

# VISA STEEL

Annual Report 2012-13

## Forward-looking statements

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

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

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

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## Unlocking Value, Creating Focus

VISA Steel Limited has created a world class facility for production of Special Steel, Ferro Chrome and Coke at Kalinganagar in Odisha. Kalinganagar is a large Steel hub in India and is strategically located in the mineral rich State of Odisha, which accounts for 33 % of total iron ore reserves, 28 % of coal reserves and 97 % of Chrome Ore reserves in India. VISA Steel's Plant is in close proximity to vital raw material - Iron Ore, Chrome Ore & Coal and deep draft Ports of Paradip & Dhamra. It is considered to be a preferred investment destination with excellent infrastructure - Roads, Railway and Port connectivity.

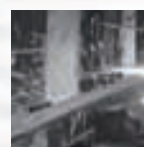
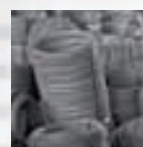
The Company has business interests in Special Steel, Ferro Chrome and Coke. Due to non-availability and high cost of raw material and keeping in mind the debt repayment obligations, the Company restructured its debt under CDR mechanism. Further, to infuse additional funds, the Company transferred its Coke business undertaking into a separate SPV – VISA SunCoke Limited (Formerly VISA Coke Limited) through slump sale on a going concern basis and invited SunCoke Energy, USA as a strategic investor. This has enabled Company to unlock value and raise Rs.367.50 Crore.

In order to facilitate further fund raising, the Company now plans to unlock value and create focus for further growth by transferring its Special Steel business into VISA Special Steel Limited and consolidate the Ferro Chrome business by amalgamating VISA BAO Limited into VISA Steel Limited.

# Special Steel Business







The Special Steel business comprises of a world class fully integrated 0.5 million TPA Special Steel Plant with Blast Furnace, Sponge Iron Plant, Steel Melting Shop (EAF, LRF & VD) & Rolling Mill (Bar & Wire Rod Mill) for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.

The Company plans to set up an Iron Ore Sinter Plant and is awaiting grant of Captive Iron Ore Mines in Odisha. The Iron Ore availability is showing signs of improvement with mines in Odisha (including OMC Daitari) gradually resuming their mining operations. The Company has entered into Iron Ore Sinter Conversion Agreement to ensure continuous availability of Iron Ore for smooth running of the Blast Furnace and enhance the profitability of the Special Steel business.

The Company is in the process of transferring the Special Steel business into VISA Special Steel Limited and is also exploring option for having a strategic partnership with an Iron Ore Mining Company or a Global Steel Player, to deleverage and expand its capacity from 0.5 million TPA to 1 million TPA Special Steel.

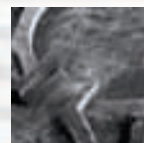
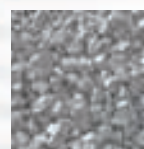
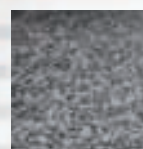
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# Ferro Chrome Business





The Ferro Chrome business comprises of a 50,000 TPA Ferro Chrome Plant (two submerged arc furnaces of 16.5 MVA each) and a 75 MW Captive Power Plant. VISA Steel also has a 65 % stake in VISA BAO Limited for production of 100,000 TPA Ferro Chrome wherein Baosteel holds the balance 35 % Stake. This includes four submerged arc furnace of 16.5 MVA each, out of which two furnaces have commissioned in June 2013 and the balance two furnaces are expected to commission in March 2014.

The 75 MW Captive Power Plant is sufficient to cater majority of the requirement of power for 150,000 TPA Ferro Chrome production. Power is a key cost component in Ferro Chrome operations, and low cost & uninterrupted availability of Captive Power for Ferro Chrome production is critical to the cost competitiveness and facilitating stable operations.

The Company proposes to amalgamate VISA BAO Limited into VISA Steel Limited to form an entity with 150,000 TPA Ferro Chrome production capacity with 75 MW Captive Power Plant. This will make VISA Steel a leading player in the Ferro Chrome industry in India and globally and going forward further expand its Ferro Chrome production and Captive Power generation capacities.

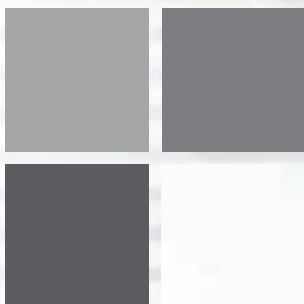
The demand for Ferro Chrome has been strong from Stainless Steel Plants globally due to supply constraints in South Africa because of inadequate availability of power. With power cuts being imposed on power intensive industries in South Africa, consumers of Ferro Chrome globally are diversifying their Ferro Chrome sourcing base to the other countries like India.

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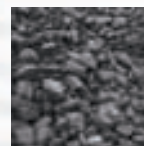
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# Coke Business







The Coke Business comprises of a 400,000 TPA Coke Oven Plant (for sale in the market to integrated Steel Plants) with associated steam generating units.

VISA SunCoke Limited is a joint venture between VISA Steel Limited and SunCoke Energy, USA, through Sun Coke Holding B.V. (SunCoke) wherein VISA Steel holds 51 % stake and SunCoke holds the balance 49 % stake.

Demand for Coke has been strong as it is an import substitute and SAIL has emerged as a large buyer.

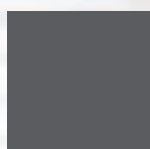
The Company is evaluating the option of growing the Coke business through expansion at Kalinganagar to 800,000 TPA and by setting up a 400,000 TPA capacity Plant in Chhattisgarh.

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# About VISA Steel



- Registered office in Bhubaneswar, Corporate Office in Kolkata and manufacturing facilities at Kalinganagar and Golagaon in Odisha.
- Shares listed on the BSE Limited and the National Stock Exchange of India Limited.

## Special Steel Business

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

## Ferro Chrome Business

Facility	Capacity
Ferro Chrome Plant	TPA 150,000
Power Plant	MW 75

## Coke Business

Facility	Capacity
Coke Oven Plant	TPA 400,000



## Vision

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“Emerge as a low cost & efficient producer of value added steel products with captive coal, mineral resources and power”

## Values

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**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

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

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

# Strategic Goals



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



# Strategy and Mission



## Integrate across value chain with captive mines and power

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

## Leadership in business segment through market share

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

## Maximize shareholder value by Market Cap and ROCE

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

## Build partnerships with customers and suppliers

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

## Family of capable, motivated and happy employees

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



Steel Melting, Billet Casting & Rolling Mill in operation

# Financial and Operational Highlights



All amount in Rs. Million, unless otherwise stated

Financial Highlights	FY'13	FY'12
Revenue	10,444	13,922
EBIDTA	(67)	1,061
EBIDTA Margin	(0.64) %	7.62 %
PAT	(1,076)	(1,189)
Share Capital	1,100	1,100

Operational Highlights	FY'13	FY'12
Ferro Chrome (in MT)	36,344	22,368
Power (in Million Units)	312	435
Hot Metal (in MT)	854	84,454
Sponge Iron (in MT)	80,514	157,356
Coke (in MT)	309,565	354,634

# Chairman's Statement



## Dear Shareholders,

The financial year 2012 – 13 has once again been an extremely challenging year for the Iron & Steel industry due to global slowdown in demand and domestic challenges of non-availability of vital raw material at viable prices. This has adversely impacted your Company as well.

The Company continues to pursue its interests in Special Steel, Ferro Chrome & Coke businesses.

## Special Steel Business

In order to unlock value, have focus and grow this business, your Company is in the process of transferring its Special Steel business undertaking into a wholly owned subsidiary – VISA Special Steel Limited, which for the time being will remain a wholly owned subsidiary of your Company. In due course, your Company may explore options to enter into strategic alliance with a world class Steel player to de-leverage, have clear focus and also raise funds for expansion of this business from 0.5 million TPA to at least 1.00 million TPA.

## Ferro Chrome Business

Apart from having its own 50,000 TPA Ferro Chrome Plant & 75 MW Captive Power Plant, your Company has a subsidiary – VISA

BAO Limited wherein additional 100,000 TPA Ferro Chrome Plant is being set up. 50,000 TPA facility of VISA BAO Limited has been commissioned in June 2013 and balance is expected to be commissioned by March 2014. In order to consolidate the Ferro Chrome & Captive Power generation business into one legal entity, the Company is evaluating options of amalgamating VISA BAO Limited into VISA Steel Limited.

## Coke Business

In order to de-leverage its businesses, have focus and grow this business, the Company had transferred its Metallurgical Coke and associated steam generation business into a wholly owned subsidiary (VISA Coke Limited) wherein the Company has made a strategic alliance with SunCoke Energy Inc, USA. The Company has divested 49 % stake in this subsidiary and raised Rs.367.50 Crores. This joint venture company has since been renamed – “VISA SunCoke Limited” which continues to be a 51 % subsidiary of VISA Steel Limited.

## Annual Results

For the year ended 31 March 2013, the Company recorded consolidated revenue of Rs.10,443.67 million, operating loss of Rs.67.07 million and loss after tax of Rs.1,075.72 million.



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

### The Industry

The global Steel industry has witnessed huge capacity addition in China. This has resulted in over capacity for the Global Steel industry.

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

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

There is a huge growth potential in Steel consumption in India given that per capita steel consumption is very low compared to China and the global average. The States of Odisha, Chhattisgarh & Jharkhand which account for majority of the iron ore and coal reserves are most attractive locations for setting up Steel plants.

### Vision & Strategy

The Company is focused on its vision to emerge as a low cost and efficient producer of top quality value added products in larger quantities including Special Steel, Ferro Chrome and Coke.

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

Going forward the Company's Subsidiary – VISA SunCoke Limited is evaluating options of doubling its Coke making capacity from 0.4 million TPA to 0.8 million TPA and VISA Special Steel Limited is exploring options to unlock value by inducting a Strategic Investor and doubling its Special Steel making capacity from 0.5 million TPA to 1 million TPA. Likewise VISA Steel Limited, after consolidating its Ferro Chrome

business under one legal entity (by amalgamating VISA BAO Limited into VISA Steel Limited) will be exploring options to expand its capacity for Captive Power Plant capacity from 75 MW to at least 100 MW.

### Outlook

Our revenues and margins from the Special Steel, Ferro Chrome and Coke businesses shall drive the Company forward inspite of the challenging business environment. It is expected that the Iron Ore constraints shall ease towards end of the financial year 2013-14.

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

Warm Regards,



**Vishambhar Saran**

# Vice Chairman & Managing Director's Review



Your Company has created a world class facility for production of Special Steel, Ferro Chrome and Metallurgical Coke at Kalinganagar in Odisha. Kalinganagar is a large Steel hub in India and is strategically located in the mineral rich State of Odisha, which accounts for 33 % of total iron ore reserves, 28 % of coal reserves and 97 % of Chrome Ore reserves in India. VISA Steel's Plant is in close proximity to vital raw material - Iron Ore, Chrome Ore & Coal and deep draft Ports of Paradip & Dhamra. It is considered to be a preferred investment destination with excellent infrastructure - Roads, Railway and Port connectivity.

The past few financial years were challenging for the Company due to various external factors like non availability of raw material at viable price, high interest rates and volatile foreign exchange which had adversely affected the performance of your Company. In view of the losses suffered by the Company and the consequent impact on cash flow and ability to service loan repayments, its debts were restructured under CDR mechanism.

During FY'2012-13, the Government of Odisha has taken an initiative by which 50 % of the Iron Ore production is being pre-empted by the Government for supply to Odisha based Steel Industries which will improve the availability of iron ore at viable prices. The Government of Odisha has recently announced a

mining lease renewal policy, wherein it has decided to renew the leases for lessees having captive Plants.

## Special Steel business

VISA Steel has a Special Steel business with state of the art plant facilities located at Kalinganagar in Odisha for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.

During the year, due to less availability of Iron Ore and the consequent increase in Iron Ore prices, the Special Steel business of the Company has been adversely impacted. The steel production was NIL, hot metal production was 854 MT compared to 84,454 MT in 2011-12 and Sponge Iron production was 80,514 MT compared to 157,356 MT in 2011-12.

The Company is confident of securing captive Iron Ore Mining Lease in Odisha soon. The Iron Ore mines in Odisha (including OMC Daitari) has gradually resumed their mining operations and are expected to ramp up production. Post the commencement of 4 million TPA Pellet Plant of Brahmani River Pellets Limited (BRPL) adjacent to our Plant, the availability of Pellets at reasonable price would help in curtailing the raw material crisis situation. The Company plans to set up an Iron Ore Sinter Plant to ensure continuous availability of Iron Ore for smooth running of the Blast Furnace and enhance the profitability of the Special Steel business division significantly.

The Company has decided to transfer its Special Steel Business Undertaking into a separate SPV (VISA Special Steel Limited) through Scheme of Arrangement and invite strategic investors therein. The fixed assets pertaining to the facilities for Special Steel Business and corresponding amount of debt including Term Loan and all other loans & advances will be transferred to VISA Special Steel Limited by suitable Scheme to be approved by the Hon'ble Orissa High Court.

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

## Ferro Chrome business

The Ferro Chrome production in 2012-13 was 36,344 MT compared to 22,368 MT in 2011-12 and generation of Power at the Company's 75 MW Captive Power Plant was 312 million Units as compared to 435 million in 2011-12. The price fixing policy for OMC's Chrome Ore & Concentrates has been changed by Government of Odisha from a tendering process to e-auction which should ensure availability of Chrome Ore & Concentrates at reasonable prices going forward.

VISA Steel holds 65 % stake in VISA BAO Limited which is setting up a 100,000 TPA Ferro Chrome Plant comprising of four submerged arc furnaces of 16.5 MVA each at Kalinganagar in Odisha. Baosteel Resources Co. Ltd., China, one of the leading Steel Companies in the world holds the balance 35 % Stake. Two furnaces have been commissioned and the balance two furnaces are expected to commission by March 2014.

In order to consolidate the Ferro Chrome Business and Captive Power Generation under one legal entity, the Company plans to amalgamate VISA BAO Limited with VISA Steel Limited. This will improve the operational efficiency of the Ferro Chrome Plant and Captive Power Plant.

VISA Steel is in the process of developing its Captive Chrome Ore mines in Manipur and is also working towards developing a Chrome Ore bearing area in Odisha through its subsidiary Ghotaringa Minerals Limited.

## Coke business

Against an installed capacity of 400,000 TPA, actual production of metallurgical Coke in 2012-13 was 309,565 MT (including VISA SunCoke production) compared to 354,634 MT in 2011-12.

Coking Coal prices have been weakening over the year and the Company has been procuring Coking Coal with monthly pricing which has been beneficial. The Company is a leading supplier of consistent and high quality Coke to various Iron and Steel plants in Eastern India. Demand for Coke has been strong as SAIL has emerged as a large buyer.

Since March 2013, VISA Steel has transferred its Coke business undertaking into a separate SPV and has entered into a strategic alliance with SunCoke Energy Inc, USA as a strategic investor. VISA Steel has diluted 49 % stake in this SPV and raised funds amounting to Rs.367.50 Crore which was used primarily to deleverage the Company. The SPV is called VISA SunCoke Limited (formerly VISA Coke Limited) which is a subsidiary of VISA Steel Limited.

## Finance

The Company is focusing on consolidating its operations and improving operational efficiencies to reduce the cost. In view of the losses suffered by the Company and the consequent impact on cash flows and ability to service loan repayments, the debts of the Company were restructured under CDR mechanism. The Company will infuse additional equity funds in a phased

manner. The infusion of the equity shall be brought in the form of unsecured loan / Preference shares or by issuing fresh shares through QIP / FPO / PE / Strategic Investment etc. or by merging / demerging some business divisions into separate Companies / SPV's through scheme/slump sale and inviting strategic investors.

## Human Resource Initiative

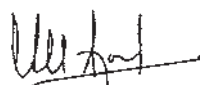
We have implemented Employee Suggestion Scheme which will help in increasing productivity as well as cost reduction, Grievance Redressal System through "May I Help You – Help Desk" for motivation of employees. We are also conducting various Management Communication Meetings between Management & Employees. We have a transparent performance appraisal system for increments and promotions based on Balance Score Card (BSC). The ESOP Scheme implemented by the Company is amongst few companies in the Steel Sector. We are focused on training and development of our employees. We improve our team building and encourage family bonding through our annual social activities calendar.

## Corporate Social Responsibility

We acknowledge the roles and responsibilities of a corporate citizen. In line with our core business philosophy, concern for Health, Safety and Environment continue to be one of our key priorities. We have installed better safety devices at critical locations under proper supervisors in order to achieve high safety standards. We continue to direct our community development initiatives in the states of Odisha and Chhattisgarh in the areas of education, healthcare, rural development, sports and culture.

I would like to take this opportunity to express my sincere gratitude to our team for their commitment, dedication and hard work, in a challenging business environment.

With warm regards & best wishes,



(Vishal Agarwal)

# Board of Directors



## 1. Vishambhar Saran, *Chairman*

Mr. Saran has experience of almost 44 years in the iron & steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron & steel industry.

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

## 2. Vishal Agarwal, *Vice Chairman and Managing Director*

Mr. Agarwal has over 16 years experience in the iron & steel industry with hands on experience of setting up Greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Ferro Chrome and Coke industry.

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

## 3. Maya Shanker Verma, *Chairman, Finance & Banking Committee*

Mr. Verma is a career banker with a multilevel and wide ranging experience of over 52 years, encompassing an understanding of the commercial, developmental and investment banking as well as asset management and capital market operations.

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

## 4. Shiv Dayal Kapoor, *Chairman, Audit Committee*

Mr. Kapoor has over 44 years of rich experience in the minerals and metals industry. He is the former Chairman of MMTC Limited and Neelachal Ispat Nigam Ltd. and had been on the Board of many renowned Public Sector Enterprises.

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



**5. Debi Prasad Bagchi,***Chairman, Selection Committee*

Mr. Bagchi brings to the Board his deep knowledge of the administrative services and the State of Odisha, especially in the steel & mining sector. He has held prestigious positions of authority like Additional Secretary, Commerce – Government of India; Secretary, Ministry of Small Scale Industry – Government of India; Chief Secretary – Government of Odisha, etc.

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

**6. Pradip Kumar Khaitan,***Chairman, Remuneration Committee*

Mr. Khaitan is a legal luminary and has extensive experience in the fields of commercial & corporate laws, tax laws, arbitration, foreign collaborations, mergers & acquisitions and corporate restructuring.

Mr. Khaitan is a Bachelor of Commerce, an LLB and an Attorney-at-Law (Bells Chamber, Gold Medalist). He is the Senior Partner of Khaitan & Co., a leading Indian law firm and also member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration.

**7. Shanti Narain,***Chairman, Share Transfer & Investor Grievance Committee*

Mr. Narain brings with him his expertise in strategic management transport systems, especially the Railways, in the areas of planning, marketing, monitoring and control of operations & commercial activities and development of transport infrastructure.

He holds a Masters degree in Science (Mathematics) and had been the Member, (Traffic) Railway Board for 4 years till February 2001. He is a member of several committees set up by the Government of India and professional societies.

**8. Subrato Trivedi,***Director*

Mr. Trivedi brings with him 42 years of rich experience in the areas of identification of green field projects, finalisation of power purchase agreements / fuel supply agreements, project construction & erection, management, operation & maintenance of thermal power projects.

Mr. Trivedi is a Mechanical Engineer from the Government Engineering College, Bilaspur, Ravi Shankar University. He started his career with companies like

SAIL & BHEL and thereafter has held the position of Regional Executive Director, NTPC Limited and President, Projects, Adani Power Limited. Mr. Trivedi is also serving as a Whole-time Director in VISA Power Limited and is responsible for project construction and overall management of the project of the Company.

**9. Pankaj Gautam,***Joint Managing Director & CEO*

Mr. Pankaj Gautam brings with him over 39 years of rich experience in Iron & Steel industry with SAIL's Bhilai Steel Plant and Salem Steel Plant. He is currently responsible for overall Iron and Steel business of the Company. Prior to joining the Company, he was CEO of Bhilai Steel Plant.

Mr. Gautam is a Bachelor in Engineering (Electrical Engineering) from Government College of Engineering & Technology, Raipur. He also did his Post Graduate Diploma in Business Management from Ravishankar University, Raipur. Mr. Gautam has also been appointed as the Managing Director of VISA BAO Limited, subsidiary company with effect from 19 December 2012.

# Corporate Social Responsibility



## Education

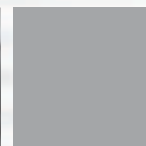
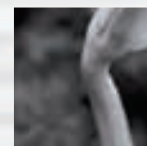
As a responsible corporate, VISA Steel is focused on the happiness of people living in its larger neighbouring communities.

We are also committed to the best industry standards in Health, Safety and Environment. The best safety equipment has been deployed at the critical locations and constant supervision is also done to maintain the highest safety standards.

VISA Steel's CSR team works towards improving the living conditions of the underprivileged and makes a positive difference in their lives. A number of focused initiatives have been implemented particularly in the remote areas of Odisha and Chhattisgarh. Over the years, VISA Steel has directed its community development in the areas of education, healthcare, rural development, sports & culture and safety & environment.

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

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



## Healthcare

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

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



## Rural Development

- Installed bore-wells for providing clean drinking water in the backward areas.
- Provided employment according to the rehabilitation policy of the Government.
- Contributed towards renovation of the Biraja temple in Jajpur, Odisha.



## Sports & Culture

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



## Safety & Environment

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

# Report of the Directors



Dear Shareholders,

Your Directors are pleased to present this Seventeenth Annual Report together with the Audited Statement of Accounts for the year ended 31 March 2013.

## FINANCIAL RESULTS

(Rs. Million)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Net Revenue	5,157.58	7,943.46	10,192.43	13,659.05
Other Income	167.92	212.74	251.24	262.48
Total Income	5,325.50	8,156.20	10,443.67	13,921.53
Profit before interest, depreciation, tax & exceptional item	(286.55)	1,598.12	(67.07)	1,060.80
Finance Cost	1,258.81	1,465.49	1,684.37	1,896.68
Depreciation	524.77	385.62	652.08	511.93
Profit / (Loss) before Exceptional Item and Taxation	(2,070.13)	(252.99)	(2,403.52)	(1,347.81)
Exceptional Item	1,620.04	33.06	1,365.33	(617.27)
Profit/(Loss) before Tax of Continuing Operation	(450.09)	(219.93)	(1,038.19)	(1,965.08)
Taxation - Current	-	-	0.07	(0.01)
- MAT Credit Entitlement	-	(179.30)	-	(179.30)
- Deferred	-	(597.01)	74.74	(597.00)
Profit / (Loss) after Tax of Continuing Operation	(450.09)	556.38	(1,113.00)	(1,188.77)
Profit/(Loss) before Tax of Discontinuing Operation	(584.58)	(1,744.92)	-	-
Tax Expense of Discontinuing Operation	-	-	-	-
Operating (Loss) / Profit from discontinued operations	(584.58)	(1,744.92)	-	-
Net Profit on Disposal of Assets and Liabilities of Discontinuing Operations	124.28	-	-	-
Profit / (Loss) after Tax of Discontinuing Operation	(460.30)	(1,744.92)	-	-
Minority Interest	-	-	(37.28)	0.02
(Loss) / Profit for the period	(910.39)	(1,188.54)	(1,075.72)	(1,188.79)



## OPERATIONS

The Company is pursuing Special Steel Business, Ferro Chrome & Captive Power Business and Coke Business. The Special Steel Business includes production of Hot Metal/Pig Iron, DRI/Sponge Iron, Special Steel Blooms/Billets and Bar & Wire Rods. Whereas, the Ferro Chrome Business includes production of High Carbon Ferro Chrome and generation of power for captive use and the Coke Business includes production of Coke and steam. During the year under review, the Company's financial performance has been adversely affected due to non-availability of raw material, increasing raw material costs and volatile foreign exchange. Due to shortage in availability of iron ore, Iron & Steel making facilities, i.e. Blast Furnace, DRI, SMS & Rolling Mill operated at very low production levels and the Company was unable to achieve its revenue potential.

The consolidated turnover of the Company stood at Rs.10,192.43 million for the Financial Year 2012-13 showing a decline of 25 % as compared to Rs.13,659.05 million for the previous year. The operating loss is Rs.67.07 million in the FY'2012-13. The loss after tax is Rs.1,075.72 million for the FY'2012-13 as compared to a loss of Rs.1,188.79 million during the previous financial year.

During the year under review the Company has transferred its Coke Undertaking i.e., business of manufacturing and sale of Metallurgical Coke and Associated Steam Generation Units located at Kalinganagar, Odisha as a going concern on a slump sale basis to VISA SunCoke Limited (formerly VISA Coke Limited). The detailed applicable disclosure relating to "Discontinuing Operation" as per AS-24 as notified by the Central Government under section 211(3C) of the Companies Act, 1956 is given under notes forming part of the financial statements. The production of Coke was 309,565 MT during FY'2012-13 including VISA SunCoke Limited's production compared to 354,634 MT in the previous year. During the year under review, the Company has entered into a coke making joint venture with Sun Coke Europe Holding B.V. (SunCoke), in which SunCoke has invested approximately Rs.367.50 Crores to acquire 49 % of stake in VISA SunCoke Limited (formerly known as VISA Coke Limited) and the remaining 51 % is held by the Company.

During the year under review, the Company's production was severely impacted due to non-availability of Iron Ore. As a result, the Blast Furnace having installed capacity of 225,000 TPA, could produce only 854 MT Pig Iron as compared to 84,454 MT in the previous year. For the same reason, the DRI Plant, having installed capacity of 300,000 TPA, could produce only 80,514 MT Sponge Iron as compared to 157,356 MT in the previous year. The Company is setting up a Iron Ore Sinter Plant in order to hedge the iron ore procurement as it is currently buying only sized iron ore. The Iron Ore Sinter Plant would enhance the profitability of the Blast Furnace and would further reduce the cost of raw material and improve the productivity of the Steel making facilities.

The Ferro Chrome furnaces having installed capacity of 50,000 TPA could produce 36,344 MT High Carbon Ferro Chrome in

2012-2013 as compared to 22,368 MT during the previous year. Production of High Carbon Ferro Chrome was also adversely affected due to inadequate availability and high price of Chrome Ore & Concentrates. The generation of electricity from Company's Captive Power Plant, having installed capacity of 657 million units per annum, could produce only 312 million units in FY 2012-2013 as compared to 435 million units in the previous year. The reduced generation was largely due to non-availability of gas from Blast Furnace, inadequate availability of waste heat from Coke Oven & DRI Plant.

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

## DIVIDEND

In view of the loss incurred by the Company, your Directors regret their inability to recommend any dividend for the financial year ended 31 March 2013.

## CORPORATE DEBT RESTRUCTURING

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

## TRANSFER OF COKE BUSINESS

Pursuant to the Ordinary Resolution passed by the Shareholders of the Company in terms of the provisions of Section 293(1)(a), of the Companies Act, 1956, by way of Postal Ballot and approval of the CDR EG, the Company has transferred its business of manufacturing and sale of Metallurgical Coke and the Associated Steam Generation Units ("Coke Undertaking") located at Kalinganagar, Odisha, as identified as a going concern on a slump sale basis (as defined in Section 2(42C) of the Income Tax Act, 1961) to VISA SunCoke Limited (formerly VISA Coke Limited).

## SUBSIDIARIES

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

- (i) VISA BAO Limited (VBL) is a Joint Venture between the Company and Baosteel Resources Co. Ltd. (Baosteel), China. VBL is setting up a 100,000 TPA Ferro Chrome Plant with 4 Submerged Arc Furnaces of 16.5 MVA each at Kalinganagar in Odisha of which 2 furnaces of 25,000 TPA each were commissioned in the month of June 2013. The remaining two furnaces are expected to be completed in phases by March 2014. The Company holds 65 % stake in VBL and Baosteel, which is one of the leading Steel companies in the world, holds the balance 35 % stake. The

Company and VBL are exploring options for restructuring of VBL's business and are evaluating the option of amalgamating VBL with the Company. In the meanwhile, as an interim measure, VBL has leased its Plant to the Company.

- (ii) VISA SunCoke Limited (VSCL) is a coke making Joint Venture with Sun Coke Europe Holding B.V. (SunCoke), in which the Company holds 51 % stake and SunCoke holds remaining 49 % stake. The joint venture comprises of 400,000 metric ton per annum heat recovery Coke Plant and Associated Steam Generation units at Kalinganagar in Odisha. The joint venture will provide great opportunity for VSCL to leverage its operating and technological expertise to serve customers across India with the highest quality coke.
- (iii) Ghotaringa Minerals Limited (GML) is a Joint Venture between the Company and Orissa Industries Limited (ORIND) for assisting ORIND for developing a chrome ore deposit.
- (iv) Kalinganagar Special Steel Private Limited was incorporated on 27 May 2013.
- (v) Kalinganagar Chrome Private Limited was incorporated on 1 July 2013.
- (vi) VISA Special Steel Limited incorporated on 27 July 2012, became a wholly owned subsidiary of the Company w.e.f. 30 October 2012. Subsequent to the incorporation of Kalinganagar Special Steel Private Limited (KSSPL), a wholly owned subsidiary VSSL has become step down subsidiary of your company through KSSPL.
- (vii) VISA Ferro Chrome Limited, a step down subsidiary was incorporated on 27 July 2013.

Further during the year under review, Kalinganagar Metcoke Private Limited (KMPL) was incorporated as a wholly owned subsidiary of the Company on 6 November 2012, which has since been amalgamated with the Company with effect from 31 March 2013 ("Appointed Date").

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8 February 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. The Board of Directors has, in its meeting held on 1 October 2013, decided not to attach the Balance Sheet and other documents of the subsidiary companies with the annual accounts of the Company. Accordingly, annual accounts of the subsidiary companies will be made available to the investors of the aforesaid subsidiaries and the Company as and when they demand. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries.

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

## SCHEME OF AMALGAMATION

The Board of Directors of the Company on 20 April 2013 approved a Scheme of Amalgamation ("the Scheme") between Kalinganagar Metcoke Private Limited (KMPL), a wholly owned subsidiary of the Company with the Company with effect from 31 March 2013 ("Appointed Date") to simplify the group structure by elimination of multiple entity with a view to and to achieve administrative efficiency. The Hon'ble High Court of Judicature at Orissa had, vide its Order dated 6 September 2013, sanctioned the scheme of amalgamation of KMPL with the Company.

The Appointed Date of Amalgamation under the Scheme being 31 March 2013, the financials for the year under review have been prepared after giving effect to the Amalgamation.

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

In accordance with provisions of Section 166 read with Section 210 of the Companies Act, 1956 the Annual General Meeting (AGM) of the Company for the financial year ended 31 March 2013, was due to be held on or before 30 September 2013. Pending completion of post amalgamation formalities of KMPL with the Company, available time was not sufficient to complete the consolidated audited financial accounts and to hold the Annual General Meeting before 30 September 2013. The Company approached the Registrar of Companies, Cuttack, Orissa to extend time by three months for holding the Annual General Meeting. Necessary approval was granted by the Registrar of Companies, Orissa vide their letter dated 5 September 2013.

## DIRECTORS

At the meeting held on 31 October 2013, the Board of Directors had approved the re-appointment of Mr. Vishambhar Saran as Whole-time Director, designated as Chairman for a period of 3 years with effect from 15 December 2013, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting and is subject to other necessary approvals.

Mr. Vishal Agarwal, Managing Director has been re-designated as the Vice Chairman and Managing Director of the Company with effect from 12 December 2012.

Mr. Pankaj Gautam has been appointed as an Additional Director with effect from 12 December 2012 in accordance with Section 260 of the Companies Act, 1956 (the Act). Mr. Gautam holds office only upto the date of the forthcoming Annual General Meeting and a Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr. Gautam's appointment as a Director. The

Board has also appointed Mr. Gautam as the Joint Managing Director & CEO effective the same date. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting and is subject to the approval of the Central Government. The Company is also seeking permission of the Central Government for the waiver of recovery of remuneration paid/payable to him for the financial year 2012-13 which is in excess of the remuneration payable in terms of the provisions of the Act.

Mr. Prabir Ramendralal Bose resigned as the Deputy Managing Director and Director of the Company from the close of business hours on 11 December 2012. The Board had placed on record its appreciation of the services rendered by him during his tenure on the Board.

Mr. Vikas Agarwal, Non-Executive Director has resigned from the directorship with effect from 28 April 2012. The Board had placed on record its appreciation for the valuable contribution made by him during his tenure.

In accordance with the Article 157 and 158 of the Articles of Association of the Company, Mr. Maya Shanker Verma and Mr. Shanti Narain, Directors, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

## CEO / CFO CERTIFICATION

A Certificate from the Mr. Pankaj Gautam, Joint Managing Director & CEO and Mr. Manoj Kumar Digga, Executive Director (Finance), pursuant to Clause 49(V) of the Listing Agreement had been tabled at the Board Meeting held on 1 October 2013 and is also annexed to this Report.

## AUDITORS AND AUDITORS' REPORT

The Auditors of the Company, M/s. Lovelock & Lewes, Chartered Accountants, Kolkata, retire at the conclusion of the ensuing Annual General Meeting and have confirmed eligibility and willingness to accept the office of Auditors, if approved.

The Auditors' observation in para 10 of the Annexure to the Auditors' Report for the cash losses incurred in the immediately preceding financial year is self explanatory and does not require any further comments from the Directors.

As regards utilisation of short term funds for long term purposes as observed in para 17 of the Annexure to the Auditors' Report, your Directors wish to inform that in absence of any arrangement of long term funds to finance additions to the Fixed Assets, the available working funds got depleted resulting in use of short term funds for long term purposes.

## COST AUDITORS

The Board of Directors has re-appointed M/s. DGM & Associates, Cost Accountants, the cost auditors for conducting the audit of cost audit records in respect of Steel business for the financial year 2013-14 subject to approval of the Central Government. Application for re-appointment has been approved by the Central Government.

The due date for filing the Cost Audit Reports for the financial year ended 31 March 2012 was 31 March 2013 and the Cost Audit Reports were filed on 27 February 2013.

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

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

## HUMAN RESOURCES

The Company places significant emphasis on recruitment, training & development of human resources, which assumes utmost significance in achievement of corporate objectives. The Company integrates employee growth with organisational growth in a seamless manner through empowerment and by offering a challenging workplace aimed towards realisation of organisational goals. To this effect, your Company has a training centre at its Plant for knowledge-sharing and imparting need based training to its employees. The Company also has in place

a Performance Management System in SAP for performance appraisal of the employees. To ensure accommodation, hospitality and other facilities for its employees, the Company has set up a modern guest house at Kalinganagar.

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

### EMPLOYEES STOCK OPTION

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

During the year under review, 155,631 Stock Options have vested with the specified employees of the Company and its subsidiary(ies) under the ESOP Scheme 2010 and 264,369 Stock Options have lapsed till 31 March 2013. As on 31 March 2013, none of the Options have been exercised.

The Company has received a certificate from the Auditors of the Company that the ESOP Scheme 2010 was implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed at the Annual General Meeting held on 17 August 2010. The Certificate would be placed at the forthcoming Annual General Meeting for inspection by the Members.

As required by Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 information with respect to active Stock Options as on 31 March 2013 is given in a separate statement as Annexure III forming part of this Report.

### FIXED DEPOSITS

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

### CONSOLIDATED FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement with Stock Exchanges, Consolidated Financial Statements, conforming to

Accounting Standard 21 issued by the Institute of Chartered Accountants of India, are attached as a part of the Annual Report.

### CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance & Shareholder Information together with the Auditors' Certificate thereon is annexed as part of the Annual Report.

The Company had also adopted a "Code of Conduct" for its Directors and Senior Management, as required under Clause 49 of the Listing Agreement and all Directors and Senior Managers have affirmed compliance with the Code for 2012-13. A certificate, signed by the Joint Managing Director & CEO, affirming compliance of Directors & Senior Management, forms part of the Report on Corporate Governance.

### TRANSFER OF UNPAID/ UNCLAIMED REFUND AMOUNT OF IPO TO IEPF

Pursuant to provisions of Section 205(A)(5) of Companies Act 1956, the amount of refund of IPO, which remain unpaid/ unclaimed for the period of seven years has been transferred by the Company to the Investor Education Provident Fund (IEPF), established by the Central Government, pursuant to Section 205(C) of the said Act.

### 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 and Managing Director



**Pankaj Gautam**

Joint Managing Director & CEO

Kolkata

31 October 2013



**ANNEXURE I TO THE REPORT OF THE DIRECTORS**

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

**A. Conservation of Energy**

## (a) Energy Conservation Measures Taken:

1. Fixing of Vibro-feeder above Secondary Crusher of Sponge Iron Plant's Raw material circuit for uniform distribution of oversize coal over the roll crusher which increased the efficiency of Coal circuit, reduced the circuit operation time & reduced the power consumption.
2. 3rd ABC Fan installed in both Kiln-1 & Kiln-2 of Sponge Iron Plant to increase the Power generation.
3. Installation of 1 No. VVVF drive for two Lobe Compressors of Kiln-1 in Sponge Iron Plant to reduce power consumption.
4. Change in logic of operations of Belt Conveyors of Coal circuit in Sponge Iron Plant to facilitate stoppage of idle running of few belt conveyors resulting in reduction of power consumption.
5. Change in operating sequence of De-dusting units and Product circuit during one kiln operation in Sponge Iron Plant which resulted in reduction of power consumption.
6. Capacitor Banks are installed for Kiln-1 & Kiln-2 Auxiliaries and Iron Ore Crushing Plant in Sponge Iron Plant to improve the power factor and to reduce power consumption.
7. Transparent sheets are fixed in Coal Shed of Sponge Iron Plant to reduce power consumption in lighting.

8. Installation, programming and trial of Softstarter for LHF Booster Fan and PMCC Mould Cooling Motors in Steel Melt Shop.
9. Installation, programming and trial of APFC system for Substation PCC feeders.
10. Utilisation of the potential chemical energy of Hot metal for melting at EAF in Steel Melt Shop.
11. Scale pit water level in Steel Melt Shop is maintained in automatic mode by using sensors to avoid idle running of pumps and save energy.

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

1. Dual firing type burners being installed for usage of Blast Furnace Gas in Reheating Furnace of Rolling Mill, to reduce oil consumption in RHF.
2. Coal Gasification project is being implemented to facilitate usage of Coal Gas in RHF to replace oil partly, resulting in reduction in oil consumption.

## (c) Impact of Measures in (a) and (b) above have resulted in:

1. Saving in electrical energy and higher power generation.
2. Effective utilisation of waste heats.
3. Effective utilisation of fuels.
4. Maintenance cost saving.
5. Reduced Fuel consumption by 5 %-20 %

## (d) Total Energy Consumption and Energy Consumption per Unit of Production (as per Form "A" below)

**FORM A**

	2012-13	2011-12
<b>A. Power &amp; Fuel Consumption</b>		
1. Electricity		
(a) Purchased		
Unit (Kwh)	6,885,570	2,192,260
Total Amount - (Rs. Million)	124.57	37.50
Rate / unit - (Rs.)	18.09	17.11
(b) Own Generation		
(i) Through Diesel Generator		
Unit (Kwh)	-	4,495
Units per ltr. of diesel oil (Kwh)	-	0.87
Cost / unit - (Rs.)	-	37.80
(ii) Through Steam Turbine / Generator		
Unit (Kwh)	311,976,000	434,735,200
Units per ltr. of fuel oil/gas	NIL	NIL
Cost/units - (Rs.)	NA	NA

			2012-13	2011-12
2.	Coal (Coking and non-coking coal at Coke Oven, Ferro Chrome & DRI)			
	Quantity (MT)		516,140	812,292
	Total Cost - (Rs. Million)		5,005.50	7,701.40
	Average Rate - (Rs.)		9,697.95	9,481.07
3.	Furnace Oil			
	Quantity (k. ltrs.)		NIL	NIL
	Total Amount - (Rs. Million)		NIL	NIL
	Average Rate - (Rs.)		NIL	NIL
4.	Coke			
	Quantity (MT)		11,780	72,216
	Total Cost - (Rs. Million)		202.55	1,584.06
	Rate / Tonne - (Rs.)		17,194.08	21,935.03
<b>B. Consumption per unit of production</b>				
Products (with details)				
1.	Production of Pig Iron including by-products	MT	854	84,454
	Electricity	Kwh	1,857.33	191.03
	Furnace Oil	Ltr.	NIL	NIL
	Coal	Kg.	NIL	NIL
	Coke	Kg.	771.68	712.63
2.	Production of Coke including by-products(*)	MT	240,887*	296,832*
	Electricity	Kwh	9.79	11.23
	Furnace Oil	Ltr.	NIL	NIL
	Coal (Hard, Semi Hard & Semi Soft Coking Coal)	Kg.	1,565.88	1,471.28
3.	Production of Ferro Chrome including by-products	MT	36,344	22,368
	Electricity	Kwh	3,827.70	4,086.80
	Furnace Oil	Ltr.	NIL	NIL
	Coke	Kg.	306.00	400.52
	Coal	Kg.	254.35	138.52
4.	Production of Sponge Iron including by-products	MT	80,514	157,356
	Electricity	Kwh	107.88	99.58
	Furnace Oil	Ltr.	NIL	NIL
	Coal	Kg.	1,610.86	1,665.00

(\*) Does not include production of coke on account of conversion: 56,624 MT (2012: 57,802 MT)

## FORM B

Form for disclosure of particulars with respect to absorption.

### B. Technology Absorption

Research & Development (R&D)

1. Specific areas in which R&D was carried out by the Company:

- Kiln feed Iron Ore Size and non-coking coal size increased from 5-20 mm to 4 -28 mm to reduce the iron ore consumption and coal consumption in Sponge Iron Plant.
- Placement of Drum type magnetic separator to recover the DRI from oversize material of Product circuit which increased the yield of DRI in Sponge Iron Plant.
- Installation of 2 nos. weigh feeders in each kiln in Sponge Iron Plant to achieve accuracy and flexibility in using different coal blends.
- Screening of Kiln Back Spillage material & feeding to Kiln again to reduce coal consumption in Sponge Iron Plant.
- Fixing of Sensors of kiln inlet chute of feed pipe in Sponge Iron Plant to avoid jamming of raw materials during rainy season.
- Heating cycle of Kilns reduced from 34 Hours to 30 Hours to reduce HSD consumption and increase throughput in Sponge Iron Plant.

- (g) New slag handling system has been developed in Steel Melt Shop wherein handling of slag has become very easy. There is lot of reduction in vehicles and manpower in handling of Slag, resulting in conservation of energy.
- (h) Preheater nozzle has been modified in Steel Melt Shop to minimise heating time of laddles, resulting in lot of saving in oil consumption.
- 2. Benefits derived as a result of the above R&D:
  - (a) Improvement in yield.
  - (b) Waste utilisation and pollution control.
  - (c) Reduction of breakdown period.
  - (d) Consistency in operations due to controlled and calibrated feed of raw materials, resulting in increased campaign life.
- 3. Future plan of action:
  - (a) Use of BF Gas in Rolling Mill's Re-Heating Furnace.
  - (b) Installation of Sinter Plant for effective use of Blast Furnace wastes, Iron ore fines & Coke breeze.
  - (c) Installing VFD for Fan and Pump Motors for controlling the auxiliary power consumption at CPP.

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- (a) Imported technology

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
0.5 MTPA Steel Melting Technology consisting of EAF, LRF etc. 0.5 MTPA Bar & Wire Rod Mill Technology.	NIL	NIL	300 TPD Lime Kiln	NIL	Order for design & supply of Sinter plant (36 Sq. Mtr) placed on M/s. CIMM Group Co. Ltd. (China)

- (b) Year of Import : as given above
- (c) Has technology been fully absorbed:  
SMS and Rolling Mill technologies has been fully absorbed.
- (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action :  
Lime Kiln technology is under initial stage.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- (a) Activities relating to exports; initiatives taken to increase exports; development of new products and services; and export plans:  
The Company realises the importance of a long term presence in the global market and has taken initiative to increase exports. The sales from exports is Rs.1,718.24 million. Your Company exports to various customers in China, Japan and Korea.
- (b) Total Foreign Exchange used and earned:

(Rs. Million)		
Particulars	2012-13	2011-12
Foreign Exchange Earnings		
Export Sales	1,718.24	808.82
Foreign Exchange Outgo		
Imports		
■ Raw Materials	2,434.28	3,632.74
■ Finished Goods	606.47	1,336.37
■ Capital Goods	33.58	147.11
Traveling	4.58	5.30
Interest	105.68	85.66
Others	206.23	7.78

### ANNEXURE III

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

Statement as at 31 March 2013, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

Sl. No.	Particulars	Employee Stock Option Scheme 2010													
(a)	Options granted	Options granted in the Financial Year 2012-13 – NIL Options granted in the Financial Year 2011-12 – NIL Options granted in the Financial Year 2010-11 – Grant A: 900,000.													
(b)	The pricing formula	The options are granted at an exercise price equal to prevailing Market Price per Equity Share, being latest available closing price, prior to the date of the meeting of the Remuneration Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.													
(c)	Options vested	315,631													
(d)	Options exercised	NIL													
(e)	The total number of Equity Shares arising as a result of exercise of option	Not applicable													
(f)	Options lapsed	264,369													
(g)	Variation of terms of options	Not applicable													
(h)	Money realised by exercise of options during the year (Rs.)	NIL													
(i)	Total number of options in force	635,631													
(j)	Employee wise details of options granted to:-														
	(i) Senior Managerial personnel during the year;	NIL													
	(ii) any other employee who received a grant in any one year of option amounting to 5 % or more of options granted during that year;	NIL													
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL													
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs.(8.28)													
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	If the Company had followed fair value method for accounting the stock options, compensation cost would have been higher by Rs.0.16 crores for Financial Year 2012-13. Consequently Net Loss for Financial Year 2012-13 would have been lower by Rs.0.16 crores.													
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price of Options whose: <table><tr><td>Exercise price equals market price</td><td>Rs.46.30 per option.</td></tr><tr><td>Exercise price is greater than market price</td><td>N.A.</td></tr><tr><td>Exercise price is less than market price</td><td>N.A.</td></tr></table> Weighted average fair value of Options whose: <table><tr><td>Exercise price equals market price</td><td>Rs.19.56 per option</td></tr><tr><td>Exercise price is greater than market price</td><td>N.A.</td></tr><tr><td>Exercise price is less than market price</td><td>N.A.</td></tr></table>		Exercise price equals market price	Rs.46.30 per option.	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A.	Exercise price equals market price	Rs.19.56 per option	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A.
Exercise price equals market price	Rs.46.30 per option.														
Exercise price is greater than market price	N.A.														
Exercise price is less than market price	N.A.														
Exercise price equals market price	Rs.19.56 per option														
Exercise price is greater than market price	N.A.														
Exercise price is less than market price	N.A.														
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black Scholes Options Pricing Model													
	(i) risk-free interest rate,	7.93 %													
	(ii) expected life,	4 years													
	(iii) expected volatility,	55.29 %													
	(iv) expected dividends, and	2.77 %													
	(v) the price of the underlying share in market at the time of option grant	Rs.46.30 per share													
		Based on the above assumptions, the Fair Value per option is Rs.19.56.													

The Company has received a Certificate from the Auditors of the Company that the Scheme has been implemented in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed by the Members on 17 August 2010.



**CEO / CFO CERTIFICATION TO THE BOARD**

The Board of Directors  
VISA Steel Limited  
Kolkata 700 027

1 October 2013

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, we, Pankaj Gautam, Joint Managing Director & CEO and Manoj Kumar Digga, Executive Director (Finance) hereby certify that:

- (a) we have reviewed financial statements and the cash flow statement for the year 2012-13 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.



**Pankaj Gautam**  
Joint Managing Director & CEO



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

# Management Discussion and Analysis



## OVERVIEW

During the financial year 2012-13, the Company's performance has been adversely affected due to non-availability of raw material, increasing raw material cost and volatile foreign exchange. During the financial year 2012-13, your Company has registered a consolidated revenue of Rs.10,443.67 million. The loss after tax is Rs.1,075.72 million for the FY'2012-13 as compared to a loss of Rs.1,188.79 million during the previous financial year.

During the year under review, the Company has transferred its Coke Business Undertaking i.e., business of manufacturing and sale of Metallurgical Coke and Associated Steam Generation Units located at Kalinganagar, Odisha as a Going Concern on a slump sale basis to VISA SunCoke Limited (formerly known as VISA Coke Limited).

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Steel Industry Overview

The Global economic scenario remained turbulent in the year under review, especially in Europe. The uncertainties continued to remain in the current year as well. World GDP grew at a pace of 3.2% in 2012. India's GDP growth decelerated for the second year in succession due to abysmal performance in all sectors, especially in the manufacturing sector.

The financial year 2012-13 has been extremely challenging in view of the global economic slowdown and the domestic challenges of non-availability and high cost of raw material. This has adversely impacted the global and Indian Iron & Steel industry and also the performance of the Company.

The Steel industry has witnessed huge growth in Steel making capacities in China. This has resulted in over capacity for the Global Steel industry.

However, long term potential for growth in Steel making capacity remains only in India. India is poised to be a dominant player in the Global Steel industry with a strong demand for Steel products, being driven primarily by infrastructure and consumption led sectors including construction, automobile, white goods and oil & gas. The export tax on Iron Ore and Chrome Ore remain at 30% to discourage exports of such primary raw material and encourage value addition of natural resources within the country. This has encouraged capacity addition for Iron Ore Pellet Plants within the Country which is expected to gradually ease the supply constraints in availability of Iron Ore.

The Steel demand in India has remained sluggish so far in 2013 amidst weak economic activity and poor sentiment, however, the same is expected to accelerate modestly during the next few months, as government policies are expected to support investment activities thereby strengthening domestic consumption and improving external conditions.

The Indian economy is expected to grow at slower pace in 2013-14 as against 5% in 2012-13. The economy is likely to grow significantly over the next decade driven by the infrastructure (power, road, railways, ports etc.) and consumption (automobile, real estate etc.) sectors which will result in sustained growth in demand for various Iron and Steel products.

There is a huge growth potential in Steel consumption in India given that per capita steel consumption is very low compared to China and the global average.

The States of Odisha, Chhattisgarh & Jharkhand which account for majority of the iron ore and coal reserves are most attractive locations for setting up Steel plants. However, the Steel industry in India has suffered due to non-availability and high prices of Iron Ore, high interest rates and foreign exchange volatility. The Iron Ore mining ban in Karnataka and subsequent impact in Iron Ore production in Goa and Odisha has forced many Steel Companies to operate at reduced capacities and even close down operations.

### Company Overview

The Company has created a world class facility for production of Special Steel, Ferro Chrome and Metallurgical Coke at Kalinganagar in Odisha.

### BUSINESS REVIEW

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

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

During the year under review, the Company's financial performance has been adversely affected due to non-availability of raw material, increasing raw material costs, high interest rates and foreign exchange volatility. Due to shortage in availability of iron ore, Iron & Steel making facilities, i.e. Blast Furnace, Sponge Iron, SMS & Rolling Mill operated at very low production level and were unable to achieve its revenue potential. Other units i.e. Coke Oven, Ferro Chrome and Power Plant have operated at moderate capacity.

### Products

#### (a) LAM Coke

The Coke Oven Plant, with a total capacity of 400,000 TPA, operates on the stamp-charging technology which allows blending of semi-soft and semi-hard Coking Coals with prime hard Coking Coals to produce Low Ash Metallurgical Coke.

The total coke production during 2012-13 was 309,565 MT including VISA SunCoke's production compared to 354,634 MT in 2011-12. Coking coal, the primary raw material for producing coke, was imported from Australia. Coke was partly consumed in the Blast Furnace and partly sold with total sales contribution amounting to Rs.4,965.60 million, equating to 48 % of total revenues.

#### (b) Ferro Chrome

The Ferro Chrome Plant, with a total capacity of 50,000 TPA produced 36,344 MT of Ferro Chrome in 2012-13 compared to 22,368 MT in 2011-12. The main

raw material is Chrome Ore (sourced from OMC, Tata Steel & B. C. Mohanty), Coke and Power. Ferro Chrome produced by the Company is sold to various Special and Stainless Steel Plants in India and globally. Ferro Chrome contributed 22 % of total revenues during the year amounting to Rs.2,345.64 million.

The Power Plant produced 312 million units of power during the year 2012-13 as against 435 million units produced during 2011-12. The Power produced was mainly used captively.

#### (c) Pig Iron

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

Due to non-availability and uneconomical prices of iron ore, Blast furnace operated at a very low capacity with production of 854 MT during the year.

#### (d) Sponge Iron

The Sponge Iron Plant having total capacity of 300,000 TPA produced 80,514 MT during 2012-13 of Sponge Iron as against 157,356 MT of Sponge Iron during 2011-12. Sponge Iron sales contributed 16 % to the total revenues amounting to Rs.1,641.88 million.

The main raw materials for Sponge Iron Plant are Iron Ore and Thermal Coal. Iron Ore is procured mainly from OMC, Serajjuddin and JSPL. Thermal Coal is procured from Mahanadi Coalfields Limited and also imported from South Africa.

#### (e) Special Steel

During the year under review, SMS and Rolling Mill could not be operated due to non-availability of raw material.

### PROJECT OVERVIEW

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

### STRATEGIC INITIATIVES

#### Backward integration

The Company having already qualified all the requisite criteria for grant of captive Iron Ore and Chrome Ore mines, it is confident of securing a captive Iron Ore lease in Odisha and Chhattisgarh. Your Company has been granted a Prospecting



License for two Chrome ore mines at the Sincha and the Kallhong Khunou districts in Manipur.

#### **Joint Venture with Baosteel**

VISA BAO Limited, a Joint Venture with Baosteel Resources Company Limited, China (Baosteel), with the Company holding 65 % equity while the remaining 35 % is held by Baosteel, is setting up a 100,000 TPA Ferro Chrome Plant with 4 Submerged Arc Furnaces of 16.5 MVA each at Kalinganagar Industrial Complex in Odisha. The Company has made significant progress towards implementation of the project and 2 furnaces were commissioned in the month of June 2013 and the remaining two furnaces are expected to be commissioned by March 2014.

#### **Joint Venture with Sun Coke Europe Holding B.V.**

The Company has entered into a coke making joint venture with Sun Coke Europe Holding B.V. (SunCoke), in which SunCoke has invested approximately Rs.367.50 Crores to acquire 49 % of stake in VISA SunCoke Limited, the remaining 51 % is held by the Company. The joint venture comprises of 400,000 metric ton per annum heat recovery Coke Plant and Associated Steam Generation units at Kalinganagar in Odisha.

### **OPPORTUNITIES AND THREATS**

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand for special steel from the automobile and auto components, infrastructure, construction and power

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

The threats for your Company would come from adverse fluctuations in input raw material availability and costs, foreign exchange variations, high interest costs and taxes & duties.

### **RISK MANAGEMENT**

Your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a well defined structure and proactive approach to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

- a) Operations – Timely and cost-effective raw material supply is critical to growth. Fluctuations in the price and availability of key raw materials and commercial changes such as domestic duties / taxes on raw materials have an impact on the operations. Moreover, the stocks are also subject to the other foreseeable risks. Necessary coverage has been taken in the form of a comprehensive Industrial All Risk (IAR) policy which covers plant, machinery, buildings (with contents), tools and equipment and stocks (raw materials, stores and spares and finished goods) against fire, allied perils and all other foreseeable risks. The policy also covers loss of profit to the business arising from



any accidental event. The Company also has coverage in form of a Sales Turnover policy which provides all-risk transit insurance cover to the finished goods produced and sold by the Company and also covers transit of all the incoming raw materials.

- b) Foreign Exchange – Your Company deals in sizeable amount of foreign exchange in imports of raw materials and exports of finished products. A comprehensive forex policy has been formulated for managing its foreign exchange exposure.

- c) Systems – Your Company has implemented SAP, the leading software for Enterprise Resource Planning, to integrate its operations and to use best business and commercial practices.
- d) Statutory compliances – Procedure is in place for monthly reporting of compliance of statutory obligations and is reported to the Board of Directors at its meetings.

## FINANCE REVIEW AND ANALYSIS

Your Company reported consolidated revenue of Rs.10,443.67 million showing a decline of 25 percent over FY'2011-12. The Loss after Tax is Rs.1,075.72 million.

## HIGHLIGHTS

	(Rs. Million)	
Particulars	2012-13	2011-12
<b>Total Revenue</b>	<b>10,443.67</b>	<b>13,921.53</b>
<b>Expenditure</b>		
(Increase) / decrease in stock	1,339.78	(1,410.45)
Raw Materials consumed	6,988.47	10,381.81
Purchase of Stock-in-trade	696.07	2,441.33
Employee Cost	391.34	382.00
Other expenses	1,095.08	1,066.04
<b>Operating Profit</b>	<b>(67.07)</b>	<b>1,060.80</b>
Finance Cost	1,684.37	1,896.68
Depreciation	652.08	511.93
Exceptional Items	1,365.33	(617.27)
<b>Profit/(Loss) before Tax</b>	<b>(1,038.19)</b>	<b>(1,965.08)</b>
Tax expense	74.81	(776.31)
Minority Interest	(37.28)	0.02
<b>Profit/(Loss) after tax</b>	<b>(1,075.72)</b>	<b>(1,188.79)</b>

### Sales & Other Income

Sales have declined mainly due to lower operation of Blast Furnace and DRI.

### Raw materials consumed

Raw material consumption has decreased owing to lower operations during the year due to non-availability of raw material.

### Finance Cost

Subsequent to implementation of the CDR package as approved by the CDR Empowered Group, there has been reduction in the finance cost.

### Depreciation

Depreciation has increased during the year mainly due to capitalisation of Power Plant.

### Exceptional Item

Exceptional item includes the profit on sale of investment in shares of VISA SunCoke Limited of Rs.1,762.70 million. It also includes the forex loss of Rs.397.37 million due to sharp depreciation of the Rupee and volatility in exchange rates.

### Profit After Tax

PAT was adversely impacted due to non-availability of raw material, increasing raw material costs and foreign exchange volatility etc.

### Balance Sheet analysis

#### Fixed Assets

There is a marginal increase in the value of fixed assets.

#### Inventories

Inventory of raw materials as well as Finished Goods have gone down significantly due to lower operation of Blast Furnace and DRI.

### Sundry Debtors, Loans & Advances

Sundry debtors increased by 18% as compared to previous year mainly due to higher sales in March'13.

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



#### **Cash & Bank Balances**

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

#### **Trade Payables & Current Liabilities**

Trade Payables & Current Liabilities has decreased due to payment and also pursuant to implementation of CDR Scheme.

#### **CORPORATE DEBT RESTRUCTURING**

In view of the losses suffered by the Company due to of non-availability and high cost of raw materials and the consequent impact on cash flows and ability to service loan repayments, the debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism. The CDR Empowered Group approved the Corporate Debt Restructuring Package for the Company in September 2012 with cutoff date of 1 March 2012. The said approved package has been fully implemented by all the lenders of the Company after execution of Master Restructuring Agreement (MRA). The Scheme inter-alia includes restructuring of repayment schedule, reduction of interest rates, sanction of fresh term loan, sanction of WCTL and FITL, sanction of need based working capital, creation of additional security in favour of CDR Lenders.

#### **DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS**

Your Company recognises the fact that manpower is one of the vital constituents of a successful organisation. The growth of your Company and execution of new projects places emphasis on the recruitment process and your Company has

been successful in attracting professional talent. The Learning Centre at Kalinganagar, Odisha continuously trains & develops employees to suit organisational needs.

The total number of employees in your Company, including those inducted as trainees in the Company, as on 31 March 2013 was 1,146.

#### **INTERNAL CONTROL AND SYSTEMS**

The internal control systems in your Company commensurate with the size and nature of its operations and periodic audits are conducted in various disciplines to ensure adherence to the same. During the year, M/s. L. B. Jha, Internal Auditors of your Company had independently evaluated the adequacy and efficacy of the audit controls. The direct reporting of the Internal Auditors to the Audit Committee of the Board ensures independence of the audit and compliance functions. The Internal Auditors regularly report to the Audit Committee on their observations on the Company's processes, systems and procedures ascertained during the course of their audit. The Company has also appointed Cost Auditors for the cost audit of its manufactured products and the Cost Auditors also report to the Audit Committee on their observations. Concerted efforts towards stabilisation of SAP have also contributed to tightening of control systems. Your Company has been able to adapt adequately to this ERP package and is placed to derive significant benefits from the same. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.



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

## OUTLOOK

India has immense potential for creating new steel capacity. Indian per capita steel consumption is presently very low compared to world average which further re-confirms the opportunities for steel demand to continue accelerating in the times ahead. Your Company with a well diversified product portfolio is well poised to take advantage of the growth in the demand for Special Steel products, Coke and Ferro Chrome.

## CAUTIONARY STATEMENT

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

# Report on Corporate Governance



## CORPORATE GOVERNANCE: OUR PHILOSOPHY

Corporate Governance philosophy consists mainly of transparency, equity, integrity, accountability and environmental duty that conform and adheres to all the relevant and applicable laws, rules and regulations. It refers to the structures and processes for direction and control of the companies. It is the process carried out by the Board of Directors and its related committees, on behalf of and for the benefit of the Company's stakeholders, to provide direction, authority and oversight to the management. It also provides the structure through which the objectives of the Company are set and the means of attaining those objectives and monitoring performances are determined.

VISA Steel Limited (the Company) believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company to achieve its goal

to maximise value for all its stakeholders. The Company has embedded the best of corporate governance practices in its day-to-day operations aimed at building trust with all 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 basic purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders.

## COMPLIANCE WITH THE SEBI CODE ON CORPORATE GOVERNANCE

In line with this, we are pleased to inform you that, as on 31 March 2013, the Company is in compliance with all the requirements of Clause 49 of the Listing Agreement. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.





## I. BOARD OF DIRECTORS

### Composition of the Board

Board / Committee Position as on 31 March 2013

Name of the Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of Outside Directorship(s) held			Outside Committee Positions held <sup>2</sup>	
		Public	Private	Foreign	Chairman	Member
Mr. Vishambhar Saran	Executive Chairman	9	-	1	-	2
Mr. Vishal Agarwal	Vice Chairman and Managing Director	9	1	-	3	2
Mr. Maya Shanker Verma	Non-Executive, Independent	3	4	-	3	-
Mr. Shiv Dayal Kapoor	Non-Executive, Independent	7	-	-	2	4
Mr. Debi Prasad Bagchi	Non-Executive, Independent	8	1	-	1	5
Mr. Pradip Kumar Khaitan	Non-Executive, Independent	14	-	1	-	4
Mr. Shanti Narain	Non-Executive, Independent	1	-	-	1	-
Mr. Subrato Trivedi	Non-Executive, Non-Independent	4	3	-	-	1
Mr. Pankaj Gautam	Joint Managing Director & CEO	2	-	-	-	-

1. Independent director is as defined in Clause 49 of the Listing Agreement.
2. For this purpose, only two Committees, viz., the Audit Committee and the Shareholders' / Investors' Grievance Committee have been considered. This excludes Committee positions held in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
3. Mr. Vikas Agarwal, Non-Executive Director resigned from the Board of Directors of the Company with effect from 28 April 2012.
4. Mr. Subrato Trivedi, Non-Executive Director, has been appointed as an Additional Director on the Board with effect from 12 May 2012 and has been appointed as a Director of the Company, liable to retire by rotation by the Members of the Company at their Annual General Meeting held on 14 August 2012.
5. Mr. Prabir Ramendralal Bose, Deputy Managing Director, resigned as the Deputy Managing Director and the Director from the Board of Directors of the Company with effect from 12 December 2012.
6. Mr. Vishal Agarwal, Managing Director has been re-designated as the Vice Chairman and Managing Director of the Company with effect from 12 December 2012.
7. Mr. Pankaj Gautam has been appointed on the Board of Directors of the Company as an Additional Director and Joint Managing Director & CEO with effect from 12 December 2012.



**Details of the Board Meeting and Attendance**

Date of the Board Meeting	City	No. of Directors Present
25 May 2012	Kolkata	9
14 August 2012	Bhubaneswar	7
28 September 2012	Kolkata	6
18 October 2012	Kolkata	9
14 November 2012	Kolkata	9
12 December 2012	Kolkata	7
11 February 2013	Kolkata	8

**Details of remuneration paid to Board of Directors**
**A. Non-Executive Directors**

Name of the Director	Sitting Fees Paid <sup>1</sup>	Total Payments Paid / Payable in 2012-13	No. of Board Meetings		Attended Last AGM <sup>2</sup>
	(Rs.)	(Rs.)	Held	Attended	
Mr. Maya Shanker Verma	170,000	170,000	7	5	No
Mr. Shiv Dayal Kapoor	230,000	230,000	7	7	Yes
Mr. Debi Prasad Bagchi	190,000	190,000	7	6	Yes
Mr. Pradip Kumar Khaitan	100,000	100,000	7	4	No
Mr. Shanti Narain	210,000	210,000	7	7	Yes
Mr. Vikas Agarwal (ceased to be a director w.e.f. 28 April 2012)	-	-	-	-	-
Mr. Subrato Trivedi	140,000	140,000	7	6	Yes
Total	1,040,000	1,040,000			

Note:

- During 2012-13, sitting fees were paid @ Rs.20,000 per Board Meeting and Rs.10,000 per Committee Meeting, i.e. Audit, Share Transfer & Investor Grievance, Finance & Banking and Remuneration Committees.
- Annual General Meeting was held on 14 August 2012.
- No stock options have been granted during the year to any of the above Directors.

**B. Executive Directors**

Name of the Director	Relationship with other Directors	Business Relationship with the Company, if any	Remuneration paid during 2012-13			
			All elements of remuneration package, i.e. salary, benefits, bonuses, etc. (Rs.)	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Vishambhar Saran	See Note (a)	Chairman	20,220,547	See Note (b)	See Note (c)	See Note (d)
Mr. Vishal Agarwal	See Note (a)	Vice Chairman and Managing Director	17,558,019	See Note (b)	See Note (c)	See Note (d)
Mr. Prabir Ramendralal Bose	See Note (a)	Deputy Managing Director	5,336,096	See Note (b)	See Note (c)	See Note (d)
Mr. Pankaj Gautam	See Note (a)	Joint Managing Director & CEO	2,995,128	See Note (b)	See Note (c)	See Note (d)

- (a) Mr. Vishambhar Saran is the father of Mr. Vishal Agarwal. Other than this, none of the other Directors are in any way related to any other Director.
- (b) As per the terms of re-appointment, Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director are entitled to performance linked incentive in the form of commission upto 2% of the net profits of the Company u/s 198 of the Companies Act, 1956. The same is not payable for 2012-13 due to losses incurred during the year.

Mr. Prabir Ramendralal Bose, Deputy Managing Director was entitled to a Performance Bonus of Rs.1,200,000 p.a. as per the terms of his appointment and remuneration, approved by the Members. Mr. Bose was paid Rs.835,484 as Performance Bonus for the period from 1 April 2012 to 11 December 2012. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

Mr. Pankaj Gautam, Joint Managing Director & CEO is entitled to a Performance Bonus of Rs.1,200,000 p.a. as per the terms of his appointment and remuneration, approved by the Board of Directors at its meeting held on 12 December 2012. Mr. Gautam is to be paid Rs.607,527/- as Performance Bonus for the period from 12 December 2012 to 31 March 2013. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

The Company had made applications to the Central Government seeking approval for waiver of excess remuneration paid to Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Managing Director during financial year 2011-12 and also for the payment of substantive remuneration, as approved by the Members at the Annual General Meeting held on 14 August 2012, as minimum remuneration in case of loss or inadequacy of profits in any financial year during their tenure as Whole-time Director designated as Chairman and Managing Director respectively. Approval of Central Government is pending till date.

The Company has also made application seeking approval of Central Government for waiver of excess remuneration paid to Mr. Basudeo Prasad Modi, Deputy Managing Director during the financial year 2011-12, the same is pending with the Central Government. Mr. Modi has ceased to be Deputy Managing Director and Director of the Company from close of business hours on 31 March 2012.

- (c) Mr. Vishambhar Saran has been re-appointed as Whole-time Director, designated as Chairman for a period of 3 years with effect from 15 December 2010. This appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.

Mr. Vishal Agarwal has been re-appointed as Managing Director for a period of 3 years with effect from 25 June 2011. The Board in its meeting held on 12 December 2012 re-designated Mr. Vishal Agarwal as the Vice Chairman and Managing Director of the Company. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.

Mr. Prabir Ramendralal Bose was appointed as Deputy Managing Director for a period of 3 years with effect from 1 April 2012. Mr. Bose had resigned as the Deputy Managing Director and Director of the Company from close of business hours on 11 December 2012. Mr. Bose was thereafter designated as the CEO (Coke Business) of the Company.

Mr. Pankaj Gautam was appointed as Joint Managing Director & CEO for a period of 3 years with effect from 12 December 2012. Mr. Gautam is also the Managing Director of VISA BAO Limited, subsidiary of the Company, w.e.f 19 December 2012.

- (d) Mr. Vishambhar Saran and Mr. Vishal Agarwal, being the promoters of the Company, are not eligible for grant of Options under the ESOP Scheme 2010 of the Company. Mr. Prabir Ramendralal Bose had been granted 50,000 Options on 4 February 2012 of which 12,500 Options vested in him on 13 February 2012 and further 12,500 Options vested in him on 11 February 2013. Mr. Bose did not exercise any Options vested in him. No options have been granted to Mr. Pankaj Gautam as on date.
- (e) During the financial year 2012-13, 7 meetings of the Board of Directors were held. Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director were present in all the 7 Board Meetings. Mr. Prabir Ramendralal Bose was present in 4 Board Meetings. Mr. Pankaj Gautam was present in 2 Board Meetings. Mr. Vishambhar Saran, Mr. Vishal Agarwal and Mr. Prabir Ramendralal Bose were present at the Annual General Meeting held on 14 August 2012.
- (f) Mr. Prabir Ramendralal Bose has been appointed as the Deputy Managing Director of the Company with effect from 1 April 2012. To ensure compliance with provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, the Company had made an application to the Central Government. The same is pending before the Central Government.

The details as required under sub section (c) of Section II of Part II of Schedule XIII are as follows:

Remuneration payable during the period 1 April 2012 to 11 December 2012			
All elements of remuneration package, i.e. salary, benefits, bonuses etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Rs.5,336,096	Mr. Bose was entitled to a Performance Bonus of Rs.835,484 for the period from 1 April 2012 to 11 December 2012 as per the terms of his appointment and remuneration, approved by the Members at the Annual General Meeting of the Company held on 14 August 2012. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.	Mr. Bose had been appointed as Deputy Managing Director for a period of 3 years with effect from 1 April 2012. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.	See note (i)

- (i) Mr. Prabir Ramendralal Bose has been granted Stock Options, under the ESOP Scheme 2010 of the Company, details of which are as given below:

Grant Date	No. of Options granted	Exercise Price per Option	Vesting Details		Options Exercised so far <sup>#</sup>
			No. of Options vested / to be vested	Actual / Due date of Vesting	
4 February 2012	50,000*	Rs.46.30 (Not issued at a discount)	12,500	13 February 2012	NIL
			12,500	11 February 2013	NIL
			12,500	4 February 2014	-
			12,500	4 February 2015	-

\* Each option when exercised would be converted into one Equity Share of Rs.10 each fully paid-up.

<sup>#</sup> The options are exercisable within a period of 3 years from the date of vesting.

- (g) Mr. Pankaj Gautam has been appointed as the Joint Managing Director & CEO of the Company with effect from 12 December 2012. To ensure compliance with provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, the Company is in the process of making an application to the Central Government.

The details as required under sub section (c) of Section II of Part II of Schedule XIII are as follows:

Remuneration payable during the period 12 December 2012 to 31 March 2013			
All elements of remuneration package, i.e. salary, benefits, bonuses, etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Rs.2,995,128	Mr. Gautam is entitled to a Performance Bonus of Rs.607,527 as Performance Bonus for the period from 12 December 2012 to 31 March 2013, as per the terms of his appointment and remuneration, to be approved by the Members. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.	Mr. Gautam has been appointed as Joint Managing Director & CEO for a period of 3 years with effect from 12 December 2012. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.	As on date Mr. Gautam has not been granted any Stock Option under the ESOP Scheme 2010 of the Company

## II. BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises of 4 Directors, all Non-Executive Directors, out of which 3 are Independent Directors, details given under as on 31 March 2013:

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

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

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

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

During the financial year 2012-13, the Committee met four times on 25 May 2012, 14 August 2012, 14 November 2012 and 11 February 2013 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Shiv Dayal Kapoor	4	4
Mr. Maya Shanker Verma	4	3
Mr. Debi Prasad Bagchi	4	4
Mr. Vikas Agarwal <sup>1</sup>	-	-
Mr. Subrato Trivedi <sup>2</sup>	4	2

Note : 1. Mr. Vikas Agarwal ceased to be a Director w.e.f. 28 April 2012.

2. Mr. Subrato Trivedi became a member of the Audit Committee w.e.f. 14 August 2012.

### Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee comprises of the following Directors as on 31 March 2013:

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

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

As on 31 March 2013, 100 % of the Company's shares are in dematerialised form and the shares are compulsorily traded on the stock exchanges in the dematerialised form.

During the financial year 2012-13, the Committee met four times on 25 May 2012, 14 August 2012, 14 November 2012 and 11 February 2013 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Shanti Narain	4	4
Mr. Vishal Agarwal	4	4
Mr. Maya Shanker Verma	4	3
Mr. Shiv Dayal Kapoor	4	4

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

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

#### Remuneration Committee

There is a Remuneration Committee in place with roles, powers and duties to be determined by the Board from time to time. The Committee recommends appropriate compensation packages for Directors and Executive Officers to retain best available personnel for key positions and provide performance based incentives. The scope of the Remuneration Committee had been expanded to include powers related to issuance of ESOP / ESPS to employees, implementation and administration of the ESOP Scheme 2010. The Committee comprises of the following Directors as on 31 March 2013:

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

During the financial year 2012-13, the Committee met three times on 25 May 2012, 12 December 2012 and 11 February 2013 and the details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Pradip Kumar Khaitan	3	2
Mr. Debi Prasad Bagchi	3	3
Mr. Shanti Narain	3	3
Mr. Vikas Agarwal <sup>1</sup>	-	-

Note : 1. Mr. Vikas Agarwal ceased to be a Director w.e.f. 28 April 2012.

#### 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 2013:

Mr. Maya Shanker Verma, Chairman	- Independent Director
Mr. Vishal Agarwal	- Vice Chairman and Managing Director
Mr. Shiv Dayal Kapoor	- Independent Director
Mr. Pradip Kumar Khaitan	- Independent Director

Mr. Vikas Agarwal was a member of the Finance & Banking Committee upto 28 April 2012. He ceased to be a Director w.e.f. 28 April 2012.

A meeting of the Finance & Banking Committee was held on 11 February 2013 which was attended by Mr. Maya Shanker Verma, Mr. Vishal Agarwal and Mr. Shiv Dayal Kapoor.

#### Selection Committee

In terms of Section 314(1B) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, as amended by the Director's Relatives (Office or Place of Profit) Amendment Rules 2012, for selecting and appointing employees, who are relatives of the Directors and carrying monthly remuneration exceeding Rs.250,000, your Company has a Selection Committee in place. The role of the Committee is also to determine the remuneration and revisions to the same and making periodic recommendations to the Board on their performance. The Committee comprises of the following Independent Directors as on 31 March 2013:

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

The Selection Committee did not meet during the year 2012-13.



### III. SUBSIDIARY COMPANIES

The Company has 4 (four) subsidiary companies, VISA BAO Limited (VBL), VISA Special Steel Limited, Ghotaringa Minerals Limited and Kalinganagar Metcoke Private Limited as on 31 March 2013.

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

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

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

### IV. DISCLOSURES

#### Related Party transactions

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

#### Disclosure of Accounting Treatment

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

#### Code of Conduct

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

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2012-13."

Kolkata

Date: 31 October 2013

Pankaj Gautam

Joint Managing Director & CEO

#### Risk Management

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

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

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

#### Remuneration of Directors

All details of remuneration to Directors have been disclosed above.

The details of the shares held by the Non-Executive Directors as on 31 March 2013 are as given below:

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

### Details of Directors appointed / re-appointed

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

### Means of communication

#### Quarterly results

Which newspapers normally published in

- The Financial Express

- Sambad (Oriya)

Any website, where displayed

- www.visasteel.com

Whether it displays official news releases

- Yes

Presentation to investors / analysts: are they available on the website

- Available as and when made

Whether Shareholder Information Report forms part of the Annual Report

- Yes

### General Body Meetings

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

The forthcoming Annual General Meeting will be held on Monday, 16 December 2013 at 3.30 p.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001.

#### Location and time, where last three AGMs held:

Year	Location	Date	Time	Whether Special Resolutions passed
2011-12	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001	14 August 2012	4.00 p.m.	Yes
2010-11	Jayadev Bhavan, Ashok Nagar, Unit-II, Bhubaneswar 751 001	26 July 2011	4.00 p.m.	No
2009 - 10	Jayadev Bhavan, Ashok Nagar, Unit-II, Bhubaneswar 751 001	17 August 2010	11.30 a.m.	Yes

### Postal Ballot

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

The Postal Ballot Notice dated 18 October 2012 pursuant to Section 192A of the Companies Act, 1956 was sent to the members of the Company in relation to Ordinary / Special Resolutions for seeking the Members' assent or dissent for sell / transfer of the Company's business of manufacturing and sale of Metallurgical Coke and Associated Steam Generation units and for authorising the Board of Directors of the Company to make investment in VISA Coke Limited, in excess of the limits specified under Section 372A of the Companies Act, 1956. The Members were requested to return the postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the Scrutinizer on or before 29 December 2012.

### ■ Details of voting pattern

Sl. No.	Particulars	Resolution No.1 under Section 293 (1) (a) of the Companies Act, 1956 as an Ordinary Resolution			Resolution No.2 under Section 372A of the Companies Act, 1956 as a Special Resolution		
		No. of Postal Ballot Forms/ E-Voting	No. of Shares	% of total paid up equity capital	No. of Postal Ballot Forms/ E-Voting	No. of Shares	% of total paid up equity capital
a.	Postal Ballot Forms Received	236	25,254,661	22.96	236	25,254,661	22.96
b.	E-voting	42	57,626,746	52.39	40	57,624,646	52.39
	Total Voting	278	82,881,407	75.35	276	82,879,307	75.34

### ■ Details of voting pattern

Sl. No.	Particulars	Resolution No.1 under Section 293 (1) (a) of the Companies Act, 1956 as an Ordinary Resolution			Resolution No.2 under Section 372A of the Companies Act, 1956 as a Special Resolution		
c.	Less: Invalid Postal Ballot Forms	24	6,343	0.01	27	7,373	0.01
d.	Net Valid Postal Ballot Forms/E-voting confirmations for the Resolution	254	82,875,064	75.34	249	82,871,934	75.34
	i) Postal Ballot Forms/ E-voting with assent for the Resolution	234	82,865,751	75.33	221	82,860,353	75.33
	ii) Postal Ballot Forms / E-voting with dissent for the Resolution	21	9,153	0.01	29	11,270	0.01

#### ■ For Resolution No.1,

- 4 Shareholder(s) holding 701 shares have voted for (701-541) =160 number of shares, which is less than the total shares; thereby the said number (160) is not being reflected either in assent or dissent.
- 1 Shareholder holding 211 shares have voted in favour of the Resolution in respect of his 50 shares and against the resolution in respect of 161 shares through the same Postal Ballot Form.

#### ■ For Resolution No.2,

- 4 Postal Ballot Forms totaling to 701 shares have voted for (701-390) =311 number of shares, which is less than the total shares; thereby the said number (311) is not being reflected either in assent or dissent.
- 1 Shareholder holding 211 shares have voted in favour of the Resolution in respect of his 50 shares and against the resolution in respect of 161 shares through the same Postal Ballot Form.

The Resolutions as contained in the Postal Ballot Notice dated 18 October 2012 were duly passed by the requisite majority. Votes cast in favour were 99.98% of the total votes cast on the resolution no. 1 and 99.98% of the total votes cast on the resolution no. 2.

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

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

#### ■ Procedure for postal ballot:

After receiving the approval of the Board of Directors, the Notice, Explanatory Statement along with the Postal Ballot Form and prepaid self addressed reply envelope were dispatched to the members to enable them to consider and vote for or against the resolution within a period of 30 days from the date of despatch. After the last date of receipt of Postal Ballot, the Scrutinizer, after due verification, submitted his report. The result for the above Postal Ballot resolution was declared by the Chairman and had been posted at the Registered Office of the Company. The results were also published in the Newspapers and intimated to the Stock Exchanges.

The Company also offered e-Voting facility as an alternate, for all its members to enable them to cast their vote electronically.

#### ■ Whether any resolution is proposed to be conducted through postal ballot : N.A.

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

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

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

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

Certificate from the Auditors regarding compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed herewith.

# Shareholders Information

## 1. ANNUAL GENERAL MEETING

- Date and Time : 16 December 2013 at 3.30 p.m.
- Venue : IDCOL Auditorium, IDCOL House, Ashok Nagar,  
Near Indira Gandhi Park, Unit – II,  
Bhubaneswar 751 001

## 2. FINANCIAL YEAR

- : April to March

## 3. FINANCIAL CALENDAR (TENTATIVE)

- :

Financial reporting and Limited Review for the quarter ending 30 June 2013	Early August 2013
Financial reporting and Limited Review for the half year ending 30 September 2013	End October 2013
Financial reporting and Limited Review for the quarter ending 31 December 2013	End January 2014
Financial reporting for the year ending 31 March 2014	Mid May 2014
Annual General Meeting for the year ending 31 March 2014	End July 2014

## 4. DATES OF BOOK CLOSURE

- : 9 December 2013 to 16 December 2013  
(both days inclusive)

## 5. DIVIDEND PAYMENT DATE

- : Not applicable

## 6. REGISTERED OFFICE

- : VISA House, 11 Ekamra Kanan,  
Nayapalli, Bhubaneswar 751 015  
Tel: +91 0674 2552 479,  
Fax: +91 0674 2554 661  
E-mail: investors@visasteel.com  
Website: www.visasteel.com

## 7. LISTING DETAILS

- : Equity Shares
- BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai 400 001  
Stock Code: 532721
- National Stock Exchange of India Limited  
Exchange Plaza, Bandra – Kurla Complex,  
Plot No. – C/1, G Block,  
Bandra (E), Mumbai 400 051  
Stock Symbol: VISASTEEL

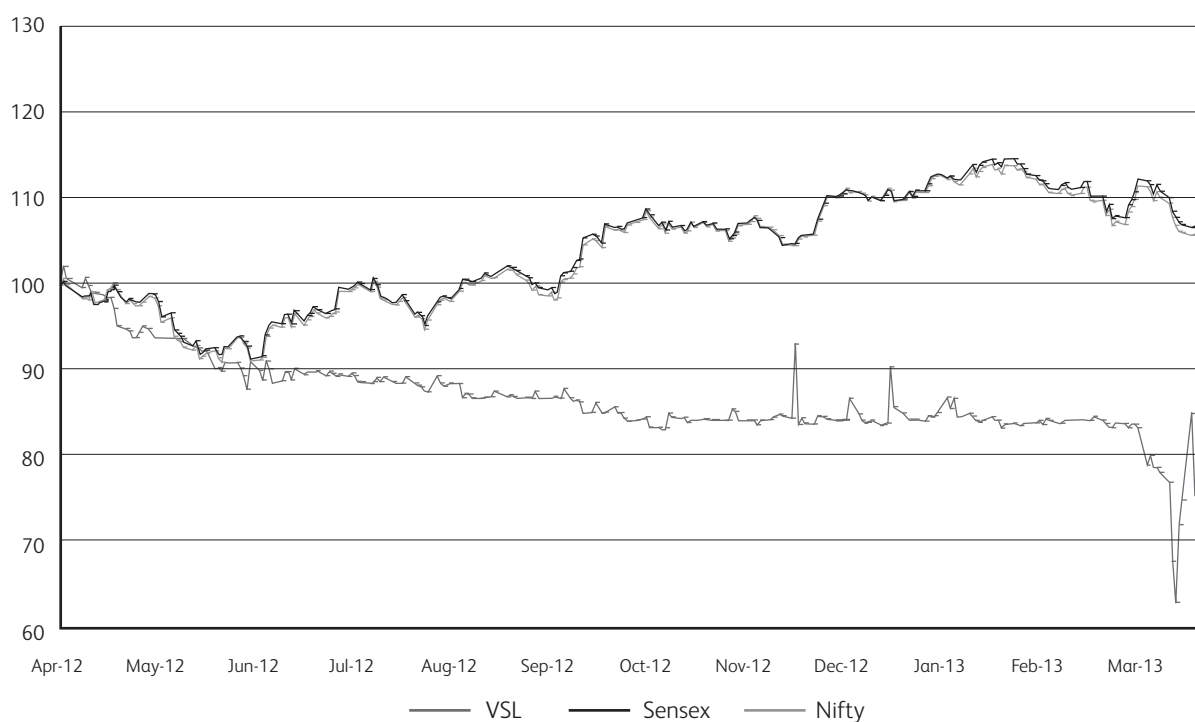
Note: Listing fees has been paid to the Stock Exchanges for the year 2013-14.

**8. STOCK PRICE DATA :**

	BSE Limited				National Stock Exchange of India Limited			
	High	Low	Close	No. of Shares Traded	High	Low	Close	No. of Shares Traded
	(Rs.)			(No.s)	(Rs.)			(No.s)
Apr-2012	58.90	52.00	53.65	50,615	58.50	51.25	53.50	176,761
May-2012	54.00	49.50	49.55	126,862	54.00	49.10	49.45	285,700
Jun-2012	53.00	49.75	50.60	200,698	54.95	49.55	50.40	241,580
Jul-2012	53.55	49.00	50.00	239,871	52.95	48.95	50.10	311,005
Aug-2012	51.00	48.00	49.00	337,601	51.50	48.30	49.00	2,132,850
Sep-2012	52.65	45.55	47.45	138,418	51.00	45.50	47.30	440,913
Oct-2012	50.85	46.55	48.25	560,943	50.00	45.00	47.85	823,678
Nov-2012	56.20	47.10	47.60	366,490	56.40	45.65	47.55	646,572
Dec-2012	54.75	42.60	47.45	217,804	54.00	46.25	47.60	633,407
Jan-2013	50.80	47.00	47.30	78,092	50.95	47.00	47.25	175,341
Feb-2013	50.00	47.00	47.00	120,802	48.70	46.10	47.05	96,743
Mar-2013	50.00	33.80	42.30	2,934,939	47.95	33.55	43.65	1,171,675

**9. STOCK CODE :**

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

**10. STOCK PERFORMANCE :****Stock Performance (Indexed)**



# 11. STOCK PERFORMANCE OVER THE PAST FEW YEARS :

(In Percentage)	1 Year	2 Years	3 Years	4 Years	5 Years
VISASTEEL	(-)23.42	(-)3.43	2.95	136.59	(-)1.24
BSE Sensex	8.23	(-)3.13	7.46	94.01	20.40
NSE Nifty	7.31	(-)2.59	8.26	88.10	20.02

# 12. REGISTRARS AND TRANSFER AGENTS :

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

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

# 13. SHARE TRANSFER SYSTEM :

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

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

# 14. INVESTOR SERVICES :

- Complaints received during the year

Nature of complaints	2012-13		2011-12	
	Received	Cleared	Received	Cleared
Relating to non-allotment, non-receipt of refund cheques arising out of the IPO exercise	-	-	-	-
Grievance related to non receipt of dividend	10	9	13	13
Relating to complaints from SEBI / Stock Exchanges	2	2	2	2
<b>Total</b>	<b>12</b>	<b>11</b>	<b>15</b>	<b>15</b>

- Number of pending complaints as on 31 March 2013: 1

- Number of pending share transfers as at 31 March 2013: NIL

# 15. DETAILS OF UNCLAIMED SHARES AS ON 31 MARCH 2013 :

Pursuant to Clause 5A of the Listing Agreement, the details of shares issued pursuant to the initial public issue of the Company which remains unclaimed and are lying in the escrow account as on 31 March 2013 are as follows:

Year	Opening Balance as on 01.04.2012		Cases Disposed Off during the Financial Year 2012-13		Closing Balance as on 31.03.2013	
	No. of Cases	No. of Shares	No. of Cases	No. of Shares	No. of Cases	No. of Shares
2012-13	14	4,055	-	-	14	4,055

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

No. of Equity Shares held	2013				2012			
	No. of Share-holders	% of share-holders	No. of Shares held	% share-holding	No. of Share-holders	% of Share-holders	No. of Shares held	% Share-holding
1 - 500	17,154	85.43	2,712,897	2.47	18,899	85.13	3,007,077	2.73
501 - 1000	1,878	9.35	1,381,326	1.26	2,063	9.29	1,532,276	1.39
1001 - 2000	696	3.47	983,833	0.89	796	3.59	1,137,726	1.03
2001 - 3000	112	0.56	292,482	0.27	143	0.64	371,071	0.34
3001 - 4000	44	0.22	159,399	0.14	56	0.25	205,453	0.19
4001 - 5000	66	0.33	318,685	0.29	75	0.34	360,978	0.33
5001 - 10000	62	0.31	451,472	0.41	75	0.34	563,549	0.51
10001 and above	67	0.33	103,699,906	94.27	93	0.42	102,821,870	93.48
Total	20,079	100.00	110,000,000	100.00	22,200	100.00	110,000,000	100.00

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

Category	2013			2012		
	No. of Share-holders	No. of Shares held	% Share-holding	No. of Share-holders	No. of Shares held	% Share-holding
Promoters	3	82,500,000	75.00	3	81,400,000	74.00
Persons acting in concert	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-
Banks and Financial Institutions	1	1,269,974	1.16	2	1,607,600	1.46
Insurance Companies	1	500,111	0.45	1	500,111	0.45
FIIs	1	4,998,087	4.54	1	4,998,087	4.54
NRIs	321	291,523	0.27	360	360,980	0.33
Bodies Corporate	327	11,825,135	10.75	352	10,769,984	9.79
Indian Public	19,425	8,615,170	7.83	21,481	10,363,238	9.43
Total	20,079	110,000,000	100.00	22,200	110,000,000	100.00

**18. DEMATERIALISATION OF SHARES AND LIQUIDITY :** 100% of equity shares of the Company are in dematerialised form as on 31 March 2013.

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

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

**19. DETAILS ON USE OF PUBLIC FUNDS OBTAINED IN THE LAST THREE YEARS :** No funds had been raised from public in the last three years.

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

: Stock Options

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

As on 31 March 2013, there are 635,631 Options outstanding under the ESOP Scheme 2010 and 315,631 Options have been vested. None of the Options have been exercised till 31 March 2013. As on 31 March 2013, 264,369 Options have lapsed under the ESOP Scheme 2010.

**21. UNCLAIMED IPO REFUND AMOUNT  
TRANSFERRED TO IEPF**

: The Company came out with an Initial Public Offer (IPO) of 35,000,000 Equity Shares of Rs.10 each at a price of Rs.57/- each in the year 2006. Pursuant to the provisions of Section 205(A)(5) of the Companies Act, 1956, an amount of Rs.322,657/- (Rupees Three Lakhs Twenty Two Thousand Six Hundred Fifty Seven only) has been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company after transferring the unclaimed / unpaid amount of refund to IEPF.

**22. PLANT LOCATIONS**

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

:

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

**23. INVESTOR CORRESPONDENCE**

: Company Secretary,  
VISA Steel Limited  
VISA House, 8/10 Alipore Road,  
Tel: + 91 33 3011 9000  
Fax: + 91 33 3011 9002  
Email: investors@visasteel.com

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

## Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To The Members of VISA Steel Limited

We have examined the compliance of conditions of Corporate Governance by VISA Steel Limited for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

**P. Law**

Partner

Membership No: 51790

For and on behalf of

Lovelock & Lewes

Firm Registration Number – 301056E

Chartered Accountants

Place: Kolkata

Date: 31 October 2013

# Independent Auditors' Report

(This Report Supersedes our Report dated May 29, 2013)

**To the Members of VISA Steel Limited**

## REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of VISA Steel Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**P. Law**  
Partner  
Membership Number: 51790

Kolkata

Date: May 29, 2013, except as to Note 49 to the financial statements, which is as of 1 October 2013



# Annexure to Independent Auditors' Report

(This Report Supersedes our Report dated May 29, 2013)

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2013

- i. (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) In our opinion, the Company has disposed off a substantial part of fixed assets during the year. On the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted unsecured loan, to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated Rs. 2.5 Million. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has taken unsecured loans, from three companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated Rs. 1256.40 Million and Rs. 500 Million, respectively. There are no other parties covered in the register maintained under Section 301 of the Act.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

## Annexure to Independent Auditors' Report

(This Report Supersedes our Report dated May 29, 2013)

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2013

- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of

tax deducted at source, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. However, there were no arrears of dues in respect of tax deducted at source outstanding as at March 31, 2013 for a period more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	5.49	Assessment Year 2003-04	The Commissioner of Income Tax Appeals, Kolkata, West Bengal
Income Tax Act, 1961	Income Tax	44.56	Assessment Year 2004-05	The Commissioner of Income Tax Appeals, Kolkata, West Bengal
Income Tax Act, 1961	Income Tax	10.24	Assessment Year 2006-07	The Commissioner of Income Tax Appeals, Bhubaneswar, Orissa
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	111.81	Financial Year 1999-2000	Sales Tax Tribunal, Orissa, Appeal
Orissa Sales Tax. Act 1947	Sales Tax	0.07	Financial Year 2004-05	The Asst. Commissioner of Sales Tax (Appeals), Jajpur Range, Jajpur Road, Orissa
West Bengal VAT,	VAT	42.33	Financial Year 2006-07	The Commissioner of Commercial Taxes, West Bengal.

# Annexure to Independent Auditors' Report

(This Report Supersedes our Report dated May 29, 2013)

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of VISA Steel Limited on the financial statements as of and for the year ended March 31, 2013

- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2013 and it has not incurred cash losses in the financial year ended on that date *but had incurred cash losses in the immediately preceding financial year.*
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds raised on short-term basis for long-term investment. The company has obtained short term fund amounting to Rs. 3789.57 Million on a short term basis, which has been used for the purpose of acquisition of fixed assets.*
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management

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

**P. Law**  
Partner  
Membership Number: 51790

Kolkata

Date: May 29, 2013, except as to Note 49 to the financial statements, which is as of 1 October 2013

# Balance Sheet as at 31 March 2013

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2013	As at 31 March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	4,095.10	1,244.32
		5,195.10	2,344.32
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	21,098.94	9,223.86
Deferred Tax Liabilities (Net)	6	-	-
Other Long-term Liabilities	7	787.20	787.20
Long-term Provisions	8	10.61	10.68
		21,896.75	10,021.74
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,005.38	2,808.39
Trade Payables	10	3,659.35	9,351.45
Other Current Liabilities	11	3,393.77	8,843.22
Short-term Provisions	12	20.64	19.10
		8,079.14	21,022.16
<b>Total</b>		<b>35,170.99</b>	<b>33,388.22</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	13 A	9,598.81	7,807.30
Intangible Assets	13 B	14.45	11.07
Capital Work-in-progress	13 C	16,464.84	17,776.76
		26,078.10	25,595.13
Non-current Investments	14	4,510.79	610.40
Long-term Loans and Advances	15	969.36	1,195.61
Other Non-current Assets	16	13.34	76.69
		31,571.59	27,477.83
<b>Current Assets</b>			
Inventories	17	1,425.31	3,525.06
Trade Receivables	18	601.18	515.81
Cash and Bank Balances	19	226.00	766.49
Short-term Loans and Advances	20	1,193.56	1,054.14
Other Current Assets	21	153.35	48.89
		3,599.40	5,910.39
<b>Total</b>		<b>35,170.99</b>	<b>33,388.22</b>

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

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013

# Statement of Profit and Loss for the year ended 31 March 2013

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2013	Year ended 31 March 2012
<b>INCOME</b>			
Revenue from Operations (Gross)	24	5,458.74	8,479.83
Less: Excise duty		301.16	536.37
Revenue from operations (Net)		5,157.58	7,943.46
Other income	25	167.92	212.74
<b>I. Total Revenue</b>		<b>5,325.50</b>	<b>8,156.20</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	2,686.17	4,565.45
Purchases of Stock-in-Trade	27	696.07	2,441.33
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in- Progress	28	986.62	(1,720.24)
Employee Benefits Expense	29	325.92	328.38
Finance Costs	30	1,258.81	1,465.49
Depreciation and Amortization Expense	31	524.77	385.62
Other Expenses	32	917.27	943.16
<b>II. Total Expenses</b>		<b>7,395.63</b>	<b>8,409.19</b>
<b>III. (Loss) / Profit before exceptional and extraordinary items and tax</b>		<b>(2,070.13)</b>	<b>(252.99)</b>
<b>IV. Exceptional items</b>	33	1,620.04	33.06
<b>V. (Loss) / Profit before extraordinary items and tax</b>		<b>(450.09)</b>	<b>(219.93)</b>
<b>VI. Extraordinary items</b>		-	-
<b>VII. (Loss) / Profit before tax</b>		<b>(450.09)</b>	<b>(219.93)</b>
<b>VIII. Tax Expense</b>			
Current taxes		-	-
MAT credit entitlement		-	(179.30)
Net current tax		-	(179.30)
Deferred taxes		-	(597.01)
<b>IX. (Loss) / Profit for the period from continuing operation</b>		<b>(450.09)</b>	<b>556.38</b>
<b>X. (Loss) / Profit before tax from discontinuing operation</b>		<b>(584.58)</b>	<b>(1,744.92)</b>
<b>XI. Tax expense of discontinued operations</b>		-	-
<b>XII. (Loss) / Profit from discontinued operations after tax</b>	34	<b>(584.58)</b>	<b>(1,744.92)</b>
<b>XIII. Profit on Disposal of Assets and Liabilities of Discontinuing Operation</b>		124.28	-
<b>XIV. (Loss) / Profit for the period from discontinuing operation</b>		<b>(460.30)</b>	<b>(1,744.92)</b>
<b>XV. (Loss) / Profit for the period [(IX)+(XIV)]</b>		<b>(910.39)</b>	<b>(1,188.54)</b>
<b>XVI. Earning per equity share (Nominal Value per Share of Rs.10 each)</b>	40		
Basic (Rs.)		(8.28)	(10.80)
Diluted (Rs.)		(8.28)	(10.80)

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

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013



# Cash Flow Statement for the year ended 31 March, 2013

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before Tax including the results of discontinuing operation	(910.39)	(1,964.85)
Adjusted for:		
Depreciation and Amortization	646.06	511.52
Finance Cost	1,684.02	1,896.68
Interest Income	(176.26)	(240.03)
Provision for Bad & Doubtful Debts	160.25	3.45
Provision for Doubtful Advances	-	6.34
Liabilities no longer required written back	(53.22)	-
Provision for Doubtful Debts/ Advances written back	(3.26)	(42.36)
Net (Gain) / Loss from sale of Investments	(1,762.70)	-
(Profit) / Loss on sale of Fixed Assets	(124.18)	(8.25)
Unrealised Forex Loss / (Gain) [Net]	(456.22)	574.98
<b>Operating (Loss)/ Profit before working capital changes</b>	<b>(995.90)</b>	<b>737.48</b>
Adjustments for changes in working capital		
(Increase) / Decrease in trade and other receivables	(529.16)	(33.00)
(Increase) / Decrease in inventories	2,099.74	431.73
Increase / (Decrease) in trade and other payables	(5,745.51)	4,370.20
<b>Cash generated from / (used in) Operations</b>	<b>(5,170.83)</b>	<b>5,506.41</b>
Direct Taxes paid	(11.84)	(51.45)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(5,182.67)</b>	<b>5,454.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,232.58)	(4,736.02)
(Increase) / Decrease in Capital Advances	269.73	40.81
Sale of Fixed Assets	1.36	10.36
Proceeds from Slump Sale of Coke Business (Note 34)	1,800.00	-
Investment in Subsidiary Companies	(143.20)	-
Proceeds from Sale of Investments in a Subsidiary (Note 33)	1,767.50	-
Release of Margin Money Account	645.15	(320.94)
Interest received	181.82	227.23
<b>Net cash from / (used in) Investing Activities</b>	<b>2,289.78</b>	<b>(4,778.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	9,504.98	2,228.60
Repayment of Long Term Borrowings	(3,024.08)	(1,713.38)
(Repayment)/Proceeds of Short Term Borrowings (net)	(1,786.34)	1,118.23
Advance received from related party	-	396.95
Increase / (Decrease) in Earmarked Accounts	(0.01)	(0.19)
Dividend paid	-	(110.00)
Dividend Tax paid	-	(17.84)
Finance Cost paid (Refer (d) below)	(1,760.34)	(2,941.80)
<b>Net Cash from / (used in) Financing Activities</b>	<b>2,934.21</b>	<b>(1,039.43)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>41.32</b>	<b>(363.03)</b>

## Cash Flow Statement for the year ended 31 March, 2013

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net (Decrease) in Cash and Cash Equivalents	41.32	(363.03)
Cash and Cash Equivalents as on 01 April	11.29	374.32
<b>Cash and Cash Equivalents as at 31 March</b>	<b>52.61</b>	<b>11.29</b>

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

	As at 31 March 2013	As at 31 March 2012
Balance with Banks in		
Current Account	52.00	10.53
Cash on hand	0.61	0.76
<b>Cash and Cash Equivalents</b>	<b>52.61</b>	<b>11.29</b>

(b) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by The Institute of Chartered Accountants of India.

(c) For disclosures relating to discontinuing operations, refer note 34 (b).

(d) Finance Costs includes borrowing cost capitalized.

(e) Refer note 50

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 1. GENERAL INFORMATION

### VISA Steel Limited

VISA Steel Limited (VSL) is engaged in the manufacturing of Iron and Steel products including LAM Coke, High Carbon Ferro Chrome, Pig Iron, Sponge Iron and Special Steel with captive power plant at Kalinganagar, Odisha. Incorporated on 10 September 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar and Golagaon and branch offices across India. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). During the year, the Company has transferred its coke business on going concern basis as per detailed Note 34.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and also to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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

### 2.2 Fixed Assets

#### (a) Tangible Assets

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

#### (b) Intangible Assets

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

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

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

#### (d) Depreciation and Amortization

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

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

### 2.3 Impairment Loss

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

### 2.4 Borrowing Cost

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

### 2.5 Investments

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

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 2.6 Inventories

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

## 2.7 Revenue Recognition

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

## 2.8 Other Income

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

## 2.9 Transactions in Foreign Currencies

### (i) Initial Recognition

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

### (ii) Subsequent Recognition

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

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

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

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

### (iii) Forward Exchange Contracts

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

## 2.10 Employee Benefits

### (i) Short-term Employee Benefits

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

### (ii) Post Employment Benefit Plans

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

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method (PUCM), with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

to the extent that the benefits are already vested, or otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets where such plans are funded. Measurement of any assets resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

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

### 2.11 Accounting for Taxes on Income

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

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

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

### 2.12 Provisions and Contingent Liabilities

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

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

### 2.13 Leases

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

### 2.14 Cash and Cash Equivalents

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

### 2.15 Earnings per Share

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



# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 Equity Shares (31 March 2012 : 160,000,000) of Rs.10/- each	1,600.00	1,600.00
<b>Issued, Subscribed and Paid-up</b>		
110,000,000 Equity Shares (31 March 2012 : 110,000,000) of Rs.10/- each fully paid up	1,100.00	1,100.00

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

	As at 31 March 2013		As at 31 March 2012	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	110,000,000	1,100.00	110,000,000	1,100.00
Add / (Less): Shares issued / bought back during the year	-	-	-	-
Balance as at the end of the year	<b>110,000,000</b>	<b>1,100.00</b>	<b>110,000,000</b>	<b>1,100.00</b>

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

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

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

	As at 31 March 2013	As at 31 March 2012
58,712,167 (31 March 2012 : 57,612,167) Equity Shares of Rs.10/- each held by VISA Infrastructure Limited, the Holding Company	587.12	576.12

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

VISA Infrastructure Limited (Numbers)	58,712,167	57,612,167
VISA Infrastructure Limited (%)	53.37	52.37
VISA International Limited (Numbers)	23,787,833	23,532,233
VISA International Limited (%)	21.63	21.39

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

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

**(f) VISA Infrastructure Limited, the Holding Company has pledged 55,000,000 (31 March 2012 : 17,300,000) numbers of Equity Shares being 93.68 % (31 March 2012 : 30.03 %) of its total shareholding.**

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	0.07	0.07
<b>Securities Premium Reserve</b>	1,645.00	1,645.00
<b>General Reserve</b>		
Balance as at the beginning of the year	91.76	91.76
Add : Arising pursuant to the Scheme of Amalgamation [Refer Note 49 (a)]	3,761.16	-
Balance as at the end of the year [Refer Note 49 (b)]	3,852.92	91.76
<b>(Deficit) / Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(492.51)	696.03
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(910.39)	(1,188.54)
Balance as at the end of the year	(1,402.90)	(492.51)
<b>Total</b>	<b>4,095.10</b>	<b>1,244.32</b>

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
<b>Term Loans including SMCF (Facility A1 and Facility B)</b>						
[Refer B(i) and C(i) below]						
From Banks	16,827.76	7,620.59	2.72	3,270.25	16,830.48	10,890.84
From Other Parties	628.78	431.25	-	140.58	628.78	571.83
<b>Working Capital Term Loans (Facility A2)</b>						
[Refer B(i) and C(ii) below]						
From Banks	1,467.36	-	0.78	-	1,468.14	-
From Other Parties	32.38	-	-	-	32.38	-
<b>Funded Interest Term Loans (Facility A3)</b>						
[Refer B(i) and C(iii) below]						
From Banks	1,107.97	-	-	-	1,107.97	-
From Other Parties	61.50	-	-	-	61.50	-
<b>Equipment and Vehicle Term Loans</b>						
From Banks [Refer B(ii) and C(iv) below]	9.16	29.71	21.82	46.83	30.98	76.54
From Other Parties [Refer B(ii) and C(v) below]	23.71	85.91	66.85	127.34	90.56	213.25
<b>Term Loans from Other Parties</b>	440.32	300.00	-	-	440.32	300.00
[Refer B(iii) and C(vi) below]						
	20,598.94	8,467.46	92.17	3,585.00	20,691.11	12,052.46
<b>Unsecured</b>						
Loans from Related Parties	500.00	756.40	-	-	500.00	756.40
[Refer C(vii) below]						
	<b>21,098.94</b>	<b>9,223.86</b>	<b>92.17</b>	<b>3,585.00</b>	<b>21,191.11</b>	<b>12,808.86</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(92.17)	(3,585.00)	(92.17)	(3,585.00)
	<b>21,098.94</b>	<b>9,223.86</b>	<b>-</b>	<b>-</b>	<b>21,098.94</b>	<b>9,223.86</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## A. Debt Restructuring

During the year, the Company has been referred by the lenders to the Corporate Debt Restructuring (CDR) Cell, a non statutory voluntary mechanism set up under the aegis of Reserve Bank of India and pursuant to that a Corporate Debt Restructuring Package (CDR Package) has been approved by the CDR Cell. Under CDR package, the Company's debts were restructured / rescheduled and additional credit facilities have been sanctioned as set out in the Letter of Approval dated 27 September 2012. Accordingly, Master Restructuring Agreement has been executed on 19 December 2012 between the Company and the concerned lenders.

The CDR Package includes reliefs / measures such as reduction in interest rates, funding of interest, rearrangement of securities etc.

## B. Detail of Securities

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

In terms of the CDR Package, loans (including those outstanding as on 1 March 2012) covered under this package reconstituted as Term loans (Facility A1 and Facility B), Working Capital Term Loans (Facility A2), Funded Interest Term Loans (Facility A3) and Working Capital Loan (Facility C) [indicated in Note 9], including SMCF Loans which are secured as under :

- (a) First pari-passu charge by way of hypothecation of all the Company's current assets and Fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Company, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
- (b) First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, Odisha, Golagaon, Jajpur, Odisha, Raigarh, Chattisgarh and office premises of the Company at Bhubaneswar, Odisha.
- (c) Pledge of Promoter's Shareholding of 51 % by 31 March 2014 and further Pledge upto 51 % of total equity of the Company by 31 March 2016.
- (d) Pledge of Equity Shares equivalent to 51 % of the present shareholding of Ghotaringa Minerals Limited held by the Company and existing Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) Lien on all Bank Accounts including the Trust and Retention Account.
- (f) The Lenders of SMCF are having a second pari-passu charge on the Hypothecated assets and a second charge on the mortgaged assets of the Company.
- (g) SIDBI (exposure of Rs. 76.40 Million as on 01 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

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

### ii. Equipment and Vehicle Term Loans

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

### iii. Other Term Loans from Other Parties

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

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### C. Terms of Repayment of loans

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

Upon implementation of CDR Package, the Restructured Term Loans (both Facility A1 and Facility B) are to be repaid over a period of 10 years in quarterly instalments commencing from March 2013 as per the Repayment Schedule given below. Further such loans carry interest @ 10.75% p.a for the first 4 years, @ 11.5% for 5th and 6th year and @ 12% for subsequent years of restructuring.

Repayment Schedule

Year	Percentage of Term Loan due for Repayment (%)
2012-13	0.50%
2013-14	2.00%
2014-15	4.50%
2015-16	8.00%
2016-17	10.00%
2017-18	13.00%
2018-19	15.50%
2019-20	15.50%
2020-21	15.50%
2021-22	15.50%
<b>Total</b>	<b>100.00%</b>

During the year, the Company has prepaid instalments due till second quarter of FY 2014-15 i.e. 4.75% of restructured term loans.

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

Upon implementation of CDR package, the overdrawn cash credit accounts of the Company have been carved out into a separate Working Capital Term Loans (Facility A2), which are to be repaid over a period of 8 years in quarterly instalments as per the Repayment Schedule given below. Such loans carry the interest rate @ 10.50% p.a. throughout the tenure of facility.

Repayment Schedule

Year	Percentage of Term Loan due for Repayment (%)
2012-13	0.50%
2013-14	2.00%
2014-15	20.00%
2015-16	20.00%
2016-17	20.00%
2017-18	12.50%
2018-19	15.00%
2019-20	10.00%
<b>Total</b>	<b>100.00%</b>

During the year, the Company has prepaid instalments due till second quarter of FY 2014-15 i.e. 12.50% of restructured term loans.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

In terms of the CDR Package, the aggregate amount of interest accrued and to accrue on the principal amounts of Facility A1, Facility A2 and Facility B for the period 1 March 2012 to 28 February 2014 segregated into Funded interest Term Loans (FITL) which are repayable in quarterly instalments commencing from September 2014 and ending in December 2021 as per the Repayment Schedule given below. FITL carry interest @ 10.00% p.a throughout the tenure of facility.

Repayment Schedule

Year	Percentage of Term Loan due for Repayment (%)
2012-13	0.00%
2013-14	0.00%
2014-15	5.00%
2015-16	12.50%
2016-17	12.50%
2017-18	12.50%
2018-19	12.50%
2019-20	15.00%
2020-21	15.00%
2021-22	15.00%
<b>Total</b>	<b>100.00%</b>

During the year, Company has prepaid instalments due till the second month of second quarter of FY 2016-17 i.e. 22.71% of restructured term loan.

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

Banks	As at 31 March 2013	As at 31 March 2012	Terms of Repayment	Interest rate
ICICI Bank	15.89	56.74	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 year and 10 months.	9.5% to 11.25% p.a.
Kotak Mahindra Bank	13.83	19.45	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 2 years and 1 month.	11.75% p.a.
AXIS Bank	1.26	-	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 2 years and 7 months.	9.75% p.a.
HDFC Bank	-	0.35	Repaid during the year.	
<b>Total</b>	<b>30.98</b>	<b>76.54</b>		



## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

Other Parties	As at 31 March 2013	As at 31 March 2012	Terms of Repayment	Interest rate
Reliance Capital Ltd.	0.75	4.95	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 2 months.	7.00% to 10.00% p.a.
Family Credit Ltd.	-	0.19	Repaid during the year.	
L & T Finance Ltd	8.76	20.32	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 year.	8.00% to 10.00% p.a.
Tata Capital	37.34	90.38	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 year and 9 months.	9.50% to 11.50% p.a.
SREI Equipment Finance (P) Ltd.	43.71	97.41	Equal Monthly instalments over the period of loan. The period of maturity with respect to the balance sheet date is 1 year and 4 months.	10.00% to 11.00% p.a.
<b>Total</b>	<b>90.56</b>	<b>213.25</b>		

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

Other Parties	As at 31 March 2013	As at 31 March 2012	Terms of Repayment	Interest rate
IL&FS Financial Services Limited	300.00	300.00	Repayable in eighteen quarterly installments from December 2014 onwards.	10.75% p.a.
			<b>Year</b>	
			2014-15	
			2015-16	
			2016-17	
			2017-18	
			2018-19	
			<b>Total</b>	<b>100.00%</b>
HUDCO	140.32	-	Twenty one quarterly instalments of Rs.6.69 Million each from May 2014.	HUDCO Benchmark rate + 1% p.a.
<b>Total</b>	<b>440.32</b>	<b>300.00</b>		

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

Related Parties	As at 31 March 2013	As at 31 March 2012	Terms of Repayment	Interest rate
VISA International Limited	500.00	-	Repayment is conditional upon infusion of fresh equity in the Company.	Prevailing Bank interest rate as prescribed by RBI
VISA Power Limited	-	250.00	Repaid during the year.	Prevailing Bank interest rate as prescribed by RBI + 1 %
VISA Infrastructure Limited	-	506.40	Repaid during the year.	As per SBI base rate
<b>Total</b>	<b>500.00</b>	<b>756.40</b>		

## 6 DEFERRED TAX LIABILITIES (NET)

The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:

	As at 31 March 2013	As at 31 March 2012
Deferred Tax Liabilities		
Depreciation	1,224.52	858.78
<b>(A)</b>	<b>1,224.52</b>	<b>858.78</b>
Deferred Tax Assets		
Unabsorbed Tax Depreciation	(1,025.11)	(444.22)
Unabsorbed Business Loss Carried Forward	(128.02)	(375.64)
Provision for doubtful debts and advances	(59.66)	(8.73)
Disallowances allowable for tax purpose on payment	(11.50)	(10.55)
Provision for Stock	(0.23)	(19.64)
<b>(B)</b>	<b>(1,224.52)</b>	<b>(858.78)</b>
<b>Deferred Tax Liabilities (Net) (A)-(B)</b>	<b>-</b>	<b>-</b>

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

	As at 31 March 2013	As at 31 March 2012
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Others-Payable to Subsidiary company [Refer (a) below]	787.20	787.20
	<b>787.20</b>	<b>787.20</b>

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

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	10.61	10.68
	<b>10.61</b>	<b>10.68</b>

	As at 31 March 2013	As at 31 March 2012
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans (Facility C)		
From Banks [Refer Note 5 (B) (i)]	910.17	2,536.76
From Other Parties [Refer Note (5) (B) (i)]	30.64	171.67
Other Working Capital Loan		
From Other Parties [Refer (a) below]	64.57	99.96
	<b>1,005.38</b>	<b>2,808.39</b>

- (a) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of Rs.76.40 Million (31 March 2012 : Rs.100.00 Million) under the MSMED Receivable Finance Scheme sanctioned by SIDBI covering the sale of goods / services made by SME / eligible service sector and transport services. Also refer Note 5 (B) (i) for details of security.

	As at 31 March 2013	As at 31 March 2012
<b>10 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises	42.48	57.29
Due to other than Micro and Small Enterprises	3,616.87	9,294.16
	<b>3,659.35</b>	<b>9,351.45</b>

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

	As at 31 March 2013		As at 31 March 2012	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of the accounting year : - Principal	42.48	-	57.29	-
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-	-	-

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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 2013	As at 31 March 2012
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	92.17	3,585.00
Interest accrued and due on borrowings	45.95	393.08
Interest accrued but not due on borrowings	6.52	18.12
Employee related liabilities	144.62	137.32
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	76.56	101.04
Share Refund Order account [Refer (a) below]	0.32	0.32
Unclaimed Dividend [Refer (b) below]	0.99	1.00
Advances from Customers	55.30	145.02
Advance from Fellow Subsidiary	2,187.78	2,581.17
Capital Creditors	594.48	1,643.73
Other liabilities	189.08	237.42
	<b>3,393.77</b>	<b>8,843.22</b>

- (a) The requisite amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 has been transferred within the due date i.e. 10 April 2013.
- (b) There are no amount due for payment to the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at the year end.

	As at 31 March 2013	As at 31 March 2012
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	20.64	19.10
	<b>20.64</b>	<b>19.10</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

<b>13 A TANGIBLE ASSETS</b>		<b>Gross Block</b>			<b>Depreciation / Amortization</b>			<b>Net Block</b>	
Particulars	As at 1 April 2012	Additions during the year	Disposals / Adjustments during the Year (Refer (a) below)	As at 31 March 2013	As at 1 April 2012	For the year (Refer (b) below)	On Disposals / Adjustments during the Year	As at 31 March 2013	As at 31 March 2012
<b>Owned</b>									
Land- Freehold	13.57	0.04	-	13.61	-	-	-	13.61	13.57
Land- Leasehold	178.37	21.92	-	200.29	12.95	3.16	-	184.18	165.42
Buildings	1,002.11	1,025.27	132.39	1,894.99	109.81	41.16	28.25	1,772.27	892.30
Plant and Equipment	8,288.36	3,055.90	2,344.25	9,000.01	1,846.81	550.80	749.81	7,352.21	6,441.55
Furniture and Fixtures	83.97	0.62	0.40	84.19	18.09	4.82	0.23	61.51	65.88
Vehicles	190.93	5.17	6.76	189.34	92.40	20.62	3.70	80.02	98.53
Office Equipment	-	0.22	(58.64)	58.86	-	5.42	(34.03)	19.41	-
<b>Leasehold (Jointly Held)</b>									
Buildings	129.08	-	-	129.08	12.91	12.91	-	103.26	116.17
Plant and Machinery	15.42	-	-	15.42	1.54	1.54	-	12.34	13.88
<b>Total</b>	<b>9,901.81</b>	<b>4,109.14</b>	<b>2,425.16</b>	<b>11,585.79</b>	<b>2,094.51</b>	<b>640.43</b>	<b>747.96</b>	<b>9,598.81</b>	<b>7,807.30</b>
<b>2011-12</b>	<b>9,302.89</b>	<b>611.28</b>	<b>12.36</b>	<b>9,901.81</b>	<b>1,596.29</b>	<b>508.47</b>	<b>10.25</b>	<b>7,807.30</b>	

(a) Disposals during the year includes transfer of assets of Coke Business as indicated in Note 34.

(b) Depreciation for the year includes Rs.121.29 Million (31 March 2012 : Rs.125.90 Million) towards the depreciation charge attributable to the discontinued coke business of the Company.

<b>13 B INTANGIBLE ASSETS</b>		<b>Gross Block</b>			<b>Amortization</b>			<b>Net Block</b>	
Particulars	As at 1 April 2012	Additions during the year	Disposals / Adjustments during the Year	As at 31 March 2013	As at 1 April 2012	For the year	On Disposals / Adjustments during the Year	As at 31 March 2013	As at 31 March 2012
Computer Software - acquired	28.61	9.00	-	37.61	17.54	5.63	0.01	14.45	11.07
<b>Total</b>	<b>28.61</b>	<b>9.00</b>	<b>-</b>	<b>37.61</b>	<b>17.54</b>	<b>5.63</b>	<b>0.01</b>	<b>14.45</b>	<b>11.07</b>
<b>2011-12</b>	<b>17.02</b>	<b>11.59</b>	<b>-</b>	<b>28.61</b>	<b>14.49</b>	<b>3.05</b>	<b>-</b>	<b>11.07</b>	

### 13 C CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress includes Exchange Gain / (Loss) capitalized during the year Rs.0.84 Million [31 March 2012 : (Rs.145.62 Million)] and borrowing cost for the year capitalized amounting to Rs.1,618.95 Million (31 March 2012 : Rs.1,335.64 Million).



# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>14 NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Long Term Trade Investments - (Valued At Cost)</b>		
<b>Investments in Equity Instruments</b>		
<b>Investment in Subsidiaries</b>		
VISA BAO Limited [Refer (a) below]	591.50	591.50
59,150,000 Equity Shares (31 March 2012 : 59,150,000) of Rs.10/- each, fully paid up [Including beneficial interest in 5 Equity Shares of Rs.10/- each, fully paid up]		
Ghotaringa Minerals Limited [Refer (b) below]	8.90	8.90
890,000 Equity Shares (31 March 2012 : 890,000) of Rs.10/- each, fully paid up [Including beneficial interest in 44,500 Equity Shares of Rs.10/- each, fully paid up]		
VISA Special Steel Limited	0.70	-
70,000 Equity Shares of Rs.10/- each, fully paid up [Including beneficial interest in 6 Equity Shares of Rs.10/- each, fully paid up]		
VISA SunCoke Limited	3,899.69	-
1,054,476 Equity Shares of Rs.10/- each, fully paid up		
<b>Investment in Joint Venture (Refer Note 45)</b>	10.00	10.00
VISA Urban Infra Limited [Refer (b) below]		
1,000,000 Equity Shares (31 March 2012 : 1,000,000) of Rs.10/- each, fully paid up		
	<b>4,510.79</b>	<b>610.40</b>

- (a) The Company has given undertaking to consortium bankers of subsidiary company VISA BAO Limited for sanctioning Rs.1,820.00 Million (31 March 2012 : Rs.1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [ i.e. 46,410,000 (31 March 2012 : 46,410,000) number of shares] of VISA BAO Limited.
- (b) For charges created in respect of shareholding in Ghotaringa Minerals Limited and VISA Urban Infra Limited, refer Note 5 (B) (i) (c).

	As at 31 March 2013	As at 31 March 2012
<b>15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advance	106.56	376.29
Security Deposits	224.28	180.80
Loans and Advances to related parties		
Advances to Subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Security Deposit with holding company : VISA Infrastructure Limited	261.50	261.50
Security Deposit with Enterprise having significant influence : VISA International Limited	8.00	8.00
Prepaid Expenses	59.48	59.48
MAT Credit Entitlement	307.04	307.04
	<b>969.36</b>	<b>1,195.61</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>16 OTHER NON-CURRENT ASSETS</b>		
Margin Money held with Bank with maturity more than 12 months	13.34	76.69
	<b>13.34</b>	<b>76.69</b>

	As at 31 March 2013	As at 31 March 2012
<b>17 INVENTORIES</b>		
(Refer Note 2.6)		
Raw Materials	692.24	1,305.88
Work-in-Progress [Refer (a) below]	11.83	75.25
Finished Goods [Refer (b) below]	326.54	1,177.80
Stock-in-Trade [Refer (c) below]	-	441.01
Stores and Spares Parts	280.90	256.74
By-products	113.80	268.38
	<b>1,425.31</b>	<b>3,525.06</b>
<b>(a) Details of Work-in-Progress</b>		
Intermediary Coke	-	52.66
Chrome Briquette	8.13	18.89
Washery Coal	3.70	3.70
	<b>11.83</b>	<b>75.25</b>
<b>(b) Details of Finished goods</b>		
Pig Iron	2.87	39.67
Coke	92.54	988.45
Ferro Chrome	100.22	58.76
Sponge Iron	129.50	89.51
Chrome Powder	0.35	0.35
Billets	1.06	1.06
	<b>326.54</b>	<b>1,177.80</b>
<b>(c) Details of Stock-in-trade</b>		
Coal and Coke	-	441.01
	<b>-</b>	<b>441.01</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>18 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	113.02	36.98
Considered Doubtful	162.22	5.14
Other Debts		
Considered Good [Refer (a) below]	488.16	478.83
	763.40	520.95
Less: Provision for Doubtful Debts	162.22	5.14
	<b>601.18</b>	<b>515.81</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	1.37	1.28
Holding Company	33.52	15.73
Subsidiary Company	10.14	-

	As at 31 March 2013	As at 31 March 2012
<b>19 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Account	52.00	10.53
Cash on hand	0.61	0.76
	52.61	11.29
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Share Refund Order Account	0.32	0.32
Unclaimed Dividend Account	0.99	1.00
Margin Money with Banks with maturities more than 3 months but less than 12 months	172.08	753.88
	173.39	755.20
<b>(i) + (ii)</b>	<b>226.00</b>	<b>766.49</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>20 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Prepaid Expenses	34.03	142.57
Advances against Supply of goods and rendering services		
Considered Good	547.92	320.24
Considered Doubtful	13.87	13.95
Less: Provision for doubtful Advances	(13.87)	(13.95)
Loans and Advances to related parties		
Advances to Key Managerial Personnel [Refer (a) to (e) below]	67.65	34.44
Advances to Holding Company	57.03	30.65
Advance Payment of Income Tax	162.18	150.34
[Net of Provision Rs.463.07 Million (31 March 2012 : Rs.463.07 Million)]		
Others taxes receivable / adjustable		
Considered Good	324.75	375.90
Considered Doubtful	7.80	7.80
Less: Provision for Other Taxes receivable / adjustable	(7.80)	(7.80)
	<b>1,193.56</b>	<b>1,054.14</b>

- a) The remuneration paid / payable to the Key Managerial Personnel exceeded the limits prescribed under the Companies Act, 1956 by Rs.32.41 Million [31 March 2012 Rs.34.44 Million (Application for waiver of excess remuneration for the Financial Year 2011-12 is pending with the Central Government)].
- b) The Company had made an application to the Central Government seeking approval for payment of substantive remuneration as approved by the members of the Company at the Annual General Meeting held on 14 August 2012 as minimum remuneration to Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Managing Director in case of loss or inadequacy of profits in any financial year during their tenure as Whole-time Director designated as Chairman and Managing Director respectively.
- c) The Company had made an application to the Central Government for approval of appointment and payment of remuneration to Mr. Prabir Ramendralal Bose as Deputy Managing Director, including minimum remuneration approved by the members at the Annual General Meeting held on 14 August 2012. Mr. Bose has ceased to be a Director and Deputy Managing Director from close of business hours of 11 December 2012.
- d) The Company is in the process of making an application to the Central Government for approval of appointment and payment of remuneration to Mr. Pankaj Gautam as Joint Managing Director and CEO. The Company shall also make an application to the Central Government for waiver of excess remuneration paid / payable during the Financial Year 2012-13. Mr. Gautam has been appointed as Joint Managing Director and CEO w.e.f 12 December 2012.
- e) Pending such approval amount of Rs.66.85 Million is being held by them in trust for the Company.

	As at 31 March 2013	As at 31 March 2012
<b>21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Receivable from DGFT and Customs towards Export Incentive	44.50	16.74
Receivable from Subsidiary Company in pursuance of business transfer	82.25	-
Interest Accrued on Deposits [Refer (a) below]	26.60	32.15
	<b>153.35</b>	<b>48.89</b>
(a) Includes amount receivable from Subsidiary	0.49	0.28

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 22 CONTINGENT LIABILITIES

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

- (i) In respect of a charter party dispute between VISA Comtrade (Asia) Limited (the "Charterer") and Transfield Shipping Inc., Panama, (the "Owner of the vessel - Prabhu Gopal") the said Owner of the vessel has filed a civil suit in the Hon'ble Calcutta High Court against the Company and the charterer and claimed the relief for a decree for US\$ 0.30 Million to be expressed in Indian Currency at such rate of exchange and / or on such terms as the Court may deem fit and proper, Injunction, costs or other reliefs. The Company has not accepted the claim as it was not a party to the said Agreement and the matter is subjudice. The Hon'ble Calcutta High Court passed interim orders dated 11 May 2005 and 20 June 2005, restraining the Company and the Charterer from withdrawing any amount from a specified bank account without leaving a balance for a sum of Rs.12.50 Million, which has been set aside by the bank from the cash credit limit of the Company. The Company has been legally advised that the above interim order has been expired due to efflux of time and has not been extended by the Hon'ble Calcutta High Court.
- (ii) Applications have been filed by the legal heirs of a deceased employee of the Company, who died in a road accident while travelling in the Company's vehicle for his personal work, claiming a compensation of Rs.6.10 Million (31 March 2012: Rs.6.10 Million) and interest @ 18% per annum. The Company has contested the claim, which is currently pending before the Motor Accident Claims Tribunal, Bhubaneswar.

	As at 31 March 2013	As at 31 March 2012
<b>(b) Other money for which the Company is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	63.63	63.63
(ii) Disputed Sales Tax matter under Appeal	159.03	47.22
(iii) Disputed Entry Tax matters under Appeal	0.63	178.42
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
<b>(c) Guarantees</b>		
(i) Bank Guarantee	56.50	56.77
(ii) Corporate Guarantee issued on behalf of a subsidiary company	720.00	720.00

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

	As at 31 March 2013	As at 31 March 2012
<b>23 COMMITMENTS</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs.106.57 Million, (31 March 2012 : Rs.376.29 Million)]	424.77	611.52

### (b) Other Commitments

- (i) The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met at the year end is Rs.858.75 Million (31 March 2012 : Rs.2,989.69 Million). The Company is confident that the above export obligation will be met during the specified period.
- (ii) For non-disposal undertaking given by the Company with regard to its investments in VISA BAO Limited Refer Note 14 (a).

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>24 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>(a) Sale of products</b>		
<b>Manufactured Goods</b>		
Pig Iron	64.94	1,826.19
Ferro Chrome	2,282.76	1,415.88
Sponge Iron	1,845.54	2,890.01
Bloom / Round	65.40	1,141.04
Rolled Product	43.76	180.72
By-products	231.19	428.93
Power	299.81	564.22
<b>Total</b>	<b>4,833.40</b>	<b>8,446.99</b>
<b>Traded Goods</b>		
Coal and Coke	714.06	1,620.46
Others	16.08	0.84
<b>Total</b>	<b>730.14</b>	<b>1,621.30</b>
Less : Trial Run Sale	240.17	1,625.04
<b>Total</b>	<b>5,323.37</b>	<b>8,443.25</b>
<b>(b) Other Operating Revenues</b>		
Scrap Sales	4.12	8.38
Conversion Income	20.64	-
Export Incentives	100.23	28.20
Refund of Custom Duty	10.38	-
<b>Total</b>	<b>135.37</b>	<b>36.58</b>
<b>Total Revenue from Operations (Gross)</b>	<b>5,458.74</b>	<b>8,479.83</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>25 OTHER INCOME</b>		
Insurance claim received	14.23	8.75
Interest Income	89.90	150.50
Net Gain from sale of Fixed asset	-	8.25
Liabilities no longer required written back	53.22	-
Provisions no longer required written back	3.26	42.36
Income from Shared Services	6.39	-
Other non operating income	0.92	2.88
	<b>167.92</b>	<b>212.74</b>



# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>26 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	950.18	608.95
Iron Ore	913.27	2,688.37
Coal and Coke	871.41	1,896.84
Others	83.01	219.66
	<b>2,817.87</b>	<b>5,413.82</b>
Less : Trial Run Consumption	131.70	848.37
	<b>2,686.17</b>	<b>4,565.45</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>27 PURCHASE OF STOCK-IN-TRADE</b>		
Coal and Coke	679.04	2,403.34
Others	17.03	37.99
	<b>696.07</b>	<b>2,441.33</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished Goods	839.09	581.97
Stock-in-Trade	441.01	463.95
By-products	223.57	440.04
Work-in-Progress	22.59	44.18
	<b>1,526.26</b>	<b>1,530.14</b>
<b>Less : Closing Stock</b>		
Finished Goods	326.54	839.09
Stock-in-Trade	-	441.01
By-products	113.80	223.57
Work-in-Progress	11.83	22.59
	<b>452.17</b>	<b>1,526.26</b>
Transfer to Project	(98.35)	(1,692.06)
Increase / (Decrease) in Excise Duty on Stock	10.88	(32.06)
Increase / (Decrease) in Stock	<b>986.62</b>	<b>(1,720.24)</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>29 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	312.50	315.62
Contribution to Provident and Other Funds	11.68	8.98
Staff Welfare Expenses	1.74	3.78
	<b>325.92</b>	<b>328.38</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

#### (i) Defined Contribution Plan

The Company contributes to the Provident Fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the Company to the Funds, based on the current salaries. In the Provident Fund Scheme, contributions are also made by the employees. An amount of Rs.9.68 Million (31 March 2012 : Rs.8.68 Million) [includes for discontinuing operation Rs.1.29 Million (31 March 2012 : Rs.1.11 Million)] has been charged to the Statement of Profit and Loss towards Company's contribution to the above defined contribution scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

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

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

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

	31 March 2013	31 March 2012
<b>(I) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets</b>		
Present Value of funded obligation at the end of the year	16.64	15.26
Fair Value of Plan Assets at the end of the year	22.44	19.01
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>(5.80)</b>	<b>(3.75)</b>
<b>(II) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service cost	3.62	3.74
Interest cost	1.22	0.92
Expected Return on Plan Assets	(1.70)	(1.50)
Actuarial loss / (gain)	0.15	(0.52)
<b>Total Expenses</b>	<b>3.29</b>	<b>2.64</b>
<b>(III) Reconciliation of opening and closing balances of the present value of the Defined benefit obligations</b>		
Opening defined benefit obligation	15.26	11.47
Current Service cost	3.62	3.74
Interest cost	1.22	0.92
Less : Transfer of Liability pursuant to transfer of Coke Business [Refer (X) below]	(2.53)	-
Actuarial loss / (gain)	0.15	(0.52)
Benefits paid	(1.08)	(0.35)
<b>Closing Defined Benefit Obligation</b>	<b>16.64</b>	<b>15.26</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	31 March 2013	31 March 2012
<b>(IV) Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Opening fair value of Plan Assets	19.01	16.34
Expected Return on Plan Assets	1.70	1.50
Contributions by employer	5.34	1.52
Less : Transfer of amount pursuant to transfer of Coke Business [Refer (X) below]	(2.53)	-
Benefits paid	(1.08)	(0.35)
<b>Closing Fair Value on Plan Assets</b>	<b>22.44</b>	<b>19.01</b>
<b>(V) Actual Return on Plan Assets [Assets consist of funds maintained with LIC for gratuity scheme]</b>	1.70	1.50
<b>(VI) Category of Plan Assets</b>		
Fund with LIC	24.97	19.01
Less : Fund awaiting transfer from LIC [Refer (X) below]	(2.53)	-
<b>Total</b>	<b>22.44</b>	<b>19.01</b>
<b>(VII) Principal Actuarial Assumption Used</b>		
Discount Rates	8.00%	8.00%
Expected Return on Plan Assets	9.25%	8.00%
Expected Salary increase rates	5.00%	4.50%
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Mortality Rates	LIC (1994-96) mortality tables	LIC (1994-96) mortality tables
<b>(VIII) Investment Details of Plan Assets (% allocation)</b>		
Insurer managed funds	100%	100%

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

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

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

The contribution expected to be made by the Company for the year ending 31 March 2014 cannot be readily ascertainable and therefore not disclosed.

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
<b>(IX) Experience Adjustment</b>					
Present Value of Defined Benefit Obligation as at end of the year	16.64	15.26	11.47	8.36	6.50
Fair Value of Plan Assets as at end of the year	22.44	19.01	16.34	12.47	9.29
Surplus / (Deficit) as at end of the year	(5.80)	(3.75)	(4.87)	(4.11)	(2.79)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	(2.21)	(0.67)	Not available		
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.01)	0.09			

- (X) The Company has transferred 132 of its employees along with the related present value of Gratuity Fund Obligations and plan assets as on the date of transfer to VISA SunCoke Limited (VSCL), its subsidiary Company, pursuant to the Business Transfer agreement dated 20 November 2012 as indicated in Note 34 and has advised LICI (the fund manager) to effect the transfer of related equitable interest (Plan Asset) amounting to Rs.2.53 Million from its Gratuity Fund to the VSCL's Gratuity Fund, also maintained with LICI. Such transfer is awaited since the Trust for the employees of VSCL has not been formed as on 31 March 2013.

	Year ended 31 March 2013	Year ended 31 March 2012
<b>30 FINANCE COSTS</b>		
Interest Expense	735.92	745.07
Other Borrowing Costs	522.89	720.42
	<b>1,258.81</b>	<b>1,465.49</b>

The amount of finance cost capitalized for qualifying assets during the year ended 31 March 2013 is Rs.1,618.95 Million (31 March 2012 : Rs.1,335.64 Million)

	Year ended 31 March 2013	Year ended 31 March 2012
<b>31 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and Amortization expense on Tangible Assets	519.15	382.57
Amortization expense of Intangible Assets	5.63	3.05
	<b>524.77</b>	<b>385.62</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>32 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	189.00	195.24
Power and Fuel	119.07	28.53
Rent	7.89	12.55
Repairs to Buildings	5.37	2.52
Repairs to Machinery	44.57	30.94
Insurance Expenses	19.92	22.01
Rates and Taxes, excluding taxes on income	41.95	35.91
Material Handling Expenses	57.61	165.61
Freight and Selling Expenses	122.45	174.96
Provision for Doubtful Debts	160.25	3.45
Provision for Doubtful Advances	-	6.34
Miscellaneous Expenses	149.19	265.10
	<b>917.27</b>	<b>943.16</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 33 EXCEPTIONAL ITEMS

In view of high volatility in the value of Indian Rupee against USD and other foreign currencies, the Company has incurred loss arising out of the re-instatement of foreign currency monetary items. Total such forex loss amounting to Rs.142.66 Million [31 March 2012 : (Rs.33.06 Million)] for continuing operation and forex loss amounting to Rs. 254.71 Million (31 March 2012 : Rs. 650.33 Million) for discontinuing operations (Refer Note 34) has been considered as an exceptional item.

Further pursuant to the Share Purchase and Subscription Agreement executed between the Company, VISA SunCoke Limited, Kalinganagar Metcoke Private Limited (KMPL), a wholly owned subsidiary and SunCoke Europe Holding BV (SunCoke B.V) on 20 November 2012, the Company has sold the investment in VISA SunCoke Limited, a subsidiary, to SunCoke B.V. Profit on such sale of Investment amounting to Rs.1,762.70 Million (31 March 2012 : Nil) has been considered as an exceptional item.

## 34 DISCONTINUING OPERATIONS

On 18 October 2012, the Board of Directors of the Company had approved the plan to sale the Company's business of manufacturing and sale of metallurgical coke and the associated steam generated unit (the Coke Business) located at Kalinganagar Industrial Complex, Odisha by way of slump sale on a going concern basis to VISA SunCoke Limited (formerly VISA Coke Limited) and intimated the same to the Stock Exchanges. After obtaining necessary approvals, pursuant to the Business Transfer Agreement (BTA) dated 20 November 2012 between the Company and VISA SunCoke Limited (VSCL), the Company has transferred its Coke Business by way of a slump sale on a going concern basis with effect from 18 March 2013 for a lumpsum consideration of Rs.1,800.00 Million. Accordingly, the approved Coke Business has been considered as a discontinuing operations.

The operating activities of the Company's discontinued operation are summarised as follows:

- (a) The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation :

	Year ended 31 March 2013	Year ended 31 March 2012
<b>Revenue</b>		
Revenue from operations (Net)	5,033.08	5,715.59
Other income	86.36	89.54
<b>Total Revenue</b>	<b>5,119.44</b>	<b>5,805.13</b>
<b>Expenses</b>		
Cost of Materials Consumed	4,305.91	5,816.36
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	369.25	309.79
Employee Benefits Expense	60.71	51.92
Finance Costs	425.21	431.19
Depreciation and Amortization Expense	121.29	125.90
Other Expenses	166.94	164.56
<b>Total Expenses</b>	<b>5,449.31</b>	<b>6,899.72</b>
<b>(Loss) / Profit before exceptional and extraordinary items and tax</b>	<b>(329.87)</b>	<b>(1,094.59)</b>
Exceptional items (Refer Note 33)	(254.71)	(650.33)
<b>(Loss) / Profit form discontinuing operations before tax</b>	<b>(584.58)</b>	<b>(1,744.92)</b>
Tax Expenses of discontinuing operations	-	-
<b>Operating (Loss) / Profit form discontinuing operations after tax</b>	<b>(584.58)</b>	<b>(1,744.92)</b>
Profit on Disposal of Assets and Liabilities of Discontinuing Operation	124.28	-
<b>(Loss) / Profit form discontinuing operations, net of tax</b>	<b>(460.30)</b>	<b>(1,744.92)</b>

- (b) The Net Cash Flows attributable to the discontinuing operations are as follows :

	Year ended 31 March 2013	Year ended 31 March 2012
Operating Activities	(124.45)	(1,277.36)
Investing Activities	86.36	89.53
Financing Activities	(425.20)	(431.19)
<b>Net Cash Inflows / (Outflows)</b>	<b>(463.29)</b>	<b>(1,619.02)</b>

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

(c) The carrying amounts of the total assets and liabilities disposed off on 17 March 2013 are follows :

	As at 17 March 2013	As at 31 March 2012
Tangible Assets	1,675.72	1,788.39
Current Assets	90.09	1,445.40
Current Liabilities	90.09	1,445.40

	Year ended 31 March 2013		Year ended 31 March 2012	
	%	Value	%	Value
<b>35 VALUE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIALS</b>				
<b>(a) Value of Indigenous and Imported Raw Materials Consumption</b>				
For Continuing Operations				
Indigenous	79.74%	2,141.92	82.87%	3,783.25
Imported	20.26%	544.25	17.13%	782.20
	<b>100.00%</b>	<b>2,686.17</b>	<b>100.00%</b>	<b>4,565.45</b>
For Discontinuing Operations				
Indigenous	0.08%	3.24	-	-
Imported	99.92%	4,302.67	100.00%	5,816.36
	<b>100.00%</b>	<b>4,305.91</b>	<b>100.00%</b>	<b>5,816.36</b>
<b>(b) Stores and Spares Consumed</b>				
For Continuing Operations				
Indigenous	100.00%	189.00	100.00%	195.24
Imported	-	-	-	-
	<b>100.00%</b>	<b>189.00</b>	<b>100.00%</b>	<b>195.24</b>
For Discontinuing Operations				
Indigenous	99.65%	36.95	94.50%	53.98
Imported	0.35%	0.13	5.50%	3.14
	<b>100.00%</b>	<b>37.08</b>	<b>100.00%</b>	<b>57.12</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>36 C.I.F VALUE OF IMPORTS</b>		
For Continuing Operations		
Raw Materials	318.85	85.89
Finished Goods	606.47	1,336.37
Capital Goods	33.58	147.03
	<b>958.90</b>	<b>1,569.29</b>
For Discontinuing Operations		
Raw Materials	2,115.44	3,546.85
Finished Goods	-	-
Capital Goods	-	0.08
	<b>2,115.44</b>	<b>3,546.93</b>



# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>37 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF</b>		
For Continuing Operations		
Foreign Travel	4.58	5.30
Interest	64.13	85.66
Other Matters	50.88	7.78
	<b>119.59</b>	<b>98.74</b>
For Discontinuing Operations		
Foreign Travel	-	-
Interest	41.55	51.84
Other Matters	155.35	-
	<b>196.90</b>	<b>51.84</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>38 EARNING IN FOREIGN CURRENCY</b>		
For Continuing Operations		
Export of goods calculated on F.O.B. basis	1,718.24	808.82
For Discontinuing Operations		
Export of goods calculated on F.O.B. basis	-	-

	Year ended 31 March 2013	Year ended 31 March 2012
<b>39 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITOR</b>		
<b>As Auditors</b>		
Audit Fees	1.25	1.25
Tax Audit Fees	0.15	0.15
Other Services	1.28	1.07
Re-imbursement of expenses	0.12	0.07
	<b>2.80</b>	<b>2.54</b>

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>40 EARNING / (LOSS) PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. (Loss) / Profit after tax	(910.39)	(1,188.54)
b. (i) Number of Equity Shares at the beginning of the year	110,000,000	110,000,000
(ii) Number of Equity Shares at the end of the year	110,000,000	110,000,000
(iii) Weighted average number of Equity Shares outstanding during the year	110,000,000	110,000,000
(iv) Face Value of each Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per Share [a / (b(iii))] (Rs.)	(8.28)	(10.80)
<b>(II) Diluted</b>		
a. Weighted average number of Equity Shares for computing diluted earnings per share	110,000,000	110,006,964
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	(8.28)	(10.80)

### 41 SHARE - BASED COMPENSATION

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

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

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

#### Movement of Options Granted

The movement of the options for the year ended 31 March 2013 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices (Rs.)	Weighted Average	
			Exercise Price (Rs.)	Remaining Contractual Years
Outstanding at the beginning of the year	773,125	46.30	46.30	5
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	137,494	46.30	46.30	-
Outstanding at the end of the year	635,631	46.30	46.30	4
Exercisable at the end of the year	315,631			1 Year and 10 Months

During the year total 155,631 number of Options were vested.

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## Fair Valuation:

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

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

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

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(910.39)</b>	<b>(1,188.54)</b>
Less : Compensation cost under ESOP as per Fair Value	1.61	7.10
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(912.00)</b>	<b>(1,195.64)</b>
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.01
Face Value of Equity Shares	10.00	10.00
<b>Reported Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(8.28)	(10.80)
Diluted EPS (in Rs.)	(8.28)	(10.80)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(8.29)	(10.87)
Diluted EPS (in Rs.)	(8.29)	(10.87)

		As at 31 March 2013		As at 31 March 2012	
42 DETAILS OF FOREIGN CURRENCY EXPOSURE	Currency (In Million)	Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
<b>Unhedged Portion as at Balance Sheet Date</b>					
a) Trade Receivable	USD	0.81	44.12	0.83	42.32
b) Trade Payable	USD	25.17	1,368.89	81.08	4,147.82
	EURO	0.83	58.05	15.01	1,025.47
c) Short-Term Finance	USD	-	-	3.26	166.68
<b>Hedged by Forward Contracts as at Balance Sheet Date</b>					
a) Trade Payable	USD	-	-	2.20	111.54
	EURO	-	-	1.15	79.87

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

### 43 INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 ON SEGMENT REPORTING

As the Company's business activity falls within and is organised as a single business segment, viz. "Iron & Steel products", the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006, on primary segment, are not applicable. However, the Company has its customer in India as well as outside India and thus segment information based on the Geographical Location of its customer is as follows:

Particulars	31 March 2013		31 March 2012	
	India	Outside India	India	Outside India
Revenue (Net of Excise Duty)	8,477.60	1,713.06	12,853.09	805.97
Total Assets	29,426.25	44.12	31,565.13	42.32
Capital Expenditure	2,806.21	-	4,911.37	-

- 44 The Company has incurred a net loss of Rs.910.39 Million (31 March 2012 : Rs.1,185.54 Million) during the year ended 31 March 2013 and the year end current liabilities exceeded current assets by Rs.4,479.74 Million (31 March 2012 : Rs.15,111.77 Million). The Company's financial Performance has been adversely affected mainly due to non availability of raw materials, increasing material costs, high finance cost and volatile foreign exchange.

During the year, the Company had been referred to Corporate Debt Restructuring (CDR) cell for restructuring of its debts to overcome inter alia the impact of losses due to high interest costs and to improve cash flows. The CDR Cell vide letter dated 27 September 2012 has approved a package whereby major part of short term borrowings have been converted into long term borrowings with extended repayment schedule and reduced the interest rates and fresh line of credit has also been sanctioned. The Company has also infused funds amounting to Rs.3,425.00 Million by way of sale of investment and sale of coke business. Further, with the resumption of supplies of iron ore from OMC and other sources, the Company has taken steps to operate its Blast Furnance, Steel Melting Shop and Bar & Wire Rod Mill during 2013-14.

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

### 45 INVESTMENT IN JOINT VENTURE

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

Name of Joint Venture	Country of Incorporation	Proportion of Ownership Interest	
		As at 31 March 2013	As at 31 March 2012
VISA Urban Infra Limited	India	26.00 %	26.00 %

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

	31 March 2013	31 March 2012
a) Assets	18.73	14.90
b) Liabilities	8.81	4.94
c) Income	0.01	-
d) Expenses	0.04	0.04

### 46 OPERATING LEASES

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

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>With respect to all operating lease</b>		
Lease payments recognised in the statement of profit and loss during the year (Total of such operating lease amounting to Rs.2.62 Million (31 March 2012 : Rs.1.05 Million) for discontinuing operation).	10.51	4.23

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

	As at 31 March 2013	As at 31 March 2012
<b>Loans and advances in the nature of loans to subsidiaries and associates</b>		
Loan to subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Maximum amount outstanding at any time during the year	2.50	2.50

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

Related Parties	Name of the Related Parties
<b>(i) Where Control Exists</b>	
Holding Company	VISA Infrastructure Limited
Subsidiaries	Ghotaringa Minerals Limited
	VISA BAO Limited
	VISA Special Steel Limited
	Kalinganagar Metcoke Private Limited (Amalgamated with VISA Steel Limited with effect from 31 March 2013)
	VISA SunCoke Limited (Formerly VISA Coke Limited)
<b>(ii) Others</b>	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA International Limited
Fellow Subsidiaries	VISA Resources India Limited
	VISA Power Limited
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Prabir Ramendralal Bose (Deputy Managing Director up to 11 December 2012)
	Mr. Pankaj Gautam (Joint Managing Director & CEO w.e.f. 12 December 2012)
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal
	Mr. Vikas Agarwal
	Mr. Vivek Agarwal
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources PTE Limited
	VISA Bulk Shipping PTE Limited

## Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

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

Nature of Transactions	Name of the Related Parties	Year ended 31 March 2013	Year ended 31 March 2012
Rent Paid	VISA International Limited	4.11	7.21
	VISA Infrastructure Limited	3.82	4.23
Purchase of Goods	VISA Resources India Limited	662.50	3,474.04
	VISA Resources PTE Limited	524.46	-
Sale of Goods	VISA Resources India Limited	526.60	1,839.55
	VISA Infrastructure Limited	65.03	-
Freight	VISA Bulk Shipping Pte Limited	302.26	622.91
	VISA Resources India Limited	-	29.95
Purchase of Fixed Assets	VISA Resources India Limited	-	5.42
Sale of Business	VISA SunCoke Limited	1,800.00	-
Hire Charges	VISA Resources India Limited	14.57	16.08
Commission	VISA Infrastructure Limited	0.15	-
Professional Fees	VISA Infrastructure Limited	-	13.24
Interest Income	Ghotaringa Minerals Limited	0.28	0.28
Shared Service Fees	VISA SunCoke Limited	5.11	-
Finance Cost	VISA Power Limited	24.67	17.50
	VISA Infrastructure Limited	49.39	20.12
	VISA Resources India Limited	-	67.04
	VISA International Limited	14.73	-
Travelling Expenses	VISA Aviation Limited	-	71.71
Sitting Fees	Mrs. Saroj Agarwal	-	0.04
	Mr. Vikas Agarwal	-	0.16
Remuneration	Mr. Vishambhar Saran	6.93	4.48
	Mr. Vishal Agarwal	6.59	4.15
	Mr. B.P. Modi	-	2.79
Investment made	Kalinganagar Metcoke Private Limited	137.70	-
Purchase of Shares from Holding Company	VISA Infrastructure Limited	1.40	-
Sale of Fixed assets	VISA Power Limited	0.99	-
Reimbursement of Expenses (Net)	VISA Infrastructure Limited	-	9.17
	VISA BAO Limited	28.20	4.35
	VISA Resources India Limited	108.83	24.10
Advance Received	VISA Resources India Limited	531.69	2,581.17
Advance Paid against Expenses	VISA Infrastructure Limited	26.38	-
Received Advance towards facility sharing	VISA BAO Limited	-	393.60
Refund of Deposits	VISA International Limited	-	4.50
Unsecured Loan Repaid	VISA Infrastructure Limited	506.40	-
	VISA Power Limited	250.00	-
Unsecured Loan taken	VISA Infrastructure Limited	-	506.40
	VISA International Limited	500.00	-



# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

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

Nature of Transaction	31 March 2013							31 March 2012						
	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Holding Company	Subsidiary Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Paid	3.82	-	-	4.11	-	-	-	4.23	-	-	7.21	-	-	-
Hire Charges	-	-	14.57	-	-	-	-	-	-	16.08	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	13.24	-	-	-	-	-	-
Purchase of Goods	-	-	662.50	-	-	-	524.46	-	-	3,474.04	-	-	-	338.16
Sale of Goods	65.03	3.79	526.60	-	-	-	-	0.28	-	1,839.55	191.45	-	-	-
Freight	-	-	29.55	-	-	-	322.78	-	-	29.95	-	-	-	622.91
Commission	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared Service Fees	-	5.11	-	-	-	-	-	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	71.71
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	5.42	-	-	-	-
Sale of Fixed Assets	-	-	0.99	-	-	-	-	-	-	-	-	-	-	-
Sale of Business	-	1,800.00	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	0.28	-	-	-	-	-	-	0.28	-	-	-	-	-
Finance Cost	49.39	-	24.67	14.73	-	-	-	20.12	-	84.54	-	-	-	-
Investment made	-	143.20	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Shares from Holding Company	1.40	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-imbursement of Expenses (Net)	2.14	19.39	107.16	0.33	-	-	5.87	9.17	4.35	23.04	0.07	-	-	0.13
Unsecured Loan Taken	-	-	-	500.00	-	-	-	506.40	-	-	-	-	-	-
Unsecured Loan Repaid	506.40	-	250.00	-	-	-	-	-	-	-	-	-	-	-
Advance Received	-	-	531.69	-	-	-	-	-	-	2,581.17	-	-	-	-
Advance Paid	26.38	-	-	-	-	-	-	-	-	-	-	-	-	-
Received Advance towards facility sharing	-	-	-	-	-	-	-	-	393.60	-	-	-	-	-
Refund of Deposits	-	-	-	-	-	-	-	-	-	-	4.50	-	-	-
Remuneration	-	-	-	-	13.52	-	-	-	-	-	-	11.42	-	-
Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	0.20	-
Outstanding at closing														
Receivable	352.05	94.89	-	8.00	67.65	-	1.37	-	-	-	7.89	34.03	0.60	-
Payable	-	817.31	2,204.04	513.25	-	-	486.22	198.52	786.85	4,125.26	-	-	-	781.21

# Notes to Financial Statements

All amount in Rs. Million, unless otherwise stated

## 49 AMALGAMATION OF SUBSIDIARY COMPANY

- (a) Pursuant to a Scheme of Amalgamation filed under Section 391 to 394 of the Companies Act, 1956 by Kalinganagar Metcoke Private Limited (KMPL), a wholly owned subsidiary of the Company ("the Scheme") which has been duly sanctioned by the Hon'ble High Court of Judicature at Orissa ("the High Court"), vide its Order dated 6 September 2013, the whole of the undertaking of KMPL including its all assets, investments, properties and liabilities have been transferred to and vested in the Company, as a going concern, with effect from 31 March 2013 ("the Appointed Date"). Certified copies of the said Order of the High Court sanctioning the Scheme have been filed with the Registrar of Companies, Orissa on 23 September 2013 (the "Effective Date"). Accordingly the Scheme became effective on 23 September 2013. KMPL was incorporated with the objective of manufacturing and dealing in coal, coke and related products.

The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 (AS-14) on "Accounting for Amalgamation" notified under the Companies (Accounting Standards) Rules, 2006. In accordance with the Scheme, the assets and liabilities of KMPL have been taken over and recorded at their fair values as determined by the Board of Directors of the Company and the net difference amounting Rs.3,761.16 Million [Refer Note 4] between the fair value of such assets and liabilities transferred to the Company after adjusting the Company's investment in the Equity Share Capital of KMPL as appearing in the books of the Company and all inter company balances have been credited to General Reserve. Further KMPL being a wholly owned subsidiary of the Company no shares of the Company has been issued and allotted in lieu of exchange of company's holding in the KMPL, which stood cancelled.

Had the Scheme not prescribed the above accounting treatment, the amount transferred to General Reserve (arising pursuant to the Scheme as aforementioned) would have been credited to Capital Reserve in keeping with the requirement of AS-14.

- (b) After giving effect to the Scheme, the year end General Reserve [Refer Note 4] represents free reserve not held for any specific purpose, other than to the extent of Rs. 3,761.16 Million (31 March 2012 : Nil) which has arisen on amalgamation as indicated in (a) above.
- (c) The Scheme as referred in (a) above, was pending sanction of the High Court as on 29 May 2013, the date on which Company's financial statements were approved by the Board of Directors and audited by the Statutory Auditors. However, consequent upon the Scheme having become effective and the vesting of whole of the undertaking of KMPL in the Company with effect from the Appointed Date, as indicated in (a) above, these financial statements have now been revised to give effect to the Scheme.

## 50 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013

# Independent Auditors' Report

(This Report Supersedes our Report dated May 29, 2013)

## To the Board of Directors of VISA Steel Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of VISA Steel Limited ("the Company") and its subsidiaries, its jointly controlled entity; hereinafter referred to as the "Group" (refer Note 2.2(vi) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31 March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## OTHER MATTER

8. We did not audit the financial statements of two subsidiaries and one jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs 32.31 Million and net assets of Rs. 28.37 Million as at 31 March 2013, total revenue of Rs. 0.05 Million, net profit/ net loss of Rs. (0.96) Million and net cash flows amounting to Rs.1.19 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

**P. Law**  
Partner  
Membership Number: 51790

Kolkata

Date: May 29, 2013, except as to Note 40 to the financial statements, which is as of 1 October 2013

# Consolidated Balance Sheet as at 31 March 2013

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2013	As at 31 March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	1,108.61	1,276.53
		2,208.61	2,376.53
<b>Minority Interest</b>		1,304.02	337.00
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	22,470.87	9,838.53
Deferred Tax Liabilities (Net)	6	74.90	0.15
Other Long-term Liabilities	7	8.80	337.70
Long-term Provisions	8	11.24	10.99
		22,565.81	10,187.37
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,005.38	2,808.39
Trade Payables	10	3,631.98	9,353.84
Other Current Liabilities	11	3,652.64	9,092.99
Short-term Provisions	12	20.78	53.79
		8,310.78	21,309.01
<b>Total</b>		<b>34,389.22</b>	<b>34,209.91</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	13 A	11,344.54	7,810.89
Intangible Assets	13 B	14.46	11.31
Capital Work-in-progress	13 C	18,108.48	18,934.63
		29,467.48	26,756.83
Long-term Loans and Advances	14	976.89	1,207.36
Other Non-current Assets	15	31.18	93.98
		30,475.55	28,058.17
<b>Current Assets</b>			
Inventories	16	1,505.48	3,525.07
Trade Receivables	17	608.00	515.81
Cash and Bank Balances	18	419.78	989.77
Short-term Loans and Advances	19	1,291.76	1,071.24
Other Current Assets	20	88.65	49.85
		3,913.67	6,151.74
<b>Total</b>		<b>34,389.22</b>	<b>34,209.91</b>

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 Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013

# Consolidated Statement of Profit and Loss for the year ended 31 March 2013

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2013	Year ended 31 March 2012
<b>INCOME</b>			
Revenue from Operations (Gross)	23	10,844.40	14,438.70
Less: Excise duty		651.97	779.65
Revenue from Operations (Net)		10,192.43	13,659.05
Other income	24	251.24	262.48
<b>I. Total revenue</b>		<b>10,443.67</b>	<b>13,921.53</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	25	6,988.47	10,381.81
Purchases of Stock-in-Trade	26	696.07	2,441.33
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	27 A	1,355.89	(1,410.45)
Change in Job-in-Progress	27 B	(16.11)	-
Employee Benefits Expense	28	391.34	382.00
Finance Costs	29	1,684.37	1,896.68
Depreciation and Amortization Expense	30	652.08	511.93
Other Expenses	31	1,095.08	1,066.04
<b>II. Total expenses</b>		<b>12,847.19</b>	<b>15,269.34</b>
<b>III. Loss before Exceptional and Extraordinary Items and Tax</b>		<b>(2,403.52)</b>	<b>(1,347.81)</b>
<b>IV. Exceptional items</b>	32	1,365.33	(617.27)
<b>V. Loss before Extraordinary Items, Tax and Minority Interest</b>		<b>(1,038.19)</b>	<b>(1,965.08)</b>
<b>VI. Extraordinary Items</b>		-	-
<b>VII. Loss before Tax and Minority Interest</b>		<b>(1,038.19)</b>	<b>(1,965.08)</b>
<b>VIII. Tax Expense</b>			
Current tax		-	-
MAT credit entitlement		-	(179.30)
Net Current Tax		-	(179.30)
Deferred tax		74.74	(597.00)
Current Tax Adjustment in respect of earlier years		0.07	(0.01)
<b>IX. Loss for the period after Tax before Minority Interest</b>		<b>(1,113.00)</b>	<b>(1,188.77)</b>
<b>X. Minority Interest</b>		<b>(37.28)</b>	<b>0.02</b>
<b>XI. Loss for the period</b>		<b>(1,075.72)</b>	<b>(1,188.79)</b>
<b>XII. Earning per Equity Share (Nominal Value per Share of Rs.10 each)</b>	33		
Basic (Rs.)		(9.78)	(10.81)
Diluted (Rs.)		(9.78)	(10.81)

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

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790

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

**Subhra Giri**  
Company Secretary

Place: Kolkata  
Date: 1 October 2013

Place: Kolkata  
Date: 1 October 2013

# Consolidated Cash Flow Statement for the year ended 31 March 2013

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax	(1,038.19)	(1,965.08)
Adjusted for :		
Depreciation and Amortization	652.08	511.93
Finance Cost	1,684.37	1,896.68
Interest Income	(178.18)	(242.41)
Provision for Bad and Doubtful Debts	160.25	3.45
Provision for Doubtful Advances	-	6.34
Liabilities no longer required written back	(53.22)	-
Provision for Doubtful Debts/ Advances written back	(3.26)	(42.36)
Net (Gain) / Loss from sale of Investments	(1,762.70)	-
(Profit) / Loss on sale of Fixed Assets	0.05	(8.25)
Unrealised Forex Loss / (Gain) [Net]	(456.22)	574.98
<b>Operating (Loss) / Profit before working capital changes</b>	<b>(995.02)</b>	<b>735.28</b>
Adjustments for changes in working capital		
(Increase) / Decrease in Trade and Other Receivables	(930.26)	(56.90)
(Increase) / Decrease in Inventories	2,019.57	431.73
Increase / (Decrease) in Trade and Other Payables	(5,655.61)	4,366.48
<b>Cash generated from (used in) Operations</b>	<b>(5,561.32)</b>	<b>5,476.59</b>
Direct Taxes paid	(18.85)	(51.65)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(5,580.17)</b>	<b>5,424.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Capital Work in Progress	(2,765.95)	(6,510.15)
(Increase) / Decrease in Capital Advances	269.45	40.55
Proceeds from Sale of Fixed Assets	1.36	10.36
Investment in Subsidiary Companies	(4.80)	-
Proceeds from Sale of Investments in a Subsidiary	1,767.50	-
Release of Margin Money Account	645.69	(171.39)
Interest received	184.16	232.28
<b>Net cash from / (used in) Investing Activities</b>	<b>97.41</b>	<b>(6,398.35)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares to Minority Shareholders	1,912.30	-
Proceeds from Long Term Borrowings	10,262.51	2,843.56
Repayment of Long Term Borrowings	(3,024.37)	(1,713.38)
(Repayment)/Proceeds of Short Term Borrowings	(1,786.34)	1,118.23
(Increase) / Decrease in Earmarked Accounts	(0.01)	(0.19)
Dividend paid	-	(110.00)
Dividend Tax paid	-	(17.84)
Finance Cost paid	(1,868.98)	(1,649.03)
Advance received from related party	-	341.05
<b>Net Cash from Financing Activities</b>	<b>5,495.11</b>	<b>812.40</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>12.35</b>	<b>(161.01)</b>



# Consolidated Cash Flow Statement for the year ended 31 March 2013

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>D. CASH AND CASH EQUIVALENTS</b>		
Net Increase / (Decrease) in Cash and Cash Equivalents	<b>12.35</b>	<b>(161.01)</b>
Cash and Cash Equivalents as on 1 April	234.04	395.05
<b>Cash and Cash Equivalents as at 31 March</b>	<b>246.39</b>	<b>234.04</b>

Notes:

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

	As at 31 March 2013	As at 31 March 2012
Balance with Banks in		
Current Account	71.42	208.64
Demand Deposits with maturity less than 3 months	174.14	24.61
Cash on hand	0.63	0.76
Share of Joint Venture [Refer Note 2.2]	0.20	0.03
<b>Cash &amp; Cash Equivalents</b>	<b>246.39</b>	<b>234.04</b>

(b) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by The Institute of Chartered Accountants of India.

(c) Finance Costs includes borrowing cost capitalized.

(d) Refer Note 41.

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790  
Place: Kolkata  
Date: 1 October 2013

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

**Subhra Giri**  
Company Secretary  
Place: Kolkata  
Date: 1 October 2013

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

## 1. GENERAL INFORMATION

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

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

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

VISA Steel Limited holds 100 % stake in VISA Special Steel Limited which has been incorporated on 27 July 2012 to deal with the Special Steel business.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and also to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended].

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

### 2.2 Basis of Consolidation

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

The Consolidated Financial Statements are prepared on the following basis:

- (i) The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profit or losses thereon have been fully eliminated.
- (ii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
- (iii) The financial statements of the subsidiaries and joint venture used in the consolidation are drawn up to the same reporting date as that of the Parent Company.
- (iv) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parents portion of equity of the subsidiaries at the date of acquisition is recognised as "Goodwill".
- (v) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration :
  - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
  - The minorities' share of movement in equity since the date parent - subsidiary relationship came into existence.
  - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity is made against the majority interest.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (vi) Investement in Joint Venture (i.e., jointly controlled entity) is accounted for using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is reported as separate line items in the financial statements.

- (vi) The subsidiary companies and joint venture considered in the Consolidated financial statements are:

	Country of Incorporation	Proportion of ownership interest as at 31 March 2013 [Including Beneficial Interest]	Proportion of ownership interest as at 31 March 2012 [Including Beneficial Interest]
<b>Subsidiaries considered for consolidation :</b>			
VISA BAO Limited	India	65 %	65 %
Ghotaringa Minerals Limited	India	89 %	89 %
VISA Special Steel Limited	India	100 %	NA
VISA SunCoke Limited (formerly known as VISA Coke Limited)	India	51 %	NA
<b>Joint Venture considered for consolidation :</b>			
VISA Urban Infra Limited	India	26 %	26 %

### 2.3 Fixed Assets

#### (a) Tangible Assets

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

#### (b) Intangible Assets

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

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

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

#### (d) Depreciation and Amortization

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

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

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (iv) In case of VSCL, depreciation is provided on a pro rata basis under SLM at the following rates which are different from those applied by the Parent Company :

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

### 2.4 Impairment Loss

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

### 2.5 Borrowing Cost

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

### 2.6 Inventories

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

### 2.7 Revenue Recognition

- (i) Sale of Goods: Sales are recognised when the substantial risks and reward of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes, VAT but including excise duties.
- (ii) Sale of Services: Revenue from Services (Conversion Jobs) is recognised upon performance of the service under the completed service contract method.

All direct costs and related conversion overheads relating to jobs in respect of which rendering of service has not been completed within the accounting period, are recorded as "Job-in-Progress" and carried at lower of cost and net realisable value. Job-in-Progress is disclosed under Other Current Assets.

- (iii) Other items are recognised on accrual basis.

### 2.8 Other Income

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

### 2.9 Transactions in Foreign Currencies

#### (i) Initial Recognition

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

#### (ii) Subsequent Recognition

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

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

- (a) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset / liability.

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

## (iii) Forward Exchange Contracts

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

## 2.10 Employee Benefits

### (i) Short-term Employee Benefits

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

### (ii) Post Employment Benefit Plans

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

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

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

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

## 2.11 Taxes on Income

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

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

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

## 2.12 Provisions and Contingent Liabilities

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

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

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

### 2.13 Leases

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

### 2.14 Cash and Cash Equivalents

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

### 2.15 Earnings per Share

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

	As at 31 March 2013	As at 31 March 2012
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
160,000,000 (31 March 2012 : 160,000,000) Equity Shares of Rs.10/- each	1,600.00	1,600.00
<b>Issued, Subscribed and Paid-up</b>		
110,000,000 Equity Shares (31 March 2012 : 110,000,000) of Rs.10/- each fully paid up	1,100.00	1,100.00

	As at 31 March 2013	As at 31 March 2012
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>11.19</b>	<b>11.19</b>
<b>Securities Premium Reserve</b>		
Balance as at the beginning of the year	1,645.00	1,645.00
Add/Less : Transfers	907.80	-
<b>Balance as at the end of the year</b>	<b>2,552.80</b>	<b>1,645.00</b>
<b>General Reserve [Refer (a) below]</b>	<b>91.76</b>	<b>91.76</b>
<b>(Deficit) / Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(471.42)	717.37
Net Loss after Tax transferred from Statement of Profit and Loss	(1,075.72)	(1,188.79)
<b>Balance as at the end of the year</b>	<b>(1,547.14)</b>	<b>(471.42)</b>
<b>Total</b>	<b>1,108.61</b>	<b>1,276.53</b>

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



# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>5 LONG-TERM BORROWINGS</b>						
<b>Secured</b>						
<b>Term Loans including SMCF</b>						
From Banks	18,199.55	8,234.92	2.72	3,270.25	18,202.27	11,505.17
From Other Parties	628.78	431.25	-	140.58	628.78	571.83
<b>Working Capital Term Loans</b>						
From Banks	1,467.36	-	0.78	-	1,468.14	-
From Other Parties	32.38	-	-	-	32.38	-
<b>Funded Interest Term Loans</b>						
From Banks	1,107.97	-	-	-	1,107.97	-
From Other Parties	61.50	-	-	-	61.50	-
<b>Equipment and Vehicle Term Loans</b>						
From Banks	9.16	29.71	21.82	46.83	30.98	76.54
From Other Parties	23.85	86.25	67.11	127.64	90.96	213.89
<b>Term Loans from Other Parties</b>	440.32	300.00	-	-	440.32	300.00
	21,970.87	9,082.13	92.43	3,585.30	22,063.30	12,667.43
<b>Unsecured</b>						
Loans from Related Parties	500.00	756.40	-	-	500.00	756.40
	<b>22,470.87</b>	<b>9,838.53</b>	<b>92.43</b>	<b>3,585.30</b>	<b>22,563.30</b>	<b>13,423.83</b>
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(92.43)	(3,585.30)	(92.43)	(3,585.30)
	<b>22,470.87</b>	<b>9,838.53</b>	<b>-</b>	<b>-</b>	<b>22,470.87</b>	<b>9,838.53</b>

## A. Debt Restructuring

During the year, the Parent Company has been referred by the lenders to the Corporate Debt Restructuring (CDR) Cell, a non statutory voluntary mechanism set up under the aegis of Reserve Bank of India and pursuant to that a Corporate Debt Restructuring Package (CDR Package) has been approved by the CDR Cell. Under CDR package, the Parent Company's debts were restructured / rescheduled and additional credit facilities have been sanctioned as set out in the Letter of Approval dated 27 September 2012. Accordingly Master Restructuring Agreement has been executed on 19 December 2012 between the Parent Company and the concerned lenders. The CDR Package includes reliefs / measures such as reduction in interest rates, funding of interest, rearrangement of securities etc.

## B. Detail of Securities

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

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

In terms of the CDR Package, loans (including those outstanding as on 1 March 2012) covered under this package reconstituted as Term loans, Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan [indicated in Note 9], including SMCF Loans which are secured as under :

- 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).
- First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, Odisha, Golagaon, Jajpur, Odisha, Raigarh, Chattisgarh and office premises of the Company at Bhubaneswar, Odisha.
- Pledge of Promoter's Shareholding of 51 % by 31 March 2014 and further Pledge upto 51 % of total equity of the Company by 31 March 2016.
- Pledge of Equity Shares equivalent to 51 % of the present shareholding of Ghotaringa Minerals Limited held by the Company and existing Equity Shares held by the Company in VISA Urban Infra Limited.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (e) Lien on all Bank Accounts including the Trust and Retention Account.
- (f) The Lenders of SMCF are having a second pari-passu charge on the Hypothecated assets and a second charge on the mortgaged assets of the Company.
- (g) SIDBI (exposure of Rs.76.40 Million as on 01 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

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

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

The total loan of Rs.1,820 Million is secured by :

- (a) Assignment of the right, on pari passu basis among the term lenders of the consortium, to receive the advance ('Advances for Infrastructure Development' estimated at Rs.786 Million as per project cost") from VISA Steel Ltd. under the Infrastructure Sharing Agreements between VISA Steel Limited & VBL for sharing the former's facilities by the latter, in case of termination of Infrastructure Sharing Agreements.
- (b) A first charge on pari passu basis to all the term lenders on all the immovable and moveable assets of VBL, created/ to be created/ acquired/ to be acquired in this Project (other than those assets which has been financed by the other lenders/financial institutions and specifically charged to them).
- (c) Hypothecation of plant and machinery, miscellaneous fixed assets and all other moveable fixed assets of VBL.
- (d) Equitable Mortgage of 50 acres of land along with the factory building and the super structures thereof, situated at Jakhapura Village, P.S. No, 197.
- (e) Collateral Security in the form of second charge on all the current assets of VBL, both present and future, ranking pari – passu basis to all the proposed Term Lenders.
- (f) Non Disposal Undertaking on 51 % of shares held by the Promoters in the VBL.

### ii. Equipment and Vehicle Term Loans

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

### iii. Other Term Loans from Other Parties

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

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 6 DEFERRED TAX LIABILITIES (NET)

The major components of the deferred tax Liabilities/(Assets) based on the tax effects of timing differences are as follows:

	As at 31 March 2013	As at 31 March 2012
<b>Deferred Tax Liabilities</b>		
Depreciation as per tax law and books	1,299.59	859.03
<b>(A)</b>	<b>1,299.59</b>	<b>859.03</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Tax Depreciation	(1,025.11)	(444.22)
Unabsorbed Business Loss Carried Forward	(128.02)	(375.64)
Provision for doubtful debts and advances	(59.66)	(8.73)
Disallowances allowable for tax purpose on payment	(11.50)	(10.55)
Provision for Stock	(0.23)	(19.64)
Others	(0.17)	(0.10)
<b>(B)</b>	<b>(1,224.69)</b>	<b>(858.88)</b>
<b>Deferred Tax Liabilities (Net) (A + B)</b>	<b>74.90</b>	<b>0.15</b>

	As at 31 March 2013	As at 31 March 2012
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Contractual obligation towards facility sharing	-	333.00
Add - Share of Joint Venture [Refer Note 2.2]	8.80	4.70
	<b>8.80</b>	<b>337.70</b>

	As at 31 March 2013	As at 31 March 2012
<b>8 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	11.24	10.99
	<b>11.24</b>	<b>10.99</b>

	As at 31 March 2013	As at 31 March 2012
<b>9 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer (a) below]	910.17	2,536.76
From Other Parties [Refer (a) below]	30.64	171.67
Other Working Capital Loan		
From Other Parties [Refer (b) below]	64.57	99.96
	<b>1,005.38</b>	<b>2,808.39</b>

(a) For details of securities, refer Note 5 B(i)

(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 Rs.76.40 Million (31 March 2012 : Rs.100.00 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.

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>10 TRADE PAYABLES</b>		
Due to Micro and Small Enterprises	42.48	57.29
Due to other than Micro and Small Enterprises	3,589.50	9,296.55
	<b>3,631.98</b>	<b>9,353.84</b>

	As at 31 March 2013	As at 31 March 2012
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note 5)	92.43	3,585.30
Interest accrued and due on borrowings	47.12	393.56
Interest accrued but not due on borrowings	6.52	18.12
Employee related liabilities	151.69	69.29
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	79.73	101.81
Share Refund Order account	0.32	0.32
Unclaimed Dividend	0.99	1.00
Advances from Customers	65.49	145.02
Advance from Fellow Subsidiary	2,187.78	2,581.17
Capital Creditors	819.05	1,959.53
Other liabilities	201.52	237.62
Add - Share of Joint Venture [Refer Note 2.2]	-	0.25
	<b>3,652.64</b>	<b>9,092.99</b>

	As at 31 March 2013	As at 31 March 2012
<b>12 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	20.78	53.79
	<b>20.78</b>	<b>53.79</b>

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

13 A	TANGIBLE ASSETS	Gross Block				Depreciation / Amortization			Net Block	
	Particulars	As at 1 April 2012	Additions during the year	Disposals / Adjustment during the Year	As at 31 March 2013	As at 1 April 2012	For the year	On Disposals / Adjustments during the Year	As at 31 March 2013	As at 31 March 2012
	<b>Owned</b>									
	Land- Freehold	13.56	0.04	-	13.60	-	-	-	13.60	13.56
	Land- Leasehold	178.37	37.22	-	215.59	12.95	3.18	-	199.46	165.42
	Buildings	1,002.11	1,030.02	-	2,032.13	109.81	41.35	-	1,880.97	892.30
	Plant and Equipment	8,288.35	3,107.79	58.95	11,337.19	1,846.83	556.11	34.18	2,368.76	6,441.52
	Furniture and Fixtures	84.23	0.67	0.20	84.70	18.12	4.85	0.05	22.92	66.11
	Vehicles	193.86	5.17	3.91	195.12	92.87	20.91	2.75	111.03	100.99
	Office Equipment	1.26	0.67	(58.64)	60.57	0.32	5.61	(34.03)	39.96	0.94
	<b>Leasehold (Jointly Held):</b>									
	Buildings	129.08	-	-	129.08	12.91	12.91	-	103.26	116.17
	Plant and Machinery	15.42	-	-	15.42	1.54	1.54	-	12.34	13.88
	<b>Total</b>	<b>9,906.24</b>	<b>4,181.58</b>	<b>4.42</b>	<b>14,083.40</b>	<b>2,095.35</b>	<b>646.46</b>	<b>2.95</b>	<b>2,738.86</b>	<b>7,810.89</b>
	<b>2011 -12</b>	<b>9,306.24</b>	<b>612.36</b>	<b>12.36</b>	<b>9,906.24</b>	<b>1,596.72</b>	<b>508.88</b>	<b>10.25</b>	<b>2,095.35</b>	<b>7,709.52</b>

13 B	INTANGIBLE ASSETS	Gross Block				Amortization			Net Block	
	Particulars	As at 1 April 2012	Additions during the year	Disposals / Adjustment during the Year	As at 31 March 2013	As at 1 April 2012	For the year	On Disposals / Adjustments during the Year	As at 31 March 2013	As at 31 March 2012
	Goodwill On consolidation	0.24	-	0.24	-	-	-	-	-	0.24
	Computer Software - Acquired	28.61	9.00	-	37.61	17.54	5.62	0.01	23.15	11.07
	<b>Total</b>	<b>28.85</b>	<b>9.00</b>	<b>0.24</b>	<b>37.61</b>	<b>17.54</b>	<b>5.62</b>	<b>0.01</b>	<b>23.15</b>	<b>11.31</b>
	<b>2011-12</b>	<b>17.26</b>	<b>11.59</b>	<b>-</b>	<b>28.85</b>	<b>14.49</b>	<b>3.05</b>	<b>-</b>	<b>17.54</b>	<b>2.77</b>

13 C	CAPITAL WORK-IN-PROGRESS	As at 31 March 2013	As at 31 March 2012
	Capital work-in-progress	18,090.22	18,919.94
	Add - Share of Joint Venture [Refer Note 2.2]	18.26	14.69
		<b>18,108.48</b>	<b>18,934.63</b>

Capital Work-in-Progress includes Exchange (Gain) / Loss capitalized during the year Rs.8.02 Million [31 March 2012 : Rs.156.29 Million] and borrowing cost for the year capitalized amounting to Rs.1,728.16 Million (31 March 2012 : Rs.1,379.02 Million).

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>14 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advance	114.30	390.02
Security Deposits	226.10	180.85
Loans & Advances to related parties		
Advances to Joint Venturer - Orissa Industries Limited	0.47	0.47
Security Deposit with Ultimate Holding Company: VISA Infrastructure Limited	261.50	261.50
Security Deposit with Enterprise having significant influence: VISA International Limited	8.00	8.00
Prepaid Expenses	59.48	59.48
MAT Credit Entitlement	307.04	307.04
	<b>976.89</b>	<b>1,207.36</b>

	As at 31 March 2013	As at 31 March 2012
<b>15 OTHER NON-CURRENT ASSETS</b>		
Margin Money with maturity more than 12 months	19.52	82.87
Unamortized Expenses - Prospecting Licence	11.66	11.11
	<b>31.18</b>	<b>93.98</b>

	As at 31 March 2013	As at 31 March 2012
<b>16 INVENTORIES</b> (Refer Note 2.6)		
Raw Materials	705.21	1,305.89
Work-In-Progress	56.44	75.25
Finished Goods	326.54	1,177.80
Stock-in-Trade	-	441.01
Stores and Spares parts	303.49	256.74
By-products	113.80	268.38
	<b>1,505.48</b>	<b>3,525.07</b>



# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>17 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	113.02	36.98
Considered Doubtful	162.22	5.14
Other Debts		
Considered Good [Refer (a) below]	494.98	478.83
	770.22	520.95
Less: Provision for Doubtful Debts	162.22	5.14
	<b>608.00</b>	<b>515.81</b>
<b>(a) Includes receivable from</b>		
Enterprise over which Relatives of Key Managerial Personnel having significant influence	1.37	1.28
Holding Company	33.52	15.73
	As at 31 March 2013	As at 31 March 2012
<b>18 CASH AND BANK BALANCES</b>		
<b>(i) Cash and Cash equivalents</b>		
Balance with Banks in		
Current Account	71.42	208.64
Demand Deposits with maturity less than 3 months	174.14	24.61
Cash on hand	0.63	0.76
	246.19	234.01
<b>(ii) Other Bank balances</b>		
Earmarked Accounts		
Share Refund Order Account	0.32	0.32
Unclaimed Dividend Account	0.99	1.00
Margin Money with Banks with maturities more than 3 months but less than 12 months	172.08	754.41
Add - Share of Joint Venture [Refer Note 2.2]	0.20	0.03
	173.59	755.76
<b>(i) + (ii)</b>	<b>419.78</b>	<b>989.77</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2013	As at 31 March 2012
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Earnest Money Deposits	2.00	-
Prepaid Expenses	40.52	142.57
Advances against Supply of goods and rendering services		
Considered Good	547.92	285.80
Considered Doubtful	13.87	13.95
Less: Provision for doubtful Advances	(13.87)	(13.95)
Loans and Advances to related parties		
Advances to Key Managerial Personnel	67.65	34.44
Advances to the Ultimate Holding Company	57.03	30.65
Advance Payment of Income Tax	171.48	152.67
[Net of Provision Rs.484.41 Million (31 March 2012 : Rs.484.36 Million)]		
Others taxes receivable / adjustable		
Considered Good	404.22	424.59
Considered Doubtful	7.80	7.80
Less: Provision for Other Taxes receivable / adjustable	(7.80)	(7.80)
Other Advances	0.74	0.42
Add - Share of Joint Venture [Refer Note 2.2]	0.20	0.10
	<b>1,291.76</b>	<b>1,071.24</b>

	As at 31 March 2013	As at 31 March 2012
<b>20 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Receivable from DGFT and Customs towards Export Incentive	44.50	16.74
Interest Accrued on Deposits	27.96	33.03
Job in Progress	16.11	-
Add - Share of Joint Venture [Refer Note 2.2]	0.08	0.08
	<b>88.65</b>	<b>49.85</b>

## 21 CONTINGENT LIABILITIES

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

- (i) In respect of a charter party dispute between VISA Comtrade (Asia) Limited (the "Charterer") and Transfield Shipping Inc., Panama, (the "Owner of the vessel - Prabhu Gopal") the said Owner of the vessel has filed a civil suit in the Hon'ble Calcutta High Court against the Parent Company and the charterer and claimed the relief for a decree for US\$ 0.30 Million to be expressed in Indian Currency at such rate of exchange and / or on such terms as the Court may deem fit and proper, Injunction, costs or other reliefs. The Parent Company has not accepted the claim as it was not a party to the said Agreement and the matter is subjudice. The Hon'ble Calcutta High Court passed interim orders dated 11 May 2005 and 20 June 2005, restraining the Parent Company and the Charterer from withdrawing any amount from a specified bank account without leaving a balance for a sum of Rs.12.50 Million, which has been set aside by the bank from the cash credit limit of the Parent Company. The Parent Company has been legally advised that the above interim order has been expired due to efflux of time and has not been extended by the Hon'ble Calcutta High Court.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (ii) Applications have been filed by the legal heirs of a deceased employee of the Parent Company, who died in a road accident while travelling in the Parent Company's vehicle for his personal work, claiming a compensation of Rs.6.10 Million (31 March 2012: Rs.6.10 Million) and interest @ 18% per annum. The Parent Company has contested the claim, which is currently pending before the Motor Accident Claims Tribunal, Bhubaneswar.

	As at 31 March 2013	As at 31 March 2012
<b>(b) Other money for which the Group is contingently liable</b>		
(i) Disputed Income Tax matter under Appeal	77.50	63.63
(ii) Disputed Sales Tax matter under Appeal	159.03	47.22
(iii) Disputed Entry Tax matters under Appeal	0.63	178.42
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
<b>(c) Guarantees</b>		
(i) Bank Guarantee	56.50	56.77

- (d) In respect of the contingent liabilities mentioned in Note 21 (a) and (b) above, pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 21 (c) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.

	As at 31 March 2013	As at 31 March 2012
<b>22 COMMITMENTS</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs.106.57 Million, (31 March 2012 : Rs.376.29 Million)]	643.80	870.58

**(b) Other Commitments**

- (i) The Group has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met at the year end is Rs.1,105.78 Million (31 March 2012 : Rs.2,989.69 Million). The Group is confident that the above export obligation will be met during the specified period.
- (ii) The Parent Company has given undertaking to consortium bankers of subsidiary company VISA BAO Limited for sanctioning Rs.1,820.00 Million (31 March 2012 : Rs.1,820.00 Million) term loan, by agreeing not to dispose off 51% shares [i.e. 46,410,000 (31 March 2012 : 46,410,000) number of shares] of VISA BAO Limited.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>23 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>(a) Sale of products</b>		
<b>Manufactured Goods</b>		
Pig Iron	64.94	1,826.19
Coke	5,147.83	5,659.30
Ferro Chrome	2,282.76	1,415.88
Sponge Iron	1,845.54	2,890.01
Bloom / Round	65.40	1,141.04
Rolled Product	43.76	180.72
By-products	341.50	602.12
Power	299.81	564.22
<b>Total</b>	<b>10,091.54</b>	<b>14,279.48</b>
<b>Traded Goods</b>		
Coal and Coke	714.06	1,620.46
Others	16.08	0.84
<b>Total</b>	<b>730.14</b>	<b>1,621.30</b>
Less: Trial Run Sale	240.17	1,625.04
<b>Sale of products</b>	<b>10,581.51</b>	<b>14,275.74</b>
<b>(b) Other Operating Revenues</b>		
Scrap sales	4.12	8.38
Conversion Income	148.16	126.38
Export Incentives	100.23	28.20
Refund of Custom Duty	10.38	-
	<b>262.89</b>	<b>162.96</b>
<b>Total Revenue from Operations (Gross)</b>	<b>10,844.40</b>	<b>14,438.70</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>24 OTHER INCOME</b>		
Insurance claim received	14.23	8.76
Interest Income	178.18	242.48
Net Gain from sale of Fixed assets	-	8.25
Liabilities no longer required written back	53.22	-
Provisions no longer required written back	3.26	-
Income from Shared Services	1.40	-
Other non operating income	0.95	2.99
	<b>251.24</b>	<b>262.48</b>

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>25 COST OF MATERIALS CONSUMED</b>		
Chrome Ore	950.17	608.95
Iron Ore	913.27	2,688.37
Coal and Coke	5,177.32	7,713.20
Others	79.41	219.66
	<b>7,120.17</b>	<b>11,230.18</b>
Less: Trial Run Consumption	131.70	848.37
	<b>6,988.47</b>	<b>10,381.81</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>26 PURCHASES OF STOCK-IN-TRADE</b>		
Coal and Coke	679.04	2,403.34
Others	17.03	37.99
	<b>696.07</b>	<b>2,441.33</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>27 A CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Finished Goods	1,177.80	1,306.47
Stock-In-Trade	441.01	463.95
By-products	268.38	516.34
Work-in-Progress	75.25	70.92
	<b>1,962.44</b>	<b>2,357.68</b>
<b>Less: Closing Stock</b>		
Finished Goods	326.54	1,177.80
Stock-In-Trade	-	441.01
By-products	113.80	268.38
Work-in-Progress	56.44	75.25
	<b>496.78</b>	<b>1,962.44</b>
Transfer to Project	(98.33)	(1,756.73)
Increase/(Decrease) in Excise Duty on Stock	(11.44)	(48.96)
Increase/(Decrease) in Stock	<b>1,355.89</b>	<b>(1,410.45)</b>

	Year ended 31 March 2013	Year ended 31 March 2012
<b>27 B CHANGE IN JOB-IN-PROGRESS</b>		
Opening Job-in-Progress	-	-
Less: Closing Work-in-Progress	16.11	-
	<b>(16.11)</b>	<b>-</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>28 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	374.05	366.09
Contribution to Provident and Other Funds	15.52	12.08
Staff Welfare Expenses	1.77	3.83
	<b>391.34</b>	<b>382.00</b>

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

#### (i) Defined Contribution Plan

The Group contributes to the Provident Fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the Group to the Funds, based on the current salaries. In the provident fund scheme, contributions are also made by the employees. An amount of Rs.10.65 Million (31 March 2012 : Rs.9.32 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the above defined contribution scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

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

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

	31 March 2013	31 March 2012
<b>(i) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets</b>		
Present Value of funded obligation at the end of the year	19.72	15.53
Fair Value of Plan Assets at the end of the year	25.79	19.34
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>(6.07)</b>	<b>(3.81)</b>
<b>(ii) Expenses recognised in the Consolidated Statement of Profit and Loss</b>		
Current Service cost	3.86	3.88
Interest cost	1.24	0.93
Expected Return on Plan Assets	(1.73)	(1.53)
Actuarial loss / (gain)	0.17	(0.56)
<b>Total Expenses</b>	<b>3.54</b>	<b>2.72</b>



# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	31 March 2013	31 March 2012
<b>(iii) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligations</b>		
Opening defined benefit obligation	15.53	11.63
Current Service cost	3.86	3.88
Interest cost	1.24	0.93
Actuarial loss / (gain)	0.17	(0.56)
Benefits paid	(1.08)	(0.35)
<b>Closing Defined Benefit Obligation</b>	<b>19.72</b>	<b>15.53</b>
<b>(iv) Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Opening fair value of Plan Assets	19.34	16.64
Expected Return on Plan Assets	1.73	1.53
Contributions by employer	5.80	1.52
Benefits paid	(1.08)	(0.35)
<b>Closing Fair Value on Plan Assets</b>	<b>25.79</b>	<b>19.34</b>
<b>(v) Actual Return on Plan Assets [Assets consist of funds maintained with LIC for gratuity scheme]</b>	1.73	1.52
<b>(vi) Category of Plan Assets</b>		
Fund with LIC	25.79	19.34
	<b>25.79</b>	<b>19.34</b>
<b>(vii) Principal Actuarial Assumption Used</b>		
Discount Rates	8.00% / 8.25%	8.00% / 8.50%
Expected Return on Plan Assets	8.00% / 9.25%	8.00% / 8.50%
Expected Salary increase rates	5.00%	4.50% / 5.00%
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Mortality Rates	LIC (1994-96) mortality tables	LIC (1994-96) mortality tables
<b>(viii) Investment Details of Plan Assets (% allocation)</b>		
Insurer managed funds	1.00	1.00

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

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

- (ix) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Company for the year ending 31 March 2014 cannot be readily ascertainable and therefore not disclosed.

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
<b>(x) Experience Adjustment</b>					
Present Value of Defined Benefit Obligation as at end of the year	16.64	15.26	11.47	8.36	6.50
Fair Value of Plan Assets as at end of the year	22.44	19.01	16.34	12.47	9.29
Surplus / (Deficit) as at end of the year	(5.80)	(3.75)	(4.87)	(4.11)	(2.79)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	(2.21)	(0.67)	Not available		
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.01)	0.09			

### 28(b) In respect of the Subsidiary Companies, Ghotaringa Minerals 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.

	Year ended 31 March 2013	Year ended 31 March 2012
<b>29 FINANCE COSTS</b>		
Interest expense	827.25	933.81
Other borrowing costs	856.77	962.87
Interest on Income Tax relating to earlier years	0.35	-
	<b>1,684.37</b>	<b>1,896.68</b>

The amount of finance cost capitalized for qualifying assets during the year ended 31 March 2013 is Rs.1,728.16 Million (31 March 2012 : Rs.1,379.02 Million)

	Year ended 31 March 2013	Year ended 31 March 2012
<b>30 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and Amortization expense on Tangible Assets	646.46	508.88
Amortization expense of Intangible Assets	5.62	3.05
	<b>652.08</b>	<b>511.93</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2013	Year ended 31 March 2012
<b>31 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	226.60	252.36
Power and Fuel	123.09	29.26
Rent	10.56	17.27
Repairs to Buildings	6.74	2.84
Repairs to Machinery	53.88	44.02
Insurance Expenses	24.56	26.02
Rates and Taxes, excluding taxes on income	42.14	35.91
Material Handling Expenses	115.52	203.07
Freight and Selling Expenses	172.31	219.56
Provision for Doubtful Debts	160.25	3.45
Provision for Doubtful Advances	-	6.34
Miscellaneous Expenses	159.39	225.90
Add: Share of Joint Venture [Refer Note 2.2]	0.04	0.04
	<b>1,095.08</b>	<b>1,066.04</b>

- 32** In view of high volatility in the value of Indian Rupee against USD and other foreign currencies, the Group has incurred loss arising out of the re-instatement of foreign currency monetary items. Total such forex loss amounting to Rs.397.37 Million [31 March 2012 : (Rs.617.27 Million)] has been considered as an exceptional item.

Further pursuant to the Share Purchase and Subscription Agreement executed between the Parent Company, VISA SunCoke Limited, Kalinganagar Metcoke Private Limited (KMPL), a wholly owned subsidiary and SunCoke Europe Holding BV (SunCoke B.V) on 20 November 2012, the Parent Company has sold its investment in VISA SunCoke Limited, a subsidiary, to SunCoke B.V. Profit on such sale of Investment amounting to Rs.1762.70 Million (31 March 2012 : Nil) has been considered as an exceptional item.

	Year ended 31 March 2013	Year ended 31 March 2012
<b>33 CONSOLIDATED EARNING PER EQUITY SHARE</b>		
<b>(I) Basic</b>		
a. Loss after Tax and Minority Interest	(1,075.72)	(1,188.79)
b. (i) Number of Equity Shares at the beginning of the year	110,000,000	110,000,000
(ii) Number of Equity Shares at the end of the year	110,000,000	110,000,000
(iii) Weighted average number of Equity Shares outstanding during the year	110,000,000	110,000,000
(iv) Face Value of each Equity Share (Rs.)	10	10
c. Basic Earning / (Loss) per Share [a / (b(iii))] (Rs.)	<b>(9.78)</b>	<b>(10.81)</b>
<b>(II) Diluted</b>		
a. Weighted average number of Equity Shares for computing diluted earnings per share	110,000,000	110,006,964
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	<b>(9.78)</b>	<b>(10.81)</b>

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 34 SHARE - BASED COMPENSATION

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

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

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

#### Movement of Options Granted

The movement of the options for the year ended 31 March 2013 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices (Rs.)	Weighted Average	
			Exercise Price (Rs.)	Remaining Contractual Years
Outstanding at the beginning of the year	773,125	46.30	46.30	5
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	137,494	46.30	46.30	-
Outstanding at the end of the year	635,631	46.30	46.30	4
Exercisable at the end of the year	315,631			1 Year and 10 Months

During the year total 155,631 number of Options were vested.

#### Fair Valuation

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

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

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

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

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
<b>Net (Loss) / Profit attributable to Equity shareholders</b>	<b>(910.39)</b>	<b>(1,188.54)</b>
Less: Compensation cost under ESOP as per Fair Value	1.61	7.10
<b>Proforma (Loss) / Profit before Tax adjustment for earlier years</b>	<b>(912.00)</b>	<b>(1,195.64)</b>
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.01
Face Value of Equity Shares	10.00	10.00
<b>Reported Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(8.28)	(10.80)
Diluted EPS (in Rs.)	(8.28)	(10.80)
<b>Proforma Earning per Share (EPS)</b>		
Basic EPS (in Rs.)	(8.29)	(10.87)
Diluted EPS (in Rs.)	(8.29)	(10.87)

		As at 31 March 2013		As at 31 March 2012	
35 DETAILS OF FOREIGN CURRENCY EXPOSURE	Currency (In Million)	Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
<b>Unhedged Portion as at Balance Sheet Date</b>					
a) Trade Receivable	USD	0.81	44.12	0.83	42.32
b) Trade Payable	USD	25.17	1,368.89	81.08	4,147.82
	EURO	0.83	58.05	15.01	1,025.47
c) Short-Term Finance	USD	-	-	3.26	166.68
<b>Hedged by Forward Contracts as at Balance Sheet Date</b>					
a) Trade Payable	USD	-	-	2.20	111.54
	EURO	-	-	1.15	79.87

### 36 INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 ON SEGMENT REPORTING

As the Group's business activity falls within and is organised as a single business segment, viz. "Iron & Steel products", the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006, on primary segment, are not applicable. However, the Group has its customer in India as well as outside India and thus segment information based on the Geographical Location of its customer is as follows:

Particulars	31 March 2013		31 March 2012	
	India	Outside India	India	Outside India
Revenue (Net of Excise Duty)	8,479.37	1,713.06	12,853.08	805.97
Total Assets	33,067.71	44.12	32,948.23	42.32
Capital Expenditure	3,361.06	-	5,601.00	-

## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- 37** The Parent Company has incurred a net loss of Rs.910.39 Million (31 March 2012 : Rs.1,185.54 Million) during the year ended 31 March 2013 and the year end current liabilities exceeded current assets by Rs.4,479.74 Million (31 March 2012 : Rs.15,111.77 Million). The Parent Company's financial Performance has been adversely affected mainly due to non availability of raw materials, increasing material costs, high finance cost and volatile foreign exchange.

During the year, the Parent Company had been referred to Corporate Debt Restructuring (CDR) cell for restructuring of its debts to overcome inter alia the impact of losses due to high interest costs and to improve cash flows. The CDR Cell vide letter dated 27 September 2012 has approved a package whereby major part of short term borrowings have been converted into long term borrowings with extended repayment schedule and reduced the interest rates and fresh line of credit has also been sanctioned. The Parent Company has also infused funds amounting to Rs.3,425.00 Million by way of sale of investment and sale of coke business. Further, with the resumption of supplies of iron ore from OMC and other sources, the Parent Company has taken steps to operate its Blast Furnace, Steel Melting Shop and Bar and Wire Rod Mill during 2013-14.

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

### 38 OPERATING LEASES

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

	Year ended 31 March 2013	Year ended 31 March 2012
<b>With respect to all operating lease</b>		
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	10.51	4.23

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

Related Parties	Name of the Related Parties
<b>(i) Where Control Exists</b>	
Ultimate Holding Company	VISA Infrastructure Limited
<b>(ii) Others</b>	
Enterprise having significant influence	VISA International Limited
Fellow Subsidiaries	VISA Resources India Limited
	VISA Power Limited
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Prabir Ramendralal Bose (Deputy Managing Director up to 11 December 2012)
	Mr. Pankaj Gautam (Joint Managing Director & CEO w.e.f. 12 December 2012)
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal
	Mr. Vikas Agarwal
	Mr. Vivek Agarwal
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources PTE Limited
	VISA Bulk Shipping PTE Limited



## Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

### 39 (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	Year ended 31 March 2013	Year ended 31 March 2012
Rent Paid	VISA International Limited	4.11	7.21
	VISA Infrastructure Limited	3.82	4.23
Purchase of Goods	VISA Resources India Limited	662.50	3,474.04
	VISA Resources PTE Limited	524.46	-
Sale of Goods	VISA Resources India Limited	526.60	1,839.55
	VISA Infrastructure Limited	65.03	-
Freight	VISA Bulk Shipping Pte Limited	302.26	622.91
	VISA Resources India Limited	-	29.95
Purchase of Fixed Assets	VISA Resources India Limited	-	5.42
Hire Charges	VISA Resources India Limited	14.57	16.08
Commission	VISA Infrastructure Limited	0.15	-
Professional Fees	VISA Infrastructure Limited	-	13.24
Finance Cost	VISA Power Limited	24.67	17.50
	VISA Infrastructure Limited	49.39	20.12
	VISA Resources India Limited	-	67.04
	VISA International Limited	14.73	-
Travelling Expenses	VISA Aviation Limited	-	71.71
Sitting Fees	Mrs. Saroj Agarwal	-	0.04
	Mr. Vikas Agarwal	-	0.16
Remuneration	Mr. Vishambhar Saran	6.93	4.48
	Mr. Vishal Agarwal	6.59	4.15
	Mr. B.P. Modi	-	2.79
Purchase of Shares from Holding Company	VISA Infrastructure Limited	1.40	-
Sale of Fixed assets	VISA Power Limited	0.99	-
Reimbursement of Expenses (Net)	VISA Infrastructure Limited	-	9.17
	VISA Resources India Limited	108.83	24.10
Advance Received	VISA Resources India Limited	531.69	2,581.17
Advance Paid against Expenses	VISA Infrastructure Limited	26.38	-
Refund of Deposits	VISA International Limited	-	4.50
Unsecured Loan Repaid	VISA Infrastructure Limited	506.40	-
	VISA Power Limited	250.00	-
Unsecured Loan taken	VISA Infrastructure Limited	-	506.40
	VISA International Limited	500.00	-

# Notes to Consolidated Financial Statements

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

All amount in Rs. Million, unless otherwise stated

Nature of Transaction	31 March 2013						31 March 2012					
	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Paid	3.82	-	4.11	-	-	-	4.23	-	7.21	-	-	-
Hire Charges	-	14.57	-	-	-	-	-	16.08	-	-	-	-
Professional Fees	-	-	-	-	-	-	13.24	-	-	-	-	-
Purchase of Goods	-	662.50	-	-	-	524.46	-	3,474.04	-	-	-	338.16
Sale of Goods	65.03	526.60	-	-	-	-	0.28	1,839.55	191.45	-	-	-
Freight	-	29.55	-	-	-	322.78	-	29.95	-	-	-	622.91
Commission	0.15	-	-	-	-	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	-	-	-	-	-	71.71
Purchase of Fixed Assets	-	-	-	-	-	-	-	5.42	-	-	-	-
Sale of Fixed Assets	-	0.99	-	-	-	-	-	-	-	-	-	-
Finance Cost	49.39	24.67	14.73	-	-	-	20.12	84.54	-	-	-	-
Purchase of Shares from Holding Company	1.40	-	-	-	-	-	-	-	-	-	-	-
Re-imbursement of Expenses (Net)	2.14	107.16	0.33	-	-	5.87	9.17	23.04	0.07	-	-	0.13
Unsecured Loan Taken	-	-	500.00	-	-	-	506.40	-	-	-	-	-
Unsecured Loan Repaid	506.40	250.00	-	-	-	-	-	-	-	-	-	-
Advance Received	-	531.69	-	-	-	-	-	2,581.17	-	-	-	-
Advance Paid	26.38	-	-	-	-	-	-	-	-	-	-	-
Refund of Deposits	-	-	-	-	-	-	-	-	4.50	-	-	-
Remuneration	-	-	-	13.52	-	-	-	-	-	11.42	-	-
Sitting Fees	-	-	-	-	-	-	-	-	-	-	0.20	-
<b>Outstanding at closing</b>												
Receivable	352.05	-	8.00	67.65	-	1.37	-	-	7.89	34.03	0.60	-
Payable	-	2,204.04	513.25	-	-	486.22	198.52	4,125.26	-	-	-	781.21

# Notes to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

## 40 AMALGAMATION OF SUBSIDIARY COMPANY

- (a) Pursuant to a Scheme of Amalgamation filed under Section 391 to 394 of the Companies Act, 1956 by Kalinganagar Metcoke Private Limited (KMPL), a wholly owned subsidiary of the Parent Company ("the Scheme") which has been duly sanctioned by the Hon'ble High Court of Judicature at Orissa ("the High Court"), vide its Order dated 6 September 2013, the whole of the undertaking of KMPL including its all assets, investments, properties and liabilities have been transferred to and vested in the Parent Company, as a going concern, with effect from 31 March 2013 ("the Appointed Date"). Certified copies of the said Order of the High Court sanctioning the Scheme have been filed with the Registrar of Companies, Orissa on 23 September 2013 (the "Effective Date"). Accordingly the Scheme became effective on 23 September 2013. KMPL was incorporated with the objective of manufacturing and dealing in coal, coke and related products.

As the Scheme involves amalgamation between the Parent Company and its wholly owned Subsidiary Company, there has been no impact on the Equity of the Group.

- (b) The Scheme as referred in (a) above, was pending sanction of the High Court as on 29 May 2013, the date on which Company's financial statements were approved by the Board of Directors and audited by the Statutory Auditors. However, consequent upon the Scheme having become effective and the vesting of whole of the undertaking of KMPL in the Parent Company with effect from the Appointed Date, as indicated in (a) above, these financial statements have now been revised to give effect to the Scheme.

## 41 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

**P. Law**  
Partner  
Membership Number: 51790  
Place: Kolkata  
Date: 1 October 2013

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

**Subhra Giri**  
Company Secretary  
Place: Kolkata  
Date: 1 October 2013

## Financial Statement pursuant to Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies for the year ended on 31 March 2013

(Amount in Rs.)

Name of the Subsidiary	VISA BAO Limited	Ghotaringa Minerals Limited	VISA SunCoke Limited (Formerly VISA Coke Limited)	VISA Special Steel Limited
Financial Year Ending on	31 March 2013	31 March 2013	31 March 2013	31 March 2013
Share Capital	910,000,000	10,000,000	20,676,000	700,000
Reserves & Surplus	47,800,431	(21,154)	1,953,985,241	(207,966)
Total Assets	2,564,503,665	13,072,058	2,160,016,693	504,394
Total Liabilities	2,564,503,665	13,072,058	2,160,016,693	504,394
Details of Investment (Except in case of Subsidiaries)	-	-	-	-
Turnover (including Other Income)	1,669,471	40,283	5,903,841	-
Profit Before Tax	(1,887,183)	(17,633)	(599,785)	(207,966)
Provision for Taxation	6,148	68,396	74,738,974	-
Profit after Taxation	(1,893,331)	(86,029)	(75,338,759)	(207,966)
Proposed Dividend	-	-	-	-

For and on behalf of the Board of Directors

**Vishambhar Saran**  
Chairman

**Shiv Dayal Kapoor**  
Director

**Pankaj Gautam**  
Joint Managing Director & CEO

Place: Kolkata  
Date: 1 October 2013

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

**Subhra Giri**  
Company Secretary

# VISA STEEL

## VISA Steel Limited

Registered Office: VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015

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

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

## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of VISA Steel Limited will be held on Monday, 16 December 2013 at 3.30 P.M. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors' Report thereon.
2. To appoint a director in place of Mr. Maya Shanker Verma, Director, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Shanti Narain, Director, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Lovelock and Lewes, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out-of-pocket expenses as the Board may decide.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Pankaj Gautam, who was appointed as an Additional Director, by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, (the Act) (including any statutory modification or re-enactment thereof as may for the time being be in force), and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time, Articles 166, 167 and 168 of the Articles of Association

of the Company and subject to approval of the Central Government and/or such other authority/approvals as may be necessary, Mr. Pankaj Gautam be and is hereby appointed as Joint Managing Director & CEO of the Company for a period of three years with effect from 12 December 2012, on the following terms and conditions including remuneration and perquisites:

#### Salary (including Dearness Allowance)

Rs.100,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) from time to time.

#### Special Allowance

Rs.450,000/- per month with such revisions as may be determined by the Board from time to time.

#### Performance Bonus

Performance Bonus of Rs.2,000,000/- per annum, subject to achievement of KRA parameters. The performance bonus payable to Mr. Gautam, will be approved by the Board at the end of the relevant financial year and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

#### Perquisites

##### House Rent Allowance

House Rent Allowance of Rs.50,000/- per month.

##### Medical Reimbursement

Expenses incurred for self and family (consisting of spouse and dependent children) subject to the Rules of the Company applicable to the senior executives.

##### Leave Travel Concession

For self and family in accordance with the Rules of the Company applicable to the senior executives.

##### Contribution to Provident Fund and Superannuation / Annuity Fund

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

##### Gratuity

As per Rules of the Company applicable to the senior executives.

**Bonus**

As per Rules of the Company applicable to the senior executives.

**Leave Pay**

Leave with full pay and allowances as per the Rules of the Company.

**Conveyance**

A Company provided Car will be provided to Mr. Gautam for use in the Company's business. The Company will reimburse actual expenses for fuel, lubricants, repair & maintenance. Reimbursement of personal driver's wages @ Rs.8,000 per month. Use of Car for personal purpose shall be billed to him separately.

**Telephone and other Communication Facilities**

The Company shall provide Telephone and other communication facilities at the residence of Mr. Gautam. Use of personal long distance calls shall be billed to him separately.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned herein below, Mr. Gautam may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

**OVERALL REMUNERATION**

The aggregate of salary, allowances and perquisites together with the Performance Bonus in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof as may for the time being be in force.

**MINIMUM REMUNERATION**

RESOLVED FURTHER THAT pursuant to Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approvals as may be necessary, in the event of loss or inadequacy of profits during any financial year covering the period of his appointment with effect from 12 December 2012 to 11 December 2013, Mr. Pankaj Gautam as Joint Managing Director & CEO of the Company, shall be paid the substantive remuneration as specified above, as the minimum remuneration, subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board be and is hereby authorised to accept at its sole and absolute discretion.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Pankaj Gautam as Joint Managing Director

& CEO, shall be responsible for the management of the affairs of the Company and specifically the operations & project implementation of the Company's facilities and be accountable to the Board of Directors. The appointment may be terminated by either party by giving to the other one month notice in writing.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Pankaj Gautam and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 309(5B) read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to approval of the Central Government, recovery of excess remuneration of Rs.29,14,878 by the Company in respect of the period from 12 December 2012 to 31 March 2013 paid to Mr. Pankaj Gautam, Joint Managing Director & CEO, such amount being in excess of the prescribed statutory limits under the Companies Act, 1956, be and is hereby waived.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act (including any statutory modification or re-enactment thereof, for the time being in force), and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time subject to approval of the Central Government and/or such other authority/approvals, as may be necessary, and further subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof for the time being and from time to time to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept at its sole

and absolute discretion and in furtherance to and in partial modification to the Ordinary Resolution No. 7, passed by the Members of the Company at the 15th Annual General Meeting of the Company held on 26 July 2011 and the Special Resolution No. 8, passed by the Members of the Company at the 16th Annual General Meeting of the Company held on 14 August 2012, Mr. Vishambhar Saran, Whole-time Director designated as the Chairman shall, w.e.f. 1 April 2012, be paid revised remuneration, perquisites and allowances as mentioned in the Explanatory Statement attached to the Notice convening this meeting, for the remaining period of his appointment with the Company upto 14 December 2013.

RESOLVED FURTHER THAT pursuant to Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein, in the event of loss or inadequacy of profit in any financial year covering the period of his appointment from 1 April 2012 to 14 December 2013, Mr. Vishambhar Saran, Whole-time Director designated as the Chairman of the Company, shall be paid the substantive remuneration by way of salary, perquisites and allowances as provided in the Explanatory Statement attached to the Notice convening this meeting, as the minimum remuneration, subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board be and is hereby authorised to accept at its sole and absolute discretion.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (the Act) (including any statutory modification or re-enactment thereof, for the time being in force), and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time and Articles 166, 167 and 168 of the Articles of Association of the Company and subject to approval of the Central Government and/or any other authority/approvals, as may be necessary, Mr. Vishambhar Saran be and is hereby re-appointed as Whole-time Director designated as Chairman of the Company, for a period of 3 (three) years with effect from 15 December 2013 on the following terms and conditions including remuneration and perquisites:

**Salary (including Dearness Allowance)**

Rs. 885,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) from time to time.

**Special Allowance**

Rs.1,135,000/- per month with such revisions as may be determined by the Board from time to time.

**Perquisites**

**Housing**

Free furnished residential accommodation or House Rent Allowance upto 50 % of salary in lieu thereof. Expenditure incurred on gas, water, electricity, caretaker staff etc. will be borne by the Company, subject to Income Tax Rules.

**Medical Reimbursement**

Expenses incurred for self and family (consisting of spouse and dependent children) subject to the Rules of the Company applicable to the senior executives.

**Leave Travel Concession**

For self and family in accordance with the Rules of the Company applicable to the senior executives.

**Club Fees**

Reimbursement of Membership fees for three Clubs in India and / or abroad including admission and life membership fee.

**Contribution to Provident Fund and Superannuation / Annuity Fund**

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

**Gratuity**

As per Rules of the Company applicable to the senior executives.

**Bonus**

As per Rules of the Company applicable to the senior executives.

**Leave Pay**

Leave with full pay and allowances as per the rules of the Company.

**Conveyance**

A Company maintained Car for the use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

**Telephone and other Communication Facilities**

The Company shall provide telephone and other communication facilities at the residence of Mr. Saran. Use of personal long distance calls shall be billed to him separately.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned hereinabove, Mr. Saran may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.



## OVERALL REMUNERATION

The aggregate of salary, allowances and perquisites together with the Commission in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof as may for the time being be in force.

## MINIMUM REMUNERATION

RESOLVED FURTHER THAT pursuant to Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approvals as may be necessary, in the event of loss or inadequacy of profits in any financial year during the tenure of his aforesaid appointment, Mr. Vishambhar Saran, Whole-time Director designated as Chairman of the Company, shall be paid the substantive remuneration by way of salary, perquisites and allowances as specified above, as the minimum remuneration, subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board be and is hereby authorised to accept at its sole and absolute discretion.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Vishambhar Saran, Whole-time Director designated as the Chairman, shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors. The appointment may be terminated by either party by giving to the other one month notice in writing.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Vishambhar Saran and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Companies Act, 1956 for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act (including any statutory modification or re-enactment thereof, for the time being in force), and all guidelines and clarifications, for managerial remuneration

issued by the Central Government from time to time and subject to approval of Central Government and/or any other authority/approvals, as may be necessary, and further subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof for the time being and from time to time to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept at its sole and absolute discretion and in furtherance to and in partial modification to the Ordinary Resolution No. 9, passed by the Members of the Company at the 15th Annual General Meeting of the Company held on 26 July 2011 and the Special Resolution No. 10, passed by the Members of the Company at the 16th Annual General Meeting of the Company held on 14 August 2012, Mr. Vishal Agarwal, Vice Chairman and Managing Director shall, w.e.f. 1 April, 2012, be paid revised remuneration, perquisites and allowances as mentioned in the Explanatory Statement attached to the Notice convening this meeting, for the remaining period of his appointment upto 24 June 2014.

RESOLVED FURTHER THAT pursuant to Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approvals as may be necessary, in the event of loss or inadequacy of profits in any financial year covering the period of his appointment from 1 April 2012 to 24 June 2014, Mr. Vishal Agarwal, as Vice Chairman and Managing Director of the Company, shall be paid the substantive remuneration by way of salary, perquisites and allowances as provided in the Explanatory Statement attached to the Notice convening this meeting, as the minimum remuneration, subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board be and is hereby authorised to accept at its sole and absolute discretion.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (the Act) read with Schedule XIII to the Act (including any statutory modification and/or re-enactment thereof for the time being in force) and all guidelines and clarifications for managerial remuneration issued by the Central Government from time to time and subject to approval of Central Government and/or such

other authority/approvals, as may be necessary, and further subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof for the time being and from time to time to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept at its sole and absolute discretion, Mr. Pankaj Gautam, Joint Managing Director & CEO shall, with effect from 12 December 2013, be paid revised remuneration, perquisites and allowances as mentioned in the Explanatory Statement attached to the Notice convening this meeting, for the remaining part of his three years tenure of appointment with the Company.

RESOLVED FURTHER THAT except for the modification in the remuneration payable to Mr. Pankaj Gautam to the extent mentioned as per the details set out in the Explanatory Statement, for the period from 12 December 2013 to 11 December 2015, all other terms and conditions including remuneration payable to him as approved by the Members at this Annual General Meeting shall remain unchanged.

RESOLVED FURTHER THAT pursuant to Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approvals as may be necessary, in the event of loss or inadequacy of profits in any financial year covering the period 12 December 2013 to 11 December 2015, Mr. Pankaj Gautam, Joint Managing Director & CEO of the Company, shall be paid the substantive remuneration by way of salary, perquisites and allowances as provided in the Explanatory Statement attached to the Notice convening this meeting, as the minimum remuneration, subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Board be and is hereby authorised to accept at its sole and absolute discretion.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. Members/Proxies should bring Attendance Slips duly filled in for attending the Meeting.
3. Corporate Shareholders / Trust / Societies are requested to send a duly certified copy of the Board / Managing

Committee Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Meeting.
5. The Register of Members and Share Transfer Books will remain closed from 9 December 2013 to 16 December 2013 (both days inclusive).
6. The Certificate from the Auditors of the Company in terms of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 for the Company's Employee Stock Option Scheme 2010 (ESOP Scheme 2010) will be available for inspection at the Annual General Meeting.
7. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
8. Members / Proxies are requested to bring their copy of Annual Report to the Meeting, as the same will not be made available at the Meeting.
9. The Ministry of Corporate Affairs (vide circular no.s. 17/2011 and 18/2011 dated 21 April 2011 and 29 April 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. An amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/ updating their e-mail addresses for receiving electronic communications.
10. Pursuant to Clause 49(IV)(G) of the Listing Agreement, the following information is furnished in respect of the Directors proposed to be appointed / re-appointed:

#### I. Mr. Maya Shanker Verma

Mr. Maya Shanker Verma (75 years), is a career banker with a multilevel and wide ranging experience of over 52 years, encompassing an understanding of the commercial, developmental and investment banking as well as asset management and capital market operations.

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

Mr. Verma joined your Company as an Independent Director w.e.f. 25 June 2005. Mr. Verma is the Chairman of the Finance & Banking Committee and a Member of the Audit Committee and Share Transfer & Investor Grievance Committee of your Company.

Mr. Verma holds 1,017 equity shares in your Company. The companies in which Mr. Verma is a Director and

holds Committee positions is given in the table below:

Directorship held	Name of the Committee	Chairman / Member of the Committee
Asian Heart Institute & Research Centre Private Limited	-	-
Shriram Transport Finance Company Limited	Audit	Chairman
VISA Power Limited	Audit	Chairman
Moser Baer Projects Private Limited	Audit	Chairman
Shriram Equipment Finance Company Limited	Remuneration	Chairman
Deutsche Trustee Services (India) Private Limited	-	-

## II. Mr. Shanti Narain

Mr. Shanti Narain (73 years), brings with him his expertise in strategic management transport systems, especially the Railways, in the areas of planning, marketing, monitoring and control of operations & commercial activities and development of transport.

He holds a Masters degree in Science (Mathematics) and had been the Member (Traffic), Railway Board for 4 years till February 2001. He is a member of several committees set up by the Government of India and professional societies.

Mr. Narain joined your Company as an Independent Director w.e.f. 25 December 2005. He is the Chairman of the Share Transfer & Investor Grievance Committee and a Member of the Remuneration Committee and Selection Committee of your Company.

Mr. Narain does not hold any equity shares in your Company. The Companies in which Mr. Narain is a Director and holds Committee positions is given in the table below:

Directorship held	Name of the Committee	Chairman / Member of the Committee
Kalindee Rail Nirman Engineers Limited	Audit	Chairman

## III. Mr. Pankaj Gautam

Mr. Pankaj Gautam (61 years), brings with him over 39 years of rich experience in Iron & Steel industry with previous assignments in SAIL's Bhilai Steel Plant. He joined SAIL in June 1974 and continued to work there until August 2012. At SAIL, Mr. Gautam took charge as the first Chief Executive Officer (CEO) of SAIL's Bhilai Steel Plant (BSP) in June 2011. He was discharging his responsibilities as Executive Director in Charge of BSP since 13 May 2011.

Mr. Gautam is a Bachelor in Engineering (Electrical Engineering) from Government College of Engineering & Technology, Raipur. He also did his Post Graduate Diploma in Business Management from Ravishankar University, Raipur.

Mr. Gautam joined your Company as the Chief Executive Officer on 16 October 2012. He was appointed as the Additional Director and Joint Managing Director & CEO w.e.f. 12 December 2012. He is not Member of any Committee of your Company.

Mr. Gautam does not hold any equity shares in your Company. Mr. Gautam is the director of VISA Urban Infra Limited, Kalinganagar Special Steel Private Limited, VISA Special Steel Limited and Managing Director of VISA BAO Limited. He does not hold any committee positions in the Companies in which he is a Director.

## IV. Mr. Vishambhar Saran

Mr. Vishambhar Saran (66 years), has experience of almost 44 years in the iron & steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron & steel industry.

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

He is the Director of your Company since incorporation. He is not Member of any Committee of your Company.

Mr. Saran does not hold any equity shares in your Company. The companies in which Mr. Saran is a Director and holds Committee positions is given in the table below:

Directorship held	Name of the Committee	Chairman/ Member of the Committee
VISA Infrastructure Limited	Audit	Member
VISA International Limited	-	-
VISA Energy Ventures Limited	Audit	Member
VISA Power Limited	-	-
VISA Resources India Limited	-	-
VISA BAO Limited	-	-
VISA Cement Limited	-	-
VISA Urban Infra Limited	-	-
VISA Special Steel Limited	-	-
VISA Ferro Chrome Limited	-	-

By Order of the Board  
For VISA Steel Limited

Place: Kolkata  
Date: 31 October 2013

Subhra Giri  
Company Secretary

Registered Office:  
VISA House  
11 Ekamra Kanan, Nayapalli  
Bhubaneswar 751 015

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Mr. Pankaj Gautam was appointed by the Board of Directors as an Additional Director of the Company with effect from 12 December 2012 in accordance with Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013), to hold office till the date of the Annual General Meeting of the Company. The Board also appointed Mr. Gautam as the Joint Managing Director & CEO effective the same date.

The Company has received Notice from a member of the Company under Section 257 of the Companies Act, 1956 together with the deposit of Rs.500/- signifying his intention to propose the name of Mr. Gautam, for appointment as a Director of the Company.

The Board of Directors considers that in view of the background and experience of Mr. Gautam, it would be in the interest of the Company to appoint him as a Director of the Company. Mr. Gautam does not hold any equity shares in your Company. The companies in which Mr. Gautam is a Director and holds Committee positions is given in the Note no.10(III) of this Notice.

Your Directors recommend the resolution for your approval.

Mr. Pankaj Gautam is deemed to be interested/concerned in this resolution to the extent specified hereinabove. No other Director and other key managerial personnel of the Company including their relatives are interested in this resolution.

### Item No. 6, 7 & 11

Mr. Pankaj Gautam was appointed as an Additional Director of the Company with effect from 12 December 2012. Keeping in view his vast experience and knowledge, the Board of Directors in the same meeting held on 12 December 2012 appointed him as Joint Managing Director & CEO of the Company for a period of 3 (three) years with effect from 12 December 2012 on the terms and conditions as mentioned in the said resolution and pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956. An abstract under Section 302 of the Companies Act, 1956 dated 12 December 2012, regarding the appointment and remuneration of Mr. Gautam has already been circulated to the members.

Schedule XIII of the Companies Act, 1956, inter alia, provides that in the event of loss or inadequacy of profits, the managerial personnel may be paid remuneration subject to certain specified limits, for a period not exceeding 3 years, provided that (i) such remuneration is approved by the Remuneration Committee and also by the Members of the Company by way of Special Resolution (ii) the Company has not defaulted in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial personnel and (iii) with the prior approval of the Central Government. Thus, the appointment of and remuneration payable to Mr. Gautam requires the approval of the Members by way of Special Resolution. Mr. Gautam will be responsible for the operations and projects of the Company and will be based at Kolkata.

The Company is pursuing Special Steel Business, Ferro Chrome & Captive Power Business and Coke Business. The Special Steel Business includes production of Hot Metal/Pig Iron, DRI/Sponge Iron, Special Steel Blooms/Billets and Bar & Wire Rods. Whereas, the Ferro Chrome Business includes production of High Carbon Ferro Chrome and generation of power for captive use and the Coke Business includes production of Coke and steam. During the year under review, the Company's financial performance has been adversely affected due to non-availability of raw material, increasing raw material costs and volatile foreign exchange. Due to shortage in availability of iron ore, Iron & Steel making facilities, i.e. Blast Furnace, DRI, SMS & Rolling Mill operated at very low production levels and the Company was unable to achieve its revenue potential.

Although the remuneration paid to Mr. Gautam during the period from 12 December 2012 to 31 March 2013, is in accordance with the approval granted by the Remuneration Committee and Board of Directors but in view of inadequacy of profits/loss incurred during the year due to reasons stated above, it has exceeded the limits prescribed under Section 309(3) and Part II of Schedule XIII of the Companies Act, 1956 (the Act). The Board has decided to seek permission of the Central Government under Section 309(5B) of the Act for waiving the recovery of the remuneration paid to Mr. Gautam which is in excess of the limits prescribed under Section 198, 269, 309 read with Schedule XIII of the Act in respect of the year 2012-13 and the approval of the Members is being sought for the same.

As per Section 309(5A) of the Act, unless recovery of such remuneration paid to Mr. Gautam by the Company which exceeds the statutory limit during the aforesaid period is waived by the Central Government on an application being made by the Company, such excess remuneration will be required to be held in trust for the Company by him. In the absence of waiver being approved by the Central Government, the remuneration paid in excess of the limits prescribed under the Act to Mr. Gautam would be required to be refunded by him to the Company as provided in Section 309(5A) of the Act.

Further, due to the downturn in global economy which has affected the Iron and Steel industry, the revenues of the Company were adversely affected which resulted in inadequate profits for the Company. Mr. Gautam is a key managerial person and his focused and continued association with the Company, with complete satisfaction, is an imperative need for the Company's growth, especially in such turbulent times. Considering his performance, the Board of Directors in its meeting held on 31 October 2013, on the recommendation of the Remuneration Committee, has approved revised remuneration and also that the substantive remuneration as proposed, be paid to Mr. Gautam as the minimum remuneration for the period w.e.f. 12 December 2013, notwithstanding that the profits of the Company had been or may be inadequate during the relevant financial year, subject to approval of Central Government.

The information as required under the provisions of Schedule XIII of the Companies Act, 1956 and also under Clause 49 of the Listing Agreement is furnished below.



(I) General Information

As per Annexure A to the Notice

(II) Information about Mr. Pankaj Gautam

(1) Background details, recognition or awards

Mr. Pankaj Gautam (61 years), is a Bachelor in Engineering (Electrical Engineering) from Government College of Engineering & Technology, Raipur. He also did his Post Graduate Diploma in Business Management from Ravishankar University, Raipur. He brings with him over 39 years of rich experience in Iron & Steel industry with previous assignments in SAIL's Bhilai Steel Plant. He joined SAIL in June 1974 and continued to work there until August 2012. At SAIL, Mr. Gautam took charge as the first Chief Executive Officer (CEO) of SAIL's Bhilai Steel Plant (BSP) in June 2011. He was discharging his responsibilities as Executive Director in Charge of BSP since 13 May 2011 where his responsibilities included:

- Formulating and achieving the Annual Business Plan committed to the Ministry of Steel for the plant in terms of production, sales and financial results.
- Timely implementation of modernization and expansion plans for increasing the capacity of the plant from 4 MT to 7 MT of crude steel.
- Planning for raw material security through development of Raoghat mines project.
- Ensuring safety, environment and peaceful industrial relation while taking care of CSR activities and better corporate governance.

Besides making all efforts to optimise production from existing facilities and take up maintenance activities in the Plant on a large scale, taking important projects forward and enhancing special steel production had been high on Mr. Gautam priorities as CEO of BSP. It is noteworthy that during his tenure, the capacity of the Salem Steel Plant was almost doubled from 175,000 MT to 340,000 MT and the commissioning of the state of the art Steel Melting Shop with EAF, AOD and all associated facilities, setting new standards in Project Implementation, was completed in record time, also Salem Steel Plant achieved the status of being a "zero discharge" plant, winning accolades and commendations for safety, environment protection, peripheral area and development. The motivated workforce of SAIL under his able guidance and leadership earned copious laurels like Shram Awards, Vishwakarma Award and QC Awards.

He was a director of BJCL Limited, a joint venture between SAIL and J.P. Associates Ltd.

Mr. Pankaj Gautam as Joint Managing Director & CEO, has made significant contribution in the business operation inspite of tough operational environment. Mr. Gautam has also been appointed as the Managing Director of VISA BAO Limited, subsidiary company with effect from 19 December 2012.

(2) Past Remuneration

Mr. Gautam has been appointed as Joint Managing Director & CEO with effect from 12 December 2012. Prior to his appointment on the Board of Directors of the Company,

he was drawing a sum of Rs. 2,846,836/- being the remuneration and perquisites for the financial year 2011-12 from SAIL.

(3) Job profile and his suitability

Mr. Pankaj Gautam as Joint Managing Director & CEO, is responsible for the management of affairs of the Company and specifically the operations & project implementation of the Company's facilities and is accountable to the Board of Directors. Considering his past track record, qualifications, vast experience and his achievement in the same business, Mr. Pankaj Gautam is best suited for the assignment as Joint Managing Director & CEO of the Company.

(4) Remuneration proposed

Particulars	Proposed w.e.f. 12 December 2012 to 11 December 2013	Proposed w.e.f. 12 December 2013
	(Rs. per month)	
FIXED		
Salary	100,000	110,000
Special allowance	450,000	512,000
House Rent Allowance	50,000	55,000
Reimbursement of personal driver's wages	8,000	8,800
Bonus (1 month's salary)	8,330	9,167
Leave Travel Concession (1 month's salary)	8,330	9,167
Medical Reimbursement (1 month's salary)	8,330	9,167
Gratuity	4,810	5,288
Provident Fund and Superannuation	12,000	13,200
Leave Salary	5,205	5,709
Total	655,005	737,498
Total per annum	7,860,060	8,849,976
VARIABLE		
Performance Bonus for the Financial Year, based on KRA achievements, subject to approval of the Board	2,000,000	2,000,000
Annual CTC	9,860,060	10,849,976

Other than the above, the Company will reimburse actual expenses for fuel, lubricants, repair & maintenance for the Company provided car. Use of Car for personal purpose shall be billed to him separately.

Mr. Gautam will also be entitled to other benefits & perquisites, as may be approved from time to time as well as any Stock Options that may be granted to him.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the person & position

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Gautam which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence, and the growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any  
Not applicable

(III) Other Information: As per Annexure B to the Notice

(IV) Disclosures

- (1) Remuneration package of the managerial person  
As mentioned in point no.II (4) above.
- (2) Disclosures in the Board of Directors' Report under the heading "Corporate Governance"

The required disclosures have been made in the Board of Directors' Report under the heading "Corporate Governance" in the Annual Report 2012-13.

Mr. Gautam does not hold any equity shares in your Company. Mr. Gautam is Director of other Companies, details of which are given in the Note No. 10(III) of the Notice. He is not a Member in any of the Committees of your Company.

This explanation, together with the accompanying Notice, is to be regarded as an Abstract of Terms and Memorandum of Interest, pursuant to the provisions of Section 302 of the Companies Act, 1956.

To ensure compliance with the provisions of Schedule XIII of the Companies Act, 1956, the Company is in the process of making an application to the Central Government for approval of the appointment and remuneration payable to Mr. Gautam.

Your Directors recommend the resolution for your approval.

Mr. Pankaj Gautam is deemed to be interested/concerned in this resolution to the extent specified hereinabove. No other Director and other key managerial personnel of the Company including their relatives are interested in this resolution.

#### Item No. 8 and 9

Mr. Vishambhar Saran is the founder of the VISA Group and was appointed as a Whole-time Director designated as Chairman of the Company w.e.f. 15 December 2004 for a period of 3 years. The Members of the Company at the Annual General Meeting held on 29 July 2008 had re-appointed Mr. Vishambhar Saran as Whole-time Director designated as Chairman for a period of three years w.e.f. 15 December 2007.

At the Fifteenth Annual General Meeting of the Company held on 26 July 2011, the Members had inter-alia approved the re-appointment of and payment of remuneration to Mr. Vishambhar Saran, Whole-time Director designated as the Chairman of the Company for a period of three years with effect from 15 December 2010. Further, the Members at the Sixteenth Annual General Meeting held on 14 August 2012 passed a resolution for payment of substantive remuneration as approved by the Members at the 15th Annual General Meeting of the Company held on 26 July 2011, as minimum

remuneration in case of loss or inadequacy of profits in any financial year during the remaining tenure of appointment of Mr. Saran. The above re-appointment and payment of remuneration to Mr. Saran was approved by the Members with specific authority granted by the Members to the Board to alter and vary the terms and conditions of the appointment including the remuneration as may be agreed between the Board of Directors and Mr. Saran and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Companies Act, 1956 for the time being in force.

Due to the downturn in global economy which has affected the Iron and Steel industry, the revenues of the Company were adversely affected which resulted in inadequate profits for the Company. Mr. Saran is a key managerial person and has been a guide to the Company right from inception. His contribution to the Company's business and its growth has been immense and significant. His focused and continued association with the Company, with complete satisfaction, is an imperative need for the Company's growth, especially in such turbulent times. It was under the able leadership of Mr. Vishambhar Saran, Chairman that the Company was able to survive the adverse market conditions. Considering the valuable contribution made by Mr. Saran in navigating the Company through difficult times, the Board of Directors in its meeting held on 31 October 2013, on the recommendation of the Remuneration Committee, has approved revised remuneration and also that substantive remuneration as proposed below be paid to Mr. Saran as the minimum remuneration for the period from 1 April 2012 to 14 December 2013, notwithstanding that the profits of the Company had been or will be inadequate, subject to approval of the Central Government.

Mr. Saran has been a Director of the Company since incorporation and is actively involved in the business policy decisions of the Company. Considering the vital role played by Mr. Vishambhar Saran in spearheading the Company's growth over the past 9 (nine) years as the Whole-time Director designated as Chairman, the Board of Directors, at its meeting held on 31 October 2013, on the recommendations of the Remuneration Committee, has re-appointed Mr. Vishambhar Saran as Whole-time Director designated as Chairman for a period of 3 (three) years w.e.f. 15 December 2013, pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956. The reappointment of and the remuneration payable to Mr. Saran requires approval of the Members. Mr. Saran shall, as long as he continues to be a Whole-time Director of the Company, not be liable to retire by rotation.

The information as required under the provisions of Schedule XIII of the Companies Act, 1956 and also under Clause 49 of the Listing Agreement is furnished below.

- (I) General Information  
As per Annexure A to the Notice
- (II) Information about Mr. Vishambhar Saran
- (1) Background details, recognition or awards

Mr. Saran (66 years), has experience of almost 44 years in the iron & steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral

beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron & steel industry. A mining engineer from BHU, he rose to the level of Director (Raw Materials) in Tata Steel before taking over as Chairman of the VISA Group in 1994. In a short span of time, he built the VISA Group into a minerals and metals conglomerate with a strong global presence in Australia, China, India, Indonesia, Singapore, South Africa and Switzerland. He is also the Honorary Consul of Bulgaria for Eastern India.

(2) Past Remuneration

A sum of Rs.20,220,547/- was paid to Mr. Saran (including Rs.2,133,679/- towards contribution to Provident Fund, Gratuity and encashment of leave), being the remuneration and approved perquisites for the financial year 2012-13.

(3) Job profile and his suitability

Mr. Saran as Chairman of the Company is responsible for the management of the affairs of the Company and implementation of various projects & all operational matters.

(4) Remuneration proposed

Particulars	Proposed w.e.f. 1 July 2012 to 30 June 2013	Proposed w.e.f. 1 July 2013 to 14 December 2013	Proposed to be paid on Re-Appointment w.e.f. 15 December 2013
	(Rs. per month)		
Salary	885,000	885,000	885,000
Special allowance	850,000	1,135,000	1,135,000
Free furnished residential accommodation	442,500	442,500	442,500
Bonus (1 month's salary)	73,750	73,750	73,750
Leave Travel Concession (1 month's salary)	73,750	73,750	73,750
Medical Reimbursement (1 month's salary)	73,750	73,750	73,750
Gratuity	42,548	42,548	42,548
Provident Fund and Superannuation	106,200	106,200	106,200
Total	2,547,498	2,832,498	2,832,498
Total (per annum)	30,569,976	33,989,976	33,989,976

Note: As per the approval of the Members at the Fifteenth Annual General Meeting of the Company held on 26 July 2011, Mr. Saran was entitled to Commission payable only on the Company registering adequate profits in the relevant financial year during the tenure of his appointment as Whole-time Director, which is not a part of the terms for revised remuneration and remuneration on his re-appointment.

Other than the above, Mr. Saran will be provided a Car, Telephone, Leave Salary, Club fees and other benefits & perquisites, as the Remuneration Committee may approve from time to time. Use of Car for personal purpose shall be billed to him separately.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the person & position

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Saran which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence, and the growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

(6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Mr. Vishambhar Saran is the founder of the VISA Group and is a Director of the Company since inception. Mr. Saran was appointed as the Whole-time Director designated as Chairman on 15 December 2004 for a period of three years. He was re-appointed with effect from 15 December 2007 for a further period of three years and again re-appointed for a period of three years with effect from 15 December 2010. He is further re-appointed for a period of three years with effect from 15 December 2013. Mr. Saran is father of Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company.

(III) Other Information: As per Annexure B to the Notice

(IV) Disclosures

(1) Remuneration package of the managerial person  
As mentioned in point no.II (4) above.

(2) Disclosures in the Board of Directors' Report under the heading "Corporate Governance"

The required disclosures have been made in the Board of Directors' Report under the heading "Corporate Governance" in the Annual Report 2012-13.

Mr. Saran does not hold any equity shares in your Company. Mr. Saran is the Director of other Companies, details of which are given in the Note No. 10(IV) of this Notice. He is not a Member in any of the Committees of your Company.

This explanation, together with the accompanying Notice, is to be regarded as an Abstract of Terms and Memorandum of Interest, pursuant to the provisions of Section 302 of the Companies Act, 1956.

To ensure compliance with the provisions of the Schedule XIII of the Companies Act, 1956, the Company is in the process of making necessary application to the Central Government.

Your Directors recommend the resolution for your approval.

Mr. Vishambhar Saran and Mr. Vishal Agarwal are deemed to be interested/concerned in this resolution to the extent specified hereinabove. No other Director and other key managerial personnel of the Company including their relatives are interested in this resolution.



**Item No. 10**

At the Fifteenth Annual General Meeting of the Company held on 26 July 2011, the Members had inter-alia approved the re-appointment of and payment of remuneration to Mr. Vishal Agarwal, as the Managing Director of the Company for a period of three years with effect from 25 June 2011. Further, the Members at the Sixteenth Annual General Meeting held on 14 August 2012 passed a resolution for payment of substantive remuneration as approved by the Members at the 15th Annual General Meeting of the Company held on 26 July 2011, as the minimum remuneration, in case of loss or inadequacy of profits in any financial year during the remaining tenure of appointment of Mr. Agarwal. The above re-appointment and payment of remuneration to Mr. Agarwal was approved by the Members with specific authority granted by the Members to the Board to alter and vary the terms and conditions of the appointment including the remuneration as may be agreed between the Board of Directors and Mr. Agarwal and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Companies Act, 1956 for the time being in force. Mr. Agarwal was re-designated as the Vice Chairman and Managing Director with effect from 12 December 2012.

Due to the downturn in global economy which has affected the Iron and Steel industry, the revenues of the Company were adversely affected which resulted in inadequate profits for the Company. Mr. Agarwal is a key managerial person and is in overall charge of the Company's operations, project implementation, financial and marketing functions, where his focused and continuous contribution, is an imperative need for the Company's growth. Considering his performance, the Board of Directors in its meeting held on 31 October 2013, on the recommendation of the Remuneration Committee, has approved revised remuneration and also the substantive remuneration as proposed be paid to Mr. Agarwal as minimum remuneration for the period from 1 April 2012 to 24 June 2014, when the profits of the Company had been or will be inadequate, subject to approval of the Central Government.

The information as required under the provisions of Schedule XIII of the Companies Act, 1956 and also under Clause 49 of the Listing Agreement is furnished below.

**(I) General Information**

As per Annexure A to the Notice

**(II) Information about Mr. Vishal Agarwal****(1) Background details, recognition or awards**

Mr. Agarwal (39 years), has over 16 years experience in the iron & steel industry with hands on experience of setting up Greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Ferro Chrome and Coke industry.

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

**(2) Past Remuneration**

A sum of Rs.17,558,019/- was paid to Mr. Agarwal (including Rs.1,789,110/- towards contribution to Provident Fund, Gratuity and encashment of leave), being the remuneration and approved perquisites for the financial year 2012-13.

**(3) Job profile and his suitability**

Mr. Vishal Agarwal, as the Vice Chairman and Managing Director of the Company, is responsible for overall management of operations and implementation of projects and is the driving force behind many of the Company's strategic and human resource initiatives. Mr. Agarwal has in-depth experience of commissioning of greenfield projects of the Company by successfully establishing the plants at Golagaon and Kalinganagar.

**(4) Remuneration proposed**

Particulars	Proposed w.e.f. 1 July 2012 to 30 June 2013	Proposed w.e.f. 1 July 2013 to 24 June 2014
	(Rs. per month)	
<b>FIXED</b>		
Salary	760,000	840,000
Special allowance	697,000	788,000
Free furnished residential accommodation	87,628	87,628
Bonus (1 month's salary)	63,333	70,000
Leave Travel Concession (1 month's salary)	63,333	70,000
Medical Reimbursement (1 month's salary)	63,333	70,000
Gratuity	36,538	40,385
Provident Fund and Superannuation	91,200	100,800
<b>Total</b>	<b>1,862,365</b>	<b>2,066,813</b>
<b>Total Fixed (per annum)</b>	<b>22,348,380</b>	<b>24,801,756</b>
<b>VARIABLE</b>		
Performance Bonus for the financial year*	2,000,000	2,000,000
<b>Total (per annum)</b>	<b>24,348,380</b>	<b>26,801,756</b>

\*Revised from existing term of Commission upto @2% of net profits, subject to approval of the Board. Commission upto 2% of net profits is not a part of the terms for revised remuneration.

Other than the above, Mr. Agarwal is also entitled to Company provided Car, Telephone, Leave Salary, Club fees and other benefits & perquisites, as the Remuneration Committee may approve from time to time. Use of Car for personal purpose shall be billed to him separately.

**(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the person & position**

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Agarwal which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence and the growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Mr. Vishal Agarwal was appointed as the Executive Director of the Company with effect from 11 August 1997 for a period of 5 years. Subsequently he was appointed as Managing Director with effect from 1 October 2001 for a period of 5 years, re-appointed as Managing Director for a period of 3 years with effect from 25 June 2005, further re-appointed as Managing Director for a period of 3 years with effect from 25 June 2008 and again re-appointed as Managing Director for a period of 3 years with effect from 25 June 2011. He was re-designated as the Vice Chairman and Managing Director with effect from 12 December 2012. Mr. Agarwal is son of Mr. Vishambhar Saran, Whole-time Director designated as Chairman of the Company.

(III) Other Information: As per Annexure B to the Notice

(IV) Disclosures

- (1) Remuneration package of the managerial person  
As mentioned in point no.II (4) above.
- (2) Disclosures in the Board of Directors' Report under the heading "Corporate Governance"

The required disclosures have been made in the Board of Directors' Report under the heading "Corporate Governance" in the Annual Report 2012-13.

Mr. Agarwal does not hold any equity shares in your Company. Mr. Agarwal is the Director of VISA Infrastructure Limited, VISA International Limited, VISA BAO Limited, Ghotaringa Minerals Limited, VISA Cement Limited, VISA Aluminium Limited, VISA Urban Infra Limited, VISA Special Steel Limited, VISA SunCoke Limited and VISA Ferro Chrome Limited. He is the member of the Finance & Banking Committee and Share Transfer & Investor Grievance Committee of your Company.

This explanation, together with the accompanying Notice, is to be regarded as an Abstract of Terms and Memorandum of Interest, pursuant to the provisions of Section 302 of the Companies Act, 1956.

To ensure compliance with the provisions of the Schedule XIII of the Companies Act, 1956, the Company is in the process of making necessary application to the Central Government.

Your Directors recommend the resolution for your approval.

Mr. Vishal Agarwal and Mr. Vishambhar Saran are deemed to be interested/concerned in this resolution to the extent specified hereinabove. No other Director and other key managerial personnel of the Company including their relatives are interested in this resolution.

## ANNEXURE A

### General Information about the Company

#### (1) Nature of industry

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

The iron and steel industry is a highly cyclical industry wherein the demand is affected by the global trends and growth in sectors such as construction and automobile and the cost of production is affected by the international prices of iron ore and coking coal.

#### (2) Date of commencement of commercial production

##### Status of Projects

Sl. No.	Name of the Unit	Annual Production Capacity	Date of commencement of Commercial Production
(i) Completed			
1.	Blast Furnace	225,000 TPA	March 2005
2.	Coke Oven Plant	400,000 TPA	March 2006 to July 2007
3.	Ferro Chrome Plant	50,000 TPA	November 2007
4.	Power Plant	1st 25 MW	October 2008
		2nd 25 MW	March 2009
		3rd 25 MW	September 2010
5.	DRI Plant	150,000 TPA	October 2008
		150,000 TPA	June 2009
6.	Steel Melt Shop	500,000 TPA	Under trial run
7.	Bar & Wire Rod Mill	500,000 TPA	Under trial run

#### (ii) Under Implementation

The Board had decided to set up an Iron Ore Sinter Plant and additional captive power generation facilities.

## (3) Financial performance based on given indicators

(Rs. in Million)

Particulars	2012 – 13			2011 – 12		
	Continuing	Discontinuing	Total	Continuing	Discontinuing	Total
Gross Income	5,325.50	5,119.44	10,444.94	8,156.20	5,805.13	13,961.33
Gross Expenditure excluding interest, depreciation, taxes and exceptional items	5,612.05	4,902.81	10,514.86	6,558.08	6,342.63	12,900.71
Profit before interest, depreciation & tax	(286.55)	216.63	(69.92)	1,598.12	(537.50)	1,060.62
Finance cost	1,258.81	425.21	1,684.02	1,465.49	431.19	1,896.68
Depreciation	524.77	121.29	646.06	385.62	125.90	511.52
Profit before Exceptional Item and Taxation	(2,070.13)	(329.87)	(2,400.00)	(252.99)	(1,094.59)	(1,347.58)
Exceptional Items	1,620.04	(254.71)	1,365.33	33.06	(650.33)	(617.27)
Profit before Tax	(450.09)	(584.58)	(1,034.67)	(219.93)	(1,744.92)	(1,964.85)
Provision for Tax	-	-	-	(776.31)	-	(776.31)
Profit after Tax	(450.09)	(584.58)	(1,034.67)	556.38	(1,744.92)	(1,188.54)
Profit on Disposal of Assets and Liabilities of Discontinuing Operation	-	124.28	124.28	-	-	-
(Loss) / profit for the period	(450.09)	(460.30)	(910.39)	556.38	(1,744.92)	(1,188.54)
Paid up capital	1,100.00			1,100.00		
Reserve & Surplus	4,095.10			1,244.32		
Fixed Assets	26,078.10			25,595.13		

## (4) Export performance and net foreign exchange collaborations

(Rs. in Million)

Particulars	2012-13	2011-12
Foreign Exchange Earnings		
Export Sales	1,718.24	808.82
Foreign Exchange Outgo		
Imports		
• Raw Materials	2,434.29	3,632.74
• Finished Goods	606.47	1,336.37
• Capital Goods	33.58	147.11
Traveling	4.58	5.30
Interest	105.68	85.66
Others	206.23	7.78
Net Exports	(1,672.59)	(4,406.14)

## (5) Foreign investments or collaborators, if any

As on 31 March 2013, the total holdings of Foreign Institutional Investors in the Company was 4,998,087 equity shares equivalent to 4.54 % of the total paid up capital of the Company. The total holdings of Non Resident Indians as on 31 March 2013 in the Company was 291,523 equity shares equivalent to 0.27 % of the total paid up capital of the Company.

## ANNEXURE B

## (1) Reasons of loss or inadequate profits

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

The iron and steel industry is a highly cyclical industry wherein the demand is affected by the global trends and growth in sectors such as construction and automobile and the cost of production is affected by the international prices of iron ore and coking coal.

The financial year 2012 – 13 has been an extremely challenging year for the Iron & Steel industry due to global slowdown in demand and domestic challenges of non-availability of vital raw material at viable prices. This has adversely impacted the Company as well. During the year under review, the Company's financial performance has been adversely affected due to non-availability of raw material, increasing raw material costs and volatile foreign exchange. Due to shortage in availability of iron ore, Iron & Steel making facilities, i.e. Blast Furnace, DRI, SMS & Rolling Mill operated

at very low production levels and the Company was unable to achieve its revenue potential.

(2) Steps taken or proposed to be taken for improvement

1. The Company is taking various measures to reduce its input Raw Material cost including its specific consumption per unit of product.
2. Hedging of Forex exposure
3. Cost reduction by optimizing production
4. The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating & energy efficiencies and increasing overall productivity.
5. During the year 2012-13, the debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism. Pursuant to the approval by CDR Empowered Group in September 2012, a Master Restructuring Agreement (MRA) and other Individual Agreement have been executed by the Company with the CDR Lenders. The Scheme has given relief to the Company. The Scheme, inter-alia, includes restructuring of repayment schedule, reduction of interest rates, sanction of fresh term loan, sanction of Working Capital Term Loan and Funding Interest Term Loan, sanction of need based working capital, creation of additional security in favour of CDR Lenders. This will provide your Company with the breathing space

to further reduce costs, improve operational margins, sell non-core assets and improve the cash position.

(3) Expected increase in productivity and profits in measurable terms

As mentioned in para above, the Company has taken appropriate steps to ensure improvement in profitability in future and subject to improvement in economic scenario and market condition, the Company expects to make good profit. Since profitability of the Company was adversely affected primarily due to external factors, in the prevailing political scenario and ongoing policy entanglements relating to coal supply and mining of iron ore, despite the steps taken for improvement in internal factors it would be inappropriate to quantify in measurable terms the likely increase in productivity and profits which may take place as a result of the steps taken by Company.

By Order of the Board  
For VISA Steel Limited

Subhra Giri  
Company Secretary

Place: Kolkata  
Date: 31 October 2013

Registered Office  
VISA House  
11 Ekamra Kanan  
Nayapalli  
Bhubaneswar 751 015

# VISA STEEL

## VISA Steel Limited

Registered Office: VISA House, 11, Ekamra Kanan, Nayapalli, Bhubaneswar 751 015

### ATTENDANCE SLIP

17th Annual General Meeting

16 December 2013

DP ID ..... Folio/Client ID No.....

Full name of the Shareholder/Proxy attending the meeting

.....

(First Name)

(Second Name)

(Surname)

FIRST HOLDER/JOINT HOLDER/PROXY

(Strike out whichever is not applicable)

Full name of the First holder.....

(If Joint holder/Proxy attending)

(First Name)

(Second Name)

(Surname)

.....

Signature of Shareholder/Proxy

Please note that no gifts/Company products will be given at the meeting.



# VISA STEEL

## VISA Steel Limited

Registered Office: VISA House, 11, Ekamra Kanan, Nayapalli, Bhubaneswar 751 015

### PROXY FORM

DP ID ..... Folio/Client ID No.....

I/We ..... of .....

.....

(Full Address)

in the State of ..... being a member(s) of VISA Steel Limited,

hereby appoint .....

(Name in Block Letters)

of ..... or failing

(Full Address)

him/her ..... of .....

(Name in Block Letters)

(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on 16 December 2013 at 3.30 p.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001 and at any adjournment thereof.

As WITNESS my/our hand/hands is/are affixed this ..... day of ..... 2013.

(Date)

(Month)

Note: 1. The Proxy need not be a member of the Company.

2. The Proxy Form duly signed across Revenue Stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.

Affix Revenue  
Stamp

Signature .....



# Corporate Information

## Board of Directors

Mr. Vishambhar Saran, Chairman  
Mr. Vishal Agarwal, Vice Chairman and Managing Director  
Mr. Maya Shanker Verma, Independent Director  
Mr. Shiv Dayal Kapoor, Independent Director  
Mr. Debi Prasad Bagchi, Independent Director  
Mr. Pradip Kumar Khaitan, Independent Director  
Mr. Shanti Narain, Independent Director  
Mr. Subrato Trivedi, Non-Executive Director  
Mr. Pankaj Gautam, Joint Managing Director & CEO

## Executive Director (Finance)

Mr. Manoj Kumar Digga

## Company Secretary

Ms. Subhra Giri

## Statutory Auditors

Lovelock & Lewes

## Internal Auditors

L. B. Jha & Co.

## Solicitors

Khaitan & Co.

## Bankers & Financial Institutions

Andhra Bank  
Bank of Baroda  
Bank of India  
Canara Bank  
Central Bank of India  
Corporation Bank  
Dena Bank  
Export Import Bank of India  
HUDCO  
Indian Overseas Bank  
IL&FS Financial Services Limited  
Oriental Bank of Commerce  
Punjab National Bank  
SIDBI  
State Bank of India  
State Bank of Hyderabad  
State Bank of Travancore  
Syndicate Bank  
UCO Bank  
Union Bank of India  
Vijaya Bank

## Registrars

Karvy Computershare Private Limited

## Registered Office

BHUBANESWAR  
VISA House, 11, Ekamra Kanan, Nayapalli,  
Bhubaneswar - 751015.  
Tel: +91 (674) 2552479,  
Fax: +91 (674) 2554661

## Corporate Office

KOLKATA  
VISA House,  
8/10 Alipore Road,  
Kolkata - 700027  
Tel: +91 (33) 3011 9000  
Fax: +91 (33) 3011 9002

## Plant Offices

### KALINGANAGAR PLANT SITE

Kalinganagar Industrial Complex,  
At/P.O. Jakhapura District Jajpur  
Odisha 755026  
Tel: +91 (6726) 242441  
Fax: +91 (6726) 242442

### GOLAGAON PLANT SITE

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

### RAIGARH PLANT SITE

8, Gajanandpuram, Kotra By-pass Road, Raigarh -  
496001, Chhattisgarh  
Tel: +91 (7762) 2282 80



**VISA STEEL**

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