : Not Applicable

N) PLANT LOCATIONS

Kalinganagar
Kalinganagar Industrial Complex
P.O. Jakhapura
Jajpur - 755026
Odisha
Tel: +91 6726 242 441/444
Fax: +91 6726 242 442

The Company has designated an Email-ID exclusively for registering complaints by investors and investors can reach the Company at cs@visasteel.com

- **Other Disclosures**

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

All transactions entered into with related parties as defined under the Companies Act, 2013 and provisions 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. Further, all the materially significant related party transactions are displayed in Note no. 49 of the Audited Financial Statement for the financial year ended 31 March 2018.

b) Structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Not Applicable

c) Details of establishment of vigil mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee:

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.

Further, the Company affirms that personnel have not been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

e) Web link where policy for determining material subsidiaries is disclosed

http://www.visasteel.com/code-policies/related-party-transactions-policy-and-policy-for-determining-material-subsidiaries.pdf

f) Web link where policy on dealing with related party transactions

http://www.visasteel.com/code-policies/related-party-transactions-policy-and-policy-for-determining-material-subsidaries.pdf

g) Disclosure of commodity price risks and commodity hedging activities:

Not Applicable

h) Disclosure of Accounting Treatment

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

i) Management

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

j) CEO and CFO Certification

As required by Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have given Compliance Certificate to the Board of the Directors.

k) Disclosure with respect to demat suspense account/ unclaimed suspense account

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:

No. of cases	No. of Shares held
14	4055

- number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **NIL**
- number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
- number of shares transferred to IEPF

No. of cases	No. of Shares held
11	3182

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:

No. of cases	No. of Shares held
3	873

- The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

l) Code of Conduct

The Board of Directors had adopted a Code of Conduct for the members of the Board, Committees and Senior Management of the Company and also for Independent Directors.

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. All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration signed by the Vice Chairman & Managing Director is given below:

DECLARATION

In compliance with the requirements of the Regulation 26(3) of Listing Regulations, 2015 this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31 March 2018.

For VISA Steel Limited
Vishal Agarwal
Vice Chairman & Managing Director
(DIN 00121539)

Place: Kolkata
Date: 2 May 2018

- **ADOPTION AND COMPLIANCE OF DISCRETIONARY/NON MANDATORY REQUIREMENTS:**

  The Board
  The Company has an Executive Chairman and the expenses of his office incurred during the performance of his duties are borne by the Company.

  Shareholders Rights
  The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website www.visasteel.com. Therefore no individual communication is sent to Shareholders on the quarterly and half yearly financial results. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the Shareholders.

  Modified opinion in Audit Report
  The modified opinion in the Independent Audit Report in the Financial Statement for the Financial Year 2017-18 forms integral part of this Annual Report. Refer page no. 49 for details.

  Separate posts of chairperson and chief executive officer
  The Company has separate post of Chairman and Managing Director.

  Reporting of Internal Auditor
  The Internal Auditor report directly to the Audit Committee.

CEO / CFO Certification to the Board

The Board of Directors
VISA Steel Limited
Kolkata 700 027

2 May 2018

Pursuant to the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Vishal Agarwal, Vice Chairman & Managing Director and Manoj Kumar Digga, Wholetime Director designated as Director (Finance) & Chief Financial Officer, hereby certify that:

(a) we have reviewed financial statements and the cash flow statement for the year 2017-18 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.

Sd/-
Vishal Agarwal
Vice Chairman & Managing Director

Sd/-
Manoj Kumar Digga
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF VISA STEEL LIMITED.

1. We have examined the compliance of conditions of Corporate Governance by Visa Steel Limited ("the Company"), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2018.

8. 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.

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

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Date: August 6, 2018

Independent Auditors' Report

TO THE MEMBERS OF VISA STEEL LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Standalone Ind AS Financial Statements of VISA Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

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

5. We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, in cluding the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS financial statements.

Basis for Qualified Opinion

8. *We draw your attention to Note 18D to the Standalone Ind AS Financial Statements with regard to non-recognition of interest expense amounting to 7,715.51 Million which includes ₹ 3,874.55 Million for FY-2017-18 and ₹ 3,840.96 Million for FY-2016-17 on the borrowings of the Company which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.*

   Had the aforesaid interest expense been recognised, Finance costs for the year ended March 31, 2018 would have been ₹ 4,147.89 Million instead of the reported amount of ₹ 273.34 Million; Total Expenses for the year ended March 31, 2018 would have been ₹ 21,868.21 Million instead of ₹ 17,993.66 Million; Net Loss after tax for the year ended March 31, 2018 would have been ₹ 5,330.73

Independent Auditors' Report

Million instead of the reported amount of ₹ 1,456.18 Million; Total Comprehensive Income for year ended March 31, 2018 would have been ₹ (5328.78) Million instead of the reported amount of ₹ (1,454.23) Million and Loss Per Share for the year ended March 31, 2018 would have been ₹ 47.37 instead of the reported amount of ₹ 12.94. Other Equity and Other Current Financial Liabilities as at March 31, 2018 would have been ₹ (16,806.95) Million and ₹ 26,015.34 Million instead of the reported amount of ₹ (9,091.44) Million and ₹ 18,299.83 Million respectively.

The unprovided interest amount reported above has been recalculated retrospectively from April 1, 2016 at simple interest instead of compound interest considered till March 31, 2017.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 8 above, 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, 2018, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 38 to the standalone Ind AS financial statements, regarding the preparation of the same on going concern basis, consequently assets and liabilities are being carried at their book value and impairment assessment in this regard is in progress. The Company has incurred a net loss during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeds its current assets and the Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

Other Matter

11. Attention is drawn to the fact that the comparative figure for the year ended March 31, 2017 are based on the previously issued standalone financial statement, prepared in accordance with the Ind AS, that were audited by the erstwhile Auditor. The audit report dated November 9, 2017 on the audited standalone financial statement of the Company for the year ended March 31, 2017 issued by predecessor auditor expressed a qualified opinion.

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

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. As required by Section 143 (3) of the Act, based on our audit, 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.

    (b) In our opinion, except for the matter referred to in paragraph 8 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, except for the matter referred to in paragraph 8 above, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) The matter mentioned in paragraph 10 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report

(g) With reference to maintenance of accounts and other matters connected therewith, reference is drawn to our comment in paragraph 13 (b) above.

(h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(i) 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, as amended, 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, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 36A.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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 Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E
Pradeep Kumar Singhi
Partner
Membership Number 50773

Place : Kolkata
Date : May 02, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (h) of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of VISA Steel Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (h) of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements for the year ended March 31, 2018.

Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2018:

   The Company's internal financial controls relating to application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 18D to the standalone Ind AS financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Visa Steel Limited, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the March 2018 standalone financial statements of Visa Steel Limited and this report affect our report dated May 02, 2018, which expressed a qualified opinion on those financial statements.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E
Pradeep Kumar Singhi
Partner
Membership Number 50773

Place : Kolkata
Date : May 02, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

We report that :

i. In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3A on fixed assets to the standalone Ind AS financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any other secured/ unsecured loans to firms /Limited Liability Partnerships/ other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loan, an amount aggregating ₹ 3.40 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.

(c) In respect of the aforesaid loan, the total amount overdue for more than ninety days as at March 31, 2018 is ₹ 3.33 Million. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amount and interest thereon.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, 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.

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of excise and goods and services tax, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, service tax and income tax, 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, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at March 31, 2018 for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Due Date	Date of Payment
Central Excise Act, 1944	Penalty	1.52	Nov-14	6-Dec-14	Not yet paid
Central Excise Act, 1944	Penalty	0.53	Dec-14	6-Jan-15	Not yet paid
Central Excise Act, 1944	Penalty	1.36	Jan-15	6-Feb-15	Not yet paid
Central Excise Act, 1944	Penalty	0.54	Feb-15	6-Mar-15	Not yet paid
Central Excise Act, 1944	Penalty	0.99	Mar-15	31-Mar-15	Not yet paid
Central Excise Act, 1944	Penalty	0.63	Apr-15	6-May-15	Not yet paid
Central Excise Act, 1944	Penalty	1.35	May-15	6-Jun-15	Not yet paid
Central Excise Act, 1944	Penalty	1.19	Jun-15	6-Jul-15	Not yet paid
Central Excise Act, 1944	Penalty	1.31	Jul-15	6-Aug-15	Not yet paid
Central Excise Act, 1944	Penalty	0.31	Aug-15	6-Sep-15	Not yet paid
Central Excise Act, 1944	Penalty	0.08	Sep-15	6-Oct-15	Not yet paid
Central Excise Act, 1944	Penalty	0.26	Oct-15	6-Nov-15	Not yet paid
Central Excise Act, 1944	Penalty	0.20	Apr-17	6-May-17	Not yet Paid
Central Excise Act, 1944	Penalty	0.20	Apr-17	6-May-17	Not yet Paid
Central Excise Act, 1944	Penalty	0.30	May-17	6-Jun-17	Not yet Paid
Central Excise Act, 1944	Penalty	3.20	May-17	6-Jun-17	Not yet Paid
Central Excise Act, 1944	Tax Payable	32.00	May-17	6-Jun-17	Not yet Paid
Central Excise Act, 1944	Interest	0.36	Dec-16	6-Jan-17	Not yet Paid
Central Excise Act, 1944	Interest	0.06	Jan-17	6-Feb-17	Not yet Paid
Central Excise Act, 1944	Interest	0.02	Jan-17	6-Feb-17	Not yet Paid
Central Excise Act, 1944	Interest	0.19	Jan-17	6-Feb-17	Not yet Paid
Central Excise Act, 1944	Interest	0.20	Jan-17	6-Feb-17	Not yet Paid
Central Excise Act, 1944	Interest	0.23	Jan-17	6-Feb-17	Not yet Paid
Central Excise Act, 1944	Interest	0.01	Feb-17	6-Mar-17	Not yet Paid
Central Excise Act, 1944	Interest	0.05	Mar-17	31-Mar-17	Not yet Paid
Central Excise Act, 1944	Interest	0.07	Mar-17	31-Mar-17	Not yet Paid
Central Excise Act, 1944	Interest	0.25	Apr-17	6-May-17	Not yet Paid
Central Excise Act, 1944	Interest	0.24	Apr-17	6-May-17	Not yet Paid
Central Excise Act, 1944	Interest	0.25	Apr-17	6-May-17	Not yet Paid
Central Excise Act, 1944	Interest	0.26	May-17	6-Jun-17	Not yet Paid
Central Excise Act, 1944	Interest	3.92	May-17	6-Jun-17	Not yet Paid
Goods & Service tax, 2017	Interest	6.93	Aug-17	20-Sep-17	Not yet Paid

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

as follows:

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.66	Assessment Year 2006-07	Hon'ble high court of Kolkata
Income Tax Act, 1961	Income Tax	45.07	Assessment Year 2004-05	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	3.65	Assessment Year 2011-12	The Commissioner of Income Tax Appeals, Kolkata
Central Excise Act, 1944	Duty of Excise	10.46	Financial Year 2008-09 to 2010-11	Custom,Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Duty of Excise	5.01	Financial Year 2012-13 to 2013-14	Commissioner Appeals, Bhubaneshwar
Service Tax under Finance Act, 1994	Service Tax	39.02	Financial Year 2011-12 to 2014-15	Commissioner CGST & Central Excise and Customs
Service Tax under Finance Act, 1994	Service Tax	15.61	Financial Year 2010-11 to 2011-12	Commissioner of Central Excise (Appeals)
Duty of Customs	Custom Duty	10.23	Financial Year 2011-12	Commissioner Appeals, Bhubaneshwar
Duty of Customs	Custom Duty	11.71	Financial Year 2012-13	Custom,Excise & Service Tax Appellate Tribunal, Kolkata
Central Sales Tax Act,1956	Central Sales Tax	0.02	Financial Year 1999-2000	Sales tax Tribunal, Orissa
Central Sales Tax Act,1956	Central Sales Tax	1.91	Financial Year 2011-12	Joint Commissioner Appeals, Jajpur Road
Central Sales Tax Act,1956	Central Sales Tax	111.80	Financial Year 2007-08 to 2009-10	High Court of Odisha
Central Sales Tax Act,1956	Central Sales Tax	42.33	Financial Year 2006-07	The Revision Board
Odisha Value Added Tax Act, 2005	Odisha VAT	0.02	Financial Year 2013-14 & 2014-15	Additional Commisioner of Commercial Taxes, Cuttack
West Bengal Central Sales Tax Act,1956	WB VAT	0.31	Financial Year 2010-11	The Revision Board
West Bengal VAT Act	WB VAT	0.52	Financial Year 2011-12	West Bengal Commercial Tax Appellate and Revision Board

viii. According to the records of the Company examined by us and the information and explanations given to us, except for loans or borrowings from banks and financial institutions aggregating ₹26,413.46 Million for the period as set out below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Name of Lender	Nature of Dues	Amount of Default (₹ in Millions)		
		Less than 12 months	More than 12 Months	Total
Andhra Bank	Principal & Interest	299.72	763.38	1063.10
Bank of Baroda	Principal & Interest	181.61	568.33	749.94
Bank of India	Principal & Interest	158.90	245.95	404.85
Canara Bank	Principal & Interest	182.98	430.25	613.23
Corporation Bank	Principal & Interest	16.48	26.39	42.87
Dena Bank	Principal & Interest	190.26	265.69	455.95
Edelweiss Asset Reconstruction Company Limited	Principal & Interest	74.13	132.39	206.52
Exim Bank	Principal & Interest	145.87	485.94	631.81
HUDCO	Principal & Interest	185.46	346.04	531.50
Indian Overseas Bank	Principal & Interest	260.19	683.23	943.42
Oriental Bank of Commerce	Principal & Interest	890.95	2421.94	3312.89
Punjab National Bank	Principal & Interest	928.18	2211.47	3139.65
Punjab and Sind Bank	Principal & Interest	63.44	135.24	198.68

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

Name of Lender	Nature of Dues	Amount of Default (₹ in Millions)		
		Less than 12 months	More than 12 Months	Total
Small Industries Development Bank of India	Principal & Interest	6.92	84.85	91.77
State Bank of India	Principal & Interest	1450.94	4130.13	5581.07
Syndicate bank	Principal & Interest	731.48	1842.32	2573.80
Assets Care and Reconstruction Enterprise Limited	Principal & Interest	849.52	2013.72	2863.24
Union Bank of India	Principal & Interest	583.82	1374.13	1957.95
Vijaya Bank	Principal & Interest	318.96	732.26	1051.22
Total		**7519.81**	**18893.65**	**26413.46**

Note: The unprovided interest amount reported above has been recalculated by the management retrospectively from April 1, 2016 at simple interest instead of compound interest considered till March 31, 2017.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. However, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and Notes 16(a) to 16(c) to the standalone Ind AS financial statements.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E
Pradeep Kumar Singhi
Partner
Membership Number 50773

Place : Kolkata
Date : May 02, 2018

Balance Sheet
as at 31 March 2018

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2018	As at 31 March 2017
I.	**ASSETS**			
	Non-current Assets			
	Property, Plant and Equipment	3 A	29,331.20	30,456.04
	Capital Work-in-Progress	3 C	2,978.61	3,042.93
	Intangible Assets	3 B	2.14	1.84
	Financial Assets			
	(i) Investments	4	51.83	208.65
	(ii) Loans	5	304.82	203.54
	(iii) Other Financial Assets	6	18.13	6.18
	Deferred Tax Assets (Net)	7	-	-
	Other Non Current Assets	8	27.19	131.33
	Total Non-Current Assets		**32,713.92**	**34,050.51**
	Current Assets			
	Inventories	9	1,214.97	1,859.88
	Financial Assets			
	(i) Trade Receivables	10	665.82	1,412.96
	(ii) Cash and Cash Equivalents	11	166.45	122.56
	(iii) Other Bank Balances [other than (ii) above]	12	28.83	17.98
	(iv) Loans	13	8.20	52.81
	(v) Others Financial Assets	14	7.05	15.01
	Current Tax Assets (Net)	15	118.69	106.25
	Other Current Assets	16	604.26	1,214.06
	Total Current Assets		**2,814.27**	**4,801.51**
	Total Assets		**35,528.19**	**38,852.02**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	Equity Share Capital	17 A	1,157.90	1,100.00
	Equity Share Suspense	17 B	-	57.90
	Other Equity	17 C	(9,091.44)	(7,637.21)
			(7,933.54)	**(6,479.31)**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	18	14,759.94	19,965.18
	Provision	19	43.09	18.25
	Total Non Current Liabilities		**14,803.03**	**19,983.43**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	20	8,223.67	8,428.90
	(ii) Trade Payables	21	1,223.99	2,524.51
	(iii) Other Financial Liabilities	22	18,299.83	13,808.27
	Other Current Liabilities	23	901.62	561.01
	Provisions	24	9.59	25.21
	Total Current Liabilities		**28,658.70**	**25,347.90**
	Total Equity and Liabilities		**35,528.19**	**38,852.02**

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 Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Statement of Profit & Loss
for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
Continuing Operations				
I	Revenue from Operations	25	16,315.52	14,950.48
II	Other Income	26	221.96	280.38
III	**Total Income**		**16,537.48**	**15,230.86**
IV	**Expenses**			
	Cost of Materials Consumed	27	10,525.74	9,417.96
	Purchases of Stock-in-Trade	28	21.97	619.40
	Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	29	465.06	(445.19)
	Excise Duty		287.51	978.67
	Employee Benefit Expense	30	741.51	640.42
	Finance Costs	31	273.34	365.88
	Depreciation and Amortization Expense	32	1,408.73	1,504.26
	Other Expenses	33	4,269.80	3,576.01
	Total Expenses		**17,993.66**	**16,657.41**
V	**Profit/(Loss) before Exceptional Items and Tax**		**(1,456.18)**	**(1,426.55)**
VI	Exceptional items		-	-
VII	**Profit/(Loss) before Tax**		**(1,456.18)**	**(1,426.55)**
VIII	Tax Expenses			
	1)Current Tax		-	-
	2)Deferred Tax		-	-
IX	**Profit (Loss) for the period from Continuing Operations**		**(1,456.18)**	**(1,426.55)**
X	**Profit/(loss) for the period**		**(1,456.18)**	**(1,426.55)**
XI	**Other comprehensive income**	34		
	(i) Items that will not be reclassified to profit or loss		1.95	(2.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XII	**Total Comprehensive Income for the period**		**(1,454.23)**	**(1,428.88)**
XIII	Earnings/(Loss) per Equity Share			
	1) Basic	35	**(12.94)**	**(12.97)**
	2) Diluted		(12.94)	(12.97)

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 Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Statement of Changes in Equity
for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as on 1 April 2016	Issued during the year	Balance as on 31 March 2017	Issued during the year	Balance as on 31 March 2018
Equity Share Capital	17A	1,100.00	-	1,100.00	57.90	1,157.90

B EQUITY SHARE SUSPENSE

Particulars	Note	Balance as on 1 April 2016	Created during the year	Balance as on 31 March 2017	Issued during the year	Balance as on 31 March 2018
Equity Share Suspense	17B	-	57.90	57.90	(57.90)	-

C OTHER EQUITY

Particulars	Note	Reserves and Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2016	17C	**0.07**	**1,645.00**	**110.24**	**(12,238.39)**	**(10,483.08)**
Profit/(Loss) for the year			-	-	(1,426.55)	**(1,426.55)**
Other Comprehensive Income					(2.33)	**(2.33)**
Impact of Amalgamation		4,601.46	-	-	(326.71)	**4,274.75**
Balance as at 31 March 2017		**4,601.53**	**1,645.00**	**110.24**	**(13,993.98)**	**(7,637.21)**
Profit/(Loss) for the year		-	-	-	(1,456.18)	**(1,456.18)**
Other Comprehensive Income		-	-	-	1.95	**1.95**
Balance as at 31 March 2018		**4,601.53**	**1,645.00**	**110.24**	**(15,448.21)**	**(9,091.44)**

This is the Statement of Changes in Equity.
referred to in our report of even date.

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Cash Flow Statement

for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax for the period	(1,456.18)	(1,426.55)
	Adjustments for :		
	Depreciation and amortization expenses	1,408.73	1,504.26
	Finance Costs	273.34	365.88
	Interest Income	(90.68)	(100.13)
	Allowance for Doubtful Advances	-	36.81
	Income from Shared Services	(128.49)	(156.31)
	Liabilities no longer required written back	(325.22)	(76.38)
	Processing Charges	2.59	-
	Loss on retirement of Assets	1.35	-
	Allowance for doubtful debts, advances etc. no longer required written back	(55.56)	(22.86)
	Loss on Fair Value of Investment	156.81	-
	Capital Work in Progress Written off	-	92.52
	(Gain)/Loss on sale of Property, Plant and Equipment	(0.02)	(2.24)
	Unrealised Forex Loss / (Gain) [Net]	(3.59)	0.52
	Operating Profit/ (Loss) before changes in operating assets and liabilities	**(216.92)**	**215.53**
	Adjustments for changes in operating assets and liabilities		
	(Increase) in trade and other receivables	1,440.02	(935.56)
	(Increase) in Inventories	644.91	(690.68)
	Increase/(Decrease) in trade and other payables	(629.63)	1,384.14
	Cash (used in) Operations	**1,238.38**	**(26.57)**
	Direct Taxes (paid)/ refund	(12.44)	(0.05)
	Net Cash (used in) Operating Activities	**1,225.94**	**(26.62)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(200.44)	(141.21)
	Sale of property, plant and equipment	-	23.00
	Release of Margin Money Account	(23.19)	9.19
	Income from Shared Services	128.49	156.31
	Interest received	98.64	85.83
	Net Cash from Investing Activities	**3.50**	**133.12**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non- current Borrowings	-	112.36
	Repayment of Non- current Borrowings	(737.66)	(179.87)
	Proceeds from current Borrowings (net)	(174.13)	441.07
	Decrease in Earmarked Accounts	(0.39)	0.01
	Finance Costs paid	(273.37)	(382.84)
	Net Cash from / (used in) Financing Activities	**(1,185.55)**	**(9.26)**
	Net increase in Cash and cash equivalents (A+B+C)	**43.89**	**97.23**

Cash Flow Statement
for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
D.	**Cash and cash equivalents**		
	Net Increase in Cash and Cash Equivalents	43.89	97.23
	Cash and cash equivalents at the Beginning	**122.56**	**24.20**
	Addition on Amalgamation	-	1.13
	Cash and cash equivalents at the end of the year	**166.45**	**122.56**
		166.45	**122.56**
(a)	Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
	Balance with Banks in		
	Current Account	165.97	122.09
	Cheque in Hand	-	-
	Cash on hand	0.48	0.47
	Cash and cash equivalents as at 31 March (Refer Note 11)	**166.45**	**122.56**
(b)	The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)' issued by The Institute of Chartered Accountants of India.		
(c)	Refer Note 51		

(d) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Item	Balance as on 1 April 2017	Cash Flow	Non cash changes		Balance as on 31 March 2018
			Classification	Fair Value Adjustment	
Long term borrowings including current maturity	32,902.39	(723.76)	31.10	2.59	32,212.32
Short term Borrowings	8,428.90	(174.13)	(31.10)	-	8,223.67
Lease Liability	229.65	(13.89)	-	-	215.76
Others (specify)	-	-	-	-	-
Total Liability from financing Activities	41,560.94	(911.78)	-	2.59	40,651.75

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

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

1 CORPORATE INFORMATION

VISA Steel Limited ("VSL" or "the Company") 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 Incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing facilities at Kalinganagar in Odisha 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). These financial statements are approved for issue by the Company's board of directors on 2 May 2018.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES & JUDGEMENTS

2.1 Basis of preparation of financial statements

2.1.1 Compliance with Ind AS

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 [As amended] notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act, to the extent applicable.

The Company has adopted all the Indian Accounting standard effective 1 April 2016 and the adoption was carried out in accordance with Ind AS 101, First time adoption of indian accounting standards with 1 April 2015 as the transition date. The transition was carried out from indian accounting principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (accounts) rules, 2014 which was the previous GAAP.

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.2 Historical cost convention

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:
- certain financial assets and liabilities including derivative instruments measured at fair value
- defined benefit plans - plan assets measured at fair value
- share-based payments

2.1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.2 Summary of significant accounting policies

2.2.1 Financial instruments

2.2.1.1 A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset

i) Classification and measurement

Classification

The Company classifies its financial assets, other than investments in subsidiaries and joint venture in the following measurement categories:

1) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, all financial assets are measured initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Company classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method."

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system. Other bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 47 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv) Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.2.1.2 Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade and other payables and loans and borrowings including bank overdrafts.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as Fair Value Through Profit or Loss, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities unless payments is not due for payment within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost model.

All amount in ₹ Million, unless otherwise stated

ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.2.1.3 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of such derivatives is recognised as income or expense through profit or loss.

2.2.1.4 Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.2.1.5 Investments in subsidiaries and joint venture

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment loss, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts is recognised in the statement of profit and loss.

2.2.2 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income/expenses.

Depreciation methods, estimated useful lives and residual values

Depreciation including amortization 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'), which are also supported by technical assessment carried out by the Company other than the following:

- Leasehold assets(Buildings and Plant and Machinery) which are jointly held are amortized over the period of lease i.e., 6 to10 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 carried out by the Company

- Leasehold land is amortized over the period of lease.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated under SLM on pro-rata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Residual value: The residual values are not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

equipment are reviewed and adjusted, if appropriate at the end of each reporting period.

2.2.3 Intangible assets

Intangible assets (Computer Software) are carried at cost less accumulated amortization and accumulated impairment loss, if any. Computer Software for internal use, which is primarily acquired, is capitalized. Subsequent costs associated with maintaining such software are recognized as expense as incurred. Cost of Software includes licenses fees and cost of implementation, system integration services etc. where applicable.

Amortization

The Company amortizes intangible assets (Computer Software) with a finite useful life using the straight line method over a period of 3 years.

2.2.4 Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

2.2.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the date of inception is deemed to be 1 April 2015 in accordance with Ind-AS 101, First-time Adoption of Indian Accounting Standard.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Finance leases are capitalised at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rents are charged as expenses in the period in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured

All amount in ₹ Million, unless otherwise stated

to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to legal ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the inception of the lease as the Company's net investment in the lease. Lease payment receivable is treated by the lessor as repayment of principal and finance income to reimburse and reward the lessor for its investment and services. Initial direct costs incurred in negotiating and arranging a lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.2.6 Capital work-in-progress

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.

2.2.7 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates, CENVAT Credits and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.8 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. However contingent liabilities are not considered. 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.

2.2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, Value Added Tax and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

Sale of Goods : Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services : Sales are recognised upon the rendering of services and are recognised net of goods & service tax.

All other items are recognised on accrual basis.

2.2.10 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and loss"

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.11 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

All amount in ₹ Million, unless otherwise stated

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund.

Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Option Scheme 2010. The fair value of options granted under the Employee Stock Option Scheme 2010 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and retaining an employee of the Company over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.2.12 Foreign currency transactions

The Company's financial statements are presented in Indian Rupee which is also the functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss."

2.2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.14 Earnings per share

Basic Earning per Share is calculated by dividing the profit for the year attributable to equity holders(or owners) of the Company by the weighted average number of equity shares outstanding during the year.

Diluted Earning per Share is calculated by dividing the profit attributable to equity holders (or owners) of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.2.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 42 for details on segment information presented. Chief Operating Decision Making Group consists of the Executive Chairman, Vice Chairman & Managing Director, the CFO and the Director(Kalinganagar)."

2.3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimated useful lives of property, plant and equipment and intangible assets - Notes 2.2.2 and 2.2.3
Estimation of defined benefit obligation - Note 30
Estimation of fair values of contingent liabilities - Note 36
Impairment of trade receivables - Note 47
Estimation of Finance cost - Note 18 D,
Estimation of provision for unsalable/obsolete inventories - Note 9

Recognition of deferred tax assets for carried forward losses and current tax assets - Note 7 and 15 respectively
Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances."

2.4 Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs notified new Indian Accounting Standard/amendments to existing standards which will be applicable to the Company with effect from 1 April 2018

New Ind AS 115

The new Ind AS will come into force from accounting period commencing on or after 1 April 2018. It replaces existing recognition guidance, including Ind AS 18 on Revenue and Ind AS 11 on Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this Ind AS on this Financial Statements of the Company except disclosure. The Company will adopt the Ind AS 115 from effective date.

Amendments to Other Ind AS

The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets, expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after 1 April 2018. The Company has evaluated this amendment and there is no material impact of this Ind AS on this Financial Statements of the Company.

The Companies (Indian Accounting Standards)Amendment Rules, 2018 has also made amendments to Ind AS 12, Income Taxes, Ind AS 28, Investment in Associates and Joint Ventures, Ind AS 40, Investment Property. These rules come into force from 1st April, 2018. The Company has evaluated these amendments and as per assessment impact of amendment to Ind AS 12 will not have any material impact on the Financial Statement and amendment to Ind AS 40 and Ind AS 28 will not have any impact on the financial statement of the company."

3A Property, Plant & Equipment

All amount in ₹ Million, unless otherwise stated

Particulars	Gross Carrying Amount					Accumulated Depreciation / Amortisation					Net Carrying Amount	
	As at 1 April 2017	Additions during the year	Added on Amalgamation during the year	Disposal/ adjustments during the Year	As at 31 March 2018	As at 1 April 2017	For the year	Added on Amalgamation during the year	Disposal/ adjustments during the Year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Owned												
Land- Freehold	15.18	0.45	-	-	15.63	-	-	-	-	-	15.63	15.18
Land- Leasehold	313.42	-	-	-	313.42	10.68	4.13	-	-	14.81	298.61	302.74
Factory Buildings	5,837.13	-	-	-	5,837.13	372.01	191.64	-	-	563.65	5,273.48	5,465.12
Buildings	754.84	114.41	-	-	869.25	38.33	19.51	-	-	57.84	811.41	716.51
Road	411.32	-	-	-	411.32	286.73	78.63	-	-	365.36	45.96	124.59
Plant & Machinery	25,697.14	163.20	-	-	25,860.34	2,102.06	1,064.46	-	-	3,166.52	22,693.82	23,595.08
Computers	7.03	0.56	-	0.14	7.45	3.81	1.62	-	0.09	5.34	2.11	3.22
Office Equipment	5.41	-	-	0.91	4.50	3.19	0.51	-	0.69	3.01	1.49	2.22
Furniture & Fixtures	47.55	0.03	-	21.12	26.46	28.07	8.70	-	20.06	16.71	9.75	19.48
Vehicles	32.50	5.74	-	0.02	38.22	11.85	4.99	-	0.01	16.83	21.39	20.65
Capital Spares	10.65	-	-	-	10.65	1.28	0.45	-	-	1.73	8.92	9.37
Other Non current Assets												
Leasehold												
Under Operating Lease												
Buildings (Jointly Held)	65.08	-	-	65.08	-	55.15	9.93	-	65.08	-	-	9.93
Plant & Machinery (Jointly Held)	7.78	-	-	7.78	-	6.58	1.20	-	7.78	-	-	1.20
Under Finance Lease												
Plant & Machinery-Finance Lease	237.28	-	-	-	237.28	66.53	22.12	-	-	88.65	148.63	170.75
Total	**33,442.31**	**284.39**	**-**	**95.05**	**33,631.65**	**2,986.27**	**1,407.89**	**-**	**93.71**	**4,300.45**	**29,331.20**	**30,456.04**
2016-17	**27,743.44**	**18.74**	**5,700.54**	**20.41**	**33,442.31**	**1,268.43**	**1,502.72**	**215.12**	**-**	**2,986.27**	**30,456.04**	**26,475.01**

3B Intangible Assets

Particulars	Gross Carrying Amount					Accumulated Depreciation / Amortisation					Net Carrying Amount	
	As at 1 April 2017	Additions during the year	Added on Amalgamation during the year	Disposal/ adjustments during the Year	As at 31 March 2018	As at 1 April 2017	For the year	Added on Amalgamation during the year	Disposal/ adjustments during the Year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer Software - acquired	7.43	1.14	-	-	8.57	5.59	0.84	-	-	6.43	2.14	1.84
Total	**7.43**	**1.14**	**-**	**-**	**8.57**	**5.59**	**0.84**	**-**	**-**	**6.43**	**2.14**	**1.84**
2016-17	**6.22**	**-**	**1.21**	**-**	**7.43**	**3.36**	**1.54**	**0.69**	**-**	**5.59**	**1.84**	**2.86**

	As at 31 March 2018	As at 31 March 2017
3C Capital Work-in-Progress (consisting of Plant & Machinery, Building etc.)		
Opening	3,042.93	3,463.45
Addition	192.84	35.46
Transferred to Property, Plant & Equipment/ Adjustments	(257.16)	(455.98)
Closing	2,978.61	3,042.93

3D Leased assets

The lease term in respect of Plant & Machinery considered under finance lease is for the entire life of the assets which is 15 years based on its useful life. Future minimum lease obligation payable on leasehold plant & machinery during next one year ₹ 37.48 Million (as on 31 March 2017: ₹ 37.48 Million) later than one year but not later than five years ₹149.92 Million (as on 31 March 2017: ₹ 149.92 Million) and later than five years ₹ 148.19 Million (as on 31 March 2017: ₹ 185.66 Million).

3E The Property, plant and equipment inclusive of lands have been pledged to secure borrowings of the Company. The assets have been pledged as security for bank loans under a mortgage. See Note no. 45 for details of security pledged for each class of borrowings.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
4	**NON-CURRENT INVESTMENTS**		
	Unquoted		
	Investments in Equity Instruments (fully paid up)		
	Investment in Subsidiaries (At cost)		
	VISA SunCoke Limited ^	-	188.45
	1,054,476 (31 March 2017 : 1,054,476) Equity		
	Shares of ₹10/- each fully paid up [Including beneficial interest in		
	5 Equity Shares of ₹10/- each, fully paid up]		
	Ghotaringa Minerals Limited @	8.90	8.90
	890,000 (31 March 2017 : 890,000) Equity Shares		
	of ₹10/- each, fully paid up [Including beneficial interest in 44,500		
	Equity Shares of ₹10/- each, fully paid up]		
	Kalinganagar Chrome Private Limited	0.60	0.60
	60,000 (31 March 2017 : 60,000) Equity Shares of		
	₹10/- each fully paid up [Including beneficial interest in 1 Equity		
	Shares of ₹ 10/- each, fully paid up]		
	Kalinganagar Special Steel Private Limited	0.70	0.70
	70,000 (31 March 2017 : 70,000) Equity Shares		
	of ₹10/- each, fully paid up [Including beneficial interest in 1 Equity		
	Shares of ₹10/- each, fully paid up]		
	Investment in Joint Venture (At cost)		
	VISA Urban Infra Limited @	10.00	10.00
	1,000,000 (31 March 2017 : 1,000,000) Equity		
	Shares of ₹10/- each, fully paid up		
	Investment-Others (At fair value)		
	VISA SunCoke Limited ^#	31.63	-
	1,054,476 (31 March 2017 : 1,054,476) Equity		
	Shares of ₹10/- each fully paid up [Including beneficial interest in		
	5 Equity Shares of ₹10/- each, fully paid up]		
	Aggregate amount of unquoted investments	**51.83**	**208.65**
	@ For charges created in respect of shareholding in Ghotaringa Minerals Limited and VISA Urban Infra Limited, refer Note 18.B (i) (d) & (e).		
	^ Subsidiary till 30 March 2018, post which the subsidiary has issued fresh capital resulting in loss of control		
	# Investment is stated at Fair Value		

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
5	**NON-CURRENT - LOANS**		
	Unsecured, considered good		
	Security Deposits with Enterprise having significant influence		
	VISA Infrastructure Limited	-	90.16
	Security Deposits with Others/ Related Party		
	VISA Minmetal Limited	186.19	-
	Security Deposits - Others	116.13	110.88
	Loans to related parties		
	Loan to Subsidiary : Ghotaringa Minerals Limited (interest bearing)	2.50	2.50
		304.82	**203.54**

		As at 31 March 2018	As at 31 March 2017
6	**NON-CURRENT -OTHER FINANCIAL ASSETS**		
	Fixed deposits with banks having original maturity of more than 12 months (Pledged with bank against guarantees given by bank)	18.13	6.18
		18.13	**6.18**

Particulars		As at 31 March 2018	As at 31 March 2017
7	**DEFERRED TAX ASSETS (NET)**		
	The balance comprises temporary differences attributable to:		
	Deferred Tax Assets (A)		
	Investments in Joint Ventures	1.46	1.28
	Security Deposits	-	13.17
	Inventories	3.72	3.26
	Allowance for Doubtful Trade Receivables	21.17	118.65
	Allowance for Doubtful Advances	39.04	53.80
	Lease Payables	70.01	71.34
	Security Deposit considered as Advance Rent	-	144.15
	Provisions for Employee Benefits	18.41	14.37
	Interest Accrued	1,433.11	1,296.41
	Current Maturities of Finance Lease Obligations	5.38	4.59
	Property Plant and Equipment and Intangible Assets	1,582.74	1,267.56
	Unabsorbed Business Loss Carried Forward	2,326.64	1,429.15
		5,501.68	**4,417.73**
	Set off of Deferred Tax Liabilities pursuant to set off provisions (B)		
	Property, Plant and Equipment and Intangible Assets	(5,498.83)	(4,254.69)
	Security Deposit considered as Advance Rent	-	(159.48)
	Borrowings	(2.85)	(3.56)
		(5,501.68)	**(4,417.73)**
	Net Deferred Tax Assets (A-B)	**-**	**-**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

Movements in Deferred Tax Assets during the year ended:

31 March 2018	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred tax liabilities/(assets) in relation to :			
Investments in Joint Ventures	1.28	0.18	1.46
Security Deposits	13.17	(13.17)	-
Inventories	3.26	0.46	3.72
Allowance for Doubtful Trade Receivables	118.65	(97.48)	21.17
Allowance for Doubtful Advances	53.80	(14.76)	39.04
Lease Payable	71.34	(1.33)	70.01
Security Deposit considered as Advance Rent	144.15	(144.15)	-
Provisions for Employee Benefits	14.37	4.04	18.41
Interest Accrued	1,296.41	136.70	1,433.11
Current Maturities of Finance Lease Obligations	4.59	0.79	5.38
Property Plant and Equipment and Intangible Assets	1,267.56	315.18	1,582.74
Unabsorbed Business Loss Carried Forward	1,429.15	897.49	2,326.64
Total Deferred Tax Assets	**4,417.73**	**1,083.95**	**5,501.68**
Property Plant and Equipment and Intangible Assets	(4,254.69)	(1,244.14)	(5,498.83)
Security Deposit considered as Advance Rent	(159.48)	159.48	-
Borrowings	(3.56)	0.71	(2.85)
Total Deferred Tax Liabilities	**(4,417.73)**	**(1,083.95)**	**(5,501.68)**
Net (Charge)/Credit	**-**	**-**	**-**

31 March 2017	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred tax liabilities/(assets) in relation to :			
Investments in Joint Ventures	1.15	0.13	1.28
Security Deposits	31.96	(18.79)	13.17
Inventories	4.95	(1.69)	3.26
Allowance for Doubtful Trade Receivables	122.11	(3.46)	118.65
Allowance for Doubtful Advances	50.04	3.76	53.80
Lease Payable	75.93	(4.59)	71.34
Security Deposit considered as Advance Rent	159.31	(15.16)	144.15
Provisions for Employee Benefits	10.86	3.51	14.37
Interest Accrued	1,302.02	(5.61)	1,296.41
Current Maturities of Finance Lease Obligations	4.14	0.45	4.59
Property Plant and Equipment and Intangible Assets	266.61	1,000.95	1,267.56
Unabsorbed Business Loss Carried Forward	1,471.00	(41.85)	1,429.15
Total Deferred Tax Assets	**3,500.08**	**917.65**	**4,417.73**
Property Plant and Equipment and Intangible Assets	(3,312.14)	(942.55)	(4,254.69)
Security Deposit considered as Advance Rent	(25.71)	(133.77)	(159.48)
Derivative Assets	(0.63)	0.63	-
Borrowings	(4.46)	0.90	(3.56)
Payables to Subsidiary Company	(157.14)	157.14	-
Total Deferred Tax Liabilities	**(3,500.08)**	**(917.65)**	**(4,417.73)**
Net (Charge)/Credit	**-**	**-**	**-**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
8	**OTHER NON CURRENT ASSETS**		
	Capital Advances		
	Considered Good	27.19	99.05
	Considered Doubtful	51.09	-
	Less: Allowances for Doubtful Recovery	(51.09)	-
	Advances other than Capital Advances		
	Security Deposit considered as Advance Rent paid to Enterprise having significant influence-VISA Infrastructure Limited	-	30.68
	Balances with Government Authorities	-	1.60
		27.19	**131.33**

		As at 31 March 2018	As at 31 March 2017
9	**INVENTORIES**		
	(Refer Note 2.2.7)		
	Raw Materials [Refer (a) below]	522.30	655.83
	Work-in-Progress	53.85	123.40
	Finished Goods	296.88	623.43
	Stores and Spares	268.09	241.05
	By-products	73.85	216.17
		1,214.97	**1,859.88**

(a) Raw Materials includes Goods in Transit ₹ 47.29 Million(31 March 2017 : ₹19.67 Million).

(b) The Inventories have been pledged as security for bank loans under a mortgage. See Note no. 45 for details of security pledged for each class of borrowings.

(c) Write downs of Inventories to Net Realisable Value amount to ₹ 2.86 million (31 March 2017 : ₹ 84.85 million).These were recognised as an expense during the year and included in “Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress” in Statement of Profit and Loss.

		As at 31 March 2018	As at 31 March 2017
10	**CURRENT - TRADE RECEIVABLES**		
	Unsecured Considered Good		
	Trade Receivable	665.82	1,086.32
	Receivable from Related Party [Refer Note 49]	-	326.64
	Considered Doubtful	60.59	358.86
		726.41	1,771.82
	Less: Allowance for Doubtful Debts	60.59	358.86
		665.82	**1,412.96**

		As at 31 March 2018	As at 31 March 2017
11	**CASH AND CASH EQUIVALENTS**		
	Balance with Banks		
	in Current Account	165.97	122.09
	Cash on hand	0.48	0.47
		166.45	**122.56**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
12	**OTHER BANK BALANCES [OTHER THAN CASH AND CASH EQUIVALENTS]**		
	Earmarked Accounts		
	Unclaimed Dividend Account	0.20	0.59
	Margin Money with Banks with maturities less than 12 months	28.63	17.39
		28.83	**17.98**

		As at 31 March 2018	As at 31 March 2017
13	**CURRENT - LOANS**		
	Unsecured, considered good		
	Security Deposits with Enterprise having significant influence		
	VISA Infrastructure Limited	-	44.61
	VISA International Limited	8.00	8.00
	Security Deposits	0.20	0.20
		8.20	**52.81**

		As at 31 March 2018	As at 31 March 2017
14	**OTHER CURRENT FINANCIAL ASSETS**		
	Interest Accrued on Deposits	5.32	13.53
	Interest Accrued on Loan to Subsidiary Company - Ghotaringa Minerals Limited	1.73	1.48
		7.05	**15.01**

		As at 31 March 2018	As at 31 March 2017
15	**CURRENT TAX ASSETS (NET)**		
	Advance Payment of Income Tax ([Net of Provision ₹464.80 Million (31 March 2017 : ₹464.80 Million)]	118.69	106.25
		118.69	**106.25**

		As at 31 March 2018	As at 31 March 2017
16	**OTHER CURRENT ASSETS**		
	Advances other than Capital Advances		
	Security Deposit considered as Advance Rent paid to Enterprise having significant influence-VISA Infrastructure Limited	-	15.69
	Advances to Key Managerial Personnel	55.39	56.61
	Employee Advance	5.60	3.75
	Advances against Supply of Goods and Rendering Services		
	Considered Good	295.53	519.85
	Considered Doubtful	60.64	162.73
	Less: Allowances for Doubtful Advances	(60.64)	(162.73)
	Advances to Related Party	0.41	1.92
	Others		
	Receivable from DGFT and Customs towards Export Incentive		
	Considered Good	1.58	42.29
	Prepaid Expenses	14.85	15.35
	Others Taxes Receivable / Adjustable		
	Considered Good	230.90	558.60
		604.26	**1,214.06**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

a)(i) An application for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956 to Mr. Vishambhar Saran, Whole time Director designated as Chairman of the Company, for the period 1 April 2012 to 14 December 2013 was filed. In response to such application, the Central Government permitted the payment of remuneration of ₹ 20.72 Million for the period from 1 April 2012 to 14 December 2013 as against total remuneration of ₹41.44 Million paid during the period from 1 April 2012 to 14 December 2013 with the direction to the Company to recover the remaining excess remuneration of ₹ 20.72 Million pertaining to the said period. The Company had again made representation to the Central Government praying to re-open and reconsider the application and allow for waiver of the entire excess remuneration paid from 1 April 2012 to 14 December 2013. The decision of the Central Government is pending.

a)(ii) An application was filed with the Central Government for payment of remuneration in excess of the limits prescribed under the Companies Act, 1956 to Mr. Vishambhar Saran, Whole time Director designated as Chairman 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 was turned down in the year 2015-16 and thereafter appropriate representation to the concerned authority against the said rejection had been made and the necessary decision is pending. Out of the period mentioned above the Company provided managerial remuneration as per the applicable limits from 1 April 2014 till 14 December 2016 and had paid excess remuneration of ₹ 6.80 Million for the period 15 December 2013 to 31 March 2014. Pending decision of the Central Government, ₹27.52 Million [comprising items set out in (i) and (ii) above] is being held in trust by Mr. Vishambhar Saran on behalf of the Company.

b) 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 was filed. In respect of such application, the Central Government permitted the payment of remuneration of ₹ 22.69 Million for the period 1 April 2012 to 31 March 2014 as against total remuneration of ₹ 45.37 Million paid during the period 1 April 2012 to 31 March 2014 with the further direction to the Company to recover the remaining excess remuneration of ₹ 22.69 Million pertaining to the said period. The Company had again made representation to the Central Government praying to re-open and reconsider the application and allow for waiver of entire remuneration only for the period from 1 April 2012 to 31 March 2014, the balance period's remuneration being within the applicable limit. The decision of the Central Government is pending. Pending decision of the Central Government, ₹22.69 Million is being held in trust by Mr. Vishal Agarwal on behalf of the Company.

c) Necessary application was 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, who 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. The Central Government permitted the payment of remuneration of ₹ 4.46 Million as against a total remuneration of ₹ 8.91 Million with the direction to the Company to recover the remaining excess remuneration of ₹ 4.46 Million. The Company again made representation to the Central Government praying, inter alia, for waiver of remaining excess remuneration. However, on the basis of legal opinion obtained by the Company subsequent to making the said representation to the Central Government, the Company has made a fresh representation in April 2016 to the Central Government for withdrawal of both the initial application and the representation for waiver since Mr. Pankaj Gautam was a Non Promoter director and a professional and the initial application, as well as the subsequent representation for waiver of alleged excess remuneration were made due to misconception, which was however turned down in June 2016 by the Ministry of Corporate Affairs.

Meanwhile, the company has based on the legal advice made another representation in October 2016 to the Office of the Ministry of Corporate Affairs stating that the original application for payment of remuneration to Mr. Pankaj Gautam and subsequent applications seeking waiver were only made erroneously under mistake of law and the requirement of Central Government approval was not at all applicable in the subject matter which aspects have escaped the attention of the Hon'ble Ministry of Corporate Affairs. The response in respect of the foregoing representation is awaited from the Ministry of Corporate Affairs. Pending decision of the Central Government, ₹4.34 Million is being held by Mr. Pankaj Gautam in trust.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
17	**EQUITY SHARE CAPITAL AND OTHER EQUITY**		
A	**Equity Share Capital**		
	Authorised		
	252,000,000 Equity Shares (31 March 2017 : 160,000,000) of ₹10/- each [Refer Note 43]	2,520.00	1,600.00
	Issued, Subscribed and Paid-up		
	115,789,500 Equity Shares (31 March 2017 : 110,000,000) of ₹10/- each fully paid up [Refer Note 43]	1,157.90	1,100.00

(a)	Movements in Equity Share Capital	Year Ended 31 March 2018		Year Ended 31 March 2017	
		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 : Shares issued [Refer Note 43]	5,789,500	57.90	-	-
	Balance as at the end of the year	**115,789,500**	**1,157.90**	**110,000,000**	**1,100.00**

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of ₹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.

		As at 31 March 2018	As at 31 March 2017
(c)	**Details of Shareholders holding more than 5 % shares in the Company**		
	VISA Infrastructure Limited (Numbers)	44,387,167	44,387,167
	VISA Infrastructure Limited (%)	38.33	40.35
	CRESTA Fund Limited (Numbers)	9,912,036	9,912,036
	CRESTA Fund Limited (%)	8.56	9.01
	LTS Investment Fund Limited (Numbers)	10,497,122	10,497,122
	LTS Investment Fund Limited (%)	9.07	9.54
	VISA International Limited (Numbers)	23,787,833	23,787,833
	VISA International Limited (%)	20.54	21.63
(d)	**Share Reserved for Issue under Option**		
	For details of share reserved for issue under the Employee Stock Option Plan (ESOP) of the Company [Refer Note 41].		

		Year ended 31 March 2018	Year ended 31 March 2017
B	**Equity Share Suspense**		
	5,789,500 Equity Shares of ₹10/- each. [Refer Note 43]	-	57.90

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
C	**Other Equity**		
	Reserves and Surplus		
	Capital Reserve	4,601.53	4,601.53
	Securities Premium Reserve	1,645.00	1,645.00
	General Reserve	110.24	110.24
	Retained Earnings	(15,448.21)	(13,993.98)
	Total	**(9,091.44)**	**(7,637.21)**

	Year ended 31 March 2018	Year ended 31 March 2017
Capital Reserve [Refer (a) below]		
Balance at the beginning of the year	4,601.53	0.07
Add: Arisen on Amalgamation	-	4,601.46
Balance at the end of the year	4,601.53	4,601.53
Securities Premium Reserve [Refer (b) below]		
Balance at the beginning of the year	1,645.00	1,645.00
Balance at the end of the year	1,645.00	1,645.00
General Reserve [Refer (c) below]		
Balance at the beginning of the year	110.24	110.24
Balance at the end of the year	110.24	110.24
Retained Earnings		
Balance at the beginning of the year	(13,993.98)	(12,238.39)
Add: Impact of operating results of VBL for financial year 2015-16, upon amalgamation	-	(326.71)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(1,456.18)	(1,426.55)
Add: Remeasurements Gain/ (Loss) of the net defined benefit Plan	1.95	(2.33)
Net deficit	(15,448.21)	(13,993.98)
Balance as at the end of the year	**(15,448.21)**	**(13,993.98)**
Total	**(9,091.44)**	**(7,637.21)**

Nature and purpose of Reserves

(a) Capital Reserve represents amount arisen pursuant to Scheme of Amalgamation.

(b) Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the specific provisions of the Act.

(c) General Reserve represents free reserve not held for any specific purpose.

Notes to the financial statements

18 LONG-TERM BORROWINGS

All amount in ₹ Million, unless otherwise stated

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Secured						
Principal Term Loans						
[Refer B(i) & B(iii) and C(i),C(ii) & C(viii) below]						
From Banks	4,175.80	7,008.19	4,205.51	3,769.63	8,381.31	10,777.82
From Other Parties	1,354.35	651.71	1,362.41	381.59	2,716.76	1,033.30
Fresh Loans						
[Refer B(i) & B(iii) and C(i) & C(viii) below]						
From Banks	2,524.07	3,692.23	2,531.05	1,850.27	5,055.12	5,542.50
From Other Parties	312.39	93.03	314.76	47.45	627.15	140.48
SMCF						
[Refer B(i) & B(iii) and C(i) below]						
From Banks	691.55	1,183.86	958.16	613.85	1,649.71	1,797.71
From Other Parties	56.94	-	56.90	-	113.84	-
Corporate Loan1,Corporate Loan 2 and Sinter Loan						
[Refer B(i) and C(iii) & C(iv) below]						
From Banks	3,239.89	3,878.82	826.54	485.04	4,066.43	4,363.86
From Other Parties	248.49	6.46	71.61	2.04	320.10	8.50
Working Capital Term Loans						
[Refer B(i) and C(v) below]						
From Banks	153.28	422.44	1,042.57	882.39	1,195.85	1,304.83
From Other Parties	18.71	11.10	129.48	21.28	148.19	32.38
Funded Interest Term Loans						
[Refer B(i) & B(iii) and C(vi) below]						
From Banks	1,448.87	2,067.02	944.19	789.39	2,393.06	2,856.41
From Other Parties	335.25	122.85	291.26	39.38	626.51	162.23
Equipment and Vehicle Term Loans						
From Other Parties [Refer B(ii) and C(vii) below]	-	1.03	1.09	1.57	1.09	2.60
Term Loans from Other Parties	-	29.29	116.16	86.86	116.16	116.15
[Refer B(iii) and C(viii) below]						
	14,559.59	**19,168.03**	**12,851.69**	**8,970.74**	**27,411.28**	**28,138.77**
Unsecured						
Loans from Related Parties	-	581.40	442.50	-	442.50	581.40
[Refer C(ix) below]						
Lease Payable to Related Party	200.35	215.75	15.41	13.90	215.76	229.65
	14,759.94	**19,965.18**	**13,309.60**	**8,984.64**	**28,069.54**	**28,949.82**
Less : Amount disclosed under the head "Other Current Financial Liabilities" [Refer Note 22]	-	-	(13,309.60)	(8,984.64)	(13,309.60)	(8,984.64)
	14,759.94	**19,965.18**	**-**	**-**	**14,759.94**	**19,965.18**

All amount in ₹ Million, unless otherwise stated

A. Debt Restructuring

The Company has been under financial stress due to various external factors beyond the control of the Company and its management which amongst others, include (i) failure of the State Government of Odisha to fulfil its obligation under the MOU executed with the Company for grant of Captive Iron Ore Mine, which has deprived the Company of assured supply of consistent quality iron ore at a reasonable cost, (ii) de-allocation of Coal Block by Ministry of Coal and Hon'ble Supreme Court judgment dated 24 September 2014, which has deprived the Company of assured supply of consistent quality coal at a reasonable cost, (iii) non-availability of Iron Ore & Chrome Ore at viable prices due to closure of Mines following the investigations by Shah Commission which commenced sometime in 2011 and the Hon'ble Supreme Court judgment dated 16 May 2014, (iv) dumping of Steel products by overseas manufacturers resulting in sharp drop in prices, (v) high cost of logistics for transportation of raw materials as these rates are fixed by Associations at rates much above the Government notified rates, (vi) non-disbursement of sanctioned loans by lenders for plant operations and setting up Sinter plant and adjustment of sanctioned facilities with interest / principal repayment falling due over time, which resulted in complete depletion of working capital of the Company. The Company has also informed lenders that it reserves its right to claim losses suffered due to the actions and inactions of lenders arising out of breaches and violations of contractual and other arrangements and such claim amount shall be claimed as a right of set-off against any dues.

The Company's debts had been restructured under the aegis of Corporate Debt Restructuring cell (CDR) and a Master Restructuring Agreement (MRA) dated 19 December 2012 was executed to give effect to the package approved by CDR cell with effect from 1 March 2012. Pursuant to the approval of the Company's Business Re-organisation Plan (Refer Note 37) by the CDR, a Common Loan Agreement (CLA) had also been executed on 28 March 2015 among the Company, its Subsidiary Company - VISA Special Steel Limited and lenders. In terms of MRA and CLA the Company's Debt portfolio was reorganised/reallocated and secured as under:

i) Principal Term Loans

ii) Fresh Loan (Loan pursuant to CDR package)

iii) Working Capital Term Loans (WCTL) (Loan pursuant to CDR package)

iv) Funded Interest Term Loans (FITL) (Loan pursuant to CDR package)

v) Corporate Loan 1 & 2 and Sinter Loan (Loan pursuant to Debt Restructuring under CLA)

vi) Working Capital Loans [Indicated in Note 20]

vii) Structured Mezzanine Credit Facility [SMCF(Sub debt)]

Due to the aforesaid external factors, the EBITDA margins of the Company since 2011-12 have not been sufficient to service interest / principal repayment and whilst the outstanding principal term loan amount is only ₹ 10,078.72 Million, during the period April 2011 to March 2016, the lenders have charged approx. ₹ 23,151.44 Million on account of interest/ repayment whereas EBITDA was only approx. ₹ 990.78 Million. This has resulted in ballooning of liabilities of the Company towards its lenders, which are far in excess of the hard cost of investments in the project for which the principal term loan had been taken from the lenders.

The Company exited from the CDR mechanism with status of "Holding-On operation" and for the purpose of these financial statements, the Company has followed reorganization/reallocation and other terms and conditions of MRA/CLA as set out above.

SBI has filed an application with National Company Law Tribunal, Kolkata Bench(NCLT) for initiating Corporate Insolvency Resolution Process(CIRP) under Insolvency and Bankruptcy Code (IBC). The Company has filed a petition before Hon'ble Orissa High Court challenging the initiation of CIRP and the court has ordered a stay on further proceedings pending before NCLT. In the meantime, at the JLF meeting, the Lenders have agreed to implement Resolution Plan through Sale of Debt to Asset Reconstruction Companies (ARC's) and some lenders have already implemented the Sale of Debt to ARC's.

The Company does not have working capital and is presently carrying its operation with the support of the operational creditors. Due to the application filed by SBI in NCLT, there is panic among operational creditors whose financial support is necessary for plant operations, without which there is risk of plant closure, agitation and law and order problems from workers.

B. Details of Securities (Also refer note 45)

i. Principal Term Loan, VBL Term Loan, Fresh Loan, 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:

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(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) Pursuant to CDR, pledge of equity shares of the Company with the CDR Lenders.

(d) Pledge of Equity Shares equivalent to 51% of the present shareholding in Ghotaringa Minerals Limited(GML) held by the Company.

(e) Pledge of entire Equity Shares held by the Company in VISA Urban Infra Limited.

(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 ₹76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

- The Corporate Guarantee of VISA International Limited (subject to the approval of Scheme of Arrangement presently pending before the Hon'ble Orissa High Court).

- The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company given pursuant to CDR.

- The corporate guarantee of Ghotaringa Minerals Limited (GML) given pursuant to CDR. SBI has filed an application to initiate CIRP under IBC in GML which has been admitted on 16 February 2018 and an Insolvency Resolution Professional (IRP) was appointed. The CIRP process is already on.

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 Bank and Other Parties

(a) Term Loan from HUDCO - Secured loan from other parties includes Term Loan (CDR) of ₹ 497.63 Million, Funded Interest Term Loan (FITL) of ₹100.53 Million and Term Loan (Non CDR) of ₹116.16 Million due and outstanding to HUDCO. The subsisting charge in respect of the Term Loan (CDR) and FITL became irrelevant and stood satisfied upon the Company entering into Master Restructuring Agreement (MRA) dated 19 december 2012 with the CDR lenders and the same was substituted by the fresh charge created in favour of the lenders who became parties to the MRA.

HUDCO is disputing the satisfation of the previous charge and creation of fresh charge by the CDR lenders pursuant to MRA dated 19 December 2012.

Both the Company and the State Bank of India, as the Lead Bank has since been calling upon HUDCO to execute a Deed of Accession so that the aforesaid charge substituted in favour of the CDR lenders could also be extended to HUDCO. HUDCO, however, has refused to do so despite specific order passed to the said effect by the Hon'ble High Court of Orissa at Cuttack in Copet No 17 of 2014 (Re: VISA Steel Ltd and VISA Special Steel Ltd) on 13 October 2015, and has instead filed an application in the said proceeding for recalling the said order. The matter is since sub-judice and awaiting further orders of the Hon'ble Court.

For creation of charge on the Term Loan (Non CDR), the charge documents need to be executed between HUDCO and the Company, which by reason of the pendency of the dispute referred hereinabove has also not yet taken place and is awaiting finalisation."

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

C. Terms of Repayment of loans

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

Upon implementation of CDR Package during the Financial Year 2012-13, then existing Restructured Term Loan of ₹12,355.48 Million and Additional Term Loan of ₹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 @ 2% above SBI's Base Rate for subsequent years of restructuring. Above mentioned loan amounting to ₹ 16,689.73 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 5,086.61 Million.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	15.50%
2019-20	15.50%
2020-21	15.50%
2021-22	15.50%

ii Terms of Repayment and outstanding balances of VBL Term Loan

VBL, since amalgamated with the Company, had entered in Joint consortium agreement with Punjab National Bank, Oriental Bank of Commerce, EXIM Bank and Punjab and Sind Bank on 16 January 2012, whereby an amount of ₹ 1,820.00 Million was sanctioned at (PNB BR + 2.5% + Term Premium i.e. 0.5%) with annual reset. The outstanding amount as on the balance sheet date is ₹ 1,790.48 Million to be repaid as per the repayment schedule given below with already due amount of ₹ 816.12 Million.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	16.67%
2019-20	16.67%
2020-21	16.67%
2021-22	4.16%

Subsequently, pursuant to CDR LOA dated 31st December 2014 loan of ₹ 175.00 Million was sanctioned at SBI BR+2.5% for setting up ferro chrome furnace. Out of the aforesaid sanction amount, ₹ 71.86 Million is outstanding with already due amount of ₹ 32.94 Million and the said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	16.67%
2019-20	16.67%
2020-21	16.67%
2021-22	4.16%

iii. Terms of Repayment and outstanding balances of Corporate Term Loans :

In line of aforementioned CLA, Corporate Term Loan amounting ₹ 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 ₹ 4,359.43 Million to be repaid as per the below repayment schedule with already due amount of ₹ 485.06 Million

Repayment Schedule :

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

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

Fresh Term Loan (For Sinter Plant) of ₹ 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 ₹ 27.10 Million repayable as per the below mentioned schedule with already due amount of ₹ 6.50 Million. The said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

Year	Percentage of Corporate Term Loan due for Repayment (%)
2018-19	12.00%
2019-20	12.00%
2020-21	20.00%
2021-22	32.00%

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

v Terms of Repayment and outstanding balances 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 ₹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 of 0.50% above the SBI's Base Rate. Above mentioned loan amounting to ₹ 1,344.03 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with the already due amount of ₹ 914.06 Million.

Repayment Schedule :

Year	Percentage of WCTL (originally restructured) due for Repayment (%)
2018-19	15.00%
2019-20	10.00%

vi. 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. Above mentioned loan amounting to ₹ 3,019.57 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 739.86 Million.

Repayment Schedule :

Year	Percentage of FITL (originally restructured) due for Repayment from September 2016 (%)
2018-19	12.50%
2019-20	15.00%
2020-21	15.00%
2021-22	15.00%

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

Other Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment	Interest rate
Daimler Financial Services India Private Limited	1.09	2.60	48 Equal Monthly instalments over the period of loan.	10.25%
Total	**1.09**	**2.60**		

viii. Terms of Repayment of Term Loans from Bank and Other Parties :

Bank and Other Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment		Interest rate
State Bank of India	-	300.00	Repayable in eighteen quarterly instalments from December 2014 onwards.		10.75% p.a.
			Year	**Term Loan (%)**	
			2018-19	62.00%	
HUDCO	116.16	116.16	Seventeen quarterly instalments of ₹6.69 Million each from Balance sheet date.		HUDCO Benchmark rate + 1% p.a.
Total	**116.16**	**416.16**			

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

viii. Terms of Repayment of Loans from Related Parties :

Related Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment	Interest rate
VISA Infrastructure Limited	442.50	581.40	upon or before expiry of 3 years from the date of disbursement	8% p.a.
Total	**442.50**	**581.40**		

In view of proposed debt resolution, the rate of interest, terms of repayment and other terms and condition of debts may undergo changes. Further, upon sanction of the Scheme of Arrangement (refer note 37A) pending before Hon'ble Orissa High Court, substantial debt of the Company, being part of the special steel undertaking shall stand transferred to VISA Special Steel Limited.

D The debts of the Company which were restructured pursuant to the MRA dated 19 December 2012 having cut-off date of 1 March 2012 could not be fully serviced and have since been categorised as Non-Performing Assets (NPA).

State Bank of India, the lead bank vide its letter bearing No AMT-II/04 dated 4 April 2016 has classified the debts of the Company as NPA with effect from 11 July 2012. By reason of the aforesaid, the Company stopped providing further interest in its books effective 1 April 2016. The amount of such interest not provided for in the financial year ended 31 March 2018 is estimated at ₹ 3,874.55 million and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 7,715.51 million.

In the meantime, the lenders have provided "holding on operations" status to the Company with monthly cut-back out of the sale proceeds. The company is regularly servicing the cut-back amount and has not defaulted therein. The monthly cut-back amount is presently being adjusted in the books of the Company with the principal amount of the loan.

		As at 31 March 2018	As at 31 March 2017
19	**NON CURRENT PROVISIONS**		
	Provision for Employee Benefits	43.09	18.25
		43.09	**18.25**

		As at 31 March 2018	As at 31 March 2017
20	**CURRENT - BORROWINGS**		
	Secured		
	Loans Repayable on Demand		
(i)	Short Term Loan - Others [Refer Note (a) below]	120.00	-
(ii)	Working Capital Loans		
	From Banks [Refer Note 18.B (i)]	6,669.59	7,411.09
	From Other Parties [Refer Note 18.B (i)]	886.80	176.10
(iii)	Other Working Capital Loan		
	From Other Parties [Refer (b) below]	67.46	67.76
	Unsecured		-
	Sales Bill Discounting	479.82	773.95
		8,223.67	**8,428.90**

(a) The Short term Loan taken for making payment to VISA SunCoke Limited (VSCL) is secured by pledging of 10,54,471 shares of VSCL held by the Company.

(b) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of ₹76.40 Million (31 March 2017 : ₹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 18.B (i) for details of security.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
21	**CURRENT - TRADE PAYABLES**		
	Dues to Related Party [Refer Note 49]	342.80	1,158.90
	Dues to Micro and Small Enterprises	26.82	50.75
	Dues to other than Micro and Small Enterprises	854.37	1,314.86
		1,223.99	**2,524.51**

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

	31 March 2018		31 March 2017	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the	26.82	-	50.75	-
end of the accounting year : - Principal				
(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	-	0.65	-	1.05
(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 2018	As at 31 March 2017
22	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Current Maturities of Long-Term Debt [Refer Note 18]	12,851.69	8,970.74
	Current Maturities of Finance Lease Obligations [Refer Note 18]	15.41	13.90
	Loan Repayable to Related Rarty [Refer Note 18]	442.50	-
	Interest Accrued	4,358.54	4,182.23
	Unclaimed/Unpaid Dividends [Refer (a) below]	0.20	0.59
	Employee Related Liabilities	111.82	113.63
	Other Liabilities	287.60	134.39
	Capital Creditors	232.07	392.79
		18,299.83	**13,808.27**

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

		As at 31 March 2018	As at 31 March 2017
23	**OTHER CURRENT LIABILITIES**		
	Advances from Customers	135.88	249.76
	Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc.)	765.74	311.25
		901.62	**561.01**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
24	**CURRENT-PROVISIONS**		
	Provision for Employee Benefits	9.59	25.21
		9.59	**25.21**

		For the year ended 31 March 2018	For the year ended 31 March 2017
25	**REVENUE FROM OPERATIONS**		
(a)	**Sale of Products**		
	Manufactured Goods (including Excise Duty)	15,881.12	14,182.01
	Traded Goods	21.52	621.97
	Total	**15,902.64**	**14,803.98**
(b)	**Other Operating Revenues**		
	Scrap Sales	32.10	29.95
	Export Incentives	-	17.31
	Liabilities no longer required written back	325.22	76.38
	Allowances for Doubtful Debts, Advances etc. no longer required written back	55.56	22.86
	Other Non Current Assets	**412.88**	**146.50**
		16,315.52	**14,950.48**

		For the year ended 31 March 2018	For the year ended 31 March 2017
26	**OTHER INCOME**		
(a)	**Interest Income**		
	On Bank Deposits (Margin Money)	3.56	3.31
	On Others	87.12	96.82
(b)	**Other Non-Operating Income**		
	Insurance Claim Received	2.00	1.44
	Gain on Sale of Property, Plant and Equipment	0.02	2.24
	Gain on Exchange Fluctuation	-	19.35
	Income from Shared Services	128.49	156.31
	Rental and Other Non Operating Income	0.77	0.91
		221.96	**280.38**

		For the year ended 31 March 2018	For the year ended 31 March 2017
27	**COST OF MATERIALS CONSUMED**		
	Chrome Ore	3,227.83	2,850.69
	Iron Ore	2,186.09	1,909.54
	Coal and Coke	4,635.70	4,163.38
	Others	476.12	494.35
		10,525.74	**9,417.96**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		For the year ended 31 March 2018	For the year ended 31 March 2017
28	PURCHASES OF STOCK-IN-TRADE		
	Coal and Coke	19.29	608.52
	Others	2.68	10.88
		21.97	**619.40**

		For the year ended 31 March 2018	For the year ended 31 March 2017
29	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
	Opening Stock		
	Finished Goods	623.44	295.91
	By-Products	216.17	139.59
	Work-in-Progress	123.40	47.34
		963.01	**482.84**
	Less : Closing Stock		
	Finished Goods	296.88	623.43
	By-Products	73.85	216.17
	Work-in-Progress	53.85	123.40
		424.58	**963.00**
	Increase/(Decrease) in Excise Duty on Stock	(73.37)	34.97
	(Increase)/ Decrease in Stock	**465.06**	**(445.19)**

		For the year ended 31 March 2018	For the year ended 31 March 2017
30	EMPLOYEE BENEFIT EXPENSES		
	Salaries and Wages	698.77	604.03
	Contribution to Provident and Other Funds	37.92	32.15
	Staff Welfare Expenses	4.82	4.53
	Less : Capitalised during the year	-	(0.29)
		741.51	**640.42**

Additional disclosures relating to Employee Benefit Obligations/ Expenses

(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 ₹ 28.00 Million (31 March 2017 : ₹ 26.13 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 provisions of Gratuity Act depending upon the tenure of service subject to a maximum limit of ₹2.00 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 2.2.11, 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 the financial statements

All amount in ₹ Million, unless otherwise stated

(III) Balance Sheet amounts - Post employment Defined Benefit Plan-Gratuity (Funded)

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2016	32.74	20.21	12.53
Impact of Amalgamation	0.06	0.06	-
Current Service cost	5.06	-	5.06
Interest cost/Income	2.56	0.04	2.52
Investment Income	-	1.58	(1.58)
Amount not recognised as per Ind AS 19 pertaining to Amalgamating Company	0.02	0.04	(0.02)
Total amount recognised in profit or loss	**7.60**	**1.58**	**6.02**
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	2.02	-	2.02
- Experience Variance (i.e. Actual Experience vs assumptions)	0.05	-	0.05
- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.53)	0.53
Amount not recognised as per Ind AS 19 pertaining to Amalgamating Company	0.25	(0.02)	0.27
Total amount recognised in Other Comprehensive Income	**1.82**	**(0.51)**	**2.33**
Contributions by employer	-	0.33	(0.33)
Benefits paid	(3.56)	(3.56)	-
1 April 2017	**38.66**	**18.11**	**20.55**
Current Service cost	6.06	-	6.06
Interest Cost/Income	2.84	-	2.84
Past Service Cost	1.78	-	1.78
Investment Income	-	1.33	(1.33)
Total amount recognised in profit or loss	**10.68**	**1.33**	**9.35**
Remeasurements (Gains)/Losses			
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(1.68)	-	(1.68)
- Experience Variance (i.e. Actual Experience vs assumptions)	(0.41)	-	(0.41)
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.13)	0.13
Total amount recognised in Other Comprehensive Income	**(2.09)**	**(0.13)**	**(1.96)**
Contributions by employer	-	0.28	(0.28)
Benefits paid	(2.52)	(2.52)	-
31 March 2018	**44.73**	**17.07**	**27.66**

(IV) The net liability disclosed above relates to the aforesaid Gratuity Plan (Funded) is as follows:

	As at 31 March 2018	As at 31 March 2017
Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
Present Value of funded obligation at the end of the year	44.73	38.66
Fair Value of Plan Assets at the end of the year	17.07	18.11
Net Asset /(Liability) recognised in the Balance Sheet	**27.66**	**20.55**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(V) Principal Actuarial Assumption Used :

	As at 31 March 2018	As at 31 March 2017
Discount Rates	7.70%	7.35%
Expected Salary Increase Rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

The Company ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Company's ALM objective is to match asset with gratuity obligation. The Company actively monitors how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Company has not changed the process used to manage its risk from previous period. The Company does not use derivatives to manage its risk. The gratuity scheme is funded with LICI which has good track record of managing fund.

(VI) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2018	As at 31 March 2017
Insurer Managed Funds	100%	100%

(VII) Category of Plan Assets :

	As at 31 March 2018	As at 31 March 2017
Fund with LIC	17.07	18.11
Total	**17.07**	**18.11**

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow) is 12 Years

The expected maturity analysis of undiscounted gratuity benefit is as follows:

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2018					
Defined Benefit Obligation	4.62	9.80	17.00	91.85	123.28
As at 31 March 2017					
Defined Benefit Obligation	3.40	7.16	12.32	80.74	103.62

(VIII) Sensitivity Analysis

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2018		As at 31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	49.89	40.38	43.31	34.88
Salary Growth Rate (-/+1%)	40.23	49.99	34.92	43.20
Attrition Rate(-/+50%)	43.44	45.91	37.65	39.71
Mortality Rate(-/+10%)	44.52	44.96	38.55	38.93

All amount in ₹ Million, unless otherwise stated

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit, the most significant of which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the company is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 10,00,000). An upward revision of maximum gratuity limit will result in gratuity plan obligation.

		For the year ended 31 March 2018	For the year ended 31 March 2017
31	**FINANCE COSTS**		
	Interest Expenses	233.07	312.53
	Other Borrowing Costs - LC Opening, Discounting Charges and Other Processing Charges	40.27	53.35
		273.34	**365.88**

		For the year ended 31 March 2018	For the year ended 31 March 2017
32	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation and Amortisation Expense on Property, Plant and Equipment	1,407.89	1,502.72
	Amortisation Expense on Intangible Assets	0.84	1.54
		1,408.73	**1,504.26**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		For the year ended 31 March 2018	For the year ended 31 March 2017
33	**OTHER EXPENSES**		
	Consumption of Stores and Spare Parts	996.47	881.80
	Power and Fuel	1,602.15	1,245.27
	Rent	42.36	50.43
	Lease Rent for Production Facility	0.27	0.76
	Repairs to Buildings	41.97	132.96
	Repairs to Machinery	141.22	220.33
	Insurance Expenses	11.49	14.90
	Rates and Taxes, Excluding Taxes on Income	259.12	159.48
	Material Handling Expenses	194.40	166.68
	Freight and Selling Expenses	353.43	296.66
	Loss on Exchange Fluctuation (net)	18.02	-
	Allowance for Doubtful Advances	-	36.81
	Miscellaneous Expenses [Refer Note 46]	608.90	369.93
		4,269.80	**3,576.01**

		For the year ended 31 March 2018	For the year ended 31 March 2017
34	**OTHER COMPREHENSIVE INCOME**		
	Items that will not be reclassified to profit or loss		
	Remeasurements of the Defined Benefit Plans	1.95	(2.33)
		1.95	**(2.33)**

					For the year ended 31 March 2018	For the year ended 31 March 2017
35	**EARNING / (LOSS) PER EQUITY SHARE**					
	(I)	**Basic**				
		a.	(Loss) / Profit After Tax		(1,456.18)	(1,426.55)
		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	115,789,500	110,000,000
			(iii)	Weighted Average Number of Equity Shares Outstanding During the Year	112,522,001	110,000,000
			(iv)	Face Value of each Equity Share (₹)	10.00	10.00
		c.	Basic Earning / (Loss) per Share [a / (b(iii)] (₹)		**(12.94)**	**(12.97)**
	(II)	**Diluted**				
		a.	Dilutive Potential Equity Shares			
		b.	Weighted Average number of Equity Shares for computing Dilutive Earning / (Loss) per Share		112,522,001	110,000,000
		c.	Diluted Earning / (Loss) per Share [same as (I)(c) above] (₹)		**(12.94)**	**(12.97)**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
36A	**CONTINGENT LIABILITIES**		
(a)	**Claims against the Company not Acknowledged as Debts :**		
	(i) Sales / Customers and Related Matters	191.90	191.90
	(ii) Purchases / Vendors and Related matters	4,871.25	4,785.60
	(iii) Other Matters	399.35	442.10
(b)	**Other money for which the Company is Contingently Liable :**		
	(i) Disputed Income Tax matters under Appeal	56.15	99.49
	(ii) Disputed Sales Tax matters under Appeal	169.81	172.55
	(iii) Disputed Entry Tax matters under Appeal	5.46	14.92
	(iv) Disputed Customs Duty matter on Imported Goods under Appeal	61.34	34.86
	(v) Disputed Excise Duty matters under Appeal	15.97	10.96
	(vi) Disputed Service Tax matters under Appeal	54.63	17.10
(c)	**Guarantees**		
	(i) Bank Guarantee	-	25.00
(d)	In respect of the contingent liabilities mentioned in Note 36A(a) and 36A(b) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. The Company does not expect any reimbursements in respect of the above contingent liabilities.		
36B	**CAPITAL COMMITMENT**		
	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance of ₹ 12.87 Million, (31 March 2017 : ₹ 99.05 Million]	172.78	525.51

37 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 Scheme of Arrangement (the Scheme) between VISA Special Steel Limited (VSSL) and the Company pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. As per the Scheme, the Company will transfer its Special Steel undertaking on going concern basis to VSSL with effect from 1 April, 2013. The Scheme is pending sanction in Orissa High Court. While the Scheme was pending sanction of the Orissa High Court, the jurisdiction for sanction of the same has, with the promulgation of the respective provisions on scheme of arrangement under the Companies Act, 2013, was to be transferred to National Company Law Tribunal (NCLT), Kolkata Bench vide MCA notification dated 7 December 2016. However, this notification was challenged through a writ petition by Orissa High Court Advocate's Bar Association and the Hon'ble Orissa High Court granted stay on transfer of cases to NCLT, Kolkata Bench. Pending the sanction of the Scheme, accounting adjustments, as may be necessary pursuant to the Scheme, have not been considered at the time of the compilation of these Financial Statements.

(b) The Board of Directors of the Company at its meeting held on 18 December 2014 had approved the merger of Kalinganagar Special Steel Pvt Ltd, a wholly owned Subsidiary of the Company, with the Company, on a going concern basis by way of Scheme of Arrangement (the Scheme) with effect from 31 March 2014 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. While the Scheme was pending sanction of the High Court, the jurisdiction for sanction of the same has in the meantime with the promulgation of the respective provisions on scheme of arrangement under the Companies Act, 2013 has now shifted to National Company Law Tribunal (NCLT). Accordingly, the scheme shall now be subject to sanction of Jurisdictional NCLT. Pending the sanction of the Scheme, accounting adjustment necessary pursuant to the Scheme has not been considered at the time of the compilation in these Financial Statements.

38 The Company has incurred net loss during the year ended 31 March 2018 and the year end current liabilities exceeded the current assets as on 31 March 2018 which has adversely impacted the net worth of the Company. The Company's financial performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, and other external factors beyond the Company's control. With the improvement in raw material availability, likely improvement in working capital availability and debt resolution, it is expected that the overall financial health of the Company would improve considerably. Considering the above developments and favourable impact thereof on the Company's operations and financials, the Company has prepared these financial statements on the basis of going concern assumption.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

39 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.

With respect to all operating lease	For the year ended 31 March 2018	For the year ended 31 March 2017
Lease payments recognised in the statement of Profit and Loss during the year	**15.04**	**19.78**

40 (A) DISCLOSURES PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V TO SEBI LISTING REGULATION 2015

Loans and advances in the nature of loans to subsidiaries and associates	For the year ended 31 March 2018	For the year ended 31 March 2017
Loan to subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Maximum amount outstanding at any time during the year	2.50	2.50

(B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013 regarding loans given, investment made and guarantees given are mentioned in respective Notes of Non Current Investment [Refer Note 4], Loans -non current [Refer Note 5] and Guarantees [Refer Note 36A(c)].

41 SHARE - BASED COMPENSATION

The shareholders of the Company in the Annual General Meeting held on 17 August, 2010, had approved an Employee Stock Option Scheme 2010 (the "ESOP Scheme 2010"), formulated by the Company, under which the Company could have issued 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. The Scheme had a 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 with exercise period of 3 years from the date of vesting. There were neither any vesting of ESOP nor any exercise of vesting of the ESOP Scheme 2010 during the tenancy of the Scheme and there will not be any further exercise of the vested options upon expiry of the scheme as on 4 February 2018

Each option when exercised would be converted into one fully paid - up equity share of ₹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	900000
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 (₹ per Option)	46.30
Other Non current Assets	Intrinsic Value

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

Movement of Options Granted

The movement of the options for the year ended 31 March 2018 is given below:

Particulars	Stock Options (Nubers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	93,750	46.30	46.30	1
Granted during the year	-	-	-	
Forfeited during the year	-	-	-	
Exercised during the year	-	-	-	
Lapsed during the year	93,750	46.30	46.30	
Outstanding at the end of the year	-	-	-	
Exercisable at the end of the year	-	-	-	

During the year no Options were vested.

Movement of Options Granted

The movement of the options for the year ended 31 March 2017 is given below:

Particulars	Stock Options (Nubers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	222,500	46.30	46.30	2
Granted during the year	-	-	-	
Forfeited during the year	-	-	-	
Exercised during the year	-	-	-	
Lapsed during the year	128,750	46.30	46.30	
Outstanding at the end of the year	93,750	46.30	46.30	1
Exercisable at the end of the year	93,750			

During the year no Options were vested.

42 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2018

The Company's chief operating decision making group [CODMG] (as set out in Note 2.2.15), examines the Company's performance both from business (product) & geographical perspective and has identified two reportable business segments viz. "Special Steel" and " Ferro Alloys".

Segment disclosures are consistent with the information provided to CODMG which primarily uses operating profit / loss of the respective segments to assess their performance. CODMG also periodically receives information about the segments revenue and assets.

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

Special Steel - Bar and Wire Rods, Billets and Blooms, Pig Iron and Sponge Iron and Other Allied Products

Ferro Alloys - Ferro Chrome and Captive Power

Segment assets, liabilities, revenue and expenses are measured in the same way as in the standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(a) Summarised Segment information

Primary Business Segment	As at 31 March 2018			As at 31 March 2017		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
External Revenue from Operations	7,895.73	8,419.80	16,315.53	8,115.54	6,834.94	14,950.48
Inter Segment Revenue from Operations	87.40	212.84	300.24	4.56	232.95	237.51
Segment Revenues	7,983.13	8,632.64	16,615.77	8,120.10	7,067.89	15,187.99
Other Income	-	-	-	(2.84)	21.91	19.07
Segment Results	(1,159.82)	166.47	(993.35)	(1,119.92)	394.32	(725.60)

Company deals with various customers and revenue from transactions with VISA Minmetal Limited & VISA Resources India Limited exceeds 10% or more of the Company's revenue

(b) Specified amounts included in Segment Results

Primary Business Segment	As at 31 March 2018			As at 31 March 2017		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
Depreciation & Amortisation	857.65	403.11	1,260.76	865.53	385.10	1,250.63
Net Foreign Exchange loss / (gain)	-	-	-	(2.84)	23.76	20.92
Non Cash Expenses other than depreciation & amortisation	-	-	-	-	-	-

(c) Reconciliation of Segment Results with Profit after tax

Primary Business Segment	As at 31 March 2018			As at 31 March 2017		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
Segment Results	(1,159.82)	166.47	(993.35)	(1,119.92)	394.32	(725.60)
Corporate-Unallocated / Others (Net)	-	-	189.49	-	-	335.07
Finance Costs	-	-	273.34	-	-	365.88
Provision for Taxation - Current Tax	-	-	-	-	-	-
MAT Credit Entitlement	-	-	-	-	-	-
Tax Expenses-Deferred tax(Charge)/ Credit	-	-	-	-	-	-
Profit / (Loss) after tax as per Financial Statements	**(1,159.82)**	**166.47**	**(1,456.18)**	**(1,119.92)**	**394.32**	**(1,426.55)**

(d) Other information

Reconciliation of Reportable Segments with the Financial Statements

Primary Business Segment	As at 31 March 2018			As at 31 March 2017		
	Special Steel	Ferro Alloys	Total	Special Steel	Ferro Alloys	Total
Segment Assets	19,558.43	10,814.06	30,372.49	21,604.05	11,580.47	33,184.52
Corporate Unallocated (net)	-	-	5,137.58	-	-	5,667.50
Total Assets	**19,558.43**	**10,814.06**	**35,510.07**	**21,604.05**	**11,580.47**	**38,852.02**
Segment Liabilities	734.72	521.35	1,256.07	1,965.39	2,342.20	4,307.59
Corporate Unallocated (net)	-	-	42,205.69	-	-	41,023.74
Total liabilities #	**734.72**	**521.35**	**43,461.76**	**1,965.39**	**2,342.20**	**45,331.33**

Excluding Shareholder's Funds

All amount in ₹ Million, unless otherwise stated

(e) Additional Segment Information - By geography

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	As at 31 March 2018			As at 31 March 2017		
	India	Outside India	Total	India	Outside India	Total
Revenue External	16,003.65	311.88	16,315.53	14,674.69	275.79	14,950.48
Total Segment Assets	30,338.28	34.21	30,372.49	33,080.13	104.39	33,184.52

43 AMALGAMATION OF SUBSIDIARY COMPANY

Pursuant to the Scheme of Amalgamation of VISA Bao Limited ("VBL" or "the Transferor Company"), an erstwhile subsidiary Company, with VISA Steel Limited ("the Company" or "the Transferee Company") filed under section 391 to 394 and other applicable provisions of Companies Act,1956 ("the Sanctioned Scheme") sanctioned by the National Company Law Tribunal, Kolkata ("NCLT") vide its Order dated 12 October 2017, the whole of the undertaking of VBL including its assets, properties and liabilities stands transferred to and vested in the Company with effect from 1 April 2015 ("the Appointed Date"). Certified copy of the said Order of NCLT sanctioning the Scheme has been filed by both VBL and the Company with the Registrar of Companies, Orissa on 17 October 2017. Accordingly the Scheme became effective on and from 17 October 2017 (the "Effective Date").

Pursuant to NCLT order on Scheme of Amalgamation, the authorised capital of VISA Bao Limited (Transferee Company) stands amalgamated with the authorised capital of the Company resulting in increase in authorised share capital by 92,000,000 shares of ₹ 10/- each.

Further, pursuant to the Scheme, the Company has issued and allotted 5,789,500 (Fifty seven lakhs eighty nine thousand five hundred) equity shares of face value of ₹ 10 each amounting to ₹ 57.90 Million to Baosteel Resources Co. Ltd, China in lieu of their shareholding in VISA Bao Limited.

44 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

Primary Business Segment	31 March 2018			31 March 2017		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial Assets						
Investments*	-		51.83	-		
Trade Receivables	665.82			1,412.96		
Cash and Cash Equivalents	166.45			122.56		
Other Bank Balances	28.83			17.98		
Loans	313.02			256.35		
Others Financial Assets	25.18			21.19		
Total Financial Assets	**1,199.30**	**-**	**51.83**	**1,831.04**	**-**	**-**
Financial Liabilities						
Non Current Borrowings	14,759.94			19,965.18		
Current Borrowings	8,223.67			8,428.90		
Other financial liability	18,299.83			13,808.27		
Trade Payables	1,223.99			2,524.51		
Foreign exchange forward contracts (USD)						33.99
Total Financial Liabilities	**42,507.43**	**-**	**-**	**44,726.86**	**-**	**33.99**

*Excludes investment measured at deemed cost/cost.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets and Liabilities measured at fair value as at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments		31.63		31.63
Derivative Asset				
Total Financial Assets	**-**	**31.63**	**-**	**31.63**
Financial Liabilities				
Foreign exchange forward contracts (USD)		-		
Total Financial Liabilities	**-**	**-**	**-**	**-**

Financial Assets and Liabilities measured at fair value as at 31 March 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Asset				-
Total Financial Assets	**-**	**-**	**-**	**-**
Financial Liabilities				
Foreign exchange forward contracts (USD)		33.99		33.99
Total Financial Liabilities	**-**	**33.99**	**-**	**33.99**

Notes:

(i) Current financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) Non- current financial assets and liabilities measured at amortised cost have same fair value as at 31 March 2018 and 31 March 2017.

c) Valuation techniques

The following methods and assumptions were used to estimate the fair values

Investment has been fair valued based on valuation carried out by independent valuer as on 31 March 2018.
Derivative assets has been fair valued based on Mark to Market valuation provided by Banks.
Changes in level 2 and level 3 fair values are analysed at each reporting period

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

45 ASSETS PLEDGED AS SECURITY (REFER NOTE 18 B)

The carrying amounts of certain categories of assets pledged as security for current and non-current borrowings pursuant to the requirements of Ind AS 2, Ind AS 16, Ind AS 38 and Ind AS 107:

Particulars	As at 31 March 2018	As at 31 March 2017
Current Assets		
Financial assets	876.35	1,621.33
Non-financial assets		
Inventories	1,214.97	1,859.88
Total current assets pledged as security(A)	**2,091.32**	**3,481.21**
Non-current Assets		
Property, Plant and Equipment	29,182.57	30,285.29
Capital Work-in-progress	2,978.61	3,042.93
Intangible Assets	2.14	1.84
Certain Investments	14.54	14.54
Total non-currents assets pledged as security (B)	**32,177.86**	**33,344.60**
Total assets pledged as security (A+B)	**34,269.18**	**36,825.81**

46 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITORS

Particulars	As at 31 March 2018	As at 31 March 2017
AS AUDITORS :		
Audit Fees	1.75	2.60
Tax Audit Fees	0.20	0.20
Other Services*	2.48	1.33
Re-imbursement of expenses	-	0.27
	4.43	**4.40**

* Includes payment to erstwhile auditors "Lovelock & Lewes" amounting to ₹ 1.64 Million

47 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and how the Company is managing such risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's risk management is carried out by the CFO and his team.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analysed individually, and an expected loss shall be directly deducted from debt securities.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

Furthermore, the Company limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as the approval of the board of directors.

(i) Credit risk exposure

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk as of 31 March 2018 and 31 March 2017 are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	166.45	122.56
Other Bank balances	28.83	17.98
Loans and other receivables	338.20	277.54
Trade receivable (net)	665.82	1,412.96
	1,199.30	**1,831.04**

(ii) Impairment losses on financial assets

Refer the table below for reconciliation of loss allowance in respect of Trade Receivables:

Trade Receivables (measured under life time excepted credit loss model)	As at 31 March 2018	As at 31 March 2017
Loss Allowance at the beginning of the year	358.86	369.32
Add: Loss Allowance provided during the year	36.97	-
Less: Write Off	262.22	-
Less: Loss Allowance reversed during the year	73.01	10.46
Loss Allowance at the end of the year	**60.60**	**358.86**

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

The aging of trade accounts and notes receivable as of 31 March 2018 and 31 March 2017 are as follows:

	As at 31 March 2018	As at 31 March 2017
Not due		
Over due less than 3 month	682.32	1,256.52
3 months - 12 months	3.31	194.90
over 12 months	40.78	320.40
	726.41	**1,771.82**

No significant changes in estimation techniques or assumptions were made during the reporting period

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

However, in view of various unfavourable factors as set out in Note 38, the Company has been experiencing stressed liquidity condition. In order to overcome such situation, the Company has been taking measures to ensure that the Company's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Company's operations.

(i) Financing arrangements

The Company's undisbursed borrowing facilities at the end of the reporting period is:

	As at 31 March 2018	As at 31 March 2017
Expiring beyond one year	846.67	846.67
	846.67	**846.67**

(ii) Maturities of financial liabilities

Contractual maturities for non-derivative and derivative financial liabilities, including estimated interest, at undiscounted values are as follows:

As at 31 March 2018	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	1,223.99	-	-	-	1,223.99
Non Current Borrowings @	-	-	14,759.94	-	14,759.94
Current Borrowings @	8,223.67	-	-	-	8,223.67
Other financial liabilities @	14,473.77	3,826.06	-	-	18,299.83
	23,921.43	**3,826.06**	**14,759.94**	**-**	**42,507.43**

As at 31 March 2017	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	2,524.51	-	-	-	2,524.51
Non Current Borrowings @	-	-	17,972.52	1,532.68	19,505.20
Current Borrowings @	8,428.90	-	-	-	8,428.90
Other financial liabilities @	7,080.21	6,728.06	-	-	13,808.27
	18,033.62	**6,728.06**	**17,972.52**	**1,532.68**	**44,266.88**

@ The contractual maturity obligations in respect of borrowings as set out above may undergo changes upon debt resolution.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(C) Market Risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

i) Interest rate risk

The Company manages the exposure to interest rate risk by adjusting of borrowing structure ratio between borrowings at fixed interest rates and variable interest rate. The company monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2018 and 31 March 2017 are as follows:

Trade Receivables (measured under life time excepted credit loss model)	As at 31 March 2018	As at 31 March 2017
Variable rate financial liabilities	31,833.17	6,256.30
Variable rate financial assets	-	-

b) Sensitivity analysis on the fair value of financial instruments with fixed interest rate

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

c) Sensitivity analysis on the cash flows of financial instruments with variable interest rate

As of 31 March 2018 and 31 March 2017, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1%, the changes in interest expense for the years ended 31 March 2018 and 31 March 2017 were as follows:

	Impact on profit before tax	
	As at 31 March 2018	As at 31 March 2017
Interest rates - increase by 100 basis points [Refer (a) below]	318.33	13.71
Interest rates - decrease by 100 basis points [Refer (a) below]	(318.33)	(13.71)

(a) The company has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. Refer note 18 (D).

ii) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and EUR. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy in respect of foreign currency risks is a natural hedge whereby foreign currency income is offset with foreign currency expenditures. The remaining net exposures after the natural hedge have been hedged using derivative contracts such as forward exchange contracts. In addition, the Company's derivative transactions are limited to hedging actual foreign currency transactions and speculative hedging is not permitted.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

a The Company has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2018 and 31 March 2017 are as follows:

	31 March 2018		31 March 2017	
	USD	EUR	USD	EUR
Financial Assets				
Trade receivables	0.01	-	0.01	-
Capital Advance	-	0.01	0.57	0.01
Advance to supplier	0.01	0.00	0.36	0.01
Derivative Assets				
Foreign exchange forward contracts	-	-	-	-
Net exposure to foreign currency risk (assets)	**0.02**	**0.01**	**0.94**	**0.02**
Financial Liabilities				
Trade payables	0.22	0.00	0.24	0.00
Capital Creditor	0.10	0.22	0.12	0.20
Advance from customer		-	0.00	-
Derivative Liabilities				
Foreign exchange forward contracts	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**0.32**	**0.22**	**0.36**	**0.20**

Net Forex Exposure

	As at 31 March 2018	As at 31 March 2017
USD	(0.30)	0.58
EUR	(0.21)	(0.18)

b) As of 31 March 2018 and 31 March 2017, provided that functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 10%, the changes in gain or loss for the years ended 31 March 2018 and 31 March 2017 were as follows:

	Impact on profit before tax	
	As at 31 March 2018	As at 31 March 2017
USD		
10% increase	(1.95)	3.74
10% decrease	1.95	(3.74)
EUR		
10% increase	(1.68)	(1.26)
10% decrease	1.68	1.26

48 CAPITAL MANAGEMENT

a) Risk Management

The fundamental goal of capital management are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of company's capital management, capital includes issued capital and all other equity reserves. The company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

However in view of certain adverse factors and challenges being faced by the Company over past few years as explained in Note 38, the net worth of the Company has been eroded and the Company has initiated certain measures/been actively engaging with the lenders for restructuring of its debts at sustainable level and thereby continuing to operate as a going concern. The Company has not declared any dividend since financial year 2011-12.

The Company manages its capital on the basis of net debt to equity ratio which is net debt divided by total equity

	As at 31 March 2018	As at 31 March 2017
Net Debt	40,651.75	41,560.95
Total equity	(7,933.54)	(6,537.21)
Net debt to equity ratio	**(5.12)**	**(6.36)**

b) Loan Covenants

The Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Company and the EBITDA margings of the Company since 2011-12 have not been sufficient to service interest / principal repayment. While the outstanding principal term loan amount is ₹ 10078.72 Millions, during the period April 2011 to March 2016, the lenders have charged approx. ₹ 23151.44 Millions on account of interest/ repayment whereas EBITDA was only approx. ₹ 990.78 Millions. This has resulted in huge ballooning of liabilities of the Company towards its lenders (Also refer note 18A).

49 RELATED PARTY DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD(IND AS) 24

(a)	Related Parties	Names of the Related Parties
(i)	**Where Control Exists**	
	Subsidiaries	VISA SunCoke Limited - upto 30 March 2018
		Ghotaringa Minerals Limited
		Kalinganagar Special Steel Private Limited
		Kalinganagar Chrome Private Limited
		VISA Ferro Chrome Limited
		VISA Special Steel Limited
(ii)	**Others**	
	Joint Venture Company	VISA Urban Infra Limited
	Enterprise having significant influence	VISA Infrastructure Limited
		VISA International Limited
	Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
		Mr. Vishal Agarwal (Vice Chairman & Managing Director)
		Mr. Manoj Kumar (Director-Kalinganagar)
		Mr. Debi Prasad Bagchi (Non-executive Director) upto 20 April 2017
		Mr. Pratip Chaudhuri (Non-executive Director)
		Mr. Manas Kumar Nag (Nominee Director)
		Mr. Kishore Kumar Mehrotra (Non-executive Director)
		Ms. Puja Sondhi (Non-executive Director) upto 8 May 2017
		Ms. Ramya Hariharan (Non-executive Director) w.e.f 19 May 2017 upto 25 August 2017
		Ms. Rupanjana De (Non-executive Director) w.e.f 26 August 2017
		Mr. Sheo Raj Rai (Non-executive Director) w.e.f 8 August 2017
	Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
	Member of a Group of which Enterprise having significant influence is also a member	VISA Resources India Limited
		VISA Power Limited
		VISA Minmetal Limited
		VISA SunCoke Limited - w.e.f. 31 March 2018
		VISA Trading (Shanghai) Co. Limited

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(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 2018	31 March 2017
Purchase of Goods	VISA Resources India Limited	-	1,540.97
	VISA SunCoke Limited	1,983.31	2,351.65
	VISA Minmetal Limited	2,983.47	710.13
Purchase of Traded Goods	VISA Resources India Limited	-	166.05
	VISA Minmetal Limited	-	308.21
Purchase of FPS Licenses	VISA Resources India Limited	-	62.40
	VISA Minmetal Limited	5.43	-
Sale of Goods	VISA Resources India Limited	260.36	2,837.34
	VISA Minmetal Limited	6,320.49	1,687.09
Sale of FPS Licenses	VISA SunCoke Limited	14.30	-
Rent Paid	VISA International Limited	1.13	4.44
	VISA Infrastructure Limited	29.31	35.22
Hire Charges-Paid	VISA Resources India Limited	12.86	11.85
Commission -Paid	VISA Resources India Limited	-	18.29
Shared Service Fees Received	VISA SunCoke Limited	145.59	175.94
Finance Cost	VISA Infrastructure Limited	37.20	46.16
	VISA SunCoke Limited	113.30	64.32
Interest Income	VISA Infrastructure Limited	41.46	36.42
Lease Rental-Paid	VISA SunCoke Limited	37.48	37.48
Remuneration to KMP	Mr. Vishambhar Saran	17.46	17.49
	Mr. Vishal Agarwal	18.18	17.31
	Mr. Manoj Kumar Digga	-	7.96
	Mr. Manoj Kumar	8.58	7.00
Sitting Fees	Mr. Debi Prasad Bagchi (Independent Director)	-	0.11
	Mr. Pratip Chaudhuri (Independent Director)	0.27	0.19
	Mr. Manas Kumar Nag (Nominee Director)	0.16	0.08
	Mr. Kishore Kumar Mehrotra (Independent Director)	0.37	0.12
	Ms. Ramya Hariharan (Independent Director)	0.01	-
	Ms. Rupanjana De (Independent Director)	0.16	-
	Mr. Sheo Raj Rai (Independent Director)	0.20	-
Reimbursement of Expenses (Net)	VISA Resources India Limited	-	1.91
	VISA SunCoke Limited	9.36	7.63
	VISA Infrastructure Limited	1.28	1.85
	VISA Minmetal Limited	6.05	-
Recovery of Expenses (Net)	VISA Resources India Limited	6.60	-
Security Deposit Given	VISA Minmetal Limited	186.19	-
Unsecured Loan Repaid	VISA Infrastructure Limited	138.90	-
Receipt of Security Deposit Given	VISA Infrastructure Limited	195.00	66.50

Notes to the financial statements

(c) Details of Transactions with Related Parties

All amount in ₹ Million, unless otherwise stated

Nature of Transaction	31 March 2018					31 March 2017				
	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Rent Charges	-	30.44	-	-	1.00	-	39.67	-	-	-
Hire Charges	-	-	-	-	12.86	-	-	-	-	11.85
Purchase of Goods	1,983.31	-	-	-	2,983.47	2,351.65	-	-	-	2,251.10
Purchase of Traded Goods	-	-	-	-	-	-	-	-	-	474.26
Sale of Goods	-	-	-	-	6,580.85	484.75	-	-	-	4,800.22
Commission	-	-	-	-	-	-	-	-	-	18.29
Income From Shared Services	145.59	-	-	-	-	175.94	-	-	-	-
Purchase of FPS Licenses	-	-	-	-	5.43	-	4.19	-	-	62.40
Sale of FPS Licenses	14.30	-	-	-	-	-	-	-	-	-
Interest Income	0.28	41.46	-	-	-	0.28	36.42	-	-	-
Finance Cost	113.30	37.20	-	-	-	64.32	46.16	-	-	-
Lease Rental	37.48	-	-	-	-	211.15	-	-	-	-
Re-imbursement of Expenses (Net)	9.37	1.44	-	-	6.05	7.88	2.61	-	-	2.14
Recovery of Expenses (Net)	0.01	-	-	-	6.73	-	-	-	-	-
Unsecured Loan Repaid	-	138.90	-	-	-	-	-	-	-	-
Receipt of Security Deposit Given	-	195.00	-	-	-	-	66.50	-	-	-
Security Deposit Given	-	-	-	-	186.19	-	-	-	-	-
Remuneration	-	-	44.21	4.33	-	-	-	49.76	4.33	-
Sitting Fees	-	-	1.17	-	-	-	-	0.56	-	-

Notes to the financial statements

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2018

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	4.64	-	51.05	-	-
Payable	-	6.28	-	-	338.88
Unsecured Loan	-	442.50	-	-	-
Security Deposit Receivable	-	8.00	-	-	186.19

Details of Balances with Related Parties as at 31 March 2017

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	4.25	189.12	52.10	-	326.82
Payable	840.45	25.37	-	-	539.16
Long Term Borrowing	-	581.40	-	-	-

(e) Details of compensation paid to KMP

KMP Compensation	Vishambhar Saran		Vishal Agarwal		Manoj Kumar	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Short-Term Employee Benefits	15.11	14.00	15.95	11.09	8.36	6.80
Post-Employment Benefits	2.34	2.34	2.22	2.22	0.22	0.20
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	**17.46**	**16.34**	**18.17**	**13.31**	**8.58**	**7.00**

(f) To ensure uninterrupted supply of essential goods and critical raw material for plant operations, the Company has settled its receivable from one related party with payable to another related party based on the tri-partite agreement executed on various dates during the year.

50 i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated. ii) Balances of banks/financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Company are pending before Hon'ble Orissa High Court and the Company is contesting the same.

51 PREVIOUS YEAR FIGURES

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Independent Auditors' Report

TO THE MEMBERS OF VISA STEEL LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Consolidated Ind AS 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 joint venture (refer Note 47 to the attached consolidated financial statements), comprising the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity 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 Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture 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 joint venture 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS 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 and auditing standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

7. We draw your attention to Note 18D of the accompanying Consolidated Ind AS Financial Statements with regard to non-recognition of interest expense amounting to ₹ 7,715.51 million including ₹ 3,874.55 million for FY-2017-18 and ₹ 3,840.96 million for FY-2016-17 on the borrowings of the company which is not in accordance with the requirement of Ind AS -23: Borrowing Cost read with Ind AS 109: Financial Instruments.

   Had the aforesaid interest expense been recognised, the consolidated Finance costs for the year ended March 31, 2018 would have been ₹ 4,213.61 million instead of the reported amount of ₹ 339.06 million; consolidated Total Expenses for the year ended March 31, 2018 would have been ₹ 26,322.08 million instead of the reported amount of ₹ 22,447.53 million; consolidated Net Loss after tax for the year ended March 31, 2018 would have been ₹ 4,771.48 million instead of the reported amount of ₹ 896.93 million; consolidated Total Comprehensive Income for year ended March 31, 2018 would have been ₹(4,769.01) million instead of the reported amount of ₹(894.46) million and Loss Per Share for the year ended March 31, 2018 would have been ₹42.41 instead of the reported amount of ₹7.97. Consolidated Other Equity and Other Current Financial Liabilities as at March 31, 2018 would have been ₹(16,806.89) million and ₹26,016.03 million instead of the reported amount of ₹(9,091.38) million and ₹18,300.52

Independent Auditors' Report

million respectively.

The unprovided interest amount reported above has been recalculated retrospectively from April 1, 2016 at simple interest instead of compound interest considered till March 31, 2017.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the effect of matter referred to in paragraph 7 above 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 joint venture as at March 31, 2018, their consolidated total comprehensive income (comprising consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to the following matters:

(a) Note 44 to the Consolidated Ind AS Financial Statement, regarding restatement of consolidated financial statement for the year ended 31st March, 2017 - The consolidated financial statement for the year ended March 31, 2017, were adopted by the board of directors in their meeting held on November 9, 2017. The above consolidated financial statement was audited by the erstwhile auditor and they had issued their qualified opinion vide their report dated November 9, 2017 on the same. These financial statements were approved by the members in their meeting held on December 14, 2017. Subsequently, it was identified by the management that the consolidated financial statement for the year March 31, 2017 were inadvertently prepared without considering the impact of Fair Value of assets and liabilities of Visa Bao Limited (VBL) as required under the scheme of amalgamation sanctioned by the National Company Law Tribunal vide its order dated October 12, 2017 of VBL with the Company. To correct this error, the Company has restated the consolidated financial statement for the year March 31, 2017 by incorporating the required adjustment to the audited consolidated financial statement for the year ended March 31, 2017. Consequently, the restated figures on the balance sheet and statement of profit & loss are - Property Plant and Equipment's ₹31,419.48 million (Original ₹27,933.36 million), Other Equity ₹(7,310.39) million (Original ₹(107,96.51) million), Depreciation ₹1,626.06 (Original ₹1,469.37 million) loss after tax ₹1,334.13 million (original ₹1,177.44 million) and loss per share ₹12.13 (original ₹10.70).

(b) Note 39 to the Consolidated Ind AS Financial Statement, regarding the preparation of the consolidated financial statements of the Group Company on going concern basis, consequently assets and liabilities are being carried at their book value and impairment assessment in this regard is in progress. The Holding Company has incurred net loss during the year ended March 31, 2018 and, as of that date, the Holding Company's current liabilities exceed current assets and the Holding Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern.

Based on the standalone financial statements of the Holding Company (after consolidation adjustments) total assets of ₹ 35,528.20 million (100%) and net assets of ₹ (7,933.60) million (100%) as at March 31, 2018, total revenue of ₹ 16,537.50 million (77%), net loss of ₹ (1,456.20) million (163%) for the year ended March 31, 2018, have been considered in the consolidated financial statements of the Group and its joint venture. Consequently, this indicates the existence of a material uncertainty that may cast significant doubt about the Group and its joint venture's ability to continue as a going concern.

(c) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Nil as at March 30, 2018, total revenue of ₹ 6,714.08 million and loss after tax of ₹ 55.34 million for the period ended March 30, 2018, being the date on which the Company lost Control in this Subsidiary, as considered in the Consolidated Ind AS Financial Statements. These financial statements, prepared for the period from April 1, 2017 to March 30, 2018, are unaudited and have been prepared by the management of the Subsidiary Company. Our opinion on the statement in so far as relates to the amounts and disclosure included in respect of this subsidiary and our report in terms of sub section (3) and (11) of section 143 of the act so far relates to this subsidiary is based solely on such unaudited management certified financial statements.

Our opinion is not qualified in respect of these matters.

Other Matters

10. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹15.12 million and net assets of ₹9.48 million as at March 31, 2018, total revenue of ₹0.06 million, total comprehensive income of ₹(0.66) million (comprising loss and other comprehensive income) as considered in the statement. The statement also includes the Group's share of net profit of ₹0.12 million for the year ended March 31, 2018, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports shave 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 joint venture, are based solely on the report of other auditors.

Our opinion on the statement is not qualified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements / consolidated financial statements certified by the management.

Independent Auditors' Report

11. Attention is drawn to the fact that the comparative figure for the year ended March 31, 2017 are based on the previously issued audited consolidated financial statement, prepared in accordance with the Ind AS, that were audited by the erstwhile Auditor. The audit report dated November 9, 2017 on the audited consolidated financial statement of the Company for the year ended March 31, 2017 issued by erstwhile auditor expressed a qualified opinion. As explained in 9 (a) above and in note no. 44 of the consolidated financial statements, the management has restated the previous year audited consolidated financial statement.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. 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 Ind AS financial statements.

    (b) In our opinion, except for the matters referred to in paragraph 7 above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS 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 (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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, joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, except for the matters referred to in paragraph 7 above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) The matter mentioned in 9 (b) above, in our opinion, may have an adverse effect on the functioning of the Group and its joint venture.

    (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (g) With reference to maintenance of accounts and other matters connected therewith, reference is drawn to our comment in paragraph 12 (b) above.

    (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (i) 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 March 31, 2018 on the consolidated financial position of the Group and joint venture – Refer Note 38A to the consolidated Ind AS financial statements.

        ii. The Group and joint venture did not have any long-term contracts including derivative contracts as at March 31, 2018 for which there were 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, and its subsidiary companies and joint venture incorporated in India during the year ended March 31, 2018.

        iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Pradeep Kumar Singhi
Partner
Membership Number 50773

Place : Kolkata
Date : May 02, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (h) of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of VISA Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies and its jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of internal financial controls over financial reporting of the Company as at March 31, 2018:

   The internal financial controls of the Company relating to application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 18D to the consolidated Ind AS financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory Paragraph

11. We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated financial statements of Visa Steel Limited, which comprise the Balance Sheet as at 31st March, 2018, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the March 2018 consolidated financial statements of Visa Steel Limited and this report affect our report dated May 02, 2018, which expressed a qualified opinion on those financial statements.

Other Matters

12. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Pradeep Kumar Singhi
Partner
Membership Number 50773

Place : Kolkata
Date : May 02, 2018

Consolidated Balance Sheet
as at 31 March 2018

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2018	As at 31 March 2017 (Restated)*
I.	**ASSETS**			
	Non-Current Assets			
	Property, Plant and Equipment	3 A	29,331.20	31,419.48
	Capital Work-In-Progress	3 C	2,994.85	3,059.16
	Intangible Assets	3 B	2.14	1.86
	Financial Assets			
	(i) Investments	4	31.63	0.10
	(ii) Investments accounted for using the Equity Method	47 (c)	10.31	10.19
	(iii) Loans	5	302.32	225.12
	(iv) Other Financial Assets	6	18.13	6.28
	Deferred Tax Assets	7	-	-
	Other Non Current Assets	8	27.66	188.07
	Total Non Current Assets		**32,718.24**	**34,910.26**
	Current Assets			
	Inventories	9	1,214.97	3,096.62
	Financial Assets			
	(i) Trade Receivables	10	665.82	1,413.82
	(ii) Cash and Cash Equivalents	11	166.82	154.82
	(iii) Other Bank Balances [other than (ii) above]	12	29.78	265.65
	(iv) Loans	13	8.20	52.81
	(v) Others Financial Assets	14	5.32	20.32
	Current Tax Assets (Net)	15	118.69	106.25
	Other Current Assets	16	602.12	1,255.33
	Total Current Assets		**2,811.72**	**6,365.62**
	TOTAL ASSETS		**35,529.96**	**41,275.88**
II	**EQUITY AND LIABILITIES:**			
	Equity			
	Equity Share Capital	17 A	1,157.90	1,100.00
	Equity Share Suspense	17 B	-	57.90
	Other Equity	17 C	(9,091.38)	(7,310.39)
	Equity attributable to owners of VISA Steel Limited		**(7,933.48)**	**(6,152.49)**
	Non-Controlling Interest	47 (b)	0.95	580.62
			(7,932.53)	**(5,571.87)**
	LIABILITIES			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	18	14,759.94	19,749.45
	Deferred Tax Liabilities	19	-	1.08
	Provision	20	43.09	18.32
	Total Non Current Liabilities		**14,803.03**	**19,768.85**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	21	8,223.67	10,125.19
	(ii) Trade Payables	22	1,224.02	2,475.90
	(iii) Other Financial Liabilities	23	18,300.52	13,842.45
	Other Current Liabilities	24	901.65	608.39
	Current Tax Liabilities (net)	25	0.01	0.01
	Provisions	26	9.59	26.96
	Total Current Liabilities		**28,659.46**	**27,078.90**
	TOTAL EQUITY AND LIABILITIES		**35,529.96**	**41,275.88**

* Refer Note 44

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

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Consolidated Statement of Profit & Loss

for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

Sl No	Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017 (Restated)*
Continuing Operation				
I	Revenue from Operations	27	20,997.72	16,696.96
II	Other Income	28	552.76	176.40
III	**Total Income**		**21,550.48**	**16,873.36**
IV	**EXPENSES**			
	Cost of Materials Consumed	29	14,386.25	10,383.03
	Purchases of Stock-In-Trade	30	21.97	619.40
	Changes in Inventories of Finished Goods, Stock-In -Trade and Work-In-Progress	31	737.01	(431.44)
	Excise Duty		329.49	1,106.78
	Employee Benefit Expense	32	834.90	732.60
	Finance Costs	33	339.06	465.80
	Depreciation and Amortization Expense	34	1,505.84	1,626.06
	Other Expenses	35	4,293.01	3,705.37
	Total Expenses		**22,447.53**	**18,207.60**
	Profit before Exceptional Items, Share of Net Profit of Investment accounted using Equity Method and Tax		**(897.05)**	**(1,334.24)**
	Share of Net Profit of Joint Venture accounted using Equity Method and Tax	47 (c)	0.12	0.11
V	**Profit/(Loss) before Exceptional Items and Tax**		**(896.93)**	**(1,334.13)**
VI	Exceptional Items		-	-
VII	**Profit/(Loss) before Tax**		**(896.93)**	**(1,334.13)**
VIII	Tax Expenses			
	1) Current Tax		-	-
	2) Deferred Tax		-	-
IX	**Profit (Loss) for the period from Continuing Operations**		**(896.93)**	**(1,334.13)**
X	**Profit/(Loss) for the period**		**(896.93)**	**(1,334.13)**
XI	**Other Comprehensive Income**	36		
A(i)	Items that will not be reclassified to profit or loss		2.47	(2.89)
A(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-
			2.47	(2.89)
XII	**Total Comprehensive Income for the period**		**(894.46)**	**(1,337.02)**
XIII	**Profit/(loss) for the year is attributable to:**			
	Owners of the Company		(875.41)	(1,351.52)
	Non-Controlling Interest		(21.52)	17.39
			(896.93)	**(1,334.13)**
XIV	**Other comprehensive income is attributable to:**			
	Owners of the Company		2.22	(2.62)
	Non-Controlling Interest		0.25	(0.27)
			2.47	**(2.89)**
XV	**Total Comprehensive Income for the period attributable to:**			
	Owners of the Company		(873.19)	(1,354.14)
	Non-controlling Interest		(21.27)	17.12
			(894.46)	**(1,337.02)**
XVI	**Earnings/(Loss) per Equity Share**			
	1) Basic	37	**(7.97)**	**(12.13)**
	2) Diluted		**(7.97)**	**(12.13)**

* Refer Note 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 Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Statement of Changes in Equity
for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as on 1 April 2016	Issued during the year	Balance as on 31 March 2017	Issued during the year	Balance as on 31 March 2018
Equity Share Capital	17A	1,100.00	-	1,100.00	57.90	1,157.90

B EQUITY SHARE SUSPENSE

Particulars	Note	Balance as on 1 April 2016	Created during the year	Balance as on 31 March 2017	Issued during the year	Balance as on 31 March 2018
Equity Share Suspense	17B	-	57.90	57.90	(57.90)	-

C OTHER EQUITY

Particulars	Note	Reserves and Surplus				Total Other Equity	NCI	Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
Balance as at 1 April 2016		**11.19**	**2,552.80**	**645.92**	**(13,094.51)**	**(9,884.60)**	**778.99**	**(9,105.61)**
Profit/(Loss) for the year			-	-	(1,351.52)	(1,351.52)	17.39	**(1,334.13)**
Other Comprehensive Income for the year		-	-	-	(2.62)	(2.62)	(0.27)	**(2.89)**
Impact of Amalgamation		245.11	-	-	(87.52)	157.59	(215.49)	**(57.90)**
Restatement		4,356.35	-	(585.59)	-	3,770.76	-	**3,770.76**
Balance as at 31 March 2017 (Restated)*	17C	**4,612.65**	**2,552.80**	**60.33**	**(14,536.17)**	**(7,310.39)**	**580.62**	**(6,729.77)**
Profit/(Loss) for the year		-	-	-	(875.41)	(875.41)	(21.52)	**(896.93)**
Recognition/derecognition		-	(907.80)	-	-	(907.80)	(558.40)	**(1,466.20)**
Other Comprehensive Income for the year		-	-	-	2.22	2.22	0.25	**2.47**
Balance as at 31 March 2018		**4,612.65**	**1,645.00**	**60.33**	**(15,409.36)**	**(9,091.38)**	**0.95**	**(9,090.43)**

* Refer Note 44

This is the Statement of Changes in Equity referred to in our report of even date.

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017 (Restated)*
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Tax for the period	(896.93)	(1,334.13)
	Adjusted for :		
	Depreciation and Amortization Expense	1,505.84	1,626.06
	Finance Costs	339.06	465.80
	Interest Income	(107.00)	(148.62)
	Allowance for Doubtful Advances	-	36.81
	Liabilities no longer required written back	(329.02)	(76.73)
	Processing Charges	2.59	-
	Loss on retirement of Assets	1.35	-
	Allowance for Doubtful Debts, Advances etc. no longer required written back	(55.56)	(22.86)
	Capital Work-In-Progress Written Off	-	92.52
	(Gain)/Loss on sale of Property, Plant and Equipment	(0.02)	(2.24)
	Unrealised Forex Loss / (Gain) [Net]	(3.35)	(3.55)
	Profit on Loss of Control of Subsidiary	(442.96)	-
	Operating Profit/ (Loss) before changes in Operating Assets and Liabilities	**14.00**	**633.06**
	Adjustments for Changes in Operating Assets and Liabilities		
	(Increase) in Trade and Other Receivables	407.08	(1,909.82)
	(Increase)/Decrease in Inventories	1,486.59	(1,198.30)
	Increase/(Decrease) in Trade and Other Payables	(383.40)	2,593.68
	Cash used from/ (used in) Operations	**1,524.27**	**118.62**
	Direct Taxes (paid)/ refund	(12.44)	(0.26)
	Net Cash used from/ (used in) Operating Activities	**1,511.83**	**118.36**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	(205.49)	(141.80)
	Sale of Property, Plant and Equipment	-	23.00
	Release of Margin Money Account	223.63	(47.16)
	Interest Received	122.00	129.42
	Net Cash from/ (used in) Investing Activities	**140.14**	**(36.54)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non-Current Borrowings	-	112.36
	Repayment of Non-Current Borrowings	(723.79)	(179.87)
	Proceeds/ (Repayment) of Current Borrowings (net)	(461.11)	584.63
	Decrease in Earmarked Accounts	(0.39)	0.01
	Finance Costs Paid	(341.70)	(480.29)
	Net Cash used from Financing Activities	**(1,526.99)**	**36.84**
	Net increase in Cash and Cash Equivalents (A+B+C)	**124.98**	**118.66**
	Cash and Cash Equivalents		
	Net Increase in Cash and Cash Equivalents	124.98	118.66
	Cash and Cash Equivalents at the beginning of the year	154.82	36.16
	Derognition of Cash and Cash Equivalents of the VISA SunCoke Limited	(112.98)	-
	Cash and cash equivalents at the end of the year	**166.82**	**154.82**

* Refer Note 44

Consolidated Cash Flow Statement
for the year ended 31 March 2018

All amount in ₹ Million, unless otherwise stated

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

	31 March,2018	31 March,2017
Balance with Banks in		
Current Account	166.34	154.27
Cheque in Hand	-	-
Cash on Hand	0.48	0.55
Cash and Cash Equivalents as at 31 March (Refer Note 11)	**166.82**	**154.82**

(b) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)' issued by The Institute of Chartered Accountants of India.

(c) Refer Note 54

(d) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Item	Balance as on 1 April 2017	Cash Flow	Non cash changes			Balance as on 31 March 2018
			Derecognition/ recognition on loss of control of Subsidiary	Classification	Fair Value Adjustment	
Long Term Borrowings including Current Maturity	32,905.04	(726.41)	-	31.10	2.59	32,212.32
Short Term Borrowings	10,125.19	(461.11)	(1,409.31)	(31.10)	-	8,223.67
Lease Liability	-	-	215.76	-	-	215.76
Others (specify)	-	-	-	-	-	-
Total Liability from Financing Activities	43,030.23	(1,187.52)	(1,193.55)	-	2.59	40,651.75

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

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

1 CORPORATE INFORMATION

VISA Steel Group is consisting of VISA Steel Limited ('VSL' or 'the Parent Company') and its subsidiaries (together referred to as "Group").The Group is engaged in the manufacturing and dealing in Iron and Steel products like Pig Iron, Sponge Iron, Special Steel, High Carbon Ferro Chrome with captive power plant, Coke etc. in Odisha. Incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar 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). For details on the subsidiaries, refer Note-47. VISA SunCoke Limited, a subsidiary of VSL upto 30 March 2018, has issued fresh shares resulting in the loss of control of VSL. These financial statements are approved for issue by the Company's board of directors on 2 May 2018.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES & JUDGEMENTS

2.1 Basis of preparation of financial statements

2.1.1 Compliance with Ind AS

These Consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 [As amended] notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act, to the extent applicable.

The Group has adopted all the Indian Accounting standard effective 1 April 2016 and the adoption was carried out in accordance with Ind AS 101, First time adoption of indian accounting standards with 1 April 2015 as the transition date. The transition was carried out from indian accounting principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (accounts) rules, 2014 which was the previous GAAP.

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.2 Historical cost convention

The Consolidated Financial Statements have been prepared on the historical cost convention and on accrual basis except for the following:

- certain financial assets and liabilities including derivative instruments measured at fair value
- defined benefit plans - plan assets measured at fair value
- share-based payments

2.1.3 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.2.4.

(ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.1.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2.2 Summary of significant accounting policies

2.2.1 Financial instruments

2.2.1.1 A financial instrument is a contract that gives rise to a financial asset of one Group and a financial liability or equity of another Group.

Financial asset

i) Classification and measurement

Classification

The Group classifies its financial assets, other than investments in subsidiaries and joint venture in the following measurement categories:

1) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

2) those measured at amortised cost.

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, all financial assets are measured initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Group classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 49 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have been transferred, or

- The Group retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

When the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial

All amount in ₹ Million, unless otherwise stated

asset is derecognised if the Group has not retained control of the financial asset. When the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv) Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

2.2.1.2 Financial liabilities

i) Initial recognition & measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities includes trade and other payables and loans and borrowings including bank overdrafts.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as Fair Value Through Profit or Loss, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/loss are not subsequently transferred to statement of profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost model.

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.2.1.3 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks . Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives is recognised as income or expense through profit or loss.

2.2.1.4 Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.2.2 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income/expenses.

Depreciation method, estimated useful lives and residual values

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:

(i) 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., 6 to10 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 Group

- Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

(ii) Assets of the Subsidiaries

VISA Sun coke 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 are 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

- Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of

All amount in ₹ Million, unless otherwise stated

property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Residual value: The residual value are not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period

2.2.3 Intangible assets

Intangible assets (Computer Software) are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Computer Software for internal use, which is primarily acquired, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of Software includes licenses fees and cost of implementation, system integration services etc. where applicable.

Amortisation

The Group amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of 3 years .

2.2.4 Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2.2.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the date of inception is deemed to be 1 April 2015 in accordance with Ind-AS 101, First-time Adoption of Indian Accounting Standard.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

Finance leases are capitalised at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rents are charged as expenses in the period in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to legal ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the inception of the lease as the Group's net investment in the lease. Lease payment receivable is treated by the lessor as repayment of principal and finance income to reimburse and reward the lessor for its investment and services. Initial direct costs incurred in negotiating and arranging a lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.2.6 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates,CENVAT credits and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.7 Capital work-in-progress

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.

2.2.8 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. However, contingent liabilities are not considered. 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 Group or a present obligation that arises

All amount in ₹ Million, unless otherwise stated

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.

2.2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, Value Added Tax and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Goods: Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services : Sales are recognised upon the rendering of services and are recognised net of goods & service tax.

All other items are recognised on accrual basis.

2.2.10 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

Current and deferred tax is recognised in profit or loss, except that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.11 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund.

Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Option Scheme 2010.

The fair value of options granted under the Employee Stock Option Scheme 2010 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

All amount in ₹ Million, unless otherwise stated

- including any market performance conditions (e.g., the Parent Company's share price)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the Parent Company over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Parent Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.2.12 Foreign currency transactions

The Group's financial statements are presented in Indian Rupee which is also the functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.2.13 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.14 Earnings per share

Basic Earning per Share is calculated by dividing the profit for the year attributable to equity holders (or owners) of the Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted Earning per Share is calculated by dividing the profit attributable to equity holders (or owners) of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.2.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 43 for details on segment information presented. Chief Operating Decision Making Group consists of the Executive Chairman, Vice Chairman & Managing Director, the CFO and the Director(Kalinganagar).

2.3 Critical estimates & judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant accounting policies and notes to the accounts

All amount in ₹ Million, unless otherwise stated

The areas involving critical estimates or judgements are:

Estimated useful lives of property, plant and equipment and intangible assets - Note 2.2.2 & 2.2.3

Estimation of defined benefit obligation Note 32

Estimation of fair values of contingent liabilities Note 38 A

Impairment of trade receivables Note 49

Estimation of Finance cost Note 18D

Estimation of provision for unsalable/obsolete inventories - Note 9

Recognition of deferred tax assets for carried forward losses and current tax assets - Note 7 and 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs notified new Indian Accounting Standard/amendments to existing standards which will be applicable to the Group with effect from 1 April 2018

New Ind AS 115

The new Ind AS will come into force from accounting period commencing on or after 1 April 2018. It replaces existing recognition guidance, including Ind AS 18 on Revenue and Ind AS 11 on Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Group has evaluated and there is no material impact of this Ind AS on this Financial Statements of the Group except disclosure. The Group will adopt the Ind AS 115 from effective date.

Amendments to Other Ind AS

The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets , expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after 1 April 2018. The Group has evaluated this amendment and there is no material impact of this Ind AS on this Financial Statements of the Group.

The Companies (Indian Accounting Standards) Amendment Rules, 2018 has also made amendments to Ind AS 12, Income Taxes, Ind AS 28, Investment in Associates and Joint Ventures, Ind AS 40, Investment Property. These rules come into force from 1st April, 2018. The Group has evaluated these amendments and as per assessment impact of amendment to Ind AS 12 will not have any material impact on the Financial Statement and amendment to Ind AS 40 and Ind AS 28 will not have any impact on the financial statement of the Group.

3 A Property, Plant & Equipment (Refer Note- 44)

All amount in ₹ Million, unless otherwise stated

Particulars	Gross Carrying Amount					Accumulated Depreciation / Amortisation					Net Carrying Amount	
	As at 1 April 2017	Additions during the year	Disposals /Adjustments during the Year	Derecognition	As at 31 March 2018	As at 1 April 2017	For the year ended 31 March 2018	On Disposals /Adjustments during the Year	Derecognition	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Owned												
Land- Freehold	15.18	0.45	-	-	15.63	-	-	-	-	-	15.63	15.18
Land- Leasehold	313.42	-	-	-	313.42	10.68	4.13	-	-	14.82	298.61	302.74
Factory Buildings	5,837.12	-	-	-	5,837.11	372.01	191.63	-	-	563.64	5,273.48	5,465.11
Buildings	860.75	114.41	-	105.91	869.25	48.23	24.09	-	14.48	57.84	811.41	812.52
Road	411.33	-	-	0.01	411.32	286.73	78.63	-	-	365.36	45.96	124.60
Plant and Machinery	27,034.41	168.12	-	1,342.13	25,860.40	2,404.25	1,178.62	-	416.30	3,166.57	22,693.83	24,630.16
Computers	7.03	0.56	0.14	-	7.45	3.81	1.62	0.09	-	5.34	2.11	3.22
Office Equipment	8.19	0.11	0.91	2.89	4.50	5.15	0.62	0.69	2.07	3.01	1.49	3.04
Furniture and Fixtures	47.55	0.03	21.12	0.01	26.45	28.07	8.71	20.07	-	16.71	9.74	19.48
Vehicles	35.48	5.79	0.02	3.03	38.22	12.55	5.37	0.01	1.08	16.83	21.39	22.93
Capital Spares	10.65	-	-	-	10.65	1.28	0.45	-	-	1.73	8.92	9.37
Leasehold												
Under Operating Lease												
Buildings (Jointly Held)	65.08	-	65.08	-	-	55.15	9.93	65.08	-	-	-	9.93
Plant and Machinery (Jointly Held)	7.78	-	7.78	-	-	6.58	1.20	7.78	-	-	-	1.20
Under Finance Lease												
Plant & Machinery-Finance Lease	-	-	-	(237.28)	237.28	-	-	-	(88.65)	88.65	148.63	
Total	**34,653.97**	**289.47**	**95.05**	**1,216.70**	**33,631.69**	**3,234.49**	**1,505.00**	**93.72**	**345.28**	**4,300.49**	**29,331.20**	**31,419.48**
2016-17	**34,198.32**	**474.67**	**19.02**	**-**	**34,653.97**	**1,609.45**	**1,625.04**	**-**	**-**	**3,234.49**	**31,419.48**	**32,588.86**

3B Intangible Assets

Particulars	Gross Block					Amortisation					Net Block	
	As at 1 April 2017	Additions during the year	Disposals /Adjustments during the Year	Derecognition	As at 31 March 2018	As at 1 April 2017	For the year ended 31 March 2018	Disposals /Adjustments during the Year	Derecognition	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer Software - acquired	6.27	1.20	-	0.08	7.39	4.41	0.84	-	-	5.25	2.14	1.86
Total	**6.27**	**1.20**	**-**	**0.08**	**7.39**	**4.41**	**0.84**	**-**	**-**	**5.25**	**2.14**	**1.86**
2016-17	**6.27**	**-**	**-**	**-**	**6.27**	**3.38**	**1.02**	**(0.01)**	**-**	**4.41**	**1.86**	**2.89**

	As at 31 March 2018	As at 31 March 2017
3 C Capital Work-In-Progress (consisting of Plant & Machinery, Building etc.)	2,994.85	3,059.16

3 D Leased Assets

The lease term in respect of Plant & Machinery considered under finance lease is for the entire life of the assets which is 15 years based on its useful life. Future minimum lease obligation payable on leasehold plant & machinery during next one year ₹ 37.48 Million (as on 31 March 2017: ₹ 37.48 Million) later than one year but not later than five years ₹149.92 Million (as on 31 March 2017: ₹ 149.92 Million) and later than five years ₹ 148.19 Million (as on 31 March 2017: ₹ 185.66 Million).

3 E The Property, plant and equipment inclusive of land have been pledged to secure borrowings of the Group. The assets have been pledged as security for bank loans under a mortgage. See Note no. 48 for details of security pledged for each class of borrowings.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
4	**NON-CURRENT INVESTMENTS**		
	Unquoted		
	Investment-Others		
	VISA SunCoke Limited ^	31.63	-
	1,054,476 (31 March 2017 : 1,054,476) Equity		
	Shares of ₹10/- each fully paid up [Including beneficial interest in		
	5 Equity Shares of ₹10/- each, fully paid up]		
	Investments in Government and Trust Securities- At Amortised cost		
	National Savings Certificate (NSC)	-	0.10
	Aggregate amount of unquoted investments	**31.63**	**0.10**

^ Subsidiary till 30 March 2018, post which the subsidiary has issued fresh capital resulting in loss of control

		As at 31 March 2018	As at 31 March 2017
5	**NON-CURRENT - LOANS**		
	Unsecured, Considered Good		
	Security Deposits with Enterprise having significant influence		
	VISA Infrastructure Limited	-	90.16
	Security Deposits with Related Party		
	VISA Minmetal Limited	186.19	-
	Security Deposits - Others	116.13	134.96
		302.32	**225.12**

		As at 31 March 2018	As at 31 March 2017
6	**NON-CURRENT - OTHER FINANCIAL ASSETS**		
	Fixed deposits with banks having original maturity of more than 12 months (Pledged with bank against guarantees given by bank)	18.13	6.28
		18.13	**6.28**

Particulars		31 March 2018	31 March 2017
7	**DEFERRED TAX ASSETS (NET)**		
	The balance comprises temporary differences attributable to:		
	Deferred Tax Assets (A)		
	Investments in Joint Ventures	1.46	1.28
	Security Deposits	-	13.17
	Inventories	3.72	3.26
	Allowance for Doubtful Trade Receivables	21.17	118.65
	Allowance for Doubtful Advances	39.04	53.80
	Disallowances allowable for Tax purpose on payment	-	2.51
	Lease Payables	70.01	71.34
	Security Deposit considered as Advance Rent	-	144.15
	Provisions for Employee Benefits	18.41	14.37
	Interest Accrued	1,433.11	1,296.41
	Current Maturities of Finance Lease Obligations	5.38	4.59
	Property Plant and Equipment and Intangible Assets	1,582.74	1,267.56
	Unabsorbed Business Loss Carried Forward	2,326.64	1,499.18
		5,501.68	**4,490.27**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Particulars	31 March 2018	31 March 2017
Set off of Deferred Tax Liabilities pursuant to set off provisions (B)		
Property Plant and Equipment and Intangible Assets	(5,498.83)	(4,254.69)
Security Deposit considered as Advance Rent	-	(159.48)
Borrowings	(2.85)	(3.56)
Arising out of Temporary Difference in Depreciable Assets	-	(72.54)
	(5,501.68)	**(4,490.27)**
Net Deferred Tax Assets (A-B)	**-**	**-**

Movements in Deferred Tax Assets during the year ended:

31 March 2018	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Liabilities/(Assets) in relation to :			
Investments in Joint Ventures	1.28	0.18	1.46
Security Deposits	13.17	(13.17)	-
Inventories	3.26	0.46	3.72
Trade Receivables	118.65	(97.48)	21.17
Allowance for Doubtful Advances	53.80	(14.76)	39.04
Disallowances allowable for Tax purpose on payment	2.51	(2.51)	-
Lease Payable	71.34	(1.33)	70.01
Security Deposit considered as Advance Rent	144.15	(144.15)	-
Provisions for Employee Benefits	14.37	4.04	18.41
Interest Accrued	1,296.41	136.70	1,433.11
Current Maturities of Finance Lease Obligations	4.59	0.79	5.38
Property Plant and Equipment and Intangible Assets	1,267.56	315.18	1,582.74
Unabsorbed Business Loss Carried Forward	1,499.18	827.46	2,326.64
Total Deferred Tax Assets	**4,490.27**	**1,011.41**	**5,501.68**
Property Plant and Equipment and Intangible Assets	(4,254.69)	(1,244.14)	(5,498.83)
Security Deposit considered as Advance Rent	(159.48)	159.48	-
Borrowings	(3.56)	0.71	(2.85)
Arising out of Temporary Difference in Depreciable Assets	(72.54)	72.54	-
Total Deferred Tax Liabilities	**(4,490.27)**	**(1,011.41)**	**(5,501.68)**
Net (Charge)/Credit	**-**	**-**	**-**

31 March 2017	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Liabilities/(Assets) in relation to :			
Investments in Joint Ventures	1.15	0.13	1.28
Security Deposits	31.96	(18.79)	13.17
Inventories	4.95	(1.69)	3.26
Trade Receivables	122.11	(3.46)	118.65
Allowance for Doubtful Advances	50.04	3.76	53.80
Disallowances allowable for Tax purpose on payment	1.91	0.60	2.51
Lease Payable	75.93	(4.59)	71.34
Security Deposit considered as Advance Rent	151.73	(7.58)	144.15
Provisions for Employee Benefits	10.87	3.50	14.37
Preliminary Expenses	0.01	(0.01)	-
Interest Accrued	1,371.07	(74.66)	1,296.41
Current Maturities of Finance Lease Obligations	4.14	0.45	4.59
Property Plant and Equipment and Intangible Assets	364.45	903.11	1,267.56

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

31 March 2017	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Unabsorbed Business Loss Carried Forward	1,540.08	(40.90)	1,499.18
Total Deferred Tax Assets	**3,730.40**	**759.87**	**4,490.27**
Property Plant and Equipment and Intangible Assets	(3,470.30)	(784.39)	(4,254.69)
Security Deposit considered as Advance Rent	(184.89)	25.41	(159.48)
Derivative Assets	(0.63)	0.63	-
Borrowings	(4.46)	0.90	(3.56)
Arising out of Temporary Difference in Depreciable Assets	(70.12)	(2.42)	(72.54)
Total Deferred Tax Liabilities	**(3,730.40)**	**(759.87)**	**(4,490.27)**
Net (Charge)/Credit	**-**	**-**	**-**

		As at 31 March 2018	As at 31 March 2017
8	**OTHER NON-CURRENT ASSET**		
	Capital Advances		
	Considered Good	27.19	99.05
	Considered Doubtful	51.09	-
	Less: Allowance for Doubtful Recovery	(51.09)	-
	Advances other than Capital Advances		
	Prepaid Expenses	-	0.21
	Balances with Government Authorities	-	38.95
	Income Tax	-	14.63
	Prepayments	-	0.98
	Advance to Related Parties	0.47	0.47
	Security Deposit considered as Advance Rent paid to Enterprise having significant influence-VISA Infrastructure Limited#	-	30.68
	Deferred Lease Asset	-	3.10
		27.66	**188.07**

		As at 31 March 2018	As at 31 March 2017
9	**INVENTORIES**		
	(Refer Note 2.2.6)		
	Raw Materials [Refer (a) below]	522.30	1,457.71
	Work-In-Progress	53.85	190.20
	Finished Goods	296.88	970.22
	Stock-In-Trade	-	0.29
	Stores and Spares	268.09	262.03
	By-Products	73.85	216.17
		1,214.97	**3,096.62**

(a) Raw Materials includes Goods In Transit ₹ 47.29 Million(31 March 2017 : ₹575.03 Million).

(b) The Inventories have been pledged as security for bank loans under a mortgage. See Note no. 48 for details of security pledged for each class of borrowings.

(c) Write downs of Inventories to Net Realisable Value amount to ₹ 2.86 million(31 March 2017 : ₹ 133.75 million).These were recognised as an expense during the year and included in “Changes in Inventories of Finished Goods, Stock-In -Trade and Work-In-Progress” in statement of profit and loss.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
10	**CURRENT - TRADE RECEIVABLES**		
	Unsecured Considered Good		
	Trade Receivable	665.82	1,087.18
	Receivable from Related Party [Refer Note 51]	-	326.64
	Considered Doubtful	60.59	358.86
		726.41	**1,772.68**
	Less: Allowance for Doubtful Debts	60.59	358.86
		665.82	**1,413.82**

		As at 31 March 2018	As at 31 March 2017
11	**CASH AND CASH EQUIVALENTS**		
	Balance with Banks		
	in Current Account	166.34	154.27
	Cash on Hand	0.48	0.55
		166.82	**154.82**

		As at 31 March 2018	As at 31 March 2017
12	**OTHER BANK BALANCES [OTHER THAN CASH & CASH EQUIVALENTS]**		
	Earmarked Accounts		
	Unclaimed Dividend Account	0.20	0.59
	Margin Money with Banks with maturities less than 12 months	29.58	265.06
		29.78	**265.65**

		As at 31 March 2018	As at 31 March 2017
13	**CURRENT - LOANS**		
	Unsecured, Considered Good		
	Security Deposits with Enterprise having significant influence		
	VISA Infrastructure Limited	-	44.61
	VISA International Limited	8.00	8.00
	Security Deposits	0.20	0.20
		8.20	**52.81**

		As at 31 March 2018	As at 31 March 2017
14	**OTHER CURRENT FINANCIAL ASSETS**		
	Interest Accrued on Deposits	5.32	20.32
		5.32	**20.32**

		As at 31 March 2018	As at 31 March 2017
15	**CURRENT TAX ASSETS (NET)**		
	Advance Payment of Income Tax ([Net of Provision ₹464.80 Million (31 March 2017 : ₹464.80 Million, 1 April 2016: ₹ 464.80 Million)]	118.69	106.25
		118.69	**106.25**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
16	**OTHER CURRENT ASSETS**		
	Advances other than Capital Advances		
	Security Deposit considered as Advance Rent paid to Enterprise having significant influence-VISA Infrastructure Limited	-	15.69
	Advances to Key Managerial Personnel	55.39	56.61
	Employee Advance	5.60	3.77
	Advances against Supply of Goods and Rendering Services		
	Considered Good	293.80	523.64
	Considered Doubtful	60.64	162.73
	Less: Allowances for Doubtful Advances	(60.64)	(162.73)
	Advances to Related Party	-	1.92
	Deferred Lease Asset	-	2.60
	Others		
	Receivable from DGFT and Customs towards Export Incentive		
	Considered Good	1.58	42.29
	Prepaid Expenses	14.85	33.65
	Others Taxes Receivable / Adjustable		
	Considered Good	230.90	575.16
		602.12	**1,255.33**

		As at 31 March 2018	As at 31 March 2017
17	**EQUITY SHARE CAPITAL AND OTHER EQUITY**		
A	**Equity Share Capital**		
	Authorised		
	252,000,000 Equity Shares (31 March 2017 : 160,000,000) of ₹10/- each [Refer Note 43]	2,520.00	1,600.00
	Issued, Subscribed and Paid-up		
	115,789,500 Equity Shares (31 March 2017 : 110,000,000) of ₹10/- each fully paid up [Refer Note 43]	1,157.90	1,100.00

(a)	Movements in Equity Share Capital	Year Ended 31 March 2018		Year Ended 31 March 2017	
		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 : Shares issued [Refer Note 43]	5,789,500	57.90	-	-
	Balance as at the end of the year	**115,789,500**	**1,157.90**	**110,000,000**	**1,100.00**

(b) Terms and Rights attached to Equity Shares

The Parent Company has only one class of equity shares referred to as equity shares having a par value of ₹10 per share. Each Shareholder is entitled to one vote per share held. The Parent 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 Parent after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
(c)	**Details of Shareholders holding more than 5 % shares in the Company**		
	VISA Infrastructure Limited (Numbers)	44,387,167	44,387,167
	VISA Infrastructure Limited (%)	38.33	40.35
	CRESTA Fund Limited (Numbers)	9,912,036	9,912,036
	CRESTA Fund Limited (%)	8.56	9.01
	LTS Investment Fund Limited (Numbers)	10,497,122	10,497,122
	LTS Investment Fund Limited (%)	9.07	9.54
	VISA International Limited (Numbers)	23,787,833	23,787,833
	VISA International Limited (%)	20.54	21.63
(d)	**Share Reserved for Issue under Option**		
	For details of share reserved for issue under the Employee Stock Option Plan (ESOP) of the Company [Refer Note 41].		

		Year ended 31 March 2018	Year ended 31 March 2017
B	**Equity Share Suspense**		
	5,789,500 Equity Shares of ₹10/- each. (Refer Note 43)	-	57.90
		-	**57.90**
C	**Other Equity (Refer Note- 44)**		
	Reserves and Surplus		
	Capital Reserve	4,612.65	4,612.65
	Securities Premium Reserve	1,645.00	2,552.80
	General Reserve	60.33	60.33
	Retained Earnings	(15,409.36)	(14,536.17)
	Total	**(9,091.38)**	**(7,310.39)**

	Year ended 31 March 2018	Year ended 31 March 2017
Capital Reserve [Refer (a) below]		
Balance at the Beginning of the Year	4,612.65	11.19
Add: Arisen on Amalgamation	-	245.11
Add: Restatement	-	4,356.35
Balance at the End of the Year	4,612.65	4,612.65
Securities Premium Reserve [Refer (b) below]		
Balance at the Beginning of the Year	2,552.80	2,552.80
Derognition of Security Premium of VISA SunCoke Limited	907.80	-
Balance at the End of the Year	1,645.00	2,552.80
General Reserve [Refer (c) below]		
Balance at the Beginning of the Year	60.33	645.92
Add: Restatement	-	(585.59)
Balance at the End of the Year	60.33	60.33
Retained Earnings		
Balance at the Beginning of the Year	(14,536.17)	(13,094.51)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(875.41)	(1,351.52)
Add : Adjustment of Extinguishment of Controlling Interest upon Amalgamation	-	(87.52)
Add: Remeasurements of the Net Defined Benefit Plans	2.22	(2.62)
Net deficit	(15,409.36)	(14,536.17)
Balance at the End of the Year	(15,409.36)	(14,536.17)
Total	**(9,091.38)**	**(7,310.39)**

Nature and purpose of Reserves

(a) Capital Reserve represents amount arisen pursuant to Scheme of Amalgamation.

(b) Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the specific provisions of the Act.

(c) General Reserve represents free reserve not held for any specific purpose.

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All amount in ₹ Million, unless otherwise stated

18 LONG-TERM BORROWINGS

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Secured						
Principal Term Loans						
[Refer B(i) & B(iii) and C(i),C(ii) & C(viii) below]						
From Banks	4,175.80	7,008.20	4,205.51	3,769.63	8,381.31	10,777.83
From Other Parties	1,354.35	651.71	1,362.41	381.59	2,716.76	1,033.30
Fresh Loans						
[Refer B(i) & B(iii) and C(i) & C(viii) below]						
From Banks	2,524.07	3,692.23	2,531.05	1,850.27	5,055.12	5,542.50
From Other Parties	312.39	93.03	314.76	47.45	627.15	140.48
SMCF						
[Refer B(i) & B(iii) and C(i) below]						
From Banks	691.55	1,183.86	958.16	613.85	1,649.71	1,797.71
From Other Parties	56.94	-	56.90	-	113.84	-
Corporate Loan1,Corporate Loan 2 and Sinter Loan						
[Refer B(i) and C(ii) & C(iii) below]						
From Banks	3,239.89	3,878.82	826.54	485.04	4,066.43	4,363.87
From Other Parties	248.49	6.46	71.61	2.04	320.10	8.50
Working Capital Term Loans						
[Refer B(i) and C(v) below]						
From Banks	153.28	422.44	1,042.57	882.39	1,195.85	1,304.83
From Other Parties	18.71	11.10	129.48	21.28	148.19	32.38
Funded Interest Term Loans						
[Refer B(i) & B(iii) and C(vi) below]						
From Banks	1,448.87	2,067.02	944.19	789.39	2,393.06	2,856.41
From Other Parties	335.25	122.85	291.26	39.38	626.51	162.23
Equipment and Vehicle Term Loans						
From Other Parties [Refer B(ii) and C(vii) below]	-	1.03	1.09	1.57	1.09	2.60
Term Loans from Other Parties	-	29.29	116.16	86.86	116.16	116.15
[Refer B(iii) and C(viii) below]						
	14,559.59	**19,168.05**	**12,851.69**	**8,970.74**	**27,411.28**	**28,138.79**
Unsecured						
Loans from Related Parties	-	581.40	442.50	-	442.50	581.40
[Refer C(ix) below]						
Lease Payable to Related Party	200.35	-	15.41	-	215.76	-
	14,759.94	**19,749.45**	**13,309.60**	**8,970.74**	**28,069.54**	**28,720.19**
Less : Amount disclosed under the head "Other Current Financial Liabilities" [Refer Note 23]	-	-	(13,309.60)	(8,970.74)	(13,309.60)	(8,970.74)
	14,759.94	**19,749.45**	**-**	**-**	**14,759.94**	**19,749.45**

All amount in ₹ Million, unless otherwise stated

A. Debt Restructuring

In respect of Parent Company

The Parent Company has been under financial stress due to various external factors beyond the control of the Parent Company and its management which amongst others, include (i) failure of the State Government of Odisha to fulfil its obligation under the MoU executed with the Parent Company for grant of Captive Iron Ore Mine, which has deprived the Parent Company of assured supply of consistent quality iron ore at a reasonable cost, (ii) de-allocation of Coal Block by Ministry of Coal and Hon'ble Supreme Court judgement dated 24 September 2014, which has deprived the Parent Company of assured supply of consistent quality coal at a reasonable cost, (iii) non-availability of Iron Ore & Chrome Ore at viable prices due to closure of Mines following the investigations by Shah Commission which commenced sometime in 2011 and the Hon'ble Supreme Court judgment dated 16 May 2014, (iv) dumping of Steel products by overseas manufacturers resulting in sharp drop in prices, (v) high cost of logistics for transportation of raw materials as these rates are fixed by Associations at rates much above the Government notified rates, (vi) non-disbursement of sanctioned loans by lenders for plant operations and setting up Sinter plant and adjustment of sanctioned facilities with interest / principal repayment falling due over time, which resulted in complete depletion of working capital of the Parent Company, etc. The Parent Company has also informed lenders that it reserves its right to claim losses suffered due to the actions and inactions of lenders arising out of breaches and violations of contractual and other arrangements and such claim amount shall be claimed as a right of set-off against any dues.

The Parent Company's debts have been restructured under the aegis of Corporate Debt Restructuring cell (CDR) and a Master Restructuring Agreement dated 19 December 2012 (MRA) was executed to give effect to the package approved by CDR cell with effect from 1 March 2012. Pursuant to the approval of the Parent Company's Business Re-organisation Plan by the CDR , a Common Loan Agreement (CLA) had also been executed on 28 March 2015 among the Parent Company, its Subsidiary Company VISA Special Steel Limited, and lenders. In terms of MRA and CLA the Parent Company's Debt portfolio was reorganised/reallocated and secured as under:

i) Principal Term Loans

ii) Fresh Loan (Loan pursuant to CDR package)

iii) Working Capital Term Loans (WCTL) (Loan pursuant to CDR package)

iv) Funded Interest Term Loans (FITL) (Loan pursuant to CDR package)

v) Corporate Loan 1 & 2 and Sinter Loan (Loan pursuant to Debt Restructuring under CLA)

vi) Working Capital Loans [Indicated in Note 21]

vii) Structured Mezzanine Credit Facility [SMCF(Sub debt)]

Due to the aforesaid external factors, the EBITDA margins of the Parent Company since 2011-12 have not been sufficient to service interest / principal repayment and whilst the outstanding principal term loan amount is only ₹ 10,078.72 Million, during the period April 2011 to March 2016, the lenders have charged approx. ₹ 23,151.44 Million on account of interest/ repayment whereas EBITDA was only approx. ₹ 990.78 Million. This has resulted in ballooning of liabilities of the Parent Company towards its lenders, which are far in excess of hard cost of investments in the project for which the principal term loan had been taken from the lenders.

The Parent Company exited from the CDR mechanism with status of "Holding-On operation" and for the purpose of these financial statements, the Parent Company has followed reorganization/reallocation and other terms and conditions of MRA/CLA as set out above.

SBI has filed an application with National Company Law Tribunal, Kolkata Bench(NCLT) for initiating Corporate Insolvency Resolution Process(CIRP) under Insolvency and Bankruptcy Code (IBC). The Parent Company has filed a petition before Hon'ble Orissa High Court challenging the initiation of CIRP and the court has ordered a stay on further proceedings pending before NCLT. In the meantime, at the JLF meeting, the Lenders have agreed to implement Resolution Plan through Sale of Debt to Asset Reconstruction Companies (ARC's) and some lenders have already implemented the Sale of Debt of ARC's

The Parent Company does not have working capital and is presently carrying its operation with the support of the operation creditors. Due to the application filed by SBI in NCLT, there is panic among operational creditors whose financial support is necessary for plant operations, without which there is risk of plant closure, agitation and law and order problems from workers.

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All amount in ₹ Million, unless otherwise stated

B . Details of Securities (Also refer note 48)

i. Principal Term Loan, VBL Term Loan, Fresh Loan, 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 Parent 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 Parent 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 Parent Company situated at Kalinganagar Industrial Complex, Jajpur (Odisha), Golagaon, Jajpur (Odisha), Raigarh (Chhattisgarh) and office premises of the Parent Company at Bhubaneshwar (Odisha).

(c) Pursuant to CDR, pledge of equity shares of the Parent Company with the CDR Lenders.

(d) Pledge of Equity Shares equivalent to 51% of the present shareholding in Ghotaringa Minerals Limited held by the Parent Company.

(e) Pledge of entire equity shares held by the Parent Company in VISA Urban Infra Limited

(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 Parent Company.

(h) SIDBI (exposure of ₹76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

- The Corporate Guarantee of VISA International Limited (subject to the approval of Scheme of Arrangement presently pending before the Hon'ble Orissa High Court).

- The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Parent Company given pursuant to CDR.

- The corporate guarantee of Ghotaringa Minerals Limited (GML) given pursuant to CDR. SBI has filed an application to initiate CIRP under IBC in GML which has been admitted on 16 February 2018 and an Insolvency Resolution Professional (IRP) was appointed. The CIRP process is already on.

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 Bank and Other Parties

(a) Term Loan from HUDCO -

Secured loan from other parties includes Term Loan (CDR) of ₹ 497.63 Million, Funded Interest Term Loan (FITL) of ₹100.53 Million and Term Loan (Non CDR) of ₹116.16 Million due and outstanding to HUDCO. The subsisting charge in respect of the Term Loan (CDR) and FITL became irrelevant and stood satisfied upon the Parent Company entering into Master Restructuring Agreement (MRA) dated 19 december 2012 with the CDR lenders and the same was substituted by the fresh charge created in favour of the lenders who became parties to the MRA.

HUDCO is disputing the satisfaction of the previous charge and creation of fresh charge by the CDR lenders pursuant to MRA dated 19 December 2012.

Both the Parent Company and the State Bank of India, as the Lead Bank has since been calling upon HUDCO to execute a Deed of Accession so that the aforesaid charge substituted in favour of the CDR lenders could also be extended to HUDCO. HUDCO, however, has refused to do so despite specific order passed to the said effect

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by the Hon'ble High Court of Orissa at Cuttack in Copet No 17 of 2014 (Re: VISA Steel Ltd and VISA Special Steel Ltd) on 13 October 2015, and has instead filed an application in the said proceeding for recalling the said order. The matter is since sub-judice and awaiting further orders of the Hon'ble Court.

For creation of charge on the Term Loan (Non CDR), the charge documents need to be executed between HUDCO and the Parent Company, which by reason of the pendency of the dispute referred hereinabove has also not yet taken place and is awaiting finalisation.

C. Terms of Repayment of Loans

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

Upon implementation of CDR Package during the Financial Year 2012-13, then existing Restructured Term Loan of ₹12,355.48 Million and Additional Term Loan of ₹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 @ 2% above SBI's Base Rate for subsequent years of restructuring. Above mentioned loan amounting to ₹ 16,689.73 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 5,086.61 Million.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	15.50%
2019-20	15.50%
2020-21	15.50%
2021-22	15.50%

ii Terms of Repayment and outstanding balances of VBL Term Loan

VBL, since amalgamated with the Parent Company, had entered in Joint consortium agreement with Punjab National Bank, Oriental Bank of Commerce, EXIM Bank and Punjab and Sind Bank on 16 January 2012, whereby an amount of ₹ 1,820.00 Million was sanctioned at (PNB BR + 2.5% + Term Premium i.e. 0.5%) with annual reset. The outstanding amount as on the balance sheet date is ₹ 1,790.48 Million to be repaid as per the repayment schedule given below with already due amount of ₹ 816.12 Million.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	16.67%
2019-20	16.67%
2020-21	16.67%
2021-22	4.16%

Subsequently, pursuant to CDR, LOA dated 31 December 2014, loan of ₹ 175.00 Million was sanction at SBI BR+2.5% for setting up ferro chrome furnace. Out of the aforesaid sanction amount, ₹ 71.86 Million is outstanding with already due amount of ₹ 32.94 Million and the said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	16.67%
2019-20	16.67%
2020-21	16.67%
2021-22	4.16%

iii. Terms of Repayment and outstanding balances of Corporate Term Loans :

In line of aforementioned CLA, Corporate Term Loan amounting ₹ 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 ₹ 4,359.43 Million to be repaid as per the below repayment schedule with already due amount of ₹ 485.06 Million

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	10.00%
2019-20	12.00%
2020-21	12.00%
2021-22	16.00%
2022-23	38.00%

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

Fresh Term Loan (For Sinter Plant) of ₹ 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 ₹ 27.10 Million repayable as per the below mentioned schedule with already due amount of ₹ 6.50 Million. The said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2018-19	12.00%
2019-20	12.00%
2020-21	20.00%
2021-22	32.00%

v **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 Parent Company amounting to ₹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 of 0.50% above the SBI's Base Rate. Above mentioned loan amounting to ₹ 1,344.03 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with the already due amount of ₹ 914.06 Million.

Repayment Schedule :

Year	Percentage of WCTL (originally restructured) due for Repayment (%)
2018-19	15.00%
2019-20	10.00%

vi. **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, the Parent 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. Above mentioned loan amounting to ₹ 3,019.57 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 739.86 Million.

Repayment Schedule :

Year	Percentage of FITL (originally restructured) due for Repayment from September 2016 (%)
2018-19	12.50%
2019-20	15.00%
2020-21	15.00%
2021-22	15.00%

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

Other Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment	Interest rate
Daimler Financial Services India Private Limited	1.09	2.60	48 Equal Monthly installments over the period of loan.	10.25%
Total	**1.09**	**2.60**		

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ix. Terms of Repayment of Term Loans from Bank and Other Parties :

Bank and Other Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment		Interest rate
State Bank of India	-	300.00	Repayable in eighteen quarterly instalments from December 2014 onwards.		10.75% p.a.
			Year	**Term Loan (%)**	
			2018-19	62.00%	
HUDCO	116.16	116.16	Seventeen quarterly instalments of ₹6.69 Million each from Balance sheet date.		HUDCO Benchmark rate + 1% p.a.
Total	**116.16**	**416.16**			

x. Terms of Repayment of Loans from Related Parties :

Related Parties	As at 31 March 2018	As at 31 March 2017	Terms of Repayment	Interest rate
VISA Infrastructure Limited	442.50	581.40	upon or before expiry of 3 years from the date of disbursement	8% p.a.
Total	**442.50**	**581.40**		

In view of proposed debt resolution, the rate of interest, terms of repayment and other terms and condition of debts may undergo changes. Further, upon sanction of the Scheme of Arrangement pending before Hon'ble Orissa High Court, the substantial debt of the Parent Company, being part of the special steel undertaking shall stand transferred to VISA Special Steel Limited.

D The debts of the Parent Company which were restructured pursuant to the MRA dated 19 December 2012 having cut-off date of 1 March 2012 could not be fully serviced and have since been categorised as Non-Performing Assets (NPA).

State Bank of India, the lead bank vide its letter bearing No AMT-II/04 dated 4 April 2016 has classified the debts of the Parent Company as NPA with effect from 11 July 2012. By reason of the aforesaid, the Parent Company stopped providing further interest in its books effective 1 April 2016. The amount of such interest not provided for in the financial year ended 31 March 2018 is estimated at ₹ 3,874.55 million, and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 7,715.51 million.

In the meantime, the lenders have provided "holding on operations" status to the Parent Company with monthly cut-back out of the sale proceeds. The Parent Company is regularly servicing the cut-back amount and has not defaulted therein. The monthly cut-back amount is presently being adjusted in the books of the Parent Company with the principal amount of the loan.

			As at 31 March 2018	As at 31 March 2017
19	**DEFERRED TAX LIABILITIES (NET)**			
	The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:			
	Deferred Tax Liabilities			
	Depreciation		-	1.08
	Deferred Tax Liabilities (Net)	**(A)-(B)**	**-**	**1.08**

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		As at 31 March 2018	As at 31 March 2017
20	**NON CURRENT PROVISIONS**		
	Provision for Employee Benefits	43.09	18.32
		43.09	**18.32**

		As at 31 March 2018	As at 31 March 2017
21	**CURRENT - BORROWINGS**		
	Secured		
	Loans Repayable on Demand		
(i)	Short Term Loan - Others [Refer Note (a) below]	120.00	-
(ii)	Working Capital Loans		
	From Banks [Refer Note 18.B (i)]	6,669.59	8,590.16
	From Other Parties [Refer Note 18.B (i)]	886.80	176.10
(iii)	Other Working Capital Loan		
	From Other Parties [Refer (b) below]	67.46	67.76
	Buyers' Credit	-	517.22
	Unsecured		
	Sales Bill Discounting	479.82	773.95
		8,223.67	**10,125.19**

(a) Short term Loan taken by the Parent Company for making payment to VISA SunCoke Limited (VSCL) is secured by pledging of 10,54,471 shares of VSCL held by the Parent Company.

(b) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of ₹76.40 Million (31 March 2017 : ₹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 18.B (i) for details of security.

		As at 31 March 2018	As at 31 March 2017
22	**CURRENT - TRADE PAYABLES**		
	Dues to Related Party [Refer Note 51]	342.80	565.07
	Dues to Micro and Small Enterprises	26.82	52.73
	Dues to other than Micro and Small Enterprises	854.40	1,858.10
		1,224.02	**2,475.90**

		As at 31 March 2018	As at 31 March 2017
23	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Current Maturities of Long-Term Debt [Refer Note 18]	12,851.69	8,970.74
	Current Maturities of Finance Lease Obligations [Refer Note 18]	15.41	-
	Loan Repayable to Related Party [Refer Note 18]	442.50	-
	Interest Accrued	4,358.54	4,184.85
	Unclaimed/Unpaid Dividends [Refer (a) below]	0.20	0.59
	Employee Related Liabilities	111.82	124.85
	Other Liabilities	288.29	134.64
	Derivative Instruments	-	33.99
	Capital Creditors	232.07	392.79
		18,300.52	**13,842.45**

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

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		As at 31 March 2018	As at 31 March 2017
24	**OTHER CURRENT LIABILITIES**		
	Advances from Customers	135.88	270.30
	Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc.)	765.77	338.09
		901.65	**608.39**

		As at 31 March 2018	As at 31 March 2017
25	**CURRENT TAX LIABILITIES (NET)**		
	Current Tax Liabilities (Net)	0.01	0.01
		0.01	**0.01**

		As at 31 March 2018	As at 31 March 2017
26	**PROVISIONS**		
	Provision for Employee Benefits	9.59	26.96
		9.59	**26.96**

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
27	**REVENUE FROM OPERATIONS**		
(a)	**Sale of Products**		
	Manufactured Goods (including Excise Duty)	20,310.02	16,411.61
	Traded Goods	271.02	138.80
	Total	**20,581.04**	**16,550.41**
(b)	**Other Operating Revenues**		
	Scrap Sales	32.10	29.65
	Export Incentives	-	17.31
	Liabilities no longer required written back	329.02	76.73
	Allowances for Doubtful Debts, Advances etc. no longer required written back	55.56	22.86
	Total	**416.68**	**146.55**
		20,997.72	**16,696.96**

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
28	**OTHER INCOME**		
(a)	**Interest Income**		
	On Bank Deposits (Margin Money)	17.34	18.45
	On Others	89.67	98.98
	Interest Income from Financial Assets at Amortised Cost	-	31.19
(b)	**Other non-operating income**		
	Profit on Loss of Control of Subsidiary	442.96	-
	Insurance Claim Received	2.00	1.44
	Gain on Sale of Property Plant and Equipment	0.02	2.24
	Gain on Exchange Fluctuation (net)	-	19.35
	Other Non Operating Income	0.77	4.75
		552.76	**176.40**

Notes to Consolidated Financial Statements

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Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
29 COST OF MATERIALS CONSUMED		
Chrome Ore	3,227.83	2,850.69
Iron Ore	2,186.09	1,909.54
Coal and Coke	8,496.21	5,128.45
Others	476.12	494.35
	14,386.25	**10,383.03**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
30 PURCHASE OF STOCK-IN-TRADE		
Coal and Coke	19.29	608.52
Others	2.68	10.88
	21.97	**619.40**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	970.22	681.93
Stock-In-Trade	0.29	11.05
By-Products	216.17	139.59
Work-in-Progress	190.20	80.15
	1,376.88	**912.72**
Less : Closing Stock		
Finished Goods	345.10	970.22
Stock-In-Trade	-	0.29
By-Products	73.85	216.17
Work-in-Progress	127.92	190.20
	546.87	**1,376.88**
Increase in Excise Duty on Stock	(93.00)	32.72
Add : Conversion stock transferred to Finished Goods	-	-
(Increase) in Stock	**737.01**	**(431.44)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
32 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	787.50	691.51
Contribution to Provident and Other Funds	41.02	35.50
Gratuity	0.78	0.74
Staff Welfare Expenses	5.60	5.14
Less: Capitalised during the year	-	(0.29)
	834.90	**732.60**

Additional disclosures relating to Employee Benefits Obligations/ Expenses

(I) Post Employment Defined Contribution Plan

The Group contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Group and its eligible employees to the Fund, based on the current salaries. An amount of ₹ 31.07 Million (31 March 2017 : ₹ 25.56 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Group has no other obligation.

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(II) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Parent Company and its Subsidiary Company 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 ₹2.00 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 2.2.11, 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.

(III) Balance Sheet amounts - Post employment Defined Benefit Plan-Gratuity (Funded)

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2016	38.27	26.71	11.56
Current Service cost	5.83	-	5.83
Interest cost/Income	2.97	0.53	2.44
Investment Income	-	1.58	(1.58)
Amount not recognised as per Ind AS 19 pertaining to Amalgamating Company	(0.02)	(0.04)	0.02
Total amount recognised in Profit or Loss	**8.78**	**2.07**	**6.71**
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	2.36	-	2.36
- Experience Variance (i.e. Actual Experience vs assumptions)	0.19	-	0.19
- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.60)	0.60
Amount not recognised as per Ind AS 19 pertaining to Amalgamating Company	0.25	(0.02)	0.27
Total amount recognised in Other Comprehensive Income	**2.30**	**(0.58)**	**2.89**
Contributions by employer	-	0.52	(0.52)
Benefits paid	(4.02)	(4.02)	-
1 April 2017	**45.33**	**24.70**	**20.64**
Current Service cost	6.88	-	6.88
Interest cost/Income	3.33	-	3.33
Past Service Cost	1.78	-	1.78
Investment Income	-	1.82	(1.82)
Total amount recognised in profit or loss	**11.99**	**1.82**	**10.17**
Remeasurements (gains)/losses			
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(1.96)	-	(1.96)
- Experience Variance (i.e. Actual Experience vs assumptions)	(0.61)	-	(0.61)
- Return on plan asset, Excluding amount recognized in net interest expense	-	(0.10)	0.10
Total amount recognised in Other Comprehensive Income	**(2.57)**	**(0.10)**	**(2.47)**
Contributions by employer	-	-	-
Fund Transferred	-	1.19	(1.19)
Benefits paid	(2.66)	(2.64)	(0.02)
Derecognition on loss of control of VSCL	(7.36)	(7.90)	0.54
31 March 2018	**44.73**	**17.07**	**27.66**

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(IV) The net liability disclosed above relates to the aforesaid Gratuity Plan (Funded) is as follows:

	As at 31 March 2018	As at 31 March 2017
Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair		
Value of Plan Assets:		
Present Value of funded obligation at the end of the year	44.73	45.33
Fair Value of Plan Assets at the end of the year	17.07	24.70
Net Asset /(Liability) recognised in the Balance Sheet	**27.66**	**20.63**

(V) Principal Actuarial Assumption Used:

	As at 31 March 2018	As at 31 March 2017
Discount Rates	7.70%	7.35%
Expected Salary increase rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

The Group ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Group's ALM objective is to match asset with gratuity obligation. The Group actively monitor how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Group has not changed the process used to manage its risk from previous period. The Group does not use derivatives to manage its risk. The gratuity scheme is funded with LICI which has good track record of managing fund.

(VI) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2018	As at 31 March 2017
Insurer managed funds	100%	100%

(VII) Category of Plan Assets

	As at 31 March 2018	As at 31 March 2017
Fund with LIC	17.07	24.70
Total	**17.07**	**24.70**

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflow) is 12 Years

All amount in ₹ Million, unless otherwise stated

The expected maturity analysis of undiscounted gratuity benefit is as follows:

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2018					
Defined benefit obligation	4.62	9.80	17.00	91.85	123.28
As at 31 March 2017					
Defined benefit obligation	3.74	8.53	14.75	94.32	121.34

(VIII) Sensitivity Analysis

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2018		As at 31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	49.89	40.38	50.76	40.87
Salary Growth Rate (-/+1%)	40.23	49.99	40.89	50.64
Attrition Rate(-/+50%)	43.44	45.91	44.12	46.53
Mortality Rate(-/+10%)	44.52	44.96	45.18	45.62

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above gratuity benefit, the most significant of which are as follows:

Interest Rate risk : The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the Group is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities.

Salary Escalation Risk : The present value of the defined benefit plans calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 10,00,000). and Upward revision of maximum gratuity limit will result in gratuity plan obligation.

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

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

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
33 FINANCE COSTS		
Interest and Finance Charges on Financial Liability is not at fair value through profit or loss	259.60	382.58
Other Borrowing Costs - LC Opening and Discounting Charges and Other Processing Charges	79.46	83.22
	339.06	**465.80**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
34 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 44)		
Depreciation and Amortisation expense on Property, Plant and Equipment	1,505.00	1,625.04
Amortization Expense on Intangible Assets	0.84	1.02
	1,505.84	**1,626.06**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
35 OTHER EXPENSES		
Consumption of Stores and Spare Parts	1,027.03	914.29
Power and Fuel	1,563.87	1,220.14
Rent	51.18	57.85
Lease Rent for Production Facility	0.27	0.76
Repairs to Buildings	43.04	133.46
Repairs to Machinery	152.37	233.36
Insurance Expenses	14.15	19.60
Rates and Taxes, excluding taxes on income	339.28	159.57
Material Handling Expenses	201.39	173.61
Freight and Selling Expenses	363.59	308.47
Loss on Exchange Fluctuation (net)	47.72	23.62
Allowance for Doubtful Advances	-	36.81
Miscellaneous Expenses	489.12	423.83
	4,293.01	**3,705.37**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
36 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurements of the Defined Benefit Plans	2.47	(2.89)
	2.47	**(2.89)**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
37 EARNING / (LOSS) PER EQUITY SHARE		
(I) Basic		
a. Profit/(Loss) after Tax and Minority Interest	(896.93)	(1,334.13)
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	115,789,500	110,000,000
(iii) Weighted average number of Equity Shares outstanding during the year	112,522,001	110,000,000
(iv) Face Value of each Equity Share (₹)	10.00	10.00
c. Basic Earning / (Loss) per Share [a / (b(iii)] (₹)	**(7.97)**	**(12.13)**
(II) Diluted		
a. Dilutive potential Equity Shares	-	-
b. Weighted Average number of Equity Shares for computing Dilutive earning / (Loss) per Share	112,522,001	110,000,000
c. Diluted Earning / (Loss) per Share [same as (I)(c) above] (₹)	**(7.97)**	**(12.13)**

	As at 31 March 2018	As at 31 March 2017
38A Contingent liabilities		
(a) Claims against the Group not acknowledged as debts :		
(i) Sales / Customers and related matters	191.90	191.90
(ii) Purchases / Vendors and related matters	4,871.25	4,785.60
(iii) Other matters	399.35	442.10
(b) Other money for which the Group is contingently liable:		
(i) Disputed Income Tax matters under Appeal	56.16	99.49
(ii) Disputed Sales Tax matters under Appeal	169.81	172.55
(iii) Disputed Entry Tax matters under Appeal	5.46	85.36
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	61.34	34.86
(v) Disputed Excise Duty matters under Appeal	15.97	10.96
(vi) Disputed Service Tax matters under Appeal	54.63	17.10
(c) Guarantees		
Bank Guarantee	-	31.50
(d) Bill discounted with banks against Letter of credit	-	479.76
(e) In respect of the contingent liabilities mentioned in Note 38A(a) and 38A(b) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any.		
38B Commitments:		
Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance of ₹ 12.87 Million, (31 March 2017 : ₹99.05 Million)]	172.78	538.39

39 The Parent Company has incurred net loss during the year ended 31 March 2018 and the year end current liabilities exceeded the current assets as on 31 March 2018 which has adversely impacted the net worth of the Parent Company. The Parent Company's financial performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, and other external factors beyond the Parent Company's control. With the improvement in raw material availability, likely improvement in working capital availability and debt resolution, it is expected that the overall financial health of the Parent Company would improve considerably. Considering the above developments and favourable impact thereof on the Parent Company's operations and financials, the Parent Company has prepared these financial statements on the basis of going concern assumption.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

40 OPERATING LEASES

The Group 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.

With respect to all operating lease	Year ended 31 March 2018	Year ended 31 March 2017
Lease payments recognised in the statement of Profit and Loss during the year	23.86	23.49

41 SHARE - BASED COMPENSATION

The shareholders of the Parent Company in the Annual General Meeting held on 17 August, 2010, had approved an Employee Stock Option Scheme 2010 (the "ESOP Scheme 2010"), formulated by the Parent Company, under which the Parent Company could have issued 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. The Scheme had a 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 with exercise period of 3 years from the date of vesting. There were neither any vesting of ESOP nor any exercise of vesting of the ESOP Scheme 2010 during the tenancy of the Scheme and there will not be any further exercise of the vested options upon expiry of the scheme as on 4 February 2018

Each option when exercised would be converted into one fully paid - up equity share of ₹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 (₹ per Option)	46.30
Method of Accounting	Intrinsic Value

Movement of Options Granted

The movement of the options for the year ended 31 March 2018 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	93,750	46.30	46.30	1
Granted during the year	-	-	-	
Forfeited during the year	-	-	-	
Exercised during the year	-	-	-	
Lapsed during the year	93,750	46.30	46.30	
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-			

During the year no Options were vested.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Movement of Options Granted

The movement of the options for the year ended 31 March 2017 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices	Weighted Average Exercise Price	Weighted Average Remaining Contractual Years
Outstanding at the beginning of the year	222,500	46.30	46.30	2
Granted during the year	-	-	-	
Forfeited during the year	-	-	-	
Exercised during the year	-	-	-	
Lapsed during the year	128,750	46.30	46.30	
Outstanding at the end of the year	93,750	46.30	46.30	1
Exercisable at the end of the year	93,750			

During the year no options were vested.

42 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

The Group's chief operating decision making group [CODMG] (as set out in Note 2.2.15), examines the Company's performance both from business (product) & geographical perspective and has identified three reportable business segments viz. " Special Steel" ," Ferro Alloys" and "Coke".

Segment disclosures are consistent with the information provided to CODMG which primarily uses operating profit/ loss of the respective segments to assess their performance. CODMG also periodically receives information about the segments revenue and assets.

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

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

Segment assets, liabilities, revenue and expenses are measured in the same way as in the standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

(a) Summarised Segment information

Primary Business Segment	As at 31 March 2018				As at 31 March 2017			
	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments
External Revenue from Operations	7,895.73	8,419.79	4,682.20	20,997.72	8,115.54	6,834.94	1,746.48	16,696.96
Inter Segment Revenue from Operations	87.40	212.84	1,903.81	2,204.05	4.57	232.95	2,712.52	2,950.03
Segment Revenues	7,983.13	8,632.63	6,586.01	23,201.77	8,120.11	7,067.89	4,459.00	19,646.99
Other Income	-	-	16.26	16.26	(2.84)	21.91	23.76	42.83
Segment Results	(1,159.82)	166.47	181.94	(811.41)	(1,120.07)	2,959.60	(2,397.50)	(557.97)

(b) Specified amounts included in Segment Results

Primary Business Segment	As at 31 March 2018				As at 31 March 2017			
	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments
Depreciation & Amortisation	857.65	403.11	97.09	1,357.85	865.53	542.30	147.18	1,555.01
(Net Foreign Exchange loss / gain)	-	-	29.70	29.70	(2.84)	23.76	23.62	44.54
Non Cash Expenses other than depreciation & amortization	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

(c) Reconciliation of Segment Results with Profit after tax

Primary Business Segment	As at 31 March 2018				As at 31 March 2017			
	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments
Segment Results	(1,159.82)	166.47	181.94	(811.41)	(1,120.07)	2,959.60	(2,397.50)	(557.97)
Corporate-Unallocated / Others (Net)	-	-	-	(253.54)	-	-	-	310.36
Finance Costs	-	-	-	339.07	-	-	-	465.80
Provision for Taxation - Current Tax	-	-	-	-	-	-	-	-
MAT Credit Entitlement	-	-	-	-	-	-	-	-
Tax Expenses-Deferred tax (Charge)/ Credit	-	-	-	-	-	-	-	-
Profit/(Loss) after tax as per Financial Statements	**(1,159.82)**	**166.47**	**181.94**	**(896.93)**	**(1,120.07)**	**2,959.60**	**(2,397.50)**	**(1,334.13)**

(d) Other information

Reconciliation of Reportable Segments with the Financial Statements

Primary Business Segment	As at 31 March 2018				As at 31 March 2017			
	Special Steel	Ferro Alloys	Coke	Total	Special Steel	Ferro Alloys	Coke	Total
Segment Assets	19,558.43	10,814.06	-	30,372.49	21,604.17	11,611.93	2,589.83	35,805.93
Corporate Unallocated (net)	-	-	-	5,157.47	-	-	-	5,469.95
Total Assets	**19,558.43**	**10,814.06**	**-**	**35,529.96**	**21,604.17**	**11,611.93**	**2,589.83**	**41,275.88**
Segment Liabilities	734.72	521.35	-	1,256.07	1,965.93	2,342.39	1,515.03	5,823.35
Corporate Unallocated (net)	-	-	-	42,206.38	-	-	-	41,024.40
Total liabilities #	**734.72**	**521.35**	**-**	**43,462.44**	**1,965.93**	**2,342.39**	**1,515.03**	**46,847.75**

Excluding Shareholder's Funds

(e) Additional Segment Information - By geography

The Group has its customer in India as well as outside India and thus segment information based on geographical location of its customers is as follows :

Particulars	31 March 2018			31 March 2017		
	India	Outside India	Total	India	Outside India	Total
Revenue External	20,685.84	311.88	20,997.72	16,421.17	275.79	16,696.96
Total Segment Assets	**35,495.75**	**34.21**	**35,529.96**	**41,171.49**	**104.39**	**41,275.88**

43 AMALGAMATION OF SUBSIDIARY COMPANY

Pursuant to the Scheme of Amalgamation of VISA Bao Limited ("VBL" or "the Transferor Company"), an erstwhile subsidiary Company, with VISA Steel Limited ("the Parent" or "the Transferee Company") filed under section 391 to 394 and other applicable provisions of Companies Act,1956 ("the Sanctioned Scheme") sanctioned by the National Company Law Tribunal, Kolkata ("NCLT") vide its Order dated 12 October 2017, the whole of the undertaking of VBL including its assets, properties and liabilities stands transferred to and vested in the Parent Company with effect from 1 April 2015 ("the Appointed Date"). Certified copy of the said Order of NCLT sanctioning the Scheme has been filed by both VBL and the Parent Company with the Registrar of Companies, Orissa on 17 October 2017. Accordingly the Scheme became effective on and from 17 October 2017 (the "Effective Date").

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Pursuant to NCLT order on Scheme of Amalgamation, the authorised capital of VBL (Transferee Company) stands amalgamated with the authorised capital of the Parent resulting in increase in authorised share capital by 92,000,000 shares of ₹ 10/- each.

Further, pursuant to the Scheme, the Parent Company has issued and allotted 5,789,500 (Fifty seven lakhs eighty nine thousand five hundred) equity shares of face value of ₹ 10 each amounting to ₹ 57.90 Million to Baosteel Resources Co. Ltd, China in lieu of their shareholding in VISA Bao Limited.

44 RESTATEMENT OF PREVIOUS YEAR REPORTED FIGURES

Pursuant to the Scheme of amalgamation of VISA Bao Limited (VBL), with the Parent Company sanctioned by National Company Law Tribunal, Kolkata Bench (NCLT) vide its order dated 12 October 2017, the whole of the undertaking of VBL including its assets, properties and liabilities stands transferred to and vested with the Parent Company with appointed date of 1 April 2015. To give impact of the scheme of amalgamation of VBL, the Company had restated the Consolidated Financial Statement (CFS) for the year ended 31 March 2017, audited by the erstwhile statutory auditor, adopted by the board of directors and approved by the members. However, inadvertently the restated CFS for the year ended 31 March 2017 were prepared without considering the impact of fair value of assets and liabilities of VBL, which the Company has now restated as per sanctioned scheme of NCLT.

The restated and reported figures for 2016-17 are as under:

Balance Sheet (Extract)	31 March 2017 (Reported)	Restatement Adjustment	31 March 2017 (Restated)
Property, Plant & Equipments (Refer Note 3A)	27,933.36	3,486.12	31,419.48
Total Non Current Assets	31,424.14	3,486.12	34,910.26
TOTAL ASSETS	**37,789.76**	**3,486.12**	**41,275.88**
Capital Reserve	256.30	4,356.35	4,612.65
Securities Premium Reserve	2,552.80	-	2,552.80
General Reserve	645.92	(585.59)	60.33
Retained Earnings	(14,251.53)	(284.64)	(14,536.17)
Other Equity (Refer Note 17C)	**(10,796.51)**	**3,486.12**	**(7,310.39)**
Equity attributable to owners of VISA Steel Limited	(9,638.61)	(3,486.12)	(6,152.49)
TOTAL EQUITY AND LIABILITIES	**37,789.76**	**(3,486.12)**	**41,275.88**

Statement of Profit & Loss (Extract)	31 March 2017 (Reported)	Restatement Adjustment	31 March 2017 (Restated)
Depreciation and amortization expense (Refer Note 34)	1,469.37	156.69	1,626.06
Total Expenses	18,050.91	156.69	18,207.60
Profit before exceptional items, share of net profit of Investment accounted using equity method and tax	(1,177.55)	(156.69)	(1,334.24)
Profit/(Loss) before exceptional item and tax	(1,177.44)	(156.69)	(1,334.13)
Profit/(Loss) before tax	(1,177.44)	(156.69)	(1,334.13)
Profit/(Loss) for the period from continuing operations	(1,177.44)	(156.69)	(1,334.13)
Profit/(Loss) for the period	(1,177.44)	(156.69)	(1,334.13)
Profit/(Loss) for the year is attributable to:			
Owners of the Company	(1,194.83)	(156.69)	(1,351.52)
Non- controlling interest	17.39	-	17.39
	(1,177.44)	**(156.69)**	**(1,334.13)**
Total Comprehensive Income for the period attributable to:			
Owners of the Company	(1,197.45)	(156.69)	(1,354.14)
Non- controlling interest	17.12		17.12
	(1,180.33)		**(1,337.02)**
Earnings/(Loss) per Equity Share (Refer Note 37)			
1) Basic	(10.70)		(12.13)
2) Diluted	(10.70)		(12.13)

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

45 INVESTMENT IN VISA SUNCOKE LIMITED

VISA SunCoke Limited (VSCL), an erstwhile subsidiary Company of VISA Steel Limited, has issued fresh equity shares during the year and ceased to be a subsidiary w. e. f. 31 March 2018. The Group has recorded the investment in VISA SunCoke Limited at fair value resulting in loss of ₹ 156.81 Million and the profit on derecognition of assets and liabilities amounts to ₹ 599.77 Million. The net profit of ₹ 442.96 Million, on loss of control of VSCL has been classified as Other Non-Operating Income. (Note 28B)

(a) Gain/(loss) on loss of control of subsidiary

	Amount in ₹ Million
Recognition of Investment at fair value	31.63
Net Assets Derecognised	(1,054.89)
Non-Controlling Interest	558.42
Securities Premium	907.80
Gain/(Loss) on disposal	**442.96**

(b) Assets and Liabilities of Subsidiary derecognised on Loss of Control

Assets	
Non- Current Assets	
Property, Plant & Equipment	871.42
Intangible Assets	0.01
Financial Assets	
- Loans	147.54
- Other Financial Assets	205.12
Deferred tax Assets	22.82
Other Non Current Assets	3.82
	1250.73
Current Assets	
Inventories	395.06
Financial Assets	
- Investments	0.1
- Trade Receivables	82.15
- Cash and cash equivalents	112.98
- Other bank balances	182.83
- Other financial assets	25.37
Other Current Assets	702.75
	1501.24
Total Assets	**2751.97**
Liabilities	
Current Liabilities	
Financial Liabilities	
- Borrowings	1409.31
- Trade Payables	93.83
- Other Financial Liabilities	5.16
Current Tax Liabilities	149.12
Provisions	39.66
	1697.08
Net Assets	**1054.89**

All amount in ₹ Million, unless otherwise stated

46 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	31 March 2018			31 March 2017		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial Assets						
Investments*	-		31.63	-		
Trade Receivables	665.82			1,413.82		
Cash and Cash Equivalents	166.82			154.82		
Other Bank Balances	29.78			265.65		
Loans	310.52			277.93		
Others Financial Assets	23.45			26.60		
Total Financial Assets	**1,196.38**	**-**	**31.63**	**2,138.82**	**-**	**-**
Financial Liabilities						
Non Current Borrowings	14,759.94			19,749.45		
Current Borrowings	8,223.67			10,125.19		
Other financial liability	18,300.52			13,808.46		
Trade Payables	1,224.02			2,475.90		
Foreign exchange forward contracts (USD)	-			-		33.99
Total Financial Liabilities	**42,508.14**	**-**	**-**	**46,159.00**	**-**	**33.99**

*Excludes investment measured at deemed cost/cost.

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets and Liabilities measured at fair value as at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	31.63	-	31.63
Total Financial Assets	**-**	**31.63**	**-**	**31.63**
Financial Liabilities				
Foreign exchange forward contracts (USD)	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**

Financial Assets and Liabilities measured at fair value as at 31 March 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	-	-	-
Total Financial Assets	**-**	**-**	**-**	**-**
Financial Liabilities				
Foreign exchange forward contracts (USD)	-	33.99	-	33.99
Total Financial Liabilities	**-**	**33.99**	**-**	**33.99**

Notes

(i) Current financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) Non- current financial assets and liabilities measured at amortized cost have same fair value as at 31 March 2018 and 31 March 2017.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

c) Valuation techniques

The following methods and assumptions were used to estimate the fair values

Investment has been fair valued based on valuation carried out by independent valuer as on 31 March 2018. Derivative assets has been fair valued based on Mark to Market valuation provided by Banks.

Changes in level 2 and level 3 fair values are analyzed at each reporting period

47 INTEREST IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business

Name of the entity	Place of business/ Country of Incorporation	Principal Activities	Ownership Interest held by the Group		Ownership Interest held by non-controlling interests	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
VISA SunCoke Limited *	India	Manufacture and dealing in coal, coke & related products	-	51.00 %	-	49.00 %
Kalinganagar Special Steel Private Limited	India	Dealing in special steel	100.00 %	100.00 %	-	-
Kalinganagar Chrome Private Limited	India	Dealing in Ferro Chrome	100.00 %	100.00 %	-	-
Ghotaringa Minerals Limited	India	Developing a chrome ore deposit	89.00 %	89.00 %	11.00 %	11.00 %

* Pursuant to issuance of fresh shares, VISA SunCoke Limited, ceased to be a subsidiary of the Parent Company as on 31 March 2018

(b) Non-Controlling Interest

Set out below is summarized financial information for each subsidiary that has non -controlling interest. The amount is disclosed for each subsidiary are before inter-company eliminations.

(i) Summarized Balance Sheet	VISA SunCoke Limited		Ghotaringa Minerals Limited	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Current Assets	-	2,172.47	0.99	0.94
Current Liabilities	-	2,338.45	0.83	0.17
Net Current Asset	-	(165.98)	0.16	0.77
Non Current Asset	-	1,320.80	13.50	13.23
Non Current Liabilities	-	0.07	4.23	3.98
Net Non Current Assets	-	1,320.73	9.27	9.25
Net Assets	-	1,154.75	9.43	10.02
Accumulated NCI before elimination	-	565.83	1.04	1.10
Add/(Less) Inter company elimination	-	13.75	(0.09)	(0.06)
Accumulated NCI	-	579.58	0.95	1.04

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

(ii) Summarized Statement of Profit and Loss	VISA SunCoke Limited*		Ghotaringa Minerals Limited	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Revenue	6,582.21	4,459.00	-	-
Profit/(Loss) for the year	(55.34)	80.46	(0.58)	0.00
Other Comprehensive Income	0.52	(0.56)	-	-
Total Comprehensive Income	(54.82)	79.90	(0.58)	0.00
Profit attributable to NCI	(26.86)	39.15	(0.06)	0.00

(iii) Summarized Cash Flows	VISA SunCoke Limited*		Ghotaringa Minerals Limited	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Cash flow from operating activities	-	14.51	(0.01)	(0.06)
Cash flow from investing activities	-	(5.88)	0.06	0.07
Cash flow from financing activities	-	12.84	-	-
Net increase/ (decrease) in cash and cash equivalents	-	21.47	0.05	0.01

* VISA SunCoke Limited ceased to be subsidiary wef. 31 March 2018, the P&L numbers till 30 March 2018 has only been disclosed (Refer Note 45)

(c) Interest in Joint Ventures

Set out below is the joint venture of the Group as at 31 March 2018 which, in the opinion of the directors, are material to the Group. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Group. The Country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal Activities	Place of Business	% of ownership interest	Relationship	Accounting Method	Carrying Amount as on 31.03.2018	Carrying Amount as on 31.03.2017
VISA Urban Infra Limited	setting up and operating a "Star Hotel and Convention Centre"	India	26%	Joint Venture	Equity Method	10.31	10.19

(d) Summarized financial information for joint venture

The table below provide summarized financial information for the joint venture that is material to the Group.

Summarized Balance Sheet	VISA Urban Infra Limited	
	31.03.2018	31.03.2017
Current Assets		
Cash and cash equivalents	0.06	0.05
Other Assets	12.96	12.28
Total Current Assets	**13.02**	**12.33**
Total Non Current Assets	**97.16**	**96.13**
Current Liabilities		
Financial Liabilities	-	-
Other Liabilities	0.04	0.30
Total Current Liabilities	**0.04**	**0.30**
Non Current Liabilities		
Financial Liabilities	71.23	69.73
Other Liabilities	-	-
Total Non Current Liabilities	**71.23**	**69.73**
Net Assets	**38.90**	**38.43**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

Reconciliation to Carrying Amounts

Particulars	VISA Urban Infra Limited	
	31.03.2018	31.03.2017
Opening Net Assets	38.43	38.01
Profit/(Loss) for the year	0.48	0.41
Closing Net Assets	**38.90**	**38.42**
Group's share in %	26%	26%
Group's share in ₹	10.12	9.99
Inter company elimination	0.19	0.19
Carrying Amount	**10.31**	**10.19**

Summarized Statement of Profit and Loss

Particulars	VISA Urban Infra Limited	
	31.03.2018	31.03.2017
Revenue	-	-
Interest income	0.81	0.89
Depreciation and amortization expense	-	-
Interest Expense	-	-
Other Expenses	0.12	0.16
Income tax Expense	0.22	0.32
Profit from continuing operation	**0.48**	**0.41**
Profit from Discontinuing operation	-	-
Profit for the year	**0.48**	**0.41**
Other Comprehensive income	-	-
Total Comprehensive income	**0.48**	**0.41**
Group Share	**0.12**	**0.11**

48 ASSETS PLEDGED AS SECURITY

The carrying amounts of certain categories of assets pledged as security for current and non-current borrowings pursuant to the requirements of Ind AS 2, Ind AS 16, Ind AS 38 and Ind AS 107 are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Current Assets		
Financial assets	876.35	1,906.14
Non-financial assets		
Inventories	1,214.97	3,096.62
Total current assets pledged as security(A)	**2,091.32**	**5,002.76**
Non-current Assets		
Property, Plant and Equipment	29,182.57	27,933.36
Capital Work-in-progress	2,978.61	3,046.41
Intangible Assets	2.14	1.84
Investment	10.31	10.29
Total non-currents assets pledged as security (B)	**32,173.63**	**30,991.90**
Total assets pledged as security (A+B)	**34,264.95**	**35,994.66**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

49 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also enters into derivative contracts.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and how the Group is managing such risk.

(A) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Group implements a credit risk management policy under which the Group only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of parties, financial condition, historical experience, and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Group manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Group's treasury department authorizes, manages, and oversees new transactions with parties with whom the Group has no previous relationship.

Furthermore, the Group limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as the approval of the board of directors.

(i) Credit risk exposure

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The maximum exposure to credit risk as of 31 March 2018 and 31 March 2017 are as follows:

	31 March 2018	31 March 2017
Cash and cash equivalents	166.82	154.82
Other Bank balances	29.78	265.65
Loans and other receivables	333.97	304.53
Trade receivable (net)	665.82	1,413.82
	1,196.39	**2,138.82**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

(ii) Impairment losses on financial assets

Refer the table below for reconciliation of loss allowance in respect of Trade Receivables:

Trade Receivables (measured under life time excepted credit loss model)	31 March 2018	31 March 2017
Loss Allowance at the beginning of the year	**358.86**	**369.32**
Add: Loss Allowance provided during the year	36.97	-
Less: Write Off	262.22	-
Less: Loss Allowance reversed during the year	73.01	10.46
Loss Allowance at the end of the year	**60.60**	**358.86**

The aging of trade accounts and notes receivable as of 31 March 2018 and 31 March 2017 are as follows:

	31 March 2018	31 March 2017
Not due	-	-
Over due less than 3 month	682.32	1,256.52
3 months - 12 months	3.31	195.76
over 12 months	40.78	320.40
	726.41	**1,772.68**

No significant changes in estimation techniques or assumptions were made during the reporting period

(B) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

However, in views of various unfavourable factors as set out in Note 39, the Group has been experiencing stressed liquidity condition. In order to overcome such situation, the Group has been taking measures to ensure that the Group's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Group's operations.

(i) Financing arrangements

The Group's undrawn borrowing facilities at the end of the reporting period:

	31 March 2018	31 March 2017
Expiring beyond one year	846.67	846.67
	846.67	**846.67**

(ii) Maturities of financial liabilities

Contractual maturities for non-derivative and derivative financial liabilities, including estimated interest, at undiscounted values are as follows:

As at 31 March 2018	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	1,224.02	-	-	-	1,224.02
Borrowings	-	-	14,759.94	-	14,759.94
Current Borrowings @	8,223.67	-	-	-	8,223.67
Other financial liabilities	14,474.45	3,826.06	-	-	18,300.52
	23,922.14	**3,826.06**	**14,759.94**	**-**	**42,508.14**

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

As at 31 March 2017	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	2,475.90	-	-		2,475.90
Non Current Borrowings @	-	-	17,972.52	1,532.68	19,505.20
Current Borrowings @	10,125.19	-	-	-	10,125.19
Other financial liabilities @	7,114.39	6,728.06	-	-	13,842.45
	19,715.48	**6,728.06**	**17,972.52**	**1,532.68**	**45,948.73**

@ The contractual maturity obligations in respect of borrowings as set out above may undergo changes upon debt resolution

(C) Market Risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

i) Interest rate risk

The Group manages the exposure to interest rate risk by adjusting of borrowing structure ratio between borrowings at fixed interest rates and variable interest rate. The Group monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2018 and 31 March 2017 are as follows:

	31 March 2018	31 March 2017
Variable rate financial liabilities	31,833.17	6,256.30
Variable rate financial assets	-	-

b) Sensitivity analysis on the fair value of financial instruments with fixed interest rate

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

c) Sensitivity analysis on the cash flows of financial instruments with variable interest rate

As of 31 March 2018 and 31 March 2017, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1 %, the changes in interest expense for the years ended 31 March 2018 and 31 March 2017 were as follows:

	Impact on profit before tax	
	31 March 2018	31 March 2017
Interest rates - increase by 100 basis points [Refer (a) below]	318.33	13.71
Interest rates - decrease by 100 basis points [Refer (a) below]	(318.33)	(13.71)

(a) The Group has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. Refer note 18 (D).

ii) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and EUR. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

The Group's policy in respect of foreign currency risks is a natural hedge whereby foreign currency income is offset with foreign currency expenditures. The remaining net exposures after the natural hedge have been hedged using derivative contracts such as forward exchange contracts. In addition, the Group's derivative transactions are limited to hedging actual foreign currency transactions and speculative hedging is not permitted.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

a) The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2018 and 31 March 2017 are as follows:

	31 March 2018		31 March 2017	
	USD	EUR	USD	EUR
Financial Assets				
Trade receivables	0.01	-	0.01	-
Capital Advance	-	0.01	0.57	0.01
Advance to supplier	0.01	0.00	0.36	0.01
Derivative Assets				
Foreign exchange forward contracts	-	-	-	
Net exposure to foreign currency risk (assets)	**0.02**	**0.01**	**0.94**	**0.02**
Financial Liabilities				
Trade payables	0.22	0.00	3.52	0.00
Capital Creditor	0.10	0.22	0.12	0.20
Advance from customer	-	-	0.00	-
Short Term Borrowings	-	-	0.67	-
Other Current Financial Liabilities	-	-	0.04	-
Derivative Liabilities				
Foreign exchange forward contracts	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**0.32**	**0.22**	**4.35**	**0.20**

	31 March 2018	31 March 2017
USD	(0.30)	(3.41)
EUR	(0.21)	(0.18)

b) As of 31 March 2018 and 31 March 2017, provided that functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 10%, the changes in gain or loss for the years ended 31 March 2018 and 31 March 2017 were as follows:

	Impact on profit before tax	
	31 March 2018	31 March 2017
USD		
10% increase	(1.95)	(22.14)
10% decrease	1.95	22.14
EUR		
10% increase	(1.68)	(1.26)
10% decrease	1.68	1.26

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

50 CAPITAL MANAGEMENT

a) Risk Management

The fundamental goal of capital management are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

However in view of certain adverse factors and challenges being faced by the Group over past few years as explained in Note 39, the net worth of the Group has been eroded and the Parent Company has initiated certain measures/been actively engaging with the lenders for restructuring of its debts at sustainable level and thereby continuing to operate as a going concern. The Group has not declared any dividend since financial year 2011-12.

The Group manages its capital on the basis of net debt to equity ratio which is net debt (non current borrowings) divided by total equity

	31 March 2018	31 March 2017
Net Debt	40,651.75	43,030.22
Total equity	(7,932.53)	(5,571.87)
Net debt to equity ratio	(5.12)	(7.72)

b) Loan Covenants

The Parent Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Parent Company and the EBITDA margings of the Parent Company since 2011-12 have not been sufficient to service interest / principal repayment. While the outstanding principal term loan amount is ₹ 10078.72 Millions, during the period April 2011 to March 2016, the lenders have charged approx. ₹ 23151.44 Millions on account of interest/ repayment whereas EBITDA was only approx. ₹ 990.78 Millions. This has resulted in huge ballooning of liabilities of the Parent Company towards its lenders. (Also refer note 18A)

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

51 RELATED PARTY DISCLOSURES PURSUANT TO INDIAN ACCOUNTING STANDARD(IND AS) 24

(a)	Related Parties	Names of the Related Parties
(i)	**Others**	
	Joint Venture Company	VISA Urban Infra Limited
	Enterprise having significant influence	VISA Infrastructure Limited
		VISA International Limited
	Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
		Mr. Vishal Agarwal (Vice Chairman & Managing Director)
		Mr. Manoj Kumar (Director-Kalinganagar)
		Mr. Debi Prasad Bagchi (Non-executive Director) upto 20 April 2017
		Mr. Pratip Chaudhuri (Non-executive Director)
		Mr. Manas Kumar Nag (Nominee Director)
		Mr. Kishore Kumar Mehrotra (Non-executive Director)
		Ms. Puja Sondhi (Non-executive Director) upto 8 May 2017
		Ms. Ramya Hariharan (Non-executive Director) wef. 19 May 2017 upto 25 August 2017
		Ms. Rupanjana De (Non-executive Director) w.e.f 26 August 2017
		Mr. Sheo Raj Rai (Non-executive Director) w.e.f 8 August 2017
	Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
	Member of a Group of which Enterprise having significant influence is also a member	VISA Resources India Limited
		VISA Power Limited
		VISA Trading (Shanghai) Co., Limited
		Visa Minmetal Limited
		VISA SunCoke Limited w.e.f. 31 March 2018
		VISA Resources PTE Limited
		VISA Commodities AG
		VISA Bulk Shipping PTE Limited

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

(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 2018	31 March 2017
Purchase of Goods	VISA Resources India Limited	-	1,540.97
	VISA Minmetal Limited	5,366.06	710.13
	VISA Resources Pte Limited	1,063.23	1,740.96
	VISA Commodities AG	60.06	-
Purchase of Traded Goods	VISA Resources India Limited	-	166.05
	VISA Minmetal Limited	-	308.21
Purchase of FPS Licenses	VISA Resources India Limited	-	62.40
	VISA Minmetal Limited	5.43	-
Sale of Goods	VISA Resources India Limited	260.36	2,837.34
	VISA Minmetal Limited	7,363.53	1,687.09
Rent Paid	VISA International Limited	1.13	4.44
	VISA Infrastructure Limited	29.31	35.22
Hire Charges-Paid	VISA Resources India Limited	12.86	11.85
Commission -Paid	VISA Resources India Limited	-	18.29
Cargo Handling Charges-Paid	VISA Minmetal Limited	4.77	-
Freight Expense	VISA Bulk Shipping Pte Limited	-	31.49
Finance Cost	VISA Infrastructure Limited	37.20	46.16
Interest Income	VISA Infrastructure Limited	41.46	36.42
Remuneration to KMP	Mr. Vishambhar Saran	17.46	17.49
	Mr. Vishal Agarwal	18.18	17.31
	Mr. Manoj Kumar Digga	-	7.96
	Mr. Manoj Kumar	8.58	7.00
Sitting Fees	Mr. Debi Prasad Bagchi (Independent Director)	-	0.11
	Mr. Pratip Chaudhuri (Independent Director)	0.27	0.19
	Mr. Manas Kumar Nag (Independent Director)	0.16	0.08
	Mr. Kishore Kumar Mehrotra (Independent Director)	0.37	0.12
	Ms. Ramya Hariharan (Independent Director)	0.01	-
	Ms. Rupanjana Dey (Independent Director)	0.16	-
	Mr. Sheo Raj Rai (Independent Director)	0.20	-
Reimbursement of Expenses (Net)	VISA Resources India Limited	-	1.91
	VISA Infrastructure Limited	2.06	1.85
	VISA Minmetal Limited	29.22	-
	VISA Resources pte limited	9.07	-
	VISA Bulk shipping pte limited	0.17	2.97
	VISA Commodities AG	0.36	-
Recovery of Expenses (Net)	VISA Resources India Limited	6.60	-
Unsecured Loan Repaid	VISA Infrastructure Limited	138.90	-
Security Deposit Given	VISA Minmetal Limited	186.19	-
Receipt of Security Deposit Given	VISA Infrastructure Limited	195.00	66.50
Share of Profit of Joint Venture	VISA Urban Infra Limited	0.12	0.12

Notes to Consolidated Financial Statements

(c) Details of Transactions with Related Parties

All amount in ₹ Million, unless otherwise stated

Nature of Transaction	31 March 2018					31 March 2017				
	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Rent Charges	-	30.44	-	-	1.00	-	39.67	-	-	-
Hire Charges	-	-	-	-	12.86	-	-	-	-	11.85
Purchase of Goods	-	-	-	-	6,489.36	-	-	-	-	3,992.06
Purchase of Traded Goods	-	-	-	-	-	-	-	-	-	474.26
Sale of Goods	-	-	-	-	7,623.89	-	-	-	-	4,800.22
Commission	-	-	-	-	-	-	-	-	-	18.29
Cargo Handling Charges	-	-	-	-	4.77	-	-	-	-	-
Purchase of FPS Licenses	-	-	-	-	5.43	-	4.19	-	-	62.40
Interest Income	-	41.46	-	-	-	-	36.42	-	-	-
Freight Expense	-	-	-	-	-	-	-	-	-	31.49
Finance Cost	-	37.20	-	-	-	-	46.16	-	-	-
Re-imbursement of Expenses (Net)	-	2.22	-	-	38.82	-	2.61	-	-	5.11
Recovery of Expenses (Net)	-	-	-	-	6.73	-	-	-	-	-
Unsecured Loan Repaid	-	138.90	-	-	-	-	-	-	-	-
Repayment of Security Deposit Given	-	195.00	-	-	-	-	66.50	-	-	-
Security Deposit Given	-	-	-	-	186.19	-	-	-	-	-
Remuneration	-	-	44.21	4.33	-	-	-	49.76	4.33	-
Sitting Fees	-	-	1.17	-	-	-	-	0.56	-	-
Share of Profit of Joint Venture	0.12	-	-	-	-	0.12	-	-	-	-

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2018

Balance	Enterprise having significant influence	Key Managerial Personnel	Other Related Parties
Receivable	-	51.05	-
Payable	6.28	-	338.88
Long Term Borrowing	442.50	-	-
Security Deposit Receivable	8.00	-	186.19

Details of Balances with Related Parties as at 31 March 2017

Balance	Enterprise having significant influence	Key Managerial Personnel	Other Related Parties
Receivable	189.12	52.10	326.82
Payable	25.37	-	539.16
Long Term Borrowing	581.40	-	-

(e) Details of compensation paid to KMP

KMP COMPENSATION	VISHAMBHAR SARAN		VISHAL AGARWAL		MANOJ KUMAR	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Short-Term Employee Benefits	15.11	14.00	15.95	11.09	8.36	6.80
Post-Employment Benefits	2.34	2.34	2.22	2.22	0.22	0.20
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	17.46	16.34	18.17	13.31	8.58	7.00

(f) To ensure uninterrupted supply of essential goods and critical raw material for plant operations,the Parent Company has settled its receivable from one related party with payable to another related party based on the tri-partite agreement executed on various dates during the year.

Notes to Consolidated Financial Statements

All amount in ₹ Million, unless otherwise stated

52 (A) ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS .

		2017-18							
		Net Assets i.e. Total Asset-Total Liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
SL No	Name of the Entity [Refer Note (a) below]	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income
	Parent								
1	VISA Steel Limited	(7,945.84)	100.16%	(852.69)	97.41%	1.95	87.84%	(850.74)	97.44%
	Subsidiaries								
2	Ghotaringa Minerals Limited	12.71	-0.16%	(0.58)	0.07%	-	0.00%	(0.58)	0.07%
3	VISA Suncoke Limited	-	0.00%	(43.7)	4.99%	0.52	23.42%	(43.18)	4.94%
4	Kalinganagar Special Steel Limited	0.06	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
5	VISA Ferro Chrome Limited*	(0.32)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
6	VISA Special Steel Limited*	0.02	0.00%	(0.03)	0.00%	-	0.00%	(0.03)	0.00%
7	Kalinganagar Chrome Private Limited	0.52	-0.01%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
	Minority Interest in Subsidiaries	(0.95)	0.01%	21.52	-2.46%	(0.25)	-11.26%	(21.27)	-2.44%
	Joint Venture								
8	VISA Urban Infra Limited	0.31	0.00%	0.12	-0.01%	-	0.00%	0.12	-0.01%
		(7833.48)	**100.00%**	**(875.41)**	**100.00%**	**2.22**	**100.00%**	**(873.19)**	**100.00%**

(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

All amount in ₹ Million, unless otherwise stated

52 (B) ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.

		2016-17							
		Net Assets i.e. Total Asset-Total Liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
SL No	Name of the Entity [Refer Note (a) below]	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income
	Parent								
1	VISA Steel Limited	(6,068.75)	98.64%	(1,426.47)	105.55%	(2.33)	88.93%	(1,428.80)	105.51%
	Subsidiaries								
2	Ghotaringa Minerals Limited	13.17	-0.21%	(0.24)	0.02%	-	0.00%	(0.24)	0.02%
3	VISA SunCoke Limited	483.27	-7.86%	92.63	-6.86%	(0.56)	21.37%	92.07	-6.80%
4	Kalinganagar Special Steel Limited	0.52	-0.01%	(0.02)	0.00%	-	0.00%	(0.02)	0.00%
5	VISA Ferro Chrome Limited*	(0.3)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
6	VISA Special Steel Limited*	(0.2)	0.00%	(0.12)	0.01%	-	0.00%	(0.12)	0.01%
7	Kalinganagar Chrome Private Limited	0.23	0.00%	(0.01)	0.00%		0.00%	(0.01)	0.00%
	Minority Interest in Subsidiaries	(580.62)	9.44%	(17.39)	1.29%	0.27	-10.30%	(17.12)	1.27%
	Joint Venture								
8	VISA Urban Infra Limited	0.19	0.00%	0.11	-0.01%	-	0.00%	0.11	-0.01%
		(6,152.49)	**100.00%**	**(1,351.52)**	**100.00%**	**(2.62)**	**100.00%**	**(1,354.14)**	**100.00%**

(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

53 i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated. ii) Balances of banks/financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Parent Company are pending before Hon'ble Orissa High Court and the Company is contesting the same.

54 PREVIOUS YEAR FIGURES

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number - 302049E

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Notes to Consolidated Financial Statements

All amount in ₹ 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 statements of subsidiaries/joint ventures for the year ended on 31 March 2018.

PART - A - Subsidiary Company

Name of the Subsidiary	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited	Ghotaringa Minerals Limited
Financial Year Ending on	31 March 2018	31 March 2018	31 March 2018
Reporting Currency	INR	INR	INR
Share Capital	0.70	0.60	10.00
Reserves & Surplus	(1.17)	(0.08)	(0.57)
Total Assets	0.11	0.52	14.50
Total Liabilities	0.58	0.00	5.06
Details of Investment (Except in case of Subsidiaries)	-	-	-
Turnover (including Other Income)	-	-	0.06
Profit/(Loss) Before Taxation	(0.07)	(0.01)	(0.58)
Provision for Taxation	-	-	-
Profit/(Loss) after Taxation	(0.07)	(0.01)	(0.58)
Proposed Dividend	-		-
Percentage of Shareholding	100%	100%	89%

Notes

Name of the Subsidiary yet to commence operations : Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, and Ghotaringa Minerals Limited

VISA SunCoke Limited ceased to be subsidiary from 31 March 2018 (Refer Note 45)

PART - B - Joint Ventures

Name of the Joint Ventures	VISA Urban Infra Limited
Latest Audited Balance Sheet Date	31 March 2018
Number of Shares held as on 31 March 2018	1.00
Amount of Investment in Joint Ventures as on 31 March 2017	10.00
Extent of Shareholding % as on 31 March 2017	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	10.11
Profit/(Loss) for the year (Consolidated)	0.48
a) considered in Consolidation	0.11
b) Not Considered in Consolidation	0.37

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 2 May 2018

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Vishambhar Saran, Chairman
Mr. Vishal Agarwal, Vice Chairman & Managing Director
Mr. Pratip Chaudhuri, Independent Director
Mr. Sheo Raj Rai, Independent Director
Ms. Rupanjana De, Independent Director
Mr. Manas Kumar Nag, Nominee Director
Mr. Manoj Kumar, Wholetime Director designated as Director (Kalinganagar)

CHIEF FINANCIAL OFFICER
Mr. Ranjan Kumar Jindal

COMPANY SECRETARY
Mr. Sudhir Kumar Banthiya

BANKERS & FINANCIAL INSTITUTIONS
Andhra Bank
Assets Care & Reconstruction Enterprise Ltd.
Bank of Baroda
Bank of India
Canara Bank
Corporation Bank
Dena Bank
Edelweiss Asset Reconstruction Company Limited
Export Import Bank of India
HUDCO
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
Punjab & Sind Bank
SIDBI
State Bank of India
Syndicate Bank
Union Bank of India
Vijaya Bank

STATUTORY AUDITORS
Singhi & Co.

INTERNAL AUDITORS
L. B. Jha & Co.

SECRETARIAL AUDITORS
MKB & Associates

COST AUDITORS
DGM & Associates

REGISTRARS
Karvy Computershare Private Limited

REGISTERED OFFICE
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11 Ekamra Kanan, Nayapalli,
Bhubaneswar - 751015.
Tel: +91 (674) 2552 479,
Fax: +91 (674) 2554 661

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Tel: +91 (33) 3011 9000
Fax: +91 (33) 3011 9002

Plant Offices
Kalinganagar Plant Site
Kalinganagar Industrial Complex,
P.O. Jakhapura,
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Odisha
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Corporate Identification Number
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