

VISA STEEL LIMITED

VISA STEEL

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13 January 2017

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 BSE SCRIP CODE: 532721	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai 400 051 NSE SYMBOL: VISASTEEL
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Dear Sir/Madam,

Sub: Submission of Annual Report 2015-16


Ref:- Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

Please find enclosed the Annual Report for the financial year 2015-16 as approved and adopted by the shareholders of the Company in its Annual General Meeting held on 28 December 2016.

We are also attaching a suitable declaration in compliance with SEBI Circular No. SEBI/LAD-NRO/GN/2016-17/001 dated 25 May 2016, read with Circular No. CIR/CFD/CMD/56/2016 dated 27 May 2016

This is for your information and records.

Yours Faithfully,
For VISA Steel Limited


Sudhir Kumar Banthiya
Company Secretary



Declaration pursuant to Regulation 33 & 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

I, Manoj Kumar Digga, Director-Finance & Chief Financial Officer, hereby declare that the Statutory Auditors of the Company, M/s. Lovelock & Lewes (Firm Registration No. 301056E) have issued unmodified opinion on Standalone and Consolidated Annual Audited Financial Results for the year ended 31 March 2016.

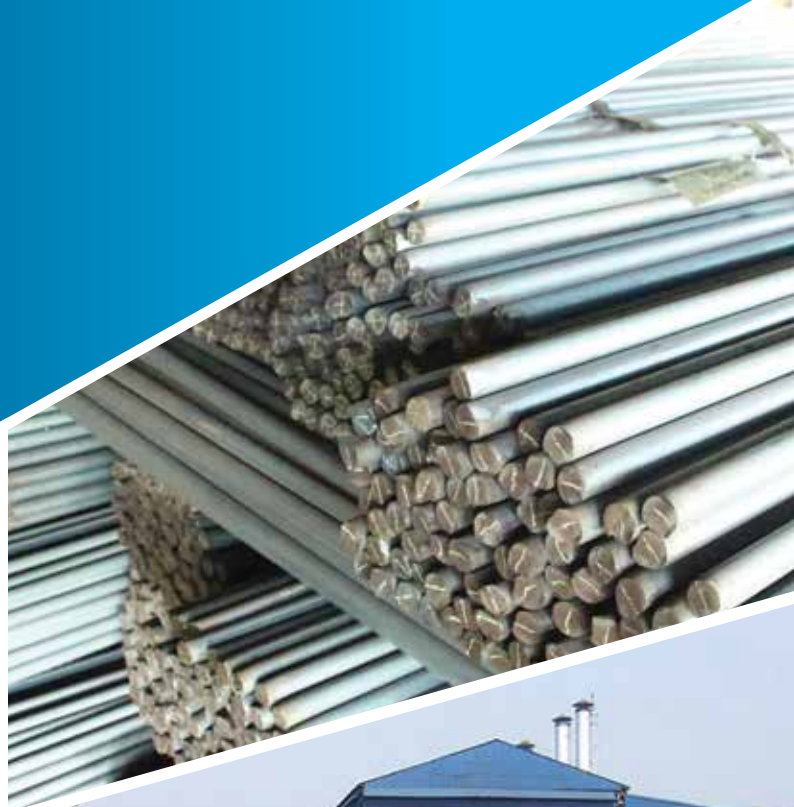


Manoj Kumar Digga
Director-Finance & CFO



VISA STEEL

Annual Report 2015-16



SPARKING
THE FUTURE

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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



RAMPING UP OPERATIONS

WITH THE IMPROVEMENT IN RAW MATERIAL AVAILABILITY, VISA STEEL LIMITED IS FOCUSED ON RAMPING UP OPERATIONS.

The Company has created economically viable manufacturing assets for production of Special Steel Long products, Ferro Chrome and Coke at Kalinganagar in Odisha. With the passing of MMDR Amendment Act, the mineral production has increased in the mineral rich State of Odisha, which accounts for 33% of India's total Iron Ore reserves, 28% of Coal reserves and 97% of Chrome Ore reserves. With improvement in Iron Ore and

Chrome Ore availability, VISA Steel has ramped up its operations inspite of working capital constraints.

The Company has inducted SunCoke, USA as a strategic investor in the Coke business and Baosteel, China in the Ferro Chrome business and is in discussions with potential investors to raise further funds as working capital.

VISA STEEL AT A GLANCE

VISA Steel was founded in 1994 by Mr. Vishambhar Saran. It is a part of the VISA Group. As a Mineral, Metal and Energy conglomerate, the VISA Group believes in leveraging its core strengths to create high quality assets. It aims to build a rewarding long-term business in Steel, Power and International Trading.

VISA Steel has created a world-class facility in Kalinganagar Industrial Complex in Odhisa, one of the largest steel hubs in India.

Our Capacities

Special Steel business

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

Ferro Alloy Business

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

Coke Business

FACILITY	CAPACITY
Coke Oven Plant	400,000 TPA

Registered office

Bhubaneswar

Corporate Office

Kolkata

Listing

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

Vision

Create long term shareholder value through value addition of natural resources

Core Values

Transparency

We are transparent and honest in our profession to all our stakeholders

» Team Work

We work together as a team to benefit from our complementary strengths

» Passion

We are passionately committed to delivering excellence in performance

» Attitude

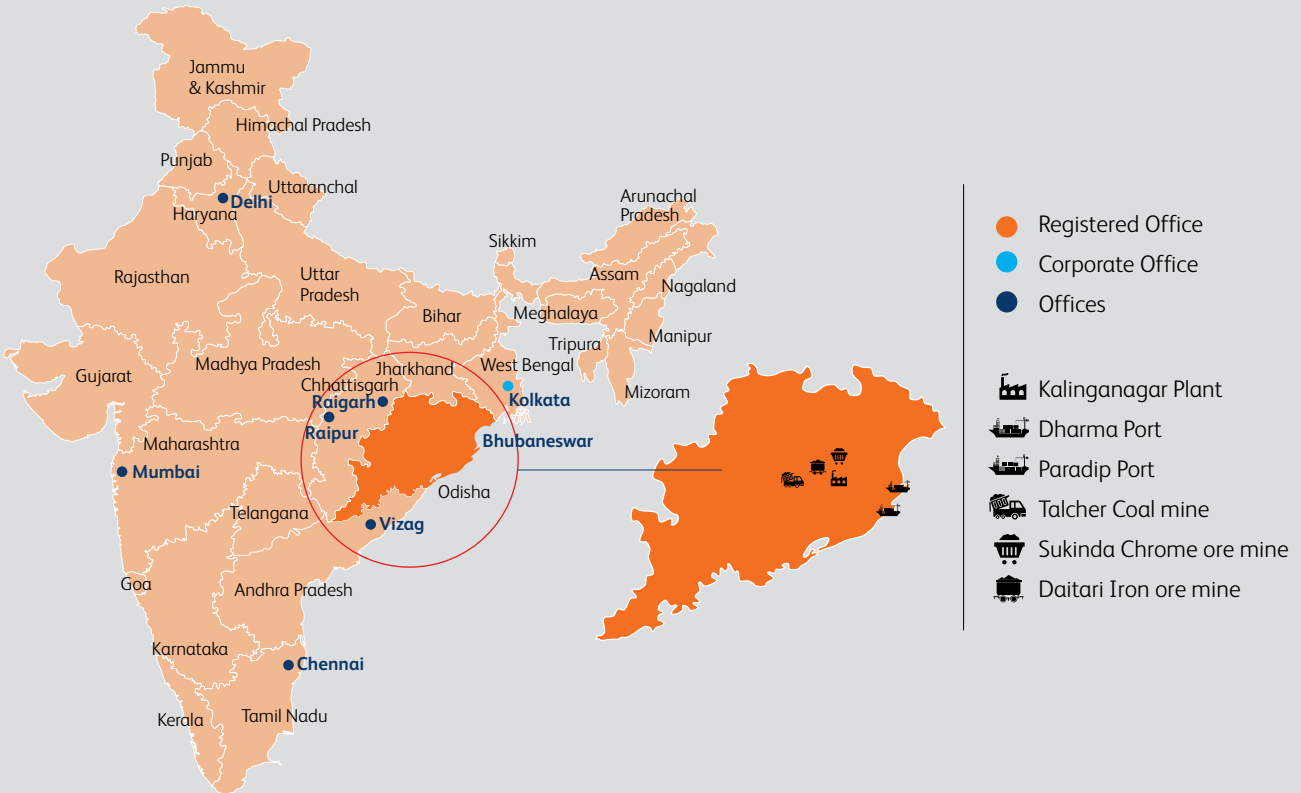
We demonstrate ownership in our attitude to create sustainable value for shareholders

» Governance

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

OUR STRATEGIC LOCATION

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

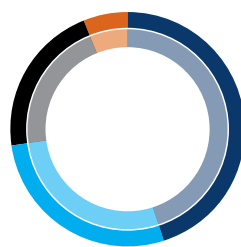


Iron ore reserves (%)



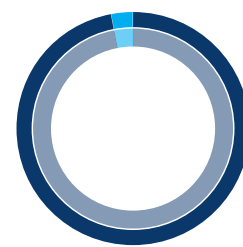
■ Odisha 33 ■ Jharkhand 28
■ Chhattisgarh 18 ■ Karnataka 11
■ Others 10

Coal reserves (%)



■ Jharkhand 45 ■ Odisha 28
■ Chhattisgarh 21 ■ Others 6

Chrome ore reserves (%)



■ Odisha 97 ■ Others 3

STRATEGIC GOALS AND MISSION



INTEGRATE ACROSS VALUE CHAIN WITH CAPTIVE MINES AND POWER

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



LEADERSHIP IN BUSINESS SEGMENT THROUGH MARKET SHARE

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



MAXIMISE SHAREHOLDER VALUE BY MARKET CAP AND ROCE

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



BUILD PARTNERSHIPS WITH CUSTOMERS AND SUPPLIERS

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



FAMILY OF CAPABLE, MOTIVATED AND HAPPY EMPLOYEES

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



STRATEGIC GOALS

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



FINANCIAL AND OPERATIONAL PERFORMANCE

All amount in Rs. Million, unless otherwise stated

Financial Highlights	FY 2016	FY 2015
Revenue	13,163	12,951
EBIDTA	47	308
EBIDTA Margin	0.36%	2.38%
PAT	(6,155)	(2,729)
Share Capital	1,100	1,100

Operational Highlights	FY 2016	FY 2015
Ferro Alloys (in MT)	85,836	62,719
Power (in Million Units)	406	367
Hot Metal (in MT)	121,521	42,931
Sponge Iron (in MT)	224,934	184,149
Coke (in MT)	294,258	295,734

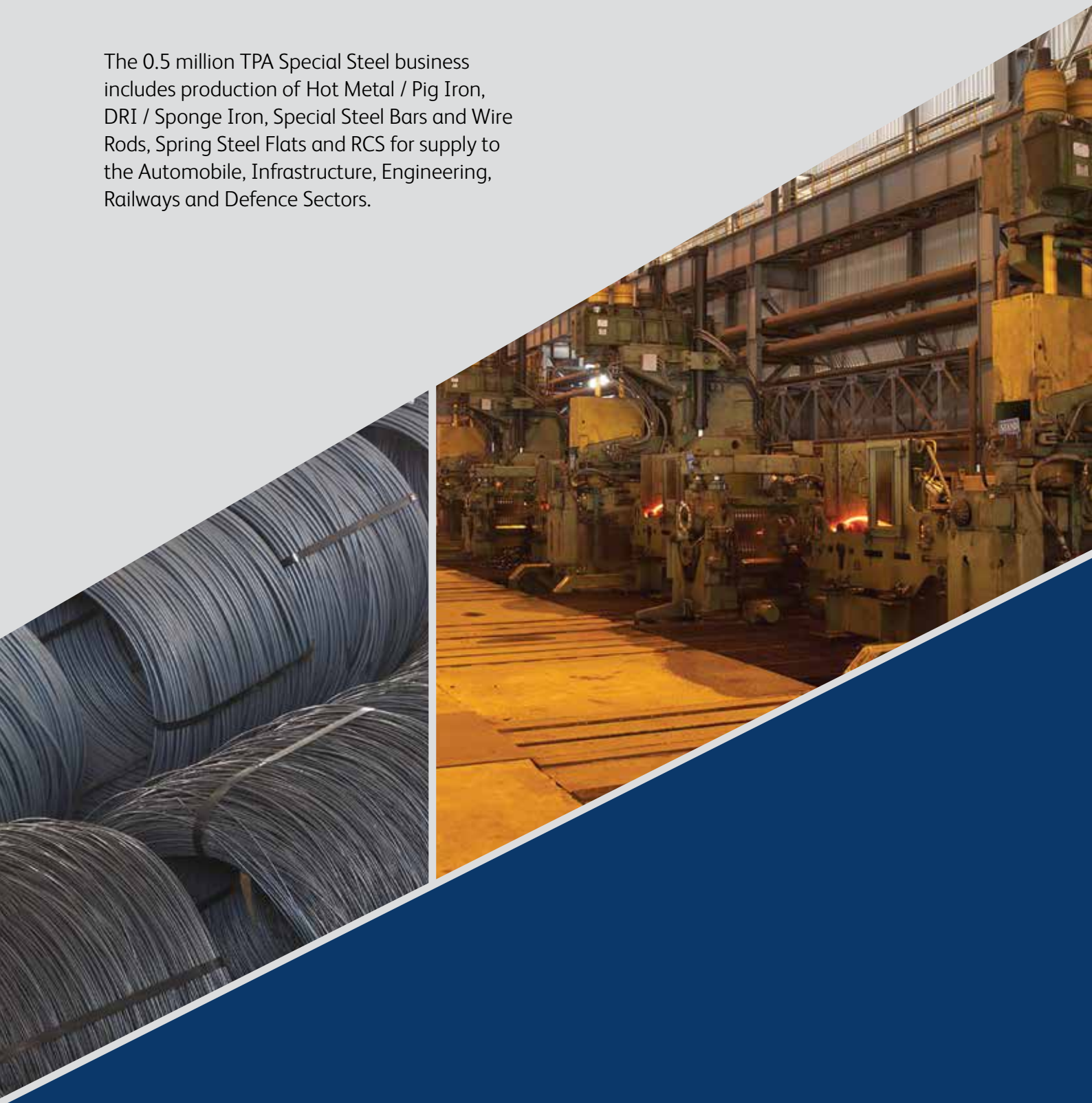


SPECIAL STEEL BUSINESS

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



The 0.5 million TPA Special Steel business includes production of Hot Metal / Pig Iron, DRI / Sponge Iron, Special Steel Bars and Wire Rods, Spring Steel Flats and RCS for supply to the Automobile, Infrastructure, Engineering, Railways and Defence Sectors.



FERRO ALLOYS BUSINESS

120,000 TPA

VISA Steel is currently operating a 120,000 TPA Ferro Alloy Plant (4 Furnaces) and a 75 MW Captive Power Plant.





VISA Steel is currently operating a 120,000 TPA Ferro Alloy Plant (4 Furnaces) and a 75 MW Captive Power Plant. The Company is in the process of amalgamating VISA BAO Limited with itself and in the interim period, the Company is operating VISA BAO's Ferro Alloy Plant on dry lease basis.

VISA Bao Limited is also in the process of completing balance 2 out of 4 Furnaces, which will increase the consolidated capacity to 180,000 TPA (6 Furnaces).

Chrome Ore and Power are key cost components in Ferro Alloys business and availability of Chrome Ore & Power is critical to the cost competitiveness and has been key to ramping up operations.



COKE BUSINESS

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

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



400,000 TPA

The Coke Business comprises of a 400,000 TPA Coke Oven Plant with associated steam generating units operating through Company's subsidiary, VISA SunCoke Limited.



CHAIRMAN'S INSIGHTS



Vishambhar Saran, Chairman

DEAR SHAREHOLDERS,

The financial year 2015-16 has been a year with significant developments including amendment to the MMDR Act and imposition of Minimum Import Price. The operations of the Company have seen improvement inspite of the challenges being faced by the Iron & Steel industry due to global over capacity, rising steel exports from China, weak demand & prices, high interest cost and non availability of working capital for Plant operations. Your Company continues to pursue its interests in Special Steel, Ferro Alloy & Metallurgical Coke businesses.

For the year ended 31 March 2016, the Company recorded consolidated revenue of Rs.13,163.24 million, EBITDA of Rs. 46.84 million and loss after tax of Rs.6,155.28 million. The Company's margins were much lower than its potential, mainly due to non-availability of raw materials at viable prices, sluggish demand and weak product prices, high interest cost and non availability of adequate working capital for operations.

SPECIAL STEEL BUSINESS

During the first half of the financial year, the Company's Special Steel Business was severely affected due to non availability of Iron Ore at viable prices but after the MMDR Amendment Act was passed and with the reopening of mines,

there has been improvement in the availability of Iron Ore from end 2015 onwards.

With the improvement in the availability of Iron Ore and after relining of its Blast Furnace, despite continued constraint of working capital, your Company has ramped up operations of Blast Furnace & DRI from Q4 FY'2015-16 onwards. The Company has also resumed operations of Special Steel Long Products from end July 2016. The focus is now on ramping up production of Special Steel products, establishing best quality standards and developing market and getting various approvals from end users.

FERRO ALLOYS BUSINESS

During the year under review, the Company's Ferro Alloy Business was affected due to frequent stoppage in the supply of Chrome Ore and Concentrate due to closure of various private Chrome Ore mines due to Supreme Court judgment dated 16th May 2014. The management took up the raw materials issue with OMC & Government officials through various Industry Chambers which has improved the availability and Chrome Ore production by OMC and others from end 2015 onwards. With the improvement in availability of Chrome Ore, the operations of Ferro Alloy Plant have increased from Q4 FY'2015-16 onwards. However, a period of uncertainty in supply of Chrome Ore is likely after 31 March 2020, when leases of all non-captive mines will expire.

To consolidate the Ferro Alloy Business of your Company & VISA Bao Limited, the Boards & Shareholders of VISA Bao Limited (VBL) and the Company have approved amalgamation of VBL with the Company. Consequently Baosteel will be issued 5% stake in the Company. The integration will improve the operational and cost efficiency of the Ferro Alloy Business.

COKE BUSINESS

The Coke Business is being operated through Company's subsidiary - VISA SunCoke Limited, a joint venture between VISA Steel Limited and SunCoke Energy, USA, in which the Company holds 51% stake and SunCoke Energy holds remaining 49% stake.

The Coke Business performance has also been adversely affected due to sluggish demand for Coke in the domestic market and pressure of cheap imports from China. Coking Coal and Coke prices have been weakening over the year and

VISA SunCoke has been adversely affected due to inventory writedown. The inverted duty structure in Coking Coal & Coke is adversely impacting Coke manufacturers in India. The Import duty on Coking Coal is at 2.5% and Clean Energy Cess on Coking Coal is at Rs. 400 per MT, whereas the import duty on Coke is only 5%. The key challenge for the Coke business is the shift to index pricing for Coking Coal which has increased volatility.

THE INDUSTRY

As per WSA, the Global Steel demand will increase by 0.2% to 1,501 million tonnes in 2016, following a contraction of 3% in 2015, primarily due to the slowdown in China. Global Steel industry continued to be impacted by large overcapacity especially in China.

India has become the third largest producer of Steel with production of 89.8 million MT Crude Steel in FY 2015-16, after China and Japan. In FY 2015-16, India was amongst the few countries that saw a growth in Steel, whereas globally the Steel consumption fell.

As per the Ministry of Steel, Government of India, the current per capita consumption of finished steel in the country is only around 60 kg which is far less than the world average of 220 kg (China at 500 kg). It is estimated that India would need 300 million TPA of Steel by 2030 and therefore, there is a huge growth potential in Steel demand / consumption in India. However, any significant improvement in demand for Iron and Steel products may take a little longer and can show up only after investments in infrastructure and construction industries start to pick up.

VISION & STRATEGY

The Company is committed to its vision to emerge as an efficient producer of high quality value added Special Steel Long Products, High Carbon Ferro Chrome and Metallurgical Coke.

Having set up state of the art value addition facilities, the Company is focused on increasing capacity utilisation for all

Units, raising funds for working capital and restructuring loan to a sustainable level. The Company is also keen to secure Iron Ore & Chrome Ore mines by participating in auctions as permitted under the newly amended MMDR Act.

The Company has initiated an array of cost saving projects in areas like overheads, logistics, repairs and maintenance, stores and spares, improving yields, process efficiencies and so on. Further with the ramping up of the Special Steel facilities, the Company is confident of achieving higher revenues and better margins with improvement in the market scenario.

OUTLOOK

The growing Auto Sector and opening up of Railways and Defence Sectors for FDI will help in increasing the domestic demand of Special Steel Long products in India. Having started the plant and established the quality, the Company is ready to take on this opportunity to cater to the Special Steel market segment. The Government of India plans to give thrust to the manufacturing sector through the 'Make in India' Campaign and the Company has a good range of products to serve this segment.

I would like to place on record my sincere appreciation and gratitude to the entire team of VISA Steel Group for its relentless commitment inspite of the challenging business environment. I am grateful to the members of the Board of the Company for their invaluable guidance and contribution. I would also like to convey my sincere thanks to all the stakeholders, lenders, suppliers, customers, Government Officials and employees for their valued support and I hope to continue to receive your support in the future.

Warm Regards,



Vishambhar Saran

VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Vishal Agarwal, VC & MD

Your Company has established a world class economically viable manufacturing assets for production of Special Steel, Ferro Alloys and Metallurgical Coke at Kalanganagar in Odisha with huge investments funded by Banks, Promoters and Public Shareholders. The financial and operational performance of the Company has been adversely affected due to various external factors beyond management control. However, with improvement in raw material availability, operations have improved and with the likely improvement in market demand and prices and with the restructuring of loan to a sustainable level, the Company's performance is bound to revive.

RAW MATERIAL

Your Company has entered into a long term agreement with the Odisha Mining Corporation for supply of Iron Ore and Chrome Ore / Concentrates in July 2015. The Company expects a steady supply of Iron Ore & Chrome Ore from OMC which would significantly improve production of Special Steel and Ferro Alloy business.

The Mines and Minerals Development and Regulation (MMDR) Amendment Act which was passed and notified in March 2015 has improved the availability of Iron Ore & Chrome Ore domestically from end 2015 onwards.

The Government of India has restored the Export Duty of 30% on Chrome Ore & Concentrates on 27 May 2016 which should ensure availability of Chrome Ore & Concentrates for the

domestic end users engaged in the production of Ferro Alloys. However, the availability of Chrome Ore is likely to remain uncertain after 31 March 2020.

OPERATIONS

The Hot Metal/Pig Iron production has improved to 121,521 MT during 2015-16 compared to 42,931 MT in 2014-15 and DRI/Sponge Iron production has increased to 224,934 MT during 2015-16 compared to 184,149 MT in 2014-15. Your Company has also resumed operations of its SMS & Rolling Mill from end July 2016 onwards.

The Ferro Alloy production increased to 85,836 MT in the financial year 2015-16 compared to 62,719 MT in 2014-15. The generation of Electricity from the Company's Captive Power Plant was higher at 405.93 million units in financial year 2015-2016 as compared to 367.28 million units in the previous year.

The production of metallurgical Coke in 2015-16 was 294,528 MT, compared to 295,734 in 2014-15.

MARKETING

The demand and prices of your Company's products have been weak. However, the Government imposed Minimum Import Price (MIP) dated 5 February 2016 which has checked imports of Steel at predatory pricing. This is likely to reduce imports of Steel and benefit domestic manufacturers. The Steel Companies have also requested the Government to impose Anti-Dumping Duty on Wire Rods and other Steel Long products as well as Metallurgical Coke due to dumping from China and inverted duty structure for Coking Coal and Coke.

The Chinese Government has announced initiatives for reduce its Steelmaking capacity in phases to reduce the overcapacity in Steel Sector. There are also reports of consolidation in the Chinese Steel industry through merger of Baosteel & Wuhan Steel. In view of the above and with the various initiatives (such as 'Make in India') and reforms by the current Government shall result in revival of demand growth for various Special Steel products.

FINANCE

The financial and operational performance of the Company has been adversely affected due to various external factors beyond management control which amongst others include failure of the commitment made by the respective State Government through MoU to grant captive Iron Ore Mining Lease which deprive the Company from long term source of Iron ore at cost, de-allocation of Coal Block by Ministry of Coal & Hon'ble Supreme Court's order dated 24 September 2014 which deprive the Company from long term source of Coal at

cost, non-availability of Iron Ore & Chrome Ore at viable prices due to closure of Mines due to Shah Commission Investigation since 2011 & Supreme Court judgment on 16 May 2014, non-availability of working capital for Plant operations, sharp drop in Steel prices due to Chinese overcapacity, dumping of Steel from China and Russian Rouble depreciation, FTA's with Japan & Korea wherein Steel was being imported at import duty of below 2.5%, high interest costs, logistics costs, infrastructure bottlenecks etc.

Consequently, EBITDA margins have not been sufficient to service interest cost, let alone loan repayment, resulting in losses & financial stress across the Indian Steel Sector including your Company. The adjustment of interest and installment from the working capital in spite of low EBITDA margins has resulted in increasing the debt of the Company to levels much beyond the hard cost of the project and hence requiring restructuring to bring the debt to sustainable level.

Your Company has already infused additional equity funds of Rs. 325 Crores in a phased manner as per the CDR package but due to the continued stress across the Steel Sector, your Company has not been able to service its debt and the account of the Company has become Non-Performing Asset (NPA) with its lenders.

Your Company has been in discussions with lenders to induct investor and restructure the loan to a sustainable level. Your Company's plan to transfer its Special Steel Business to VISA Special Steel Limited, a subsidiary of the Company to facilitate fund raising through strategic investor / financial investors has been delayed due to objection raised by HUDCO. Your Company plans to complete the amalgamation of VISA Bao Limited with the Company, consequent to which Baosteel will hold 5% stake in the Company. Your Company is in discussions with potential investors to infuse funds in the Company as working capital to improve operations and Lenders to restructure the loan to a sustainable level.

With the improvement in raw material availability, likely improvement in market scenario and debt restructuring as may be agreed with lenders, it is expected that the overall financial health of the Company would improve considerably.

HUMAN RESOURCE

Your Company recognises its employees as its most important assets. We improve our team building and encourage family bonding through various employee engagement social activities. Your Company has formulated a detailed Code of Conduct in order to practice ethical behavior and is committed to creating a healthy work environment that enables employees to work without fear of prejudice, gender bias, sexual harassment and all forms of intimidation or exploitation.

CORPORATE SOCIAL RESPONSIBILITY

We acknowledge our role and responsibility as a corporate citizen. In line with our core business philosophy, concern for Health, Safety and Environment continue to be one of our key priorities. As a responsible corporate, the Company is focused on the happiness of people living in its larger neighboring communities. Your Company's CSR team has directed its community development work in the areas of education, healthcare, rural development, sports & culture and we wish to continue our support and focus on these issues.

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

With warm regards & best wishes,



Vishal Agarwal

BOARD OF DIRECTORS



Mr. Vishambhar Saran,
Chairman

Mr. Saran has experience of almost 47 years in the iron & steel industry, with over 26 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro chrome / alloy plants, port operations and international trading of raw materials for the iron & steel industry.

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



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

Mr. Agarwal has over 19 years' experience in the iron & steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for

transforming VISA Steel into a leading player in the Special Steel, Coke and Ferro Chrome industry.

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



Mr. Debi Prasad Bagchi
Independent Director

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

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



Mr. Pratip Chaudhuri
Independent Director, Chairman, Nomination & Remuneration Committee & Finance and Banking Committee

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

He holds Master's Degree in Science and Statistics from University of Rajasthan and is an alumnus of University Business School, Chandigarh. He was also a Director at Export-Import Bank of India and State Bank of Patiala.



Mr. Kishore Kumar Mehrotra
Independent Director, Chairman, Audit Committee

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

Mr. Mehrotra has over 37 years of experience in the field of design,

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



Ms. Puja Sondhi
Independent Director

Ms. Puja Sondhi is a Partner with Shardul Amarchand Mangaldas & Co., in the General Corporate Practice with specialisation in matters relating to Joint Ventures, Mergers & Acquisitions, and Private Equity.

She holds memberships of Delhi High Court Bar Association and New York State Bar. She received her LLB degree from the premier National Law School of India University, Bangalore where she was a gold medalist. She has done her masters in law from NYU School of Law where she was a Hauser Global Scholar and recipient of many awards. She is qualified to practice in New York and India.



Mr. Manas Kumar Nag
Nominee Director

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

Mr. Nag had held senior positions in State Bank of India (SBI) including CGM (SME), ex-officio Chairman of one of the Corporate Centre Credit Committees. He was also the Executive Vice President in SBI Capital Markets. Post retirement he was nominated to the Investment Committee of SME Growth Fund of SIDBI Venture Capital Ltd by SBI.



Mr. Manoj Kumar Digga
Wholetime Director designated as Director (Finance) & Chief Financial Officer

Mr. Digga is a qualified Chartered Accountant and a qualified Company Secretary with over 25 years of experience in Finance, including Corporate Finance, Banking, Domestic & International Taxation, Treasury, Risk Management, Strategy and Secretarial Matters.

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



Mr. Manoj Kumar
Wholetime Director designated as Director (Kalinganagar)

Mr. Manoj Kumar, is a Mechanical Engineer from BIT Mesra, Ranchi. Mr. Kumar has over 27 years of experience of working in various positions in the iron & steel industry. He had been accredited with bringing the concept of ABP based procurement into the company and was also responsible was streamlining the operational procurement by entering into Annual Rate Contracts & Vendor Stockings. He had played a key role in the Company's projects & operations.



VISA Steel's track record of delivering high quality products has strengthened its reputation as a trusted supplier to customers around the world.

CORPORATE SOCIAL RESPONSIBILITY

VISA Steel focuses on the welfare of people living in its larger neighbouring communities. VISA Steel's CSR team works towards improving the living conditions of the underprivileged and makes a positive difference in their lives. Several welfare initiatives have been implemented particularly in the remote areas of Odisha.



Education

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

- » Established two premier educational institutions in Kolkata The Heritage School and The Heritage Institute of Technology, through the Kalyan Bharti Trust. Introduced scholarship opportunities for brilliant and needy students
- » Offered scholarships to girls in need at Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh
- » Provided facilities, such as laboratories and science labs at various schools.
- » Planning to set up world-class, professionally managed primary and secondary school in Kalinganagar, with facilities for extracurricular activities and sports.
- » Supporting various local schools in the region and planning to adopt few schools to train local teachers and improve the medium of imparting knowledge.
- » Providing vocational trainings like tailoring for women in the village
- » Computer education for adults is also a main focus of attention.



Healthcare

VISA Steel, we are driving positive health outcomes. We have undertaken the following initiatives to strengthen this purpose:

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



Rural Development

The Company focuses on promoting quality of life through sustainable livelihood rural initiatives. The following initiatives have been taken to improve their living standards:

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



Sports and Culture

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

- » Sponsored and organised an annual ladies golf tournament at the Tollygunge Club, Kolkata



- » Actively helped in promoting contemporary Indian art through exhibitions
- » Organised painting competitions to promote talented young artists
- » Sponsored sporting activities, particularly cricket tournaments in Kotmar and Patrapalli villages of Chhattisgarh



Safety and Environment

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

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

REPORT OF THE DIRECTORS



Dear Shareholders,

Your Directors are pleased to present this Twentieth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements of Accounts for the financial year ended 31 March 2016.

Particulars	(Rs. in Million)			
	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Net Revenue	10,111.90	9,221.57	13,031.34	12,802.74
Other Income	272.18	288.52	131.90	148.70
Total Revenue	10,384.08	9,510.09	13,163.24	12,951.44
Profit before interest, depreciation, tax & exceptional item	119.80	267.98	46.84	307.59
Finance Cost	4,453.71	2,061.90	4,754.44	2,293.60
Depreciation	1,226.86	574.09	1,431.89	767.30
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(5,560.77)	(2,368.01)	(6,139.49)	(2,753.31)
Exceptional & Extraordinary Items	-	-	-	(212.95)
Profit / (Loss) before Tax	(5,560.77)	(2,368.01)	(6,139.49)	(2,966.26)
Tax Expenses	274.70	46.39	274.79	60.18
Profit / (Loss) after Tax	(5,835.47)	(2,414.40)	(6,414.28)	(3,026.44)
Minority Interest	-	-	(259.00)	(297.34)
(Loss) / Profit for the period	(5,835.47)	(2,414.40)	(6,155.28)	(2,729.10)

OPERATIONS

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

The consolidated total revenue of the Company stood at Rs. 13,163.24 Million for the financial year 2015-16. The consolidated profit before interest, depreciation, tax and exceptional item is Rs. 46.84 Million in the financial year 2015-16.

The Blast Furnace having installed capacity of 225,000 TPA produced 121,521 MT Hot Metal as compared to 42,931 MT in the previous year. The DRI Plant, having installed capacity of 300,000 TPA produced 224,934 MT Sponge Iron as compared to 184,149 MT in the previous year.

The Ferro Alloy Plant, with a total current operating capacity of 120,000 TPA including the Furnaces taken on lease from VISA BAO Limited, a subsidiary Company, produced 85,836 MT of Ferro Alloys in the financial year 2015-16 compared to 62,719 MT in 2014-15. The generation of electricity from Company's Captive Power Plant, having installed capacity of 657 Million units per annum, was 406 Million units in financial year 2015-16 as compared to 367 Million units in the previous year.

The Company has 51% stake in VISA SunCoke Limited (VSCL) which is operating the business of manufacturing and sale of Metallurgical Coke and associated Steam Generation Units. VSCL's production of Coke was 294,258 MT during the year, compared to 295,734 MT in the previous year.

During the year under review, the Company's performance was adversely impacted due to various external factors beyond management control including failure of the commitment made by the State Government through MoU to grant captive Iron Ore Mining Lease, depriving the Company from long term source of Iron Ore at cost, de-allocation of Coal Block by Ministry of Coal & Hon'ble Supreme Court's order dated 24 September 2014, depriving the Company from long term source of Coal at cost, non availability of Iron Ore and Chrome Ore at viable prices due to closure of Mines due to Shah Commission Investigation since 2011 & Supreme Court judgment on 16 May 2014, non-availability of working capital for Plant operations, sharp drop in Steel prices due to Chinese overcapacity, dumping of Steel from China and Russian Rouble depreciation, FTA's with Japan & Korea wherein Steel was being imported at import duty of below 2.5% and high interest costs, logistics costs, infrastructure bottlenecks etc.

The Iron Ore & Chrome Ore availability has improved from end 2015 onwards subsequent to the implementation of the MMDR

(Amendment) Act and restarting of various closed mines. With the improvement in raw material availability and holding on operations, the operations of the Company has improved significantly from Q4 FY'2016 onwards. However, a period of uncertainty in supply of Iron Ore & Chrome Ore is likely after 31st March 2020 since many non-captive mines will expire. The Government also implemented Minimum Import Price (MIP) dated 5th February 2016 to check imports of Steel at predatory pricing and imposed anti-dumping duties. The Government is also preparing a Policy for revival of the Steel Sector including financial restructuring.

Due to the continued stress across the Steel Sector, the Company has not been able to service its debt and the account of the Company has become Non-Performing Asset (NPA) with its Lenders. As per RBI, if the loan is already an NPA, there is no limit to the kind of restructuring that is possible. The Company has been in discussions with Lenders to induct investor and restructure the loan to a sustainable level. The Company's plan to transfer its Special Steel business to VISA Special Steel Limited, a subsidiary of the Company to facilitate fund raising through strategic investor / financial investors has been delayed due to objection raised by HUDCO. The Company plans to complete the amalgamation of VISA Bao Limited with the Company, consequent to which Baosteel will hold 5% stake in the Company. The Company is in discussions with potential investors to infuse funds in the Company as working capital to improve operations and Lenders to restructure the loan to a sustainable level.

FUTURE OUTLOOK

As per the Ministry of Steel, Government of India, the current per capita consumption of finished steel in the Country is only around 60 kg which is far lower than the world average of 220 kg (China at 500 kg). It is estimated that India would need 300 million TPA of Steel by 2030 and, therefore, there is a huge growth potential in Steel consumption in India. However, any significant improvement in demand for Iron and Steel products may take a little longer and show up once investments in infrastructure and construction industries start picking up.

The Company has set up economically viable productive assets and is committed to its vision to emerge as an efficient producer of high quality value added products including Special Steel Long products, Ferro Chrome and Coke. Having set up state of the art value addition facilities, the Company is now focused on increasing capacity utilization of all Units, improving efficiency, cutting overhead costs and reducing raw material costs by securing captive Iron Ore and Chrome Ore mines in order to improve margins.

Going forward, the Company expects that revenues and margins from Special Steel, Ferro Alloy & Metallurgical Coke businesses shall drive your Company forward.

DIVIDEND

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended 31 March 2016.

TRANSFER TO RESERVES

In view of losses incurred by the Company during the year, no amount has been transferred to the General Reserve for the financial year ended 31 March 2016.

CHANGE IN NATURE OF BUSINESS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review your Company transferred Rs. 359,635 to the Investor Education and Protection Fund pertaining to Unpaid Dividend for the Financial Year 2007-08.

SHARE CAPITAL

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

TRANSFER OF SPECIAL STEEL BUSINESS

The Board of Directors of the Company had approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, between the Company and VISA Special Steel Limited (VSSL), a subsidiary of the Company, and their respective shareholders and creditors, which inter alia, envisages transfer of Special Steel Business (comprising of Blast Furnace, DRI Plant, Steel Melt Shop and Rolling Mill) of the Company with all its assets and liabilities, into VSSL. The Appointed Date of the Scheme is 1 April 2013 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature of Orissa at Cuttack. The Scheme has been approved by the members of the Company at the Court Convened Meeting (CCM) held on 10 June 2014. Subsequent to the approval of the members, a petition was filed before the Hon'ble High Court of Orissa on 25 June 2014. Lender's approval was received on 31 December 2014. The matter is being heard in High Court of Orissa and decision is awaited.

AMALGAMATION OF VISA BAO LIMITED

The Board of Directors of the Company had approved a Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, between the Company and VISA BAO Limited, a subsidiary of the Company and their respective shareholders. The appointed date of the Scheme is 1 April 2015 or such other date as may be fixed or approved by the Hon'ble

High Court of Judicature of Orissa at Cuttack. The scheme is subject to necessary approval from regulatory authorities. Post amalgamation, Baosteel Resources Co. Ltd., China will hold 5% stake in the Company.

AMALGAMATION OF KALINGANAGAR SPECIAL STEEL PRIVATE LIMITED

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

HOLDING, SUBSIDIARY COMPANIES

During the year under review VISA Infrastructure Limited ceased to be the Holding Company of your Company w.e.f. 22 April 2015. The Company has seven subsidiaries including indirect subsidiaries namely, VISA BAO Limited, VISA SunCoke Limited, Ghotaringa Minerals Limited, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited:

- (i) VISA BAO Limited (VBL) is a Joint Venture between the Company and Baosteel Resources Co. Ltd. (Baosteel), China. VBL is setting up a Ferro Chrome Plant with 4 Submerged Arc Furnaces at Kalinganagar in Odisha of which 2 furnaces were commissioned in the month of June 2013. The remaining two furnaces are expected to be completed, one each before 31 March 2017 and during 2017-18, respectively. The Company holds 65 percent stake in VBL and Baosteel, one of the leading Steel companies in the world, holds the balance 35 percent stake.
- (ii) VISA SunCoke Limited (VSCL) is a Joint Venture with Sun Coke Europe Holding B.V. (SunCoke), in which the Company holds 51 percent stake and SunCoke holds remaining 49 percent stake. The joint venture comprises of 400,000 MTPA Heat Recovery Coke Plant and associated Steam Generation Units at Kalinganagar in Odisha. The joint venture provides great opportunity for VSCL to leverage its operating and technological expertise to serve customers across India with the highest quality coke.
- (iii) Ghotaringa Minerals Limited (GML) is a Joint Venture between the Company and Orissa Industries Limited (ORIND).
- (iv) Kalinganagar Special Steel Private Limited, a wholly owned subsidiary, was incorporated on 27 May 2013.

- (v) Kalinganagar Chrome Private Limited, a wholly owned subsidiary, was incorporated on 1 July 2013.
- (vii) VISA Ferro Chrome Limited (VFCL), a step down subsidiary was incorporated on 26 July 2013. VFCL is a wholly owned subsidiary of Kalinganagar Special Steel Private Limited.
- (vi) VISA Special Steel Limited incorporated on 27 July 2012 is a wholly owned subsidiary of VISA Ferro Chrome Limited.

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with the applicable Accounting Standards. A statement containing the salient features of

the financial statement of the Company's subsidiaries in the prescribed form AOC-1 pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed separately to the financial statements.

The Annual Accounts of the subsidiary companies will be made available to the shareholders of the aforesaid subsidiaries and the Company as and when they demand and will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries. The Financial statements of the Company and its subsidiaries are also available on the website of the Company.

The highlights of performance of subsidiaries as on 31 March 2016 and their contribution to the overall performance of the Company during the period under review, is tabulated below:

Name of the Subsidiary	Total Revenue	Profit / (Loss) After Tax	Profit / Loss considered in consolidation	(Rs. In Million)
				Networth attributable
VISA Suncoke Ltd	4,095.18	(417.98)	(213.17)	525.35
VISA BAO Ltd	160.08	(175.41)	(114.02)	447.98
Kalinganagar Special Steel Private Limited	-	(0.15)	(0.15)	(0.24)
Kalinganagar Chrome Private Limited	-	(0.01)	(0.01)	0.53
Ghotaringa Minerals Limited	0.07	0.00	0.00	8.91

EXTENSION OF DATE FOR HOLDING ANNUAL GENERAL MEETING OF THE COMPANY

In accordance with provisions of Section 96 read with Section 129 of the Companies Act, 2013, the Annual General Meeting (AGM) of the Company for the financial year ended 31 March 2016, was due to be held on or before 30 September 2016. The Company approached the Registrar of Companies, Orissa to extend time by three months for holding the Annual General Meeting so that necessary effect could be given to the Scheme of Arrangement between the Company and VISA Special Steel Limited on its sanction by the Hon'ble High Court of Judicature of Orissa at Cuttack and to complete the preparation of financial statements of the Company after giving effect to the Scheme. Necessary approval to hold the Annual General Meeting for the financial year 2015-16 up to 31 December 2016 was granted by the Registrar of Companies, Orissa.

BOARD MEETINGS

The Board met 6 times during the year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of the Company, Mr. Manoj Kumar Digga, Whole time Director designated as Director (Finance) & Chief Financial Officer (DIN: 01090626), retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends for his re-appointment.

Mr. Shiv Dayal Kapoor (DIN: 00043634), Mr. Debi Prasad Bagchi (DIN: 00061648), Mr. Pratip Chaudhuri (DIN 00915201), Ms. Gauri Rasgotra (DIN: 06862334) and Mr. Kishore Kumar Mehrotra (DIN 02894045) have given declarations confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015.

Mr. Manas Kumar Nag (DIN 02058292) was appointed as Nominee Director (Nominee of State Bank of India) w.e.f. 14 August 2015.

Mr. Manoj Kumar Digga (DIN 01090626) continues as the Whole time Director designated as Director (Finance) & Chief Financial Officer of the Company for a period of 3 (three) years w.e.f. 14 August 2015. The appointment and remuneration payable to him was approved by the Shareholders of the Company at its last Annual General Meeting held on 28 December 2015.

Mr. Manoj Kumar (DIN 06823891) continues to be the Whole time Director designated as Director (Kalinganagar) of the Company for a period of 3 (three) years w.e.f. 15 September 2015. The appointment and remuneration payable to him was approved by the Shareholders of the Company at its last Annual General Meeting held on 28 December 2015.

Subsequent to the year end, Ms. Gauri Rasgotra (DIN: 06862334) had resigned as the Independent Woman Director w.e.f. 27 July 2016 and Ms. Puja Sondhi (DIN: 06592082) was appointed as an Additional Independent Woman Director w.e.f. 24 October 2016 to hold office up to the ensuing Annual General Meeting. Mr. Shiv Dayal Kapoor (DIN: 00043634) resigned as an Independent Director w.e.f. 4 November 2016 due to health reasons.

Mr. Vishambar Saran (DIN: 00121501) whose term of 3 Years as Whole-time Director designated as the Chairman ends on 15 December 2016, being eligible has offered himself for reappointment. The appointment and remuneration payable to him require the approval of Members of the Company at the ensuing Annual General Meeting of the Company.

Mr. Vishal Agarwal (DIN: 00121539) whose term of 3 Years as Vice Chairman & Managing Director ends on 24 June 2017 being eligible has offered himself for reappointment. The appointment and remuneration payable to him require the approval of Members of the Company at the ensuing Annual General Meeting of the Company.

Mr. Manoj Kumar Digga (DIN: 01090626) continues as the Whole-time Director designated as Director (Finance) & Chief Financial officer and Mr. Manoj Kumar (DIN: 06823891) continues as the Whole-time Director designated as Director (Kalinganagar) on the Board of the Company.

Brief resume of the above Directors, nature of their expertise in their specific functional areas, details of directorships in other

companies and the chairmanship / membership of committees of the Board, as stipulated under Regulation 17 of the Listing Regulation and Secretarial Standard - 2 are given in the Notice for the ensuing Annual General Meeting.

Key Managerial Personnel

During the year, Mr. Keshav Sadani was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 23 May 2015. Subsequent to the year end, Mr. Keshav Sadani resigned as the Company Secretary and Compliance Officer of the Company w.e.f. 25 June 2016.

Consequent to the resignation of Mr. Sadani, the Board appointed Mr. Sudhir Kumar Banthiya as the Company Secretary and Compliance Officer of the Company w.e.f. 13 September 2016.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee evaluated the performance of all the Directors on parameters such as level of engagement, independence of judgement, contribution to the strategic planning process, safeguarding the interest of the stakeholders, etc. and in context of the role played by them as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company.

The Board, after taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and by the Independent Directors, carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2016 and of the loss of the company for that period;
- (c) that the director had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) that the annual accounts had been prepared on a going concern basis;
- (e) that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee comprises of 3 (three) Non-Executive Independent Directors. As on date Mr. Kishore Kumar Mehrotra is the Chairman of the Audit Committee. The members of the Committee possess adequate knowledge of Accounts, Audit and Finance, among others. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and is detailed in the Corporate Governance Report forming part of this Annual Report.

All recommendations made by the Audit Committee during the financial year 2015-16 were accepted by the Board of Directors of the Company.

CEO / CFO CERTIFICATION

As required under SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 Mr. Vishal Agarwal, Vice Chairman & Managing Director and Mr. Manoj Kumar Digga, Wholtime Director designated as Director (Finance) & Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2016, which is annexed to this Report

Auditors

Statutory Auditors and Auditors Report

The members of the Company had, at the 18th Annual General Meeting of the members of the Company held on 24 December 2014, approved the appointment of M/s. Lovelock & Lewes, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 21st Annual General Meeting, subject to ratification by members at every Annual General Meeting.

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

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

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

1. Attention is drawn to para 9 of the Independent Auditors Report regarding Matter of Emphasis. The clarification of the same is provided in Note No. 44 of the Accounts of the Standalone Accounts. Subsequent to the erosion of net worth, your Company is evaluating the applicability of various statutory guidelines/provisions including referring the matter to the Competent Authority.
2. Attention is drawn to para 10 of the Independent Auditors Report regarding Matter of Emphasis. The clarification of the same is provided in Note No. 14 of the Accounts of the Standalone Accounts.
3. As regards para (iii) (b) and (c) of the Annexure to the Independent Auditors Report, your Directors report that Ghotaranga Minerals Limited, a subsidiary of the Company could not pay the interest of Rs. 2.74 million as at Balance Sheet date. The Board of Directors of the Company had extended the tenure of repayment up to May 2018.
4. The Auditors observation in para viii of the Annexure to the Auditors report regarding dues to financial institution and banks aggregating Rs. 9867.55 million as mentioned in Note 5D were due to severe liquidity crisis being faced by the Company on account of continued cash losses incurred.

Internal Auditors

In terms of the provisions of Section 138 of the Act, M/s. L B Jha & Company, an Independent Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2015-16. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, interalia, reviews the Internal Audit Report.

Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed CS Manoj Kumar Banthia of M/s. M K B & Associates, Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for the financial year 2015-16. The report of the Secretarial Auditor in specified form MR-3, is annexed herewith as Annexure I and forms part of this report. The Resolutions in respect of Related Party Transactions for Shareholder's Approval form part of the Notice of the ensuing Annual General Meeting.

The Board has re-appointed CS Manoj Kumar Banthia of M/s. M K B & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2016-17.

Cost Auditors

As per Section 148 of the Companies Act, 2013, the Board of Directors has appointed, M/s. DGM & Associates, (Registration

No.00038), Cost Accountants, Kolkata as Cost Auditors of the Company, to carry out the cost audit of the products (Pig Iron & Pig Scrap, Ferro Chrome and Sponge Iron) manufactured by the Company for the financial year ending 31 March 2017.

The Cost Audit Report for the year 2015-16 has been filed under XBRL mode within the due date of filing.

RISK MANAGEMENT

The speed and degree of changes in the global economy and the increasingly complex interplay of factors influencing the business makes Risk Management an inevitable exercise and to cater to the same, your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a robust policy along with well-defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with the business.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS

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

INTERNAL CONTROL SYSTEM

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

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

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2015-16 were on arm's length basis and also in the ordinary course of business. No related party transactions were made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons during FY 2015-16, except those reported.

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

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

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2015-16.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

The information required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) & 5(3) of the Companies (Particulars of Employees) Rules, 1975, as amended, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) are set out in Annexure IVA to this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining a copy of the statement may write to the Company.

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

EMPLOYEES STOCK OPTION

The Company has a ESOP Scheme in place titled Employee Stock Option Scheme 2010 (ESOP Scheme 2010), for permanent employees including any Director, whether whole-time or otherwise, of the Company, its subsidiaries and the Holding Company to be administered by the Nomination and Remuneration Committee of the Board of Directors of

the Company. ESOP Scheme 2010 provides an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company. Each option confers a right upon the employee to apply for one equity share of the Company..

The particulars with regard to ESOP scheme as on 31 March 2016, as required to be disclosed pursuant to the provisions of Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 are set out in Annexure V to this Report.

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

DEPOSITS

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

CONSOLIDATED FINANCIAL STATEMENT

In terms of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 Consolidated Financial Statement, conforming to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, is attached as a part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 17-23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. A Report on Corporate Governance & Shareholder Information together with the Auditors' Certificate thereon is annexed as part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed analysis of the Industry and Company Outlook, Company's operations, project review, risk management, strategic initiatives and financial review & analysis, as stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 is presented under a separate section titled "Management Discussion and Analysis" forming part of the Annual Report.

EXTRACT OF THE ANNUAL RETURN

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

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) policy recommended by the Corporate Social Responsibility Committee had been

approved by the Board of Directors. The CSR policy is available on the website of the Company www.visasteel.com and is also attached to this report as Annexure VII.

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

NOMINATION AND REMUNERATION POLICY

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint of sexual harassment during the financial year 2015-16.

ACKNOWLEDGEMENT

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

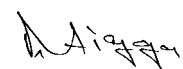
Your Directors value your involvement as shareholders and look forward to your continuing support.

For and on behalf of the Board



Vishal Agarwal

Vice Chairman & Managing Director



Manoj Kumar Digga

Kolkata

18 November 2016 Wholetime Director designated as Director (Finance) & Chief Financial Officer

ANNEXURE I

SECRETARIAL AUDIT REPORT**Form No. MR-3****For The Financial year ended 31st March, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

To
The Members,
VISA Steel Limited

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

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

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) Legal Metrology Act, 2009 and the Rules made thereunder
 - b) Orissa Electricity (Duty) Act, 1961 and the Rules made thereunder

- c) The Static & Mobile Pressure Vessels Rules, 1981
- d) The Gas Cylinder Rules 2004
- e) The Petroleum Act, 1934 and the Rules made thereunder

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India [Applicable from 1st July, 2015];
- b) The Listing Regulations entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Applicable from 1st December, 2015];

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, Directions etc. mentioned above except that in respect of material related party transactions entered into by the Company with VISA Resources India Ltd in the financial year 2015-16 approval of shareholders of the Company in terms of SEBI Listing Regulation [erstwhile Clause 49 of the Listing Agreement, as amended] is yet to be taken.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

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

- (a) The Company Petition being CP no. 17 of 2014, which inter alia, envisages transfer of Special Steel Undertaking of the Company with all its assets and liabilities, into Visa Special Steel Limited. The Appointed Date of the Scheme is 1st April 2013.
- (b) The Company Petition being CP no. 110 of 2014 which inter alia, envisages amalgamation of Kalinganagar Special Steel Private Limited with the Company. The Appointed Date of the Scheme is 31st March 2014.
- (c) The Company Petition being CP no. 24 of 2016 which inter alia, envisages amalgamation of VISA BAO Limited with the Company. The Appointed Date of the Scheme is 1st April, 2015

We further report that during the audit period there are no specific events/actions which have any major bearing on the Company's affairs.

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

For MKB & Associates
Company Secretaries
FRN No. : P2010WB042700

Manoj Kumar Banthia
[Partner]

Place: Kolkata
Date: 14 November 2016

ACS no. 11470
COP no. 7596

To
The Members,
VISA Steel Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MKB & Associates
Company Secretaries
FRN No. : P2010WB042700

Manoj Kumar Banthia
[Partner]
ACS no. 11470
COP no. 7596

Place: Kolkata
Date: 14 November 2016

ANNEXURE 'II' TO THE DIRECTORS' REPORT

FORM NO. AOC-2

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship	:	VISA Resources India Limited, Fellow subsidiary (upto 21 April 2015)
(b) Nature of contracts/arrangements/ transactions	:	Sale and purchase of goods and materials
(c) Duration of the contracts/arrangements/ transactions	:	On Quarterly basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	:	In the Ordinary course of business and on arm's length basis*
(e) Date(s) of approval by the Board	:	In the quarterly meetings of the Board
(f) Amount paid as advances, if any	:	Nil

Note:

*Details mentioned in the Notice of the 20th Annual General Meeting.

ANNEXURE III TO THE REPORT OF THE DIRECTORS

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

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

(a) Energy Conservation measures taken:

1. On line Iron Ore washing system installed at Blast Furnace by which production has increased by 15- 20 tonne per day and decrease in Coke rate by 5 kg per tonne of Hot Metal
2. Installation of de-dust firing system in ABC of Kiln for Increasing of 1 MW power from DRI WHRB boiler
3. Full utilization of South African non-coking in DRI kilns Coal, without rejecting fines, by which the utilization in the process is 100%. This helped in reducing the specific consumption of coal as well as cost of production.
4. Direct feeding of sized ore from Iron Ore Crushing Plant to Raw material circuit ground hopper in DRI by installation of new conveyor to reduce transportation of size Iron Ore by pay-loaders. In this process, the saving in diesel consumption will be around Rs. 10 Lakhs/annum.
5. Utilization of waste Char from DRI kiln process (Approx- 26,500 T) in CFBC boiler as fuel.
6. Installation of VFD for Fume Extraction System Pump Motor (160KW-1 No.) to reduce power consumption in Steel Melt Shop.
7. Modification of AB, CD & DE Bay shed light & Control scheme to reduce power consumption in Steel Melt Shop.
8. Replacement of HSD (High Speed Diesel) by FO (Furnace Oil) in Ferro- Chrome Complex-1 for drying the briquette to reduce fuel cost.

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

1. Fuel Emulsification system being installed for use of mixture of water and furnace oil in Reheating Furnace of Rolling Mill. In this process a mixture of water and chemicals is mixed in a tank and fed to the FO line through a pump to be used in the furnace. This will help in reducing Furnace Oil consumption. The system will be put on trial in the next rolling campaign.

The above system will result in energy saving by reduction in FO consumption by 8- 10%. It will also prevent carbon deposition in burner nozzle, which will improve efficiency.

2. Coke drying implementation at Blast Furnace by utilizing stove flue gas at coke bunkers. This will help in reducing moisture content by 1-2% in coke by which coke rate will be reduce by 4-6 kg/ tonne

ii. Capital investment on energy conservation equipment's – Rs. 941.38 Million in 2014-15.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

- (a) Up-Gradation of DCS System in DRI kiln to ensure storing of operational parameters for longer duration.
- (b) Installation of Power Management System in CPP
- (c) Replacement of HSD to FO in Ferro Chrome complex-2 for drying the briquette for reduction of the fuel consumption

2. Benefits derived as a result of the above R&D:

- (a) By doing this tracking of previous history of process will become easier which helps to reduce Kiln down time, increase through put & product quality.

- (b) Unscheduled power exported to grid has been minimized by which substantial amount of operating cost for that power has been saved
- (c) Savings has been achieved in per tonne of production of FeCr

3. Future plan of action:

- (a) Re-orientation of sidewall panel for O2 lance with lance holder Side wall panels will reduce stickers inside the furnace and improve the efficiency.
- (b) Additional EMS system in SMS for Caster. Implementing of the same will reduced break down time, prevent grade deviation of product and quality issues will be resolved

i. Benefits derived from key projects -

ii. Information regarding imported technology (last three years)

- (a) Imported technology

2013-14	2014-15	2015-16
NIL	NIL	NIL

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

iii. Expenditure on Research & Development-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(Rs. Million)	
	2015-16	2014-15
Foreign Exchange Earning	512.73	2548.95
Foreign Exchange Outgo	116.71	606.34

ANNEXURE IV B

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

- 1) Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2015-16:

Sl. No.	Name of the Director	Ratio
EXECUTIVE DIRECTORS		
1	Mr. Vishambhar Saran	51.78
2	Mr. Vishal Agarwal	51.02
3	Mr. Manoj Kumar ¹	20.81
4	Mr. Manoj Kumar Digga ²	29.28
5	Mr. Punkaj Kumar Bajaj ³	13.33
INDEPENDENT DIRECTORS		
1	Mr. Shiv Dayal Kapoor	0.59
2	Mr. Debi Prasad Bagchi	0.47
3	Mr. Pratip Chaudhuri	0.59
4	Ms. Gauri Rasgotra ⁴	0.15
5	Mr. Kishore Kumar Mehrotra ⁵	0.06
NON – EXECUTIVE DIRECTORS		
1	Mr. Manas Kumar Nag ⁶	0.30

Note:

- Mr. Manoj Kumar has been appointed as Whole time Director designated as Director (Kalinganagar) w.e.f. 15 September 2015.
- Mr. Manoj Kumar Digga has been appointed as Whole time Director designated as Director (Finance) & Chief Financial Officer of the Company w.e.f. 14 August 2015.
- Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) had voluntarily retired from the services of the Company w.e.f. the close of business hours of 14 September 2015.
- Ms. Gauri Rasgotra, Independent Director resigned from the Board of Directors of the Company w.e.f. 27 July 2016.

- Mr. Kishore Kumar Mehrotra has been appointed as the Independent Director on the Board of Directors of the Company w.e.f. 12 November 2015.

- Mr. Manas Kumar Nag has been appointed as Nominee Director on the Board of Directors of the Company w.e.f. 14 August 2015.

- 2) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2015-16:

There has been no increase in the remuneration of the Directors, Chief Financial Officer, Chief Executive Officer during the financial year 2015-16.

Mr. Keshav Sadani was appointed as the Company Secretary of the Company w.e.f. 23 May, 2015. There has been no increase in his remuneration during 2015-16. Mr. Sadani resigned w.e.f. 25 June 2016.

- The percentage increase in the median remuneration of employees in the financial year: 1.58%.
- The number of permanent employees on the rolls of the Company as on 31 March 2016: 991.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in Salary of the Company's employees for the financial year 2015 – 16 was 1.58%. Further, there has been no increase in the managerial remuneration during the financial year 2015-16.
- Remuneration is as per the Nomination and Remuneration policy of the Company.

ANNEXURE 'V' TO THE DIRECTORS' REPORT

ANNEXURE TO THE DIRECTORS' REPORT ON EMPLOYEE STOCK OPTION SCHEME

Disclosure pursuant to Clause 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, as at 31 March 2016:

Sl. No.	Particulars	Employee Stock Option Scheme 2010
(a)	Options granted	Options granted in the Financial Year 2014-15 – NIL Options granted in the Financial Year 2013-14 – NIL Options granted in the Financial Year 2012-13 – NIL Options granted in the Financial Year 2011-12 – NIL Options granted in the Financial Year 2010-11 – Grant A: 900,000
(b)	Options vested	580,167
(c)	Options exercised	NIL
(d)	The total number of Equity Shares arising as a result of exercise of option	Not applicable
(e)	Options lapsed	273,605
(f)	Exercise Price	Rs. 46.30
(g)	Variation of terms of options	Not applicable
(h)	Money realised by exercise of options during the year (Rs.)	NIL
(i)	Total number of options in force	222,500
(j)	Employee wise details of options granted to:-	
	Key Managerial personnel the year;	NIL
	any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year;	NIL
	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL

ANNEXURE VI TO THE DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

of

VISA STEEL LIMITED

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

and

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

I. REGISTRATION AND OTHER DETAILS:

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Steel & Steel product	2410	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
1	VISA BAO Limited, "VISA House", 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27101OR2008PLC009790	Subsidiary	65.00%	2(87)(ii)
2	VISA SunCoke Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U23101OR2012PLC015728	Subsidiary	51.00%	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
3	Ghotaringa Minerals Limited, No. 11, VIP Colony, Nayapalli, Bhubaneswar – 751 015	U10102OR2003PLC007348	Subsidiary	89.00 %	2(87)(ii)
4	Kalinganagar Special Steel Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC016907	Wholly owned Subsidiary	100.00 %	2(87)(ii)
5	Kalinganagar Chrome Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC017080	Wholly owned Subsidiary	100.00 %	2(87)(ii)
6	VISA Ferro Chrome Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27310OR2013PLC017186	Step down subsidiary	100.00 %	2(87)(ii)
7	VISA Special Steel Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2012PLC015729	Step down subsidiary	100.00 %	2(87)(ii)
8	VISA Urban Infra Limited, 8/10 Alipore Road, Kolkata – 700 027	U55101WB2010PLC144874	Associate Company	26.00 % ¹	2(6)

Note:

- VISA Urban Infra Limited (VUIL) is a joint venture in which the Company hold 26 % of the paid up equity share capital of VUIL.
- During the year under review, VISA Infrastructure Limited ceased to be the Holding Company of your Company w.e.f. 22 April 2015.

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	82,500,000	-	82,500,000	75.00	68,175,000	-	68,175,000	61.98	(13.02)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	82,500,000	-	82,500,000	75.00	68,175,000	-	68,175,000	61.98	(13.02)
(2) Foreign									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	82,500,000	-	82,500,000	75.00	68,175,000	-	68,175,000	61.98	(13.02)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	500,111	-	500,111	0.46	500,111	-	500,111	0.46	-
g) FIIs/FPIs	11,082,245	-	11,082,245	10.07	22,959,245	-	22,959,245	20.87	10.80
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	11,582,356	-	11,582,356	10.53	23,459,356	-	23,459,356	21.33	10.80

2. Non-Institutions

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Bodies Corp.	4,016,542	-	4,016,542	3.65	3,920,081	-	3,920,081	3.56	(0.09)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6,344,553	216	6,344,769	5.77	6,878,681	216	6,878,897	6.26	0.49
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,209,771	-	5,209,771	4.74	4,747,756	-	4,747,756	4.32	(0.42)
c) Others (specify)									
Non Resident Indians	338,168	-	338,168	0.31	350,636	-	350,636	0.32	0.01
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	8,394	-	8,394	0.00	2,468,274	-	2,468,274	2.24	2.24
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	15,917,428	216	15,917,644	14.47	18,365,428	216	18,365,644	16.70	2.23
Total Public Shareholding(B)=(B)(1) + (B)(2)	27,499,784	216	27,500,000	25.00	41,824,784	216	41,825,000	38.02	0.00
C. Shares held by custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	109,999,784	216	110,000,000	100.00	109,999,784	216	110,000,000	100.00	0.00

ii) Shareholding of Promoters

Sl. No	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VISA Infrastructure Limited	58,712,167	53.37	100.00	44,387,167	40.35	100.00	(13.02)
2	VISA International Limited	23,787,833	21.63	100.00	23,787,833	21.63	100.00	0.00
TOTAL		82,500,000	75.00	82.64	68,175,000	61.98	61.98	(13.02)

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

Sl. No	Change in Promoters' Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares Pledged / encumbered to total shares
1	VISA Infrastructure Limited				
	At the beginning of the year	58,712,167	53.37	58,712,167	53.37
	Transfer during the year – 7 April 2015	1,567,000	1.42	57,145,167	51.95
	Transfer during the year – 22 April 2015	4,360,000	3.96	52,785,167	47.99
	Transfer during the year – 30 April 2015	2,650,000	2.41	50,135,167	45.58
	Transfer during the year – 2 December 2015	3,300,000	3.00	46,835,167	42.58
	Transfer during the year – 31 March 2016	2,448,000	2.22	44,387,167	40.35
	At the end of the year (31.03.2016)	44,387,167	40.35	44,387,167	40.35
2	VISA International Limited				
	At the beginning of the year	23,787,833	21.63	23,787,833	21.63
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	 No Change		
	At the end of the year (31.03.2016)	23,787,833	21.63	23,787,833	21.63

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

Sl. No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LTS Investment Fund Limited				
	At the beginning of the year	3,487,122	3.17	3,487,122	3.17
	Purchase during the year – 22 April 2015	4,360,000	3.96	7,847,122	7.13
	Purchase during the year – 30 April 2015	2,650,000	2.4	10,497,122	9.53
	At the end of the year (31.03.2016)	10,497,122	9.53	10,497,122	9.53
2	Cresta Fund Limited				
	At the beginning of the year	2,597,036	2.36	2,597,036	2.36
	Purchase during the year – 7 April 2015	1,567,000	1.42	4,164,036	3.78
	Purchase during the year – 2 December 2015	3,300,000	3.00	7,464,036	6.78
	At the end of the year (31.03.2016)	7,464,036	6.78	7,464,036	6.78

Sl. No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3	APMS Investment Limited				
	At the beginning of the year	4,998,087	4.54	4,998,087	4.54
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	4,998,087	4.54	4,998,087	4.54
4	Dalmia Sec. Pvt. Ltd.				
	At the beginning of the year	2,814,077	2.56	2,814,077	2.56
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	2,814,077	2.56	2,814,077	2.56
5	Nishant Dalmia				
	At the beginning of the year	1,100,479	1.00	1,100,479	1.00
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	1,100,479	1.00	1,100,479	1.00
6	Vedant Dalmia				
	At the beginning of the year	1,100,000	1.00	1,100,000	1.00
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	1,100,000	1.00	1,100,000	1.00
7	Siddhant Dalmia				
	At the beginning of the year	1,100,000	1.00	1,100,000	1.00
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	1,100,000	1.00	1,100,000	1.00
8	Gita Devi Dalmia				
	At the beginning of the year	584,440	0.53	584,440	0.53
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	584,440	0.53	584,440	0.53
9	United India Insurance Company Limited				
	At the beginning of the year	500,111	0.46	500,111	0.46
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	500,111	0.46	500,111	0.46
10	Narain Prasad Dalmia				
	At the beginning of the year	277,072	0.25	277,072	0.25
	Increase / Decrease in shareholding during the year		-----No Change-----		
	At the end of the year (31.03.2016)	277,072	0.25	277,072	0.25

V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
A	Directors				
1	Mr. Vishambhar Saran				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
2	Mr. Vishal Agarwal				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
3	Mr. Shiv Dayal Kapoor				
	(ceased to be Director w.e.f. 4 November 2016)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
4	Mr. Debi Prasad Bagchi				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
5	Mr. Pratip Chaudhuri				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
6	Ms. Gauri Rasgotra				
	(ceased to be Director w.e.f. 27 July 2016)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
7	Mr. Punkaj Kumar Bajaj				
	(ceased to be Director from close of business hours of 14 September 2015)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
8	Mr. Manas Kumar Nag				
	(appointed as the Director w.e.f. 14 August 2015)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	
9	Mr. Manoj Kumar				
	(appointed as Director w.e.f. 15 September 2015)				
	At the beginning of the year	3,700	0.00	3,700	0.00
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year (31.03.2016)	3,700	0.00	3,700	0.00
10	Mr. Kishore Kumar Mehrotra				
	(appointed as Director w.e.f. 12 November 2015)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2016)			NIL	

Sl. No	Shareholding of each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
A	Key Managerial Personnel				
1	Mr. Manoj Kumar Digga				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2016)				
2	Mr. Keshav Sadani				
	(Appointed as Company Secretary w.e.f. 23 May 2016)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2016)				

VI) INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	295,586.73	2,520.00	-	298,106.73
ii) Interest due but not paid	6,170.77	-	-	6,170.77
iii) Interest accrued but not due	64.20	-	-	64.20
Total (i+ii+iii)	301,821.70	2,520.00	-	304,341.70
Change in Indebtedness during the financial year				
* Addition	45,984.81	3294.00	-	49,278.81
* Reduction	2,187.08	-	-	2,187.08
Net Change	43,797.73	3294.00	-	47,091.73
Indebtedness at the end of the financial year				
i) Principal Amount	339,384.46	5,814.00	-	345,198.46
ii) Interest due but not paid	14,864.13	-	-	14,864.13
iii) Interest accrued but not due	21,941.41	-	-	21,941.41
Total (i+ii+iii)	376,190.00	5,814.00	-	382,004.00

VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. Vishambhar Saran, Wholetime Director designated as Chairman	Mr. Vishal Agarwal, Vice Chairman & Managing Director	Mr. Punkaj Kumar Bajaj, Joint Managing Director & CEO (Steel Business) (ceased to be Director from close of business hours of 14 September 2015)	Mr. Manoj Kumar, Wholetime Director designated as Director (Kalinganagar)	Mr. Manoj Kumar Digga, Wholetime Director designated as Director (Finance) & Chief Financial Officer	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,764,000	11,077,800	3,301,453.69	6,546,996	9,484,020	41,714,269
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,428,527	3,977,800	318,707	-	-	8,725,034
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others,	-	-	-	-	-	-
5	Others, please specify						
	Vehicle Reimbursement	-	-	-	-	-	-
	Performance	-	-	-	-	-	-
	Total (A)	15,192,527	15,055,600	3,620,160.69	6,546,996	9,484,020	49,899,303
	Ceiling as per the Act						In accordance with Companies Act, 2013

B. Remuneration to other directors

Sl. No.	Name of the Director	Sitting Fees (in Rs)	Commission (in Rs)	Total (in Rs)
Independent Director				
1	Mr. Shiv Dayal Kapoor	200,000	-	200,000
2	Mr. Debi Prasad Bagchi	160,000	-	160,000
3	Mr. Pratip Chaudhuri	200,000	-	200,000
4	Ms. Gauri Rasgotra	50,000	-	50,000
5	Mr. Kishore Kumar Mehrotra	20,000	-	20,000
	Sub Total (A)	630,000	-	630,000
Non Executive Director				
	Mr. M.K.Nag	100,000	-	100,000
	Sub Total (B)	100,000	-	100,000
	Total (A) + (B)	730,000	-	730,000
	Overall Ceiling as per the Act			In accordance with Companies Act, 2013

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Mr. Keshav Sadani (Company Secretary) (appointed w.e.f. 23.5.2015)	Total Amount (in Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	760,391	760,391
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
5	Others, please specify		
	Vehicle Reimbursement	-	-
	Performance Bonus	-	-
	Total	760,391	760,391

VIII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company				
Penalty				
Punishment			NIL	
Compounding				
B. Directors				
Penalty				
Punishment			NIL	
Compounding				
C. Other officers in Default				
Penalty				
Punishment			NIL	
Compounding				

ANNEXURE 'VII' TO THE DIRECTORS' REPORT

VISA STEEL LIMITED

Corporate Social Responsibility Policy

1. INTRODUCTION

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

2. OBJECTIVE

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

3. CSR ACTIVITIES

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

3.1. Education

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

3.2. Healthcare

In Healthcare, our primary objective is the community development programs through raising awareness on treatment of common diseases,

sanitation and hygiene. Further we intend to focus on eradication of extreme hunger and poverty, malnutrition, reducing child mortality, making available safe drinking water, building toilets and also support the healthcare drives being conducted by government, semi-government and non-government organizations.

3.3. Environment

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

3.4. Rural Development

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

3.5. Others

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

4. CSR COMMITTEE

The CSR Committee of the Board of Directors will govern and review the CSR plan for every financial year. They will look into the effective planning and implementation of the

CSR activities in accordance with the Companies Act, 2013.

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

- (a) Mr. Vishal Agarwal - Chairman
- (b) Mr. Kishore Kumar Mehrotra - Member
- (c) Ms. Puja Sondhi - Member

The responsibility of the CSR Committee shall include:

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

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

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

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

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

CSR BUDGET

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

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

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

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

5 CRITERIA FOR IDENTIFYING PROJECTS AND NGO'S

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

6 RESPONSIBILITY STATEMENT

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

Note:

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

ANNEXURE 'VIII' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

This Nomination and Remuneration Policy ("Policy") has been formulated inter-alia for nomination and remuneration of Directors, Key Managerial Personnel and Senior Management by the Nomination and Remuneration Committee and approved by the Board of Directors, in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. DEFINITIONS AND INTERPRETATIONS

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

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

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

"The Company" means VISA Steel Limited.

"Director" means a Director of the Company.

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

"Key Managerial Personnel" or "KMP" means

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

"Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement executed between the Company and the relevant stock exchange(s), as amended from time to time;

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

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

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

3. OBJECTIVES OF THIS POLICY

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

3.2. The objectives of this Policy include the following:

- 3.2.1. to lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management or KMP of the Company;
- 3.2.2. to lay down the terms and conditions in relation to the appointment of Directors, Senior Management Personnel or KMP and recommend to the Board the appointment and removal of Directors, Senior Management Personnel or KMP;
- 3.2.3. to lay down criteria to carry out evaluation of every Director's performance;
- 3.2.4. to formulate criteria for determining qualification, positive attributes and Independence of a Director;
- 3.2.5. to determine the composition and level of remuneration, including reward linked with the performance, which is

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

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

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

4. GENERAL

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

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

5.1. The Committee shall inter alia:

- 5.1.1. identify persons who are qualified to become Director(s), KMP and Senior Management Personnel of the Company;
- 5.1.2. recommend to the Board, appointment and removal of Director(s) of the Company and carry out evaluation of every Director's performance;
- 5.1.3. formulate criteria for determining qualification, positive attributes and independence of Directors;
- 5.1.4. formulate a criteria for evaluation of Independent Director(s) and the Board;
- 5.1.5. make recommendations to the Board with respect to incentive compensation plans for Executive Director(s) and remuneration of Non-Executive Director(s);
- 5.1.6. review the annual performance of Executive and Non-Executive Director(s);
- 5.1.7. assist the Board in the establishment and implementation of an appropriate performance evaluation / self-assessment process for the Members of the Board and the Committees;
- 5.1.8. perform review and evaluation, of the performance of the Members of the Board and the Committee Members, at least annually;

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

5.1.10. devise a policy on Board diversity;

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

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

5.2. Qualifications

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

5.2.1.1. Directors

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

5.2.1.2. Independent Directors

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

5.2.1.3. Senior Management Personnel and KMP

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

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

6.1. Appointment criteria and qualifications

- 6.1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP or at Senior Management and recommend to the Board his / her appointment.
- 6.1.2 Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- 6.1.3 The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice convening the meeting for this purpose shall indicate the justification for extension of appointment beyond seventy years.

6.2. Term / Tenure:

- 6.2.1 Managing Director/ Whole-time Director:**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.
- 6.2.2 Independent Director:**
- 6.2.2.1. An Independent Director shall hold office for a maximum term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 6.2.2.2. No Independent Director shall hold office for more than two consecutive terms of maximum five years each, but such Independent Director shall be eligible for appointment after expiry of three years

of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

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

6.3. Evaluation:

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

6.3.1 Evaluation of directors:

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

6.3.2 Evaluation of KMP and Senior Management Personnel

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

6.4. Removal

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

6.5. Retirement

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

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

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

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7.6. Remuneration to Non- Executive / Independent Director:

7.6.1 Remuneration / Commission:

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

7.6.2 Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be decided by the Board. Provided that the amount of such fees shall not exceed limits prescribed by the Central Government from time to time.

7.6.3 Commission:

Commission may be paid, whenever applicable, within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

7.6.4 Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

8. DISCLOSURE OF INFORMATION

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

9. AMENDMENT

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

10. IMPLEMENTATION AND REVIEW

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

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW

During the financial year 2015-16, the financial and operational performance of the Company has been adversely affected due to various external factors beyond management control. However, with improvement in raw material availability, support of creditors and efforts of professional management team, the Plant operations have improved inspite of working capital constraints. During the financial year 2015-16, your Company has registered consolidated revenue of Rs. 13,163.24 million, EBITDA of Rs. 46.84 million and the loss after tax is Rs. 6,155.28 million.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Industry Overview

As per WSA, the Global Steel demand will increase by 0.2% to 1,501 million tonnes in 2016, following a contraction of 3% in 2015. Global steel industry

continued to be impacted by large overcapacity especially in China. India has become the third largest producer of Steel with production of 89.8 million MT crude steel in FY 2015-16, after China and Japan. In FY 2015-16, India was amongst the few countries that saw a growth in Steel consumption, whereas the Steel consumption fell globally.

As per the Ministry of Steel, Government of India, the current per capita consumption of finished steel in the country is only around 60 kg which is far lower than the world average of 220 kg (China at 500 kg). It is estimated that India would need 300 million TPA Steel by 2030 and therefore, there is a huge growth potential in steel consumption in India. However, any significant improvement in demand for Iron and Steel products may take a little longer and show up once investments in infrastructure and construction industries start picking up.

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

Demand for Coke from Blast Furnaces was weak due to cheap imports of Coke from China. However, the Company has established itself as the best quality Coke manufacturer and enjoys preference over imported Coke from China. With increase in the production of Pig Iron/Hot Metal from Blast Furnaces and Steel products going forward, the Coke demand is likely to recover.

Company Overview

The Company has established a world class economically viable manufacturing assets for production of Special Steel, Ferro Alloys and Metallurgical Coke at Kalinganagar in Odisha.

BUSINESS REVIEW

Your Company is engaged in the business of manufacturing of value added products including Pig Iron, Sponge Iron, Special Steel, Bars & Wire Rods and Ferro Alloys.

During the year under review, the financial and operational performance of the Company has been adversely affected due to various external factors beyond management control which amongst others include failure of the commitment made by the State Government through MoU to grant captive Iron Ore Mining Lease which deprive the Company from long term source of Iron ore at cost, de-allocation of Coal Block along with other Companies by Ministry of Coal & Hon'ble Supreme Court's order dated 24 September 2014 which deprive the Company from long term source of Coal at cost, non-availability of Iron Ore & Chrome Ore at viable prices due to closure of Mines due to Shah Commission Investigation since 2011 & Supreme Court judgment on 16 May 2014, non-availability of working capital for Plant operations, sharp drop in Steel prices due to Chinese overcapacity, dumping of Steel from China and Russian Rouble depreciation, FTA's with Japan & Korea wherein Steel was being imported at import duty of below 2.5%, high interest costs, logistics costs, infrastructure bottlenecks etc.

In spite of infusion of funds of over Rs. 325 Crores, the debt restructuring could not provide long term sustainable benefits. The Working Capital and other sanctioned loan which had been approved vide CDR LoA dated 27 September 2012 and vide CDR LoA dated 31 December 2014 for manufacturing operations of the Plant was not made available by the Lenders for Plant operations, and instead stood adjusted with interest

and instalments, resulting in non-availability of Working Capital for operations and complete depletion of Working Capital. The above adjustments had a cascading negative effect on the business and operations of the Company as most of the funds, which were to be released to the Company for ramping up the operations, flowed back to the Lenders without the Company getting required funds much needed to achieve and fulfil its business plans. The above circumstances also prevented the Company from ramping up its operations despite improvement in availability of raw materials as the business and operations of the Company continued to be starved due to non-availability of Working Capital funds for operations.

The Special Steel and Ferro Alloys operation were severely affected in the first half of the financial year, due to non-availability of Iron Ore & Chrome Ore at viable prices and frequent stoppage in the supply due to closure of various mines due to Supreme Court judgment dated 16 May 2014. However with the notification of MMDR (Amendment) Act, re opening of mines and consequent ramp up of production by OMC and others, the availability of the raw materials has improved from end 2015 onwards. The Coke business has been adversely affected due to inverse duty structure on Coking Coal & Coke and cheap Coke being dumped into Indian market.

Products

(a) Ferro Alloys

The Ferro Alloys Plant, with a present operating capacity of 120,000 TPA (including the Furnaces taken on lease from VISA BAO Limited (VBL), a subsidiary Company) has produced 85,836 MT of Ferro Alloys in 2015-16 compared to 62,719 MT in 2014-15. The Power Plant produced 406 million units in 2015-16 as compared to 367 million units in the previous year. The main raw material is Chrome Ore and Chrome Concentrates (sourced from OMC & Tata Steel). Ferro Alloys produced by the Company is sold to various Special and Stainless Steel Plants in India and globally. Ferro Alloy business has contributed 35.94 percent of total revenues during the year amounting to Rs. 4,730.56 million.

(b) Pig Iron

The Blast Furnace with a total capacity of 225,000 TPA is producing Hot Metal which was poured into moulds to produce Pig Iron.

With the improvement in the availability of Iron Ore from Q4 of FY 2015-16, Blast Furnace production improved to 121,521 MT in 2015-16 as compared to 42,931 MT in

2014-15. Pig Iron sales contributed 13.38 percent to the total revenues amounting to Rs. 1,760.61 million.

(c) Sponge Iron

The Sponge Iron Plant having total capacity of 300,000 TPA produced 224,934 MT of Sponge Iron in 2015-16 as compared to 184,149 MT of Sponge Iron in 2014-15. Sponge Iron sales contributed 22.01 percent to the total revenues amounting to Rs. 2,897.63 million.

The main raw materials for DRI/Sponge Iron Plant are Iron Ore and Thermal Coal. Iron Ore is procured mainly from OMC. Thermal Coal is procured from Mahanadi Coalfields Limited and through imports from South Africa.

(d) Special Steel

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

STRATEGIC INITIATIVES

Transfer of Special Steel Business

With an objective to raise fresh long term funds, the Company had obtained approval of the Board of Directors, Shareholders and Lenders vide CDR-EG vide LoA dated 31 December 2014 for transfer of its Special Steel Business to a step down subsidiary, namely, VISA Special Steel Ltd. (VSSL). However, the transfer has been delayed due to objection raised by HUDCO. The matter is being heard in High Court of Orissa and decision is awaited.

Amalgamation of VISA BAO Limited

To consolidate the Ferro Alloy & Captive Power generation business, the Boards of VISA Bao Limited (VBL) and the Company have approved amalgamation of VBL with the Company. Consequently, Baosteel will be issued 5% stake in the Company. The integration will improve the operational and cost efficiency of the Ferro Alloy business.

Joint Venture with SunCoke

The Coke Business and its associated steam generation units is being operated through Company's subsidiary - VISA SunCoke Limited, a joint venture between VISA Steel Limited and SunCoke Energy, USA, in which the Company holds 51% stake and SunCoke Energy holds remaining 49% stake.

The Coke plant is equipped with highly advanced Chinese technology with Stamp Charging facility, along with waste heat

recovery facility from flue gases, wherein the four waste heat recovery boilers produce steam for generating power.

During 2015-16, the total Coke production was 294,528 MT, compared to 295,734 MT in 2014-15 in VISA SunCoke. Coking Coal, the primary raw material for producing Coke, was imported from Australia. Coke was partly consumed in the Blast Furnace of the Company and partly sold with sales contribution amounting to Rs. 2,916.68 million, equating to 22.16 percent of total consolidated revenues.

OPPORTUNITIES AND THREATS

Opportunities

India is the world's third-largest producer of Crude Steel and is expected to move to the second position soon consequent to the government's thrust on infrastructure creation and urban development. India's per capita Steel consumption of 60 kg is one-fourth of the global average of 220 kg (China 500kg). India has favourable demographic factors, which will result in higher demand for high quality Steel Long products.

The growing Auto Sector and opening up of Railways and Defence Sectors for FDI will help in increasing the domestic demand of Special Steel Long products. Having started the SMS & Rolling Mill Units from end July 2016 and established the quality, the Company is ready to take on this opportunity to cater to the Special Steel market segment. The Government of India plans to give thrust to the manufacturing sector through the "Make in India" Campaign and the Company has a good range of products to serve this segment.

Threats

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

The total exposure of the Banks to the Steel Sector is estimated at over Rs. 400,000 Crores and Steel Companies have made representations through various Industry Chambers for the Government to finalise a financial restructuring package. In this regard, Government of India needs to finalise a package for revival and debt resolution of the Steel Sector.

The long-term competitiveness of the Steel industry in India will depend on the cost of doing business including regulatory costs, logistics costs for inbound and outbound transportation of raw material and finished goods, finance costs as also the availability of energy at competitive costs. We have seen significant increase in levies, duties and regulatory costs in the mining sector in India in the recent years and also high interest rates and infrastructural challenges especially in logistics. If this trend continues in the future, it will seriously impact the long term attractiveness for investments in the Steel manufacturing sector and the country's ambition to be a 300 million TPA steel producing nation in the next decade will be at risk.

The port and rail infrastructure also needs to be upgraded. The majority of the ports, mines and railways have inadequate and low capacity bulk handling facility. The congested road networks connecting steel plants to mines and ports lead to delays in supply and delivery of raw materials like Iron Ore, Chrome Ore and Coking Coal.

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

RISK MANAGEMENT

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

- a) Operations – Timely and cost-effective raw material supply is critical to growth. Fluctuations in the price and availability

of key raw materials, non-availability of working capital and commercial changes such as domestic duties / taxes on raw materials have an impact on the operations. Moreover, the stocks are also subject to the other foreseeable risks. Necessary coverage has been taken in the form of a comprehensive Industrial All Risk (IAR) policy which covers plant, machinery, buildings (with contents), tools and equipment and stocks (raw materials, stores and spares and finished goods) against fire, allied perils and all other foreseeable risks. The policy also covers loss of profit to the business arising from any accidental event. The Company also has coverage in form of a Sales Turnover policy which provides all-risk transit insurance cover to the finished goods produced and sold by the Company and also covers transit of all the incoming raw materials.

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

FINANCE REVIEW AND ANALYSIS

Your Company reported consolidated revenue of Rs. 13,163.24 million, an increase of 1.64% as compared to the previous year inspite of weak product prices mainly because of improvement in the operations due to better availability of raw materials from Q4 of the financial year. The Loss after Tax was Rs. 6,155.28 million due to very high finance costs and increase in depreciation.

HIGHLIGHTS

Particulars	(Rs. Million)	
	2015-16	2014-15
Total Revenue	13,163.24	12,951.44
Expenditure		
Raw Materials consumed	9,967.53	9,578.81
Purchase of Stock-in-trade	223.36	583.19
(Increase) / decrease in stock	(181.43)	(140.83)
Employee Cost	667.59	442.82
Other expenses	2439.35	2,179.86
Operating Profit	46.84	307.59
Finance Cost	4,754.44	2,293.60
Depreciation	1,431.89	767.30
Exceptional & Extraordinary Items	-	212.95
Profit/(Loss) before Tax	(6,139.49)	(2,966.26)
Tax expense	274.79	60.18
Minority Interest	(259.00)	(297.34)
Profit/(Loss) after tax	(6,155.28)	(2,729.10)

Sales & Other Income

Sales Revenue have increased due to increase in sales volume of Ferro Chrome, Pig Iron and Sponge Iron inspite of reduction in sales realisations.

Finance Cost

The finance cost has increased during the year as compared to previous year due to capitalization of Steel Melting Shop & Rolling Mill towards the end of 2014-15.

Depreciation

Depreciation has increased due to capitalization of Steel Melting Shop and Rolling Mill towards the end of 2014-15.

Finance – Cash Flow & Borrowings

The operations and cash flow of the Company were also adversely affected due to non-availability of working capital for Plant operations due to delay in disbursement of sanctioned working capital & corporate loan and non-disbursement of the working capital for plant operations. The Company was not able to ramp up its operations even after the improvement in the availability of raw material mainly due to adjustment of interest and instalment from the sanctioned working capital to keep their account standard resulting in non-availability of working capital for Plant operations. The adjustment of interest and instalment from the working capital inspite of low EBITDA margins has resulted in increasing the debt of the Company to levels much beyond the hard cost of the project.

During April 2011 to March 2016, the Company has paid lenders approx. Rs. 1,950 Crores on account of interest and

instalment whereas EBITDA was only approx. Rs. 75 Crores, increasing the debt of the Company to levels much beyond the hard cost of the project. This has resulted in ballooning of debt of the Company to levels much beyond the hard cost of the project and is now at unsustainable level, which needs to be restructured to a sustainable level. Due to continued stress, the Company has not been able to service its debt and the account of the Company has become Non Performing Asset (NPA) with its lenders. As per RBI, if the loan is already an NPA, there is no limit to the kind of restructuring that is possible. The Company has been in discussions with Lenders to induct investor and restructure the loan to a sustainable level.

The Company is continuing to make efforts required to ramp up operations, raise funds from potential investors for working capital and restructure the loan to a sustainable level.

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

The total number of employees in your Company, including those inducted as trainees in the Company, as on 31 March 2016 was 1,143

INTERNAL CONTROL AND SYSTEMS

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

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

Your Company has an adequate internal financial controls system over financial reporting were operating effectively as at 31 March 2016 which has been audited and certified by the Statutory Auditor.

CORPORATE SOCIAL RESPONSIBILITY

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

HEALTH AND SAFETY

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

OUTLOOK

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

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

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

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE



CORPORATE GOVERNANCE: OUR PHILOSOPHY

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

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

performance as well as the leadership and governance of the Company.

The purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders. The Company has established systems and procedures to ensure that its Board of Directors is well informed and equipped to fulfil its overall responsibilities and to provide the Management with strategic direction needed to create long-term shareholder value. The Company always endeavors to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its vision of emerging as a low cost and efficient producer of value added steel products with backward integration and captive power.

I. BOARD OF DIRECTORS

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

» Composition of the Board as on 31 March 2016

	Category	No. of Board Meetings attended	Attendance at AGM	No. of Directorship held ¹	No. of Chairmanship/ Membership in Committees of other Companies ²
Mr. Vishambhar Saran (DIN 00121501)	Promoter Executive Chairman	6	No	8	Member - 0 Chairman - 3
Mr. Vishal Agarwal (DIN 00121539)	Promoter Vice Chairman & Managing Director	5	Yes	6	Member - 1 Chairman - 1
Mr. Shiv Dayal Kapoor ³ (DIN 00043634)	Independent Non-Executive	6	Yes	7	Member - 4 Chairman - 3
Mr. Debi Prasad Bagchi (DIN 00061648)	Independent Non-Executive	5	Yes	7	Member - 4 Chairman - 3
Ms. Gauri Rasgotra ⁴ (DIN 06862334)	Independent Non-Executive	2	No	2	Member - 4 Chairperson - 0
Mr. Kishore Kumar Mehrotra ⁵ (DIN 02894045)	Independent Non-Executive	1	No	0	Member - 0 Chairperson - 0
Mr. Pratip Chaudhuri (DIN 00915201)	Independent Non-Executive	5	No	8	Member - 2 Chairman - 3
Mr. Manas Kumar Nag (DIN 02058292)	Nominee Director Non-Executive	5	No	1	Member - 0 Chairman - 0
Mr. Manoj Kumar Digga ⁹ (DIN 01090626)	Executive Director	4	No	4	Member - 0 Chairman - 0
Mr. Manoj Kumar (DIN 06823891)	Executive Director	1	No	3	Member - 0 Chairman - 0

Note:

1. This excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013.
2. For this purpose only two Committees, viz., the Audit Committee and the Stakeholders Relationship Committee have been considered. This excludes Committee positions held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
3. Mr. Shiv Dayal Kapoor ceased to be the Director of the Company w.e.f. 4 November 2016.
4. Ms. Gauri Rasgotra ceased to be the Director of the Company w.e.f. 27 July 2016.
5. Mr. Kishore Kumar Mehrotra was appointed as the Independent Director on the Board of Directors of the Company w.e.f. 12 November 2015.
6. Ms. Puja Sondhi (DIN 06592082) has been appointed as the Additional Director (Non-Executive, Independent) on the Board of Directors of the Company w.e.f. 24 October 2016.
7. Mr. Punkaj Kumar Bajaj (DIN 02216069) ceased to be the Director of the Company from the close of business hours on 14 September 2015.
8. Mr. Saubir Bhattacharya (DIN 01383195) ceased to be the Director of the Company w.e.f. 6 April 2015.
9. Mr. Manas Kumar Nag is the nominee director of State Bank of India (Lender).

During the year under review, 6 (Six) Board Meetings were held on the following dates: 29 May 2015; 14 August 2015; 21 August 2015; 15 September 2015; 13 November 2015 and 10 February 2016.

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

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

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

» Details of remuneration paid to Board of Directors

A. Non-Executive Directors

Name of the Director	Sitting Fees paid ¹ (Rs.)	Total payments paid / payable in 2015-16 (Rs.)
Mr. Shiv Dayal Kapoor	200,000	200,000
Mr. Debi Prasad Bagchi	160,000	160,000
Mr. Pratip Chaudhuri	200,000	200,000
Ms. Gauri Rasgotra	50,000	50,000
Mr. Kishore Kumar Mehrotra	20,000	20,000
Mr. Manas Kumar Nag	100,000	100,000
Total	730,000	730,000

Note:

1. During 2015 - 16, sitting fees were paid @ Rs. 20,000 per Board Meeting and Rs. 10,000 per Committee Meeting, i.e. Audit, Stakeholders Relationship, Finance & Banking and Nomination and Remuneration Committee(s).
2. No stock options have been granted during the year to any of the Directors.
3. During the financial year 2015-16, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company apart from the above.
4. The criteria of making payment to the Non-Executive Directors is as and when decided by the Board of Directors/ Nomination and Remuneration Committee. For the financial year 2015-16, the Company paid only sitting fees to the Non-Executive Directors.

B. Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2015-16			
			All elements of remuneration package, i.e. salary, benefits, bonuses etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Vishambhar Saran	See Note (a)	Chairman	Rs. 17.55 Mn	See note (b)	See note (c)	See note (d)
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	Rs. 17.30 Mn	See note (b)	See note (c)	See note (d)
Mr. Punkaj Kumar Bajaj	See Note (a)	Joint Managing Director & CEO (Steel Business)	Rs. 4.52 Mn	See note (b)	See note (c)	See note (d)
Mr. Manoj Kumar Digga	See Note (a)	Whole time Director designated as Director (Finance) & Chief Financial Officer	Rs. 9.93 Mn	See note (b)	See note (c)	See note (d)
Mr. Manoj Kumar	See Note (a)	Whole time Director designated as Director (Kalinganagar)	Rs. 7.05 Mn	See note (b)	See note (c)	See note (d)

(a) Mr. Vishambhar Saran is the father of Mr. Vishal Agarwal. Other than this, none of the other Directors are in any way related to any other Director.

(b) In view of the ongoing losses being incurred by the Company, Mr. Vishambhar Saran and Mr. Vishal Agarwal had volunteered for reducing their salary retrospectively w.e.f. 1 April 2014.

Mr. Manoj Kumar Digga, Whole time Director designated as Director (Finance) & Chief Financial Officer is entitled to Performance Bonus of Rs. 900,000 and Mr. Manoj Kumar, Whole time Director designated as Director (Kalinganagar) is entitled to Performance Bonus of Rs. 720,000. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

(c) Mr. Vishambhar Saran had been reappointed as Whole time Director designated as Chairman of the Company for a period of 3 years with effect

from 15 December 2013. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

Mr. Vishal Agarwal had been reappointed as Vice Chairman & Managing Director of the Company for a period of 3 years with effect from 25 June 2014. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

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

Mr. Manoj Kumar Digga had been appointed as the Whole time Director designated as Director (Finance) & Chief Financial Officer of

the Company for a period of 3 years with effect from 14 August 2015. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

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

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

II. BOARD COMMITTEES

» Audit Committee

The Audit Committee comprises of 3 Non Executive Independent Directors. Details are given under as on 31 March 2016:

- » Mr. Shiv Dayal Kapoor, - Independent Chairman Director
- » Mr. Debi Prasad Bagchi - Independent Member Director
- » Mr. Pratip Chaudhuri - Independent Member Director

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

The Company Secretary acts as Secretary to the Committee. The powers, role and terms of reference of the Committee are as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with applicable Schedule of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR))

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information

to ensure that the financial statements are correct, sufficient and credible.

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

During the financial year 2015-16, the Committee met 4 (Four) times on - 29 May 2015, 14 August 2015, 13 November 2015, and 10 February 2016. 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. Debi Prasad Bagchi	4	4
Mr. Pratip Chaudhuri	4	4

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28 December 2015.

» Stakeholders Relationship Committee

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

The Stakeholders Relationship Committee comprises of the following Directors as on 31 March 2016:

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

The primary function of the Committee is to consider and resolve the grievances of the stakeholders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends and such other grievances as may be raised by the security holders from time to time. As on 31 March 2016, 100% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the stock exchanges in the dematerialised form.

Mr. Keshav Sadani, Company Secretary, was the Compliance Officer of the Company. Mr. Sadani resigned as the Company Secretary of the Company from the close of business hours on 24 June 2016. Mr. Manoj Kumar Digga was appointed as the Compliance Officer of the Company w.e.f. 25 June 2016. Mr. Sudhir Kumar Banthiya was appointed as the Company Secretary and Compliance officer of the Company w.e.f. 13 September 2016.

Particulars	Status
Number of shareholders' complaints received so far	1
Number of shareholders' complaints not solved to the satisfaction of shareholders	NIL
Number of shareholders' pending complaints	NIL

» **Nomination and Remuneration Committee**

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

The Committee comprises of the following Directors as on 31 March 2016:

- » Mr. Shiv Dayal Kapoor, - Independent
Chairman Director
- » Mr. Debi Prasad Bagchi - Vice Chairman &
Member Managing Director
- » Ms. Gauri Rasgotra - Independent
Member Director

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

- » to lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in senior management or KMP of the Company;
- » to lay down the terms and conditions in relation to the appointment of Directors, senior management personnel or KMP and recommend to the Board the appointment and removal of Directors, senior management personnel or KMP;
- » to lay down criteria to carry out evaluation of every Director's performance;
- » to formulate criteria for determining qualification, positive attributes and Independence of a Director;
- » to determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management personnel to work towards the long term growth and success of the Company;
- » to devise a policy on the diversity of the Board; and
- » to assist the Board with developing a succession plan for the Board.

During the financial year 2015-16, the Committee met 2 (Two) times on 29 May 2015 and 14 August 2015. The details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Shiv Dayal Kapoor	2	2
Mr. Debi Prasad Bagchi	2	2
Ms. Gauri Rasgotra	2	0

Performance evaluation criteria

The Company has in place a Remuneration Policy adopted in terms of the provisions of the Companies Act, 2013. The Board of Directors carried out an annual evaluation

of its own performance and that of its Committees and individual Directors including the criteria of independence of the Independent Directors, in line with the Policy, requirements of the Companies Act, 2013 and SEBI (LODR). The Remuneration Policy of the Company forms part of the Board's Report.

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

» **Corporate Social Responsibility Committee**

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

The Committee comprises of the following Directors as on 31 March 2016:

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

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

During the financial year 2015-16, no Meeting of the Committee was held. The CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with applicable Rules made thereunder, are detailed in the Annual Report.

» **Risk Management Committee**

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

The Company had constituted a Risk Management Committee (RMC) on 26 September 2014, inter alia for framing, implementing and monitoring the risk management policy of the Company.

The Committee comprised of the following Directors:

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

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

» **Finance & Banking Committee**

In addition to the above Committees, your Company has a Finance & Banking Committee with powers to approve strategies, plans, policies and actions related to corporate finance.

The Committee comprises of the following Directors as on 31 March 2016:

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

During the financial year 2015-16, the Committee met 2 (Two) times on 14 August 2015 and 10 February 2016, which was attended by all the members of the Committee.

Subsequent to the end of the year under review, Ms. Gauri Rasgotra had resigned w.e.f. 27 July 2016 and Mr. Shiv Dayal Kapoor had resigned w.e.f. 4 November 2016. Accordingly, all the Committees were suitably reconstituted.

III. SUBSIDIARY COMPANIES

The Company has 7 (Seven) subsidiaries including indirect subsidiaries, as on 31 March 2016:

- » VISA BAO Limited (VBL)
- » VISA SunCoke Limited (VSCL)
- » Kalinganagar Special Steel Private Limited
- » VISA Ferro Chrome Limited
- » VISA Special Steel Limited
- » Ghotaringa Minerals Limited
- » Kalinganagar Chrome Private Limited

Under the definition of SEBI (LODR) VBL and VSCL are “material subsidiary” of your Company.

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

- » Mr. Shiv Dayal Kapoor, an Independent Director on the Board of Directors of the Company was an Independent Director on the Board of Directors of VBL and VSCL.
- » The Audit Committee reviewed the financial statements and in particular, the investments made by the unlisted subsidiary companies.
- » The minutes of the Board Meetings as well as statements of all significant transactions of the unlisted subsidiary companies were placed before the Board of Directors of the Company for their review.

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

Means of communication

Quarterly results

- | | |
|--|--|
| <ul style="list-style-type: none"> » Newspapers normally published in | <ul style="list-style-type: none"> - One English Language National Daily - One daily published in Oriya Language |
| <ul style="list-style-type: none"> » Any website, where displayed | <ul style="list-style-type: none"> - www.visasteel.com |
| <ul style="list-style-type: none"> » Whether it displays official news releases | <ul style="list-style-type: none"> - Yes |
| <ul style="list-style-type: none"> » Presentation to investors / analysts | <ul style="list-style-type: none"> - Available as and when made |
| <ul style="list-style-type: none"> » Whether Shareholder Information Report forms part of the Annual Report | <ul style="list-style-type: none"> - Yes |

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

General Body Meetings

Location and time, where last three AGMs were held and the special resolutions passed there at :

Year	Location	Date	Time	Special resolutions passed
2014-2015	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	28 December 2015	12.30 PM	<ol style="list-style-type: none"> To appoint of Mr. Manoj Kumar Digga (DIN 01090626) as the Whole time Director designated as Director (Finance) & Chief Financial Officer. To appoint Mr. Manoj Kumar (DIN 06823891) as the Whole time Director designated as Director (Kalinganagar)
2013-2014	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	24 December 2014	10.30 AM	<ol style="list-style-type: none"> Approval and adoption of new set of Articles of Association of the Company. Appointment of Mr. Pankaj Kumar Bajaj as the Joint Managing Director & CEO (Steel Business) of the Company. Re-appointment of Mr. Vishal Agarwal as Vice Chairman & Managing Director of the Company. Approval of related party transactions. Waiver of excess remuneration paid to Mr. Vishambhar Saran, Wholetime Director designated as Chairman. Waiver of excess remuneration paid to Mr. Vishal Agarwal, Vice Chairman & Managing Director. Waiver of excess remuneration paid to Mr. Pankaj Gautam, Joint Managing Director & CEO. Consent to pay commission to Non-Executive Directors not exceeding 1% of the net profit. Appointment of Ms. Bhawna Agarwal, to hold office or place of profit as President (CSR & Corporate Communication)
2012-2013	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park,	16 December 2013	3.30 PM	<ol style="list-style-type: none"> Appointment of Mr. Pankaj Gautam as Joint Managing Director & CEO. Waiver of recovery of remuneration paid in excess of the prescribed statutory limits to Mr. Pankaj Gautam as Joint Managing Director & CEO.

General Body Meetings (Contd.)

Year	Location	Date	Time	Special resolutions passed
	Unit – II, Bhubaneswar 751 009			<p>3. Revision of remuneration of Mr. Vishambhar Saran, Whole-time Director designated as Chairman and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</p> <p>4. Re-appointment of Mr. Vishambhar Saran as Whole-time Director designated as Chairman of the Company.</p> <p>5. Revision of remuneration of Mr. Vishal Agarwal, Vice Chairman and Managing Director and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</p> <p>6. Revision of remuneration of Mr. Pankaj Gautam, Joint Managing Director & CEO, and payment of the same as minimum remuneration in case of loss / inadequacy of profits in any financial year during the remaining tenure of his appointment.</p>

Postal Ballot

- » Whether resolutions were put through postal ballot last year : No
- » Person who conducted the postal ballot exercise: Not Applicable
- » Procedure of postal Ballot: Not Applicable
- » Whether any special resolution is proposed to be conducted through postal ballot: Two resolutions have been passed through postal ballot on 8 July 2016 in regard to the following:
 - » Shifting of Registered Office of the Company from the State of Odisha to the State of West Bengal
 - » Scheme of Amalgamation of VISA BAO Limited with the Company.

GENERAL SHAREHOLDER INFORMATION

A) ANNUAL GENERAL MEETING FOR CURRENT FY

Date	:	28 December 2016
Time	:	11.00 AM
Venue	:	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009

B) FINANCIAL YEAR

: April to March.

C) DIVIDEND PAYMENT DATE

: The Company did not declare any dividend during the FY 2015-16.

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

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

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

Listing fees has been paid to the stock exchanges for the financial year 2016-17.

E) MARKET PRICE DATA

	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
	(Rs.)		(Rs.)	
Apr-15	25.00	14.75	25.00	14.75
May-15	22.25	16.20	22.00	15.05
Jun-15	18.25	16.15	19.90	16.00
Jul-15	19.60	16.05	19.70	16.00
Aug-15	18.25	14.00	17.60	13.80
Sep-15	18.05	13.00	18.00	13.00
Oct-15	17.20	14.10	17.50	14.90
Nov-15	16.40	14.10	16.55	13.50
Dec-15	21.50	14.60	21.20	14.60
Jan-16	18.50	14.05	18.30	14.05
Feb-16	16.35	13.05	16.30	13.05
Mar-16	16.00	12.20	15.65	13.00

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

Financial Year	NSE CNX NIFTY		BSE SENSEX	
	Change in VSL share price	Change in Nifty	Change in VSL share price	Change in SENSEX
2015-16	-6.95%	-8.79%	-4.44%	-9.35%

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

H) REGISTRAR AND SHARE TRANSFER AGENTS : Karvy Computershare Private Limited
Unit: VISA Steel Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Tel: + 91 40 2342 0818,
Fax: + 91 40 2342 0814
Email: einward.ris@karvy.com
Website: www.karvy.com

I) SHARE TRANSFER SYSTEM

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

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and files a copy of the certificate with the Stock Exchanges. Further, reconciliation of the share capital audit report is also submitted on a quarterly basis for reconciliation of the share capital of the Company.

J) DISTRIBUTION OF SHAREHOLDING

No. of equity shares held	As on 31 March 2016				As on 31 March 2015			
	No. of share-holders	% of share-holders	No. of shares held	% share-holding	No. of share-holders	% of share-holders	No. of shares held	% share-holding
1 – 500	15,320	82.46	2,529,222	2.30	15,437	82.74	2,526,208	2.30
501 – 1000	1,937	10.43	1,459,104	1.33	1,943	10.41	1,460,190	1.32
1001 – 2000	807	4.34	1,173,268	1.07	808	4.33	1,175,442	1.07
2001 – 3000	186	1.00	485,639	0.44	162	0.87	423,694	0.39
3001 – 4000	72	0.39	258,628	0.24	69	0.37	247,493	0.22
4001 – 5000	92	0.50	437,907	0.40	81	0.43	386,763	0.35
5001 – 10000	92	0.50	686,784	0.62	84	0.45	624,856	0.57
10001 and above	72	0.38	102,969,448	93.60	74	0.40	103,155,354	93.78
Total	18,578	100.00	110,000,000	100.00	18,658	100.00	110,000,000	100.00

- K) DEMATERIALISATION OF SHARES AND LIQUIDITY** : 100% of Equity Shares of the Company are in dematerialised form as on 31 March 2016.
ISIN No. - INE286H01012
CIN No. - L511090R1996PLC004601
- L) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY** : Not Applicable
- M) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES** : Not Applicable
- N) PLANT LOCATIONS:**
- | | |
|--|--|
| Kalinganagar Industrial Complex
P.O. Jakhapura, Dist. - Jajpur
Jajpur - 755026
Odisha
Tel: +91 6726 242 441
Fax: +91 6726 242 442 | Village Golagaon, Near Duburi
P.O. Pankapal, Dist. - Jajpur
Odisha
Tel: +91 6726 245 470
Fax: +91 6726 245 561 |
|--|--|
- O) ADDRESS FOR CORRESPONDENCE**
- | | |
|--|---|
| Registered Office
11 Ekamra Kanan, Nayapalli
Bhubaneswar – 751015
Odisha
Tel: + 91 674 2552 479-84
Fax: + 91 674 2554 661-62 | Corporate Office
VISA House
8/10 Alipore Road
Kolkata 700027
West Bengal
Tel: + 91 33 3011 9000
Fax: + 91 33 3011 9002 |
|--|---|

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

» **Other Disclosures**

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

All transactions entered into with related parties as defined under the Companies Act, 2013 and provisions of the Listing Regulations during the year were on an arm's length price basis and in the ordinary course of business. These have been placed and approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.visasteel.com. Further, all the materially significant related party transactions are displayed in Note no. 48 of the Audited Financial Statement for the financial year ended 31 March 2016.

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed

entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:
Not Applicable

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

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

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

d) Details of compliance with mandatory requirements:

All the mandatory requirements relating to Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied.

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

<http://www.visasteel.com/investors/pdf/related-party-transactions-policy-and-policy-for-determining-material-subsidiaries.pdf>

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

<http://www.visasteel.com/investors/pdf/related-party-transactions-policy-and-policy-for-determining-material-subsidiaries.pdf>

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

Not Applicable

h) Disclosure of Accounting Treatment

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

i) Management

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

j) CEO and CFO certification

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

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

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

No. of cases	No. of shares held
14	4,055

» number of shareholders who approached listed entity for transfer of shares from suspense account during the year: nil

» number of shareholders to whom shares were transferred from suspense account during the year: nil

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

No. of cases	No. of shares held
14	4,055

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

l) Code of Conduct

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

The Code of Conduct applicable to Directors and Senior Management, as approved by the Board of Directors, is available on the website of the Company at www.visasteel.com. All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration signed by the Vice Chairman & Managing Director is given below:

DECLARATION

In compliance with the requirements of the Regulation 26(3) of Listing Regulations, 2015 this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31 March 2016.

Place: Kolkata

Date: 27 May 2016

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

ADOPTION AND COMPLIANCE OF DISCRETIONARY/NON MANDATORY REQUIREMENTS:

The Board

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

Shareholders Rights

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

Modified opinion in Audit Report

There are no qualification in the Independent Audit Report on the Financial Statements for the financial year 2015-16.

Separate posts of chairperson and chief executive officer

The Company has separate post of Chairman and Managing Director.

Reporting of Internal Auditor

The Internal Auditor's report directly to the Audit Committee.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of VISA Steel Limited

We have examined the compliance of conditions of Corporate Governance by VISA Steel Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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, 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 SEBI Listing Regulations, 2015.

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

For and on behalf of
Lovelock & Lewes
 Chartered Accountants

Pradip Law
 Partner
 Membership No: 51790

Place: Kolkata

Date: November 18, 2016

CEO / CFO CERTIFICATION TO THE BOARD

The Board of Directors
VISA Steel Limited
Kolkata 700 027

27 May 2016

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

- (a) we have reviewed financial statements and the cash flow statement for the year 2015 - 16 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls.
- (d) we have indicated to the auditors and the Audit Committee that:
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year; and
 - (iii) there have been no instances of significant fraud of which we have become aware.

Sd/-

Sd/-

Vishal Agarwal
Vice Chairman & Managing Director

Manoj Kumar Digga
Wholetime Director designated as Director (Finance) & Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VISA STEEL LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of VISA Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 44 to the standalone financial statements, regarding the presentation of the same ongoing concern basis. The Company has incurred a net loss of Rs. 5,835.47 Million during the year ended March 31, 2016 and, as of that date, the Company's current liabilities exceeds its current assets by Rs. 15,843.22 Million and the Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.
10. We draw your attention to Note 14 to the standalone financial statements regarding the decline in the value of the Company's long term strategic investment in Visa SunCoke Limited (a subsidiary), whose net-worth has partially eroded as on March 31, 2016 and for which a provision for other than temporary decline in the value of

INDEPENDENT AUDITORS' REPORT

the investment in accordance with Accounting Standard (AS) 13 'Accounting for Investments' is not considered necessary by the Management for the reasons stated therein. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter mentioned in paragraph 9 of Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 22.
 - ii) The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses as at March 31, 2016.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: 27 May 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12 (g) of the Independent Auditors' Report of even date to the members of **Visa Steel Limited** on the standalone financial statements for the year ended 31.03.2016.

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

1. We have audited the internal financial controls over financial reporting of Visa Steel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: 27 May 2016

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of **Visa Steel Limited** on the standalone financial statements as of and for the year ended March 31, 2016.

- | | |
|--|---|
| <p>i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.</p> <p>(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.</p> <p>(c) The title deeds of immovable properties, as disclosed in Note 13A on fixed assets to the financial statements, are held in the name of the Company.</p> <p>ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.</p> <p>iii. The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any other secured/unsecured loans to firms/Limited Liability Partnership/ other parties covered in the register maintained under Section 189 of the Act.</p> | <p>(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.</p> <p>(b) In respect of the aforesaid loan an amount aggregating Rs. 2.74 Million is overdue as at Balance Sheet date as the party is not repaying the principal amount as stipulated, and is also not regular in payment of interest thereon.</p> <p>(c) In respect of the aforesaid loans, the total amount overdue for more than ninety days as at March 31, 2016 is Rs.1.99 Million. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest thereon.</p> <p>iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.</p> <p>v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.</p> |
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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, value

added tax, sales tax, entry tax, profession tax, service tax, income tax, labour welfare cess though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, duty of excise, sales tax and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	28.13	Assessment Year 2006-07	The Commissioner of Income Tax Appeals, Kolkata
Central Excise Act, 1944	Central Excise	10.95	Financial Year 2008-09 to 2010-11	Custom Excise & Service Tax Appellate Tribunal, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	0.02	Financial Year 1999-2000	Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	111.81	Financial Year 2007-08 to 2009-10	High Court of Odisha
Central Sales Tax Act, 1956	WB CST	43.07	Financial Year 2006-07	The Revision Board
Andhra Pradesh Value Added Tax Act, 2005	AP-VAT	3.43	Financial Year 2010-11	Deputy Commissioner
Central Sales Tax Act, 1956	WB VAT	0.31	Financial Year 2010-11	The Revision Board
Central Sales Tax Act, 1956	WB VAT	1.10	Financial Year 2011-12	The Revision Board

viii. According to the records of the Company examined by us and the information and explanations given to us, except for loans or borrowings from banks and financial institution aggregating Rs. 9,867.55 Million for the period as set out below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Name of lender	Nature of dues	Amount of Default (Rs. In Million)	Period of Default
Andhra Bank	Principal & Interest	410.71	Refer Note 5 (D) to the standalone financial statements
Bank of Baroda	Principal & Interest	316.84	
Bank of India	Principal & Interest	115.48	
Canara Bank	Principal & Interest	247.01	
Central Bank of India	Principal & Interest	619.68	
Corporation Bank	Principal & Interest	13.30	
Dena Bank	Principal & Interest	113.99	
Exim Bank	Principal & Interest	194.01	
HUDCO	Principal & Interest	166.71	
Indian Overseas Bank	Principal & Interest	380.01	

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Name of lender	Nature of dues	Amount of Default (Rs. In Million)	Period of Default
Oriental Bank of Commerce	Principal & Interest	1,300.27	
Punjab National Bank	Principal & Interest	975.40	
Small Industries Development Bank of India	Principal & Interest	1.75	
State Bank of Hyderabad	Principal & Interest	216.06	
State Bank of India	Principal & Interest	2,188.75	Refer Note 5 (D) to the standalone financial statements
State Bank of Travancore	Principal & Interest	50.21	
Syndicate bank	Principal & Interest	1,003.34	
UCO Bank	Principal & Interest	416.47	
Union Bank of India	Principal & Interest	716.62	
Vijaya Bank	Principal & Interest	420.94	
Total		9867.55	

- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. However, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and Notes 20 (a) to 20 (c) to the standalone financial statements.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Pradip Law
Partner

Membership Number 51790

Place: Kolkata
Date: 27 May 2016

BALANCE SHEET

as at 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	(5,711.16)	124.31
		(4,611.16)	1,224.31
Non-current Liabilities			
Long-term Borrowings	5	22,242.02	23,254.30
Deferred Tax Liabilities (Net)	6	-	-
Other Long-term Liabilities	7	787.20	787.20
Long-term Provisions	8	15.65	14.91
		23,044.87	24,056.41
Current Liabilities			
Short-term Borrowings	9	7,624.59	4,397.23
Trade Payables	10		
Total outstanding dues of micro enterprises and small enterprises		38.02	145.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,628.01	3,077.06
Other Current Liabilities	11	9,162.40	5,706.36
Short-term Provisions	12	17.19	13.28
		19,470.21	13,339.37
Total		37,903.92	38,620.09
II. ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13 A	26,267.70	27,467.92
Intangible Assets	13 B	2.86	5.29
Capital Work-in-progress	13 C	2,954.18	2,964.54
		29,224.74	30,437.75
Non-current Investments	14	4,511.39	4,511.39
Long-term Loans and Advances	15	540.77	851.87
Other Non-current Assets	16	-	1.14
		34,276.90	35,802.15
Current Assets			
Inventories	17	1,184.15	1,124.87
Trade Receivables	18	1,483.35	561.17
Cash and Bank balances	19	51.38	50.60
Short-term loans and advances	20	871.60	993.71
Other Current Assets	21	36.54	87.59
		3,627.02	2,817.94
Total		37,903.92	38,620.09

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

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

Vishal Agarwal
Vice Chairman & Managing Director

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

For and on behalf of the Board of Directors

Manoj Kumar
Director (Kalinga Nagar)

Pradip Law
Partner
Membership Number 51790

Keshav Sadani
Company Secretary

Manoj Kumar Digga
Executive Director (Finance) & CFO

Place: Kolkata
Date: 27 May 2016

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2016	Year ended 31 March 2015
INCOME			
Revenue from Operations (Gross)	24	5,152.94	4,555.66
Less: Excise duty		100.39	100.15
Revenue from operations (Net)		5,052.55	4,455.51
Other income	25	231.07	214.38
I. Total Revenue		5,283.62	4,669.89
EXPENSES			
Cost of Materials Consumed	26	3,081.29	2,544.68
Purchases of Stock-in-Trade	27	-	-
Changes In Inventories of Finished Goods, Stock-In-Trade, Work-in-Progress and By-products	28	(86.54)	117.17
Employee Benefits Expense	29	261.93	185.81
Finance Costs	30	1,554.60	859.08
Depreciation and Amortization Expense	31	361.57	354.75
Other Expenses	32	1,766.43	1,476.76
II. Total Expenses		6,939.28	5,538.25
III. (Loss) / Profit before exceptional and extraordinary items and tax		(1,655.66)	(868.36)
IV. Exceptional items		-	-
V. (Loss) / Profit before extraordinary items and tax		(1,655.66)	(868.36)
VI. Extraordinary items		-	-
VII. (Loss) / Profit before tax		(1,655.66)	(868.36)
VIII. Tax Expense of continuing operations			
Current taxes		-	-
MAT Credit Entitlement(Reversal)		274.71	32.33
Net current tax		274.71	32.33
Deferred taxes		-	14.06
IX. (Loss) / Profit for the year from Continuing Operation		(1,930.37)	(914.75)
X. (Loss) / Profit before tax from discontinuing operation	33	(3,905.10)	(1,499.65)
XI. Tax expense of discontinuing operations		-	-
XII. (Loss) / Profit from discontinuing operations after tax		(3,905.10)	(1,499.65)
XIII. (Loss) / Profit for the period from discontinuing operation		(3,905.10)	(1,499.65)
XIV. (Loss) / Profit for the period [(IX)+(XIII)]		(5,835.47)	(2,414.40)
XV. Earning/ (loss) per equity share (Nominal Value per Share of Rs.10 each)	40		
Basic		(53.05)	(21.95)
Diluted		(53.05)	(21.95)

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

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

Vishal Agarwal
Vice Chairman & Managing Director

Pradip Law
Partner
Membership Number 51790

Keshav Sadani
Company Secretary

Place: Kolkata
Date: 27 May 2016

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

For and on behalf of the Board of Directors

Manoj Kumar
Director (Kalinga Nagar)

Manoj Kumar Digga
Executive Director (Finance) & CFO

CASH FLOW STATEMENT

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2016	Year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before Tax including the results of discontinuing operations	(5,560.76)	(2,368.01)
Adjusted for :		
Depreciation and Amortization	1,226.86	574.09
Finance Costs	4,453.71	2,061.90
Interest Income	(109.25)	(109.51)
Provision for Bad & Doubtful Debts	23.63	54.98
Provision for Doubtful Advances	15.46	144.56
Income from Shared Services	(158.69)	(164.26)
Liabilities no longer required written back	(22.86)	(4.77)
Provision for Doubtful Debts/ Advances written back	(18.63)	(18.20)
(Profit) / Loss on sale of Fixed Assets	0.43	(0.21)
Unrealised Forex Loss / (Gain) [Net]	4.44	(11.66)
Operating (Loss)/ Profit before working capital changes	(145.66)	158.91
Adjustments for changes in working capital		
(Increase) in trade and other receivables	(835.77)	(54.54)
(Increase) / Decrease in inventories	(59.28)	394.51
(Decrease) in trade and other payables	(2,622.90)	(2,597.43)
Cash (used in) Operations	(3,663.61)	(2,098.55)
Direct Taxes (paid)/ refund	94.52	0.35
Net Cash (used in) Operating Activities	(3,569.09)	(2,098.20)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(22.66)	(501.28)
Sale of Fixed Assets	0.47	0.30
Release of Margin Money Account	23.02	112.70
Income from Shared Services	158.69	164.26
Interest received	119.72	115.19
Net cash from / (used in) Investing Activities	279.24	(108.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,700.52	3,259.43
Repayment of Long Term Borrowings	(218.71)	(338.44)
(Repayment)/Proceeds of Short Term Borrowings (net)	3,227.36	3,002.23
(Increase) / Decrease in Earmarked Accounts	0.39	-
Finance Cost paid (Refer (c) below)	(1,396.66)	(3,716.14)
Net Cash used from Financing Activities	3,312.90	2,207.08
Net increase in Cash and Cash Equivalents (A+B+C)	23.05	0.05

CASH FLOW STATEMENT

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2016	Year ended 31 March 2015
D. CASH AND CASH EQUIVALENTS		
Net Increase / (Decrease) in Cash and Cash Equivalents	23.05	0.05
Cash and Cash Equivalents as on 01 April	1.15	1.10
Cash and Cash Equivalents as at 31 March	24.20	1.15

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

	Year ended 31 March 2016	Year ended 31 March 2015
Balance with Banks in		
Current Account	21.79	0.45
Cash on hand	2.41	0.70
Cash and Cash Equivalents as at 31 March (Refer Note 19)	24.20	1.15

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

(c) Finance Costs include borrowing cost capitalized.

(d) Refer Note 50

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

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director

Manoj Kumar
Director (Kalinga Nagar)

Pradip Law
Partner
Membership Number 51790

Keshav Sadani
Company Secretary

Manoj Kumar Digga
Executive Director (Finance) & CFO

Place: Kolkata
Date: 27 May 2016

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All amount in Rs. Million, unless otherwise stated

1. GENERAL INFORMATION

VISA Steel Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for the processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2.2 Fixed Assets

(a) Tangible Assets

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

(b) Intangible Assets

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

(c) Capital Work-in-Progress

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

(d) Depreciation and amortization

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

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

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

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

2.3 Impairment Loss

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

2.4 Borrowing Cost

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

2.5 Investments

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

2.6 Inventories

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

2.7 Revenue Recognition

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

2.8 Other Income

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

2.9 Transactions in Foreign Currencies

(i) Initial Recognition

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

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(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 is recognised as income or as expense for the period.

2.10 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post Employment Benefit Plans

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

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

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

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

2.11 Accounting for Taxes on Income

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the

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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 Segment Reporting

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

2.15 Cash and Cash Equivalents

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

2.16 Earnings per Share

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

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	As at 31 March 2016	As at 31 March 2015
3 SHARE CAPITAL		
Authorised		
160,000,000 Equity Shares (31 March 2015 : 160,000,000) of Rs. 10/- each	1,600.00	1,600.00
Issued, Subscribed and Paid-up		
110,000,000 Equity Shares (31 March 2015 : 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 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	110,000,000	1,100.00	110,000,000	1,100.00
Add / (Less): Shares issued / bought back during the year	-	-	-	-
Balance as at the end of the year	110,000,000	1,100.00	110,000,000	1,100.00

(b) Rights, preferences and restrictions attached to shares

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

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

	As at 31 March 2016	As at 31 March 2015
VISA Infrastructure Limited (VIFL)	Not Applicable	58,712,167
VIFL has ceased to be the Holding Company of the Company with effect from April 22, 2015 pursuant to sale of its part of the holding during the year.		

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

	As at 31 March 2016	As at 31 March 2015
VISA Infrastructure Limited (Numbers)	44,387,167	58,712,167
VISA Infrastructure Limited (%)	40.35	53.37
CRESTA Fund Limited (Numbers)	7,464,036	-
CRESTA Fund Limited (%)	6.79	-
LTS Investment Fund Limited (Numbers)	10,497,122	-
LTS Investment Fund Limited (%)	9.54	-
VISA International Limited (Numbers)	23,787,833	23,787,833
VISA International Limited (%)	21.63	21.63

(e) Share reserved for issue under option

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

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	As at 31 March 2016	As at 31 March 2015
4 RESERVES AND SURPLUS		
Capital Reserve	0.07	0.07
Securities Premium Reserve	1,645.00	1,645.00
General Reserve @		
Balance as at the beginning of the year	3,821.49	3,852.92
Less: Depreciation adjustment (Net of deferred Tax Rs. Nil (31 March 2015: Rs.14.06 Million) [Refer Note 13 D])	-	(31.43)
Balance as at the end of the year	3,821.49	3,821.49
(Deficit) / Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(5,342.25)	(2,927.85)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(5,835.47)	(2,414.40)
Net deficit	(11,177.72)	(5,342.25)
Balance as at the end of the year	(11,177.72)	(5,342.25)
Total	(5,711.16)	124.31
@ Refer Note 49		

	Non-current Portion		Current Maturities		Total	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
5 LONG-TERM BORROWINGS						
Secured						
Term Loans (I & II), SMCF (Sub debts), Corporate Term Loans (I & II) , Fresh Term Loan (For Sinter Plant)						
[Refer B(i), B(iii) and C(i), C(ii), C(iii),C(viii) and D below]						
From Banks	17,559.30	18,121.10	3,384.18	1,564.85	20,943.48	19,685.95
From Other Parties	711.31	568.55	178.60	60.24	889.91	628.79
Working Capital Term Loans (Facility A2)						
[Refer B(i) and C(iv) and D below]						
From Banks	632.80	967.04	679.04	409.60	1,311.84	1,376.64
From Other Parties	15.73	23.13	16.65	9.25	32.38	32.38
Funded Interest Term Loans (Facility A3)						
[Refer B(i) and C(v) and D below]						
From Banks	2,537.73	2,864.66	319.64	34.99	2,857.37	2,899.65
From Other Parties	147.73	118.61	14.51	-	162.24	118.61
Equipment and Vehicle Term Loans						
From Banks [Refer B(ii) and C(vi) below]	-	-	-	0.71	-	0.71
From Other Parties [Refer B(ii) and C(vii) below]	-	1.46	0.48	1.10	0.48	2.56
Term Loans from Other Parties	56.02	337.75	60.14	78.41	116.16	416.16
[Refer B(iii) and D below]						
	21,660.62	23,002.30	4,653.24	2,159.15	26,313.86	25,161.45
Unsecured						
Loans from Related Parties	581.40	252.00	-	-	581.40	252.00
[Refer C(ix) below]						
	22,242.02	23,254.30	4,653.24	2,159.15	26,895.26	25,413.45
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(4,653.24)	(2,159.15)	(4,653.24)	(2,159.15)
	22,242.02	23,254.30	-	-	22,242.02	23,254.30

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A. Debt Restructuring

Pursuant to restructuring of the Company's debts, a Master Restructuring Agreement dated 19 December 2012 (MRA) had been executed to give effect to the CDR package approved by the Corporate Debt Restructuring (CDR) cell with effect from 1 March 2012, resulting in various reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc to the Company.

Further, pursuant to the approval of the Company's Business Re-organisation Plan (Refer Note 34) by the CDR cell, a Common Loan Agreement (CLA) had also been executed on 28 March 2015 among the Company, its Subsidiary company, VISA Special Steel Limited, and lenders. CLA would operate in continuation of above mentioned MRA. In terms of CLA, inter-alia, additional credit facilities have been granted and effective 28 March 2015 the Company's existing Debt portfolio has been reorganised/reallocated and secured as under:

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

During the past years, performance of the Company has been adversely affected mainly because of external factors beyond management control, due to which the Company was not able to meet the repayment terms as per the CLA and the Company is under discussion with the lenders for sustainability of its debts. Pending outcome of such discussion, the lenders have allowed for the time being "Hold-On operation" status to the Company and for the purpose of these financial statements, the Company has followed reorganisation/reallocation and other terms and conditions of MRA/CLA as set out above.

B. Details of Securities

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

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

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

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

ii. Equipment and Vehicle Term Loans

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

iii. Term Loans from Bank and Other Parties

- (a) Term Loan from IL&FS Financial Services - These loans are secured by way of second pari-passu charge on entire pooled assets of the Company save and except assets charged in favour of Banks/FI/NBFC and 50 acres of land on which VISA BAO Limited is setting up a Ferro Chrome Plant. This loan is also covered by a Corporate Guarantee of VISA International Limited. Subsequently, in September 2015 this loan has been assigned by IL&FS Limited to State Bank of India, CAG Branch, Kolkata.
- (b) Term Loan from HUDCO - These loans are secured by way of pari-passu first charge on all the fixed assets, both present and future, of the Company's plant including township being financed by HUDCO at Kalanganagar Industrial Complex in Odisha and pari-passu second charge on the current assets of the Company within the Integrated Steel Complex including township being financed by HUDCO. This loan is also covered by a Corporate Guarantee of VISA International Limited & Personal Guarantee of Mr Vishal Agarwal Vice Chairman & Managing Director, VISA Steel Ltd.

C. Terms of Repayment of loans

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

Upon implementation of CDR Package during the Financial Year 2012-13, then existing Restructured Term Loan of Rs. 12,355.48 Million and Additional Term Loan of Rs. 6,100.00 Million sanctioned as per CDR package, were to be repaid over a period of 10 years in quarterly instalments commencing from March 2013. Further such loans carry interest @ 10.75% p.a. for the first 4 years, @ 11.5% for 5th and 6th year and @ 12%, linked to the base rate, for subsequent years of restructuring. Above mentioned loan amounting to Rs. 17,446.87 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2016-17	10.00%
2017-18	13.00%
2018-19	15.50%
2019-20	15.50%
2020-21	15.50%
2021-22	15.50%

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

In line of aforementioned CLA, Corporate Term Loan amounting Rs. 4,500 Million, bearing an interest rate at 2.50% p.a. above the SBI's Base Rate, was sanctioned. Outstanding balance of such loan as at the balance sheet date is Rs. 4,359.43 Million, which shall be repayable in structured quarterly installments starting from June 2016 and ending on March 2023, as mentioned below.

Repayment Schedule :

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

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

Fresh Team Loan (For Sinter Plant) of Rs. 650 Million was sanctioned vide the CLA, bearing an interest rate at 2.50% p.a. above the SBI's Base Rate. Outstanding balance of such loan as at balance sheet is Rs. 27.10 Million which is repayable in structured quarterly installments starting from December 2015 and ending on March 2022, as mentioned below.

Repayment Schedule :

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

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

Upon implementation of CDR package during the Financial Year 2012-13, then overdrawn cash credit accounts of the Company amounting to Rs. 1,720.00 Million had been carved out into a separate Working Capital Term Loans, which were to be repaid over a period of 8 years in quarterly instalments commencing from March 2013. Further such loans carry the interest rate @ 10.50% p.a. throughout the tenure of facility. Above mentioned loan amounting to Rs. 1,344.21 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule :

Year	Percentage of WCTL (originally restructured) due for Repayment (%)
2016-17	20.00%
2017-18	12.50%
2018-19	15.00%
2019-20	10.00%

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

In terms of the CDR Package, the aggregate amount of interest accrued and due on the principal amounts of TL, WCTL and Additional Term Loan for the period 1 March 2012 to 28 Feb 2014 had been converted into Funded Interest Term Loans (FITL) which were repayable in quarterly instalments commencing from September 2014 and ending in December 2021. During the Financial Year 2012-13, Company had prepaid instalments due till the second month of second quarter of FY 2016-17. FITL carry interest @ 10.00% p.a. throughout the tenure of facility. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below. Above mentioned loan amounting to Rs. 3,019.61 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below.

Repayment Schedule :

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

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

Banks	As at 31 March 2016	As at 31 March 2015	Terms of Repayment	Interest rate
Kotak Mahindra Bank	-	0.40	Repaid during the year.	11.75% p.a.
AXIS Bank	-	0.31	Repaid during the year.	9.75% p.a.
Total	-	0.71		

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

Other Parties	As at 31 March 2016	As at 31 March 2015	Terms of Repayment	Interest rate
Tata Capital Financial Services Limited	0.48	2.56	Equal Monthly installments over the period of maturity with respect to the balance sheet date is 4 months.	9.50% to 11.50% p.a.
Total	0.48	2.56		

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

Bank and Other Parties	As at 31 March 2016	As at 31 March 2015	Terms of Repayment	Interest rate
State Bank of India	300.00	300.00	Repayable in eighteen quarterly installments from December 2014 onwards.	
			Year	Term Loan (%)
			2016-17	10.00%
			2017-18	13.00%
			2018-19	62.00%
HUDCO	116.16	116.16	Seventeen quarterly installments of Rs. 6.69 Million each from Balance sheet date.	HUDCO Benchmark rate + 1% p.a.
Total	416.16	416.16		

ix. Terms of Repayment of Loans from Related Parties :

Related Parties	As at 31 March 2016	As at 31 March 2015	Terms of Repayment	Interest rate
VISA Infrastructure Limited	581.40	252.00	upon or before expiry of 3 years from the date of disbursement	8% p.a.
Total	581.40	252.00		

D. Details of defaults of principal and interest :

The Company has defaulted in the repayment of dues (principal and interest). The details of continuing defaults of principal and interest at the year end are as follows:-

Lenders	Upto 2 Months		More than 2 Months and up to 12 Months		More than 12 Months		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Andhra Bank	0.51 (191.09)	29.34 (18.43)	266.28 -	114.58 -	- -	- -	266.79 (191.09)	143.92 (18.43)
Bank of Baroda	- (35.54)	14.54 (9.98)	221.46 -	70.86 -	- -	9.98 -	221.46 (35.54)	95.38 (9.98)
Bank of India	- -	12.50 (1.73)	42.11 -	57.22 (1.60)	- -	3.65 -	42.11 -	73.37 (3.33)
Canara Bank	- -	18.90 (16.85)	160.82 (147.26)	57.16 (15.63)	- -	10.13 -	160.82 (147.26)	86.19 (32.48)
Central Bank of India	- (135.89)	34.66 -	274.24 -	174.92 -	135.86 -	- -	410.10 (135.89)	209.58 -
Corporation Bank	- -	1.31 (1.08)	4.36 -	6.39 (0.16)	- -	1.24 -	4.36 -	8.94 (1.24)
Dena Bank	- -	16.26 (11.33)	32.84 (6.16)	64.41 (16.08)	- -	0.48 -	32.84 (6.16)	81.15 (27.41)
Exim Bank	- (75.79)	12.07 (2.81)	68.62 (1.65)	37.20 -	74.07 -	2.05 -	142.69 (77.44)	51.32 (2.81)

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Lenders	Upto 2 Months		More than 2 Months and up to 12 Months		More than 12 Months		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
HUDCO	-	15.80	64.55	76.09	-	10.27	64.55	102.16
	-	(14.22)	(4.72)	(1.75)	-	-	(4.72)	(15.97)
IL & FS Limited	-	-	-	-	-	-	-	-
	-	(5.55)	(10.50)	-	-	-	(10.50)	(5.55)
Indian Overseas Bank	-	23.53	125.33	113.40	100.81	16.94	226.14	153.87
	(111.33)	(16.48)	-	-	-	-	(111.33)	(16.48)
Oriental Bank of Commerce	0.01	71.41	910.17	307.03	-	11.65	910.18	390.09
	(670.19)	(8.27)	(3.06)	(3.50)	-	-	(673.25)	(11.77)
Punjab National Bank	-	78.53	657.38	239.49	-	-	657.38	318.02
	(161.52)	(26.08)	-	(10.13)	-	-	(161.52)	(36.21)
Small Industries Development Bank of India	-	0.80	-	0.95	-	-	-	1.75
	-	-	-	-	-	-	-	-
State Bank of Hyderabad	-	16.92	125.10	74.04	-	-	125.10	90.96
	-	(0.03)	-	-	-	-	-	(0.03)
State Bank of India	45.57	124.32	1,572.48	423.67	10.50	12.21	1,628.55	560.20
	(271.95)	(84.04)	-	-	-	-	(271.95)	(84.04)
State Bank of Travancore	-	5.97	19.12	20.16	-	4.96	19.12	31.09
	-	(4.85)	-	-	-	-	-	(4.85)
Syndicate bank	0.01	71.26	717.94	213.71	-	0.42	717.95	285.39
	(81.64)	(43.40)	(1.38)	(0.43)	-	-	(83.02)	(43.83)
UCO Bank	-	30.10	212.01	156.96	-	17.40	212.01	204.46
	(181.25)	(24.36)	(12.00)	(0.04)	-	-	(193.25)	(24.40)
Union Bank of India	-	60.69	484.52	171.41	-	-	484.52	232.10
	-	(33.48)	-	-	-	-	-	(33.48)
Vijaya Bank	-	33.12	269.59	104.16	-	14.07	269.59	151.35
	(26.48)	(7.86)	-	(8.71)	-	-	(26.48)	(16.57)
Total	46.10	672.03	6,228.92	2,483.81	321.24	115.45	6,596.26	3,271.29
	(1,942.67)	(330.83)	(186.73)	(58.03)	-	-	(2,129.40)	(388.86)

Note: Figures in brackets in the above table relates to Previous Year.

E. Conversion Right

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

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	As at 31 March 2016	As at 31 March 2015
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:		
Deferred Tax Liabilities		
Depreciation#	3,182.97	2,269.93
(A)	3,182.97	2,269.93
Deferred Tax Assets		
Unabsorbed Tax Depreciation	(3,039.57)	(2,114.12)
Unabsorbed Business Loss Carried Forward	-	(18.08)
Provision for doubtful debts and advances	(120.25)	(123.85)
Disallowances allowable for tax purpose on payment	(23.15)	(13.88)
(B)	(3,182.97)	(2,269.93)
Deferred Tax Liabilities (Net)	(A)-(B)	-

#After considering adjustments against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. Nil (31 March 2015: Rs. 14.06 Million) [Refer Note 13 D]. As a matter of prudence deferred tax assets have been recognised only to the extent of the deferred tax liability.

	As at 31 March 2016	As at 31 March 2015
7 OTHER LONG-TERM LIABILITIES		
Others-Payable to Subsidiary company [Refer (a) below]	787.20	787.20
	787.20	787.20

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

	As at 31 March 2016	As at 31 March 2015
8 LONG-TERM PROVISIONS		
Provision for Employee Benefits	15.65	14.91
	15.65	14.91

	As at 31 March 2016	As at 31 March 2015
9 SHORT-TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer Note 5.B (i) and 5.D]	7,380.34	4,202.25
From Other Parties [Refer Note 5.B (i) and 5.D]	176.10	125.50
Other Working Capital Loan		
From Other Parties [Refer (a) below]	68.15	69.48
	7,624.59	4,397.23

(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 2015 : Rs. 76.40 Million) under the MSMED Receivable Finance Scheme sanctioned by SIDBI covering the sale of goods / services made by SME / eligible service sector and transport services. Also refer Note 5.B (i) for details of security.

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	As at 31 March 2016	As at 31 March 2015
10 TRADE PAYABLES		
Dues to Micro and Small Enterprises	38.02	145.44
Dues to other than Micro and Small Enterprises	2,628.01	3,077.06
	2,666.03	3,222.50

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

	As at 31 March 2016		As at 31 March 2015	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of the accounting year :- Principal	38.02	-	145.44	-
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	0.50	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-	-	-

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

	As at 31 March 2016	As at 31 March 2015
11 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (Refer Note 5)	4,653.24	2,159.15
Interest accrued and due on borrowings	1,486.41	617.08
Interest accrued but not due on borrowings	2,194.14	6.42
Employee related liabilities	98.68	208.55
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	76.94	210.94
Unclaimed Dividend [Refer (a) below]	0.60	0.99
Advances from Customers	123.80	67.49
Advance from Fellow Subsidiary	-	1,896.52
Capital Creditors	339.66	335.79
Other liabilities	188.93	203.43
	9,162.40	5,706.36

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

	As at 31 March 2016	As at 31 March 2015
12 SHORT-TERM PROVISIONS		
Provision for Employee Benefits	17.19	13.28
	17.19	13.28

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All amount in Rs. Million, unless otherwise stated

13 A TANGIBLE ASSETS

Particulars	Gross Block		Depreciation / Amortization				Net Block	
	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015	Adjustment consequent to revision of useful lives (Refer Note-13D)	For the year	On Disposals /Adjustments during the year	As at 31 March 2016	As at 31 March 2015
Owned								
Land- Freehold	13.61	15.08	-	-	-	-	15.08	13.61
Land- Leasehold	208.88	207.41	18.99	-	4.87	23.86	183.55	189.89
Factory Buildings	4,606.10	4,606.50	177.59	-	145.79	(0.02)	4,283.10	4,428.51
Buildings	785.33	789.05	41.20	-	19.13	-	728.72	744.13
Road	556.40	556.62	155.42	-	143.29	(0.01)	257.90	400.98
Plant & Machinery	24,066.92	24,086.16	2,544.08	-	878.05	0.01	20,664.04	21,522.84
Computers	46.94	47.05	41.03	-	2.02	0.12	4.12	5.91
Office Equipment	27.96	27.06	23.54	-	1.77	1.20	2.95	4.42
Furniture & Fixtures	85.04	85.05	37.86	-	9.30	0.01	37.90	47.18
Vehicles	92.75	85.20	70.03	-	5.86	6.72	16.03	22.72
Leasehold (Jointly Held):								
Buildings	129.08	129.08	50.72	-	11.99	-	66.37	78.36
Plant & Machinery	15.42	15.42	6.05	-	1.43	-	7.94	9.37
Total	30,634.43	30,649.68	3,166.51	-	1,223.50	8.03	26,267.70	27,467.92
2014-15	18,941.71	30,634.43	2,554.66	45.49	569.87	3.51	3,166.51	27,467.92

13 B INTANGIBLE ASSETS

Particulars	Gross Block		Amortization		Net Block	
	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015	For the year	As at 31 March 2016	As at 31 March 2015
Computer Software - acquired	41.93	43.00	36.64	3.36	40.14	5.29
Total	41.93	43.00	36.64	3.36	40.14	5.29
2014-15	40.08	41.93	32.42	4.22	36.64	5.29
13C CAPITAL WORK-IN-PROGRESS			As at 31 March 2016		As at 31 March 2015	
Capital Work-in-Progress includes borrowing cost for the year capitalized amounting to Rs. Nil (31 March 2015 : Rs. 2044.14 Million).				2,954.18		2,964.54

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13D REVISION IN USEFUL LIVES OF TANGIBLE ASSETS

Effective 1 April 2014 the Company has started charging depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 (the 'Act') and as a result of which the estimated useful lives of certain tangible assets have been revised. Pursuant to the transitional provision set out in the said Schedule II, the carrying amount (after retaining the residual values) aggregating Rs. Nil (31 March 2015: Rs. 45.49 Million) relating to tangible assets, where the revised useful lives are Rs. Nil as on 1 April 2014, has been debited to General Reserve [Refer Note 4]. Further, related tax impact on such adjustment amounting to Rs. Nil (31 March 2015: Rs. 14.06 Million) has been credited to General Reserve.

	As at 31 March 2016	As at 31 March 2015
14 NON-CURRENT INVESTMENTS		
Unquoted Long Term Trade Investments - (Valued At Cost)		
Investments in Equity Instruments		
Investment in Subsidiaries		
VISA BAO Limited # 59,150,000 (31 March 2015 : 59,150,000) Equity Shares of Rs. 10/- each, fully paid up [Including beneficial interest in 5 Equity Shares of Rs. 10/- each, fully paid up]	591.50	591.50
Ghotaringa Minerals Limited @ 890,000 (31 March 2015 : 890,000) Equity Shares of Rs. 10/- each, fully paid up [Including beneficial interest in 44,500 Equity Shares of Rs. 10/- each, fully paid up]	8.90	8.90
VISA SunCoke Limited [Refer Note below] 1,054,476 (31 March 2015 : 1,054,476) Equity Shares of Rs. 10/- each fully paid up [Including beneficial interest in 5 Equity Shares of Rs. 10/- each, fully paid up]	3,899.69	3,899.69
Kalinganagar Chrome Private Limited 60,000 (31 March 2015 : 60,000) Equity Shares of Rs. 10/- each fully paid up [Including beneficial interest in 1 Equity Shares of Rs. 10/- each, fully paid up]	0.60	0.60
Kalinganagar Special Steel Private Limited 70,000 (31 March 2015 : 70,000) Equity Shares of Rs. 10/- each, fully paid up [Including beneficial interest in 1 Equity Shares of Rs. 10/- each, fully paid up]	0.70	0.70
Investment in Joint Venture (Refer Note 45)	10.00	10.00
VISA Urban Infra Limited @ 1,000,000 (31 March 2015 : 1,000,000) Equity Shares of Rs. 10/- each, fully paid up		
	4,511.39	4,511.39

The Company has given undertaking to consortium bankers of subsidiary company VISA BAO Limited for sanctioning Rs. 1,820.00 Million (31 March 2015 : Rs. 1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [i.e. 46,410,000 (31 March 2015 : 46,410,000) number of shares] of VISA BAO Limited.

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

Note:

The Company holds long term strategic investment in VISA SunCoke Limited (VSCL), a Subsidiary Company, since 2012-13. VSCL has incurred Cash losses during the current year and previous year and its net worth has been partially eroded as at 31 March 2016 due to adverse external factors beyond VSCL's control, such as lower market demand for its product, downturn in the steel sector, declining selling prices, temporary availability of cheaper imports of its product etc. The Company believes that the aforesaid factors are temporary in nature and it is expected that the overall financial results of VSCL would improve with the recent improvement in selling prices of product, industry representations for imposition of anti-dumping duty. The Company is confident that VSCL is expected to recover from above situation as its product is well accepted in the market. Thus considering the facts stated above and long term nature of investment in VSCL, the impact on financial performance of VSCL is considered temporary in nature for the period ended 31 March 2016 and does not require provisioning towards diminution as per applicable accounting standard.

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	As at 31 March 2016	As at 31 March 2015
15 LONG-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Capital Advance		
Considered Good	88.52	85.66
Security Deposits	180.25	218.71
Loans and Advances to related parties		
Loan to Subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Security Deposit with Enterprise having significant influence		
VISA International Limited	8.00	8.00
VISA Infrastructure Limited #	261.50	261.50
Prepaid Expenses	-	0.79
MAT Credit Entitlement	-	274.71
	540.77	851.87

Ceased to be the Holding Company during the year

	As at 31 March 2016	As at 31 March 2015
16 OTHER NON-CURRENT ASSETS		
Margin Money held with Bank with maturity more than 12 months	-	1.14
	-	1.14

	As at 31 March 2016	As at 31 March 2015
17 INVENTORIES		
(Refer Note 2.6)		
Raw Materials [Refer (a) below]	465.88	531.39
Work-in-Progress [Refer (b) below]	47.34	27.59
Finished Goods [Refer (c) below]	295.91	176.90
Stock-in-Trade [Refer (d) below]	-	35.27
Stores and Spares Parts	235.43	279.79
By-products	139.59	73.93
	1,184.15	1,124.87

(a) Raw Materials includes goods in transit Rs. 94.61 Million (31 March 2015 Rs. Nil)

(b) Details of Work-in-Progress

	As at 31 March 2016	As at 31 March 2015
Chrome Briquette	47.34	27.59
	47.34	27.59

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(c) Details of Finished goods

	As at 31 March 2016	As at 31 March 2015
Pig Iron	44.34	2.95
Ferro Chrome	181.97	117.74
Sponge Iron	65.19	24.10
Bloom	1.21	29.81
Rolled Product	2.85	1.95
Chrome Powder	0.35	0.35
Others	-	-
	295.91	176.90

(d) Details of Stock-in-trade

	As at 31 March 2016	As at 31 March 2015
Coal and Coke	-	35.27
	-	35.27

	As at 31 March 2016	As at 31 March 2015
18 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	218.64	212.90
Considered Doubtful	211.65	206.61
Other Debts		
Considered Good	1,264.71	348.27
	1,695.00	767.78
Less: Provision for Doubtful Debts	211.65	206.61
	1,483.35	561.17

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	As at 31 March 2016	As at 31 March 2015
19 CASH AND BANK BALANCES		
(i) Cash and Cash equivalents		
Balance with Banks in		
Current Account	21.79	0.45
Cash on hand	2.41	0.70
	24.20	1.15
(ii) Other Bank balances		
Earmarked Accounts		
Unclaimed Dividend Account	0.60	0.99
Margin Money with Banks with maturities less than 12 months	26.58	48.46
	27.18	49.45
(i) + (ii)	51.38	50.60

	As at 31 March 2016	As at 31 March 2015
20 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated)		
Prepaid Expenses	16.90	46.89
Advances against Supply of goods and rendering services		
Considered Good	249.44	217.11
Considered Doubtful	151.35	149.05
Less: Provision for doubtful Advances	(151.35)	(149.05)
Employee Advance	11.59	22.41
Loans and Advances to related parties		
Advances to Key Managerial Personnel [Including items set out in (a) (b) and (c) below]	56.35	85.54
Advance Payment of Income Tax	88.59	183.10
[Net of Provision Rs. 463.07 Million (31 March 2015 : Rs. 463.07 Million)]		
Security Deposit	0.20	3.29
Others taxes receivable / adjustable		
Considered Good	448.53	435.37
Considered Doubtful	7.62	7.62
Less: Provision for Other Taxes receivable / adjustable	(7.62)	(7.62)
	871.60	993.71

(a)(i) Necessary application had been filed with the Central Government for payment of remuneration in excess of the limits prescribed under the Companies Act, 1956 to Mr. Vishambhar Saran, Wholetime Director designated as Chairman of the Company for a period of 3 years w.e.f. 15 December 2013 to 14 December 2016 (including payment of minimum remuneration, in case of loss or inadequacy of profits during the aforesaid period), as approved by the Members of the Company at the Annual General Meeting of the Company held on 16 December 2013. The said application was turned down in the previous year and thereafter appropriate representation to the concerned authority against the said rejection had been made and the necessary decision is pending. Out of the period mentioned above the Company provided managerial remuneration as per the applicable limits from 1 April 2014 till 31 March 2016 and had paid excess remuneration of Rs. 6.80 Million for the period 15 December 2013 to 31 March 2014.

(a)(ii) Further, an application for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, for the period 1 April 2012 to 14 December 2013 had also been filed. In respect of such application, during

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the current year, the Central Government permitted the payment of remuneration for the period from 1 April 2012 to 14 December 2013 up to an aggregate amount of Rs. 20.72 Million as against total remuneration of Rs. 41.44 Million paid during the period from 1 April 2012 to 14 December 2013 with the direction to the Company to recover the remaining excess remuneration of Rs. 20.72 Million pertaining to the said period. The Company has again made representation to the Central Government praying to re-open and reconsider the application and allow for waiver of the entire excess remuneration paid from 1 April 2012 to 14 December 2013. The decision of the Central Government is pending.

Pending decision of the Central Government, Rs. 27.52 Million [comprising items set out in (i) and (ii) above] is being held in trust by Mr. Vishambhar Saran on behalf of the Company.

- b) An application for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, for the period 1 April 2012 to 24 June 2014 had been filed. In respect of such application during the current year the Central Government permitted the payment of remuneration for the period 1 April 2012 to 31 March 2014 upto an aggregate amount of Rs. 22.69 Million as against total remuneration of Rs. 45.37 Million paid during the period 1 April 2012 to 31 March 2014 with the further direction to the Company to recover the remaining excess remuneration of Rs. 22.69 Million pertaining to the said period. The Company has again made representation to the Central Government praying to re-open and reconsider the application and allow for waiver of entire remuneration only for the period from 1 April 2012 to 31 March 2014, the balance period's remuneration being within the applicable limit. The decision of the Central Government is pending. Pending decision of the Central Government, Rs. 22.69 Million is being held in trust by Mr. Vishal Agarwal on behalf of the Company.
- c) Necessary application had been filed with the Central Government for waiver of recovery of remuneration paid in excess of the prescribed limits under the Companies Act, 1956, to Mr. Pankaj Gautam, erstwhile Joint Managing Director & CEO of the Company, who ceased to be Joint Managing Director and CEO and Director of the Company w.e.f. 28 February 2014 for the period 1 April 2013 to 28 February 2014. During the current year the Central Government vide its approval permitted the payment of remuneration of Rs. 4.46 Million as against a total remuneration of Rs. 8.91 Million with the direction to the Company to recover the remaining excess remuneration of Rs. 4.46 Million. The Company again made representation to the Central Government praying, inter alia, for waiver of remaining excess remuneration. However, on the basis of legal opinion obtained by the Company subsequent to making the said representation to the Central Government, the Company has made a fresh representation in April 2016 to the Central Government for withdrawal of both the initial application and the representation for waiver since Mr. Pankaj Gautam was a Non Promoter director and a professional and the initial application, as well as the subsequent representation for waiver of alleged excess remuneration were made due to misconception. The decision of the Central Government is pending. Pending decision of the Central Government, Rs. 4.34 Million is being held by Mr. Pankaj Gautam in trust.

	As at 31 March 2016	As at 31 March 2015
21 OTHER CURRENT ASSETS		
Unsecured, considered good (unless otherwise stated)		
Receivable from DGFT and Customs towards Export Incentive		
Consider Good	15.35	55.93
Considered Doubtful	-	11.29
Less: Provision for doubtful Receivable	-	(11.29)
Interest accrued on advances to Subsidiary Company	1.24	0.99
Interest accrued on Deposits	19.95	30.67
	36.54	87.59

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	As at 31 March 2016	As at 31 March 2015
22 CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debt :		
(i) Sales/ Customers and related matters	191.90	-
(ii) Purchases / Vendors and related matters	4,785.60	-
(iii) Other matters	442.10	35.10
(b) Other money for which the Company is contingently liable		
(i) Disputed Income Tax matter under Appeal	34.66	29.76
(ii) Disputed Sales Tax matter under Appeal	171.34	159.03
(iii) Disputed Entry Tax matters under Appeal	0.63	0.63
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
(v) Disputed Excise duty matters under Appeal	10.96	10.96
(vi) In terms of CDR package for restructuring of Debt of the Company as referred to in Note 5A, the recompense payable by the Company towards the reliefs/sacrifices/waivers extended by the concerned lenders, which is conditional upon achievement of certain favourable financial parameters by the Company, in future. Estimated recompense amount at year end	3,994.21	2,730.30
(c) Guarantees		
(i) Bank Guarantee	25.00	25.00
(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 2016	As at 31 March 2015
23 COMMITMENTS:		
(a) Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs. 88.52 Million, (31 March 2015 : Rs. 85.66 Million)]	553.70	539.56

(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 is Rs. 218.47 Million (31 March 2015 : Rs. 167.21 Million). The Company is confident that the above export obligation will be met during the specified period. In addition the Company needs to maintain the average annual export turnover of Rs. 2,430.30 Million to meet the above export obligation.
- (ii) The Company has given undertaking to consortium bankers of subsidiary company VISA BAO Limited for sanctioning Rs. 1,820.00 Million (31 March 2015 : Rs. 1,820.00 Million) term loan, by agreeing not to dispose off 51% shares [i.e. 46,410,000 (31 March 2015 : 46,410,000) number of shares] of VISA BAO Limited.

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	Year ended 31 March 2016	Year ended 31 March 2015
24 REVENUE FROM OPERATIONS (GROSS)		
(a) Sale of products		
Manufactured Goods		
Pig Iron	1,980.69	482.82
Ferro Chrome	4,598.54	3,707.58
Silico Manganese & Ferro Manganese	219.39	361.32
Sponge Iron	3,260.63	4,038.21
Bloom / Round	1.95	831.45
Rolled Product	35.09	11.37
By-products	426.12	383.82
Power	-	67.48
Total	10,522.41	9,884.05
Traded Goods		
Coal and Coke	142.99	540.90
Others	96.84	3.50
Total	239.83	544.40
Less : Trial Run Sales	-	784.29
Total	10,762.24	9,644.16
(b) Other Operating Income		
Scrap Sales	19.11	41.91
Export Incentives	16.82	138.01
Liabilities no longer required written back	22.86	4.77
Provisions for doubtful debts, advances etc. no longer required written back	18.63	18.20
Total	77.42	202.89
Revenue from Operations (Gross)	10,839.66	9,847.05
Less: Discounting Operations [Refer Note : 33]	5,686.72	5,291.39
	5,152.94	4,555.66

	Year ended 31 March 2016	Year ended 31 March 2015
25 OTHER INCOME		
Insurance claim received	3.77	5.10
Interest Income		
On bank deposits (Margin Money)	1.81	7.43
On others	107.44	102.08
Net Profit on sale of Fixed Assets	-	0.21
Income from Shared Services	158.69	164.26
Other non operating income	0.47	9.44
	272.18	288.52
Less: Discounting Operations [Refer Note : 33]	41.11	74.14
	231.07	214.38

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	Year ended 31 March 2016	Year ended 31 March 2015
26 COST OF MATERIALS CONSUMED		
Chrome Ore	2,189.32	1,627.90
Iron Ore	1,886.90	2,313.61
Coal and Coke	2,716.45	2,185.82
Others	402.54	460.03
	7,195.21	6,587.36
Less : Trial Run Consumption	-	597.81
	7,195.21	5,989.55
Less: Discountinuing Operations [Refer Note : 33]	4,113.92	3,444.87
	3,081.29	2,544.68

	31 March 2016	31 March 2015
27 PURCHASE OF STOCK-IN-TRADE		
Coal and Coke	120.83	565.55
Others	102.54	5.67
	223.37	571.22
Less: Discountinuing Operations [Refer Note : 33]	223.37	571.22
	-	-

	31 March 2016	31 March 2015
28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE, WORK-IN-PROGRESS AND BY-PRODUCTS		
Opening Stock		
Finished Goods	176.90	274.06
Stock-In-Trade	35.27	-
By-products	73.93	157.33
Work-in-Progress	27.59	59.35
	313.69	490.74
Add: Transfer from Project		
Finished Goods	-	66.84
By-Products	-	15.25
	-	82.09
Less : Closing Stock		
Finished Goods	295.91	176.90
Stock-In-Trade	-	35.27
By-products	139.59	73.93
Work-in-Progress	47.34	27.59
	482.84	313.69
Increase / (Decrease) in Excise Duty on Stock	16.76	(1.19)
Increase / (Decrease) in Stock	(152.39)	257.95
Less: Discountinuing Operations [Refer Note : 33]	(65.85)	140.78
	(86.54)	117.17

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	31 March 2016	31 March 2015
29 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	545.39	328.80
Contribution to Provident and Other Funds	25.56	23.02
Staff Welfare Expenses	6.30	0.84
	577.25	352.66
Less: Discontinuing Operations [Refer Note : 33]	315.32	166.85
	261.93	185.81

Other Disclosures as per Accounting Standard-15 (Revised-2005) on “Employee Benefits”

(i) Post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs. 21.47 Million (31 March 2015 : Rs. 14.97 Million) has been charged to the Statement of Profit and Loss towards Company’s contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

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

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

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

	As at 31 March 2016	As at 31 March 2015
(I) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
Present Value of funded obligation at the end of the year	32.74	30.92
Fair Value of Plan Assets at the end of the year	20.21	22.49
Net (Asset) / Liability recognized in the Balance Sheet	12.53	8.43
(II) Expenses recognised in the Statement of Profit and Loss		
Current Service cost	4.73	5.21
Interest cost	2.41	2.09
Expected Return on Plan Assets	(2.03)	(2.00)
Actuarial loss / (gain)	(1.01)	2.75
Total Expenses (Recognised under Contribution to Provident and other funds)	4.10	8.05
(III) Reconciliation of opening and closing balances of the present value of the Defined benefit obligations:		
Opening defined benefit obligation	30.92	23.25
Current Service cost	4.73	5.21
Interest cost	2.41	2.09
Actuarial loss / (gain)	(1.93)	2.71
Benefits paid	(3.39)	(2.34)
Closing Defined Benefit Obligation	32.74	30.92

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	As at 31 March 2016	As at 31 March 2015
(IV) Reconciliation of opening and closing balances of the fair value of plan assets:		
Opening fair value of Plan Assets	22.49	22.87
Expected Return on Plan Assets	2.03	2.00
Actuarial (loss) / gain	(0.92)	(0.04)
Benefits paid	(3.39)	(2.34)
Closing Fair Value on Plan Assets	20.21	22.49
(V) Actual Return on Plan Assets [Assets consist of funds maintained with LICI for gratuity scheme]	1.11	1.96
(VI) Category of Plan Assets		
Fund with LIC	20.21	22.49
Total	20.21	22.49
(VII) Principal Actuarial Assumption Used:		
Discount Rates	7.85 %	7.80 %
Expected Return on Plan Assets	8.00 %	9.00 %
Expected Salary increase rates	5.00 %	5.00 %
Withdrawal Rate	2% depending on age	2% depending on age
Mortality Rates	IALM(06-08) mortality tables	IALM(06-08) mortality tables
(VIII) Investment Details of Plan Assets (% allocation)		
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 2017 cannot be readily ascertainable and therefore not disclosed.

(IX) Experience Adjustment

	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Present Value of Defined Benefit Obligation as at end of the year	32.74	30.92	23.25	16.64	15.26
Fair Value of Plan Assets as at end of the year	20.21	22.49	22.87	22.44	19.01
(Surplus) / Deficit as at end of the year	12.53	8.43	0.38	(5.80)	(3.75)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	1.77	1.28	(5.10)	(2.21)	(0.67)
Experience Adjustments on Plan Assets [Gain / (Loss)]	(0.92)	(0.04)	(0.13)	(0.01)	0.09

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	Year ended 31 March 2016	Year ended 31 March 2015
30 FINANCE COSTS		
Interest Expense	4,144.73	1,272.58
Other Borrowing Costs	308.98	789.32
	4,453.71	2,061.90
Less: Discounting Operations [Refer Note : 33]	2,899.11	1,202.82
	1,554.60	859.08

The amount of finance cost capitalised for qualifying assets during the year 31 March 2016 is Rs. Nil (31 March 2015 : Rs. 2,044.14 Million)

	Year ended 31 March 2016	Year ended 31 March 2015
31 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation and Amortization expense on Tangible Assets	1,223.50	569.87
Amortization expense of Intangible Assets	3.36	4.22
	1,226.86	574.09
Less: Discounting Operations [Refer Note : 33]	865.29	219.34
	361.57	354.75

	Year ended 31 March 2016	Year ended 31 March 2015
32 OTHER EXPENSES		
Consumption of Stores and Spare Parts	488.43	352.42
Power and Fuel	770.17	578.97
Rent	18.27	11.67
Lease Rent for Production Facility	146.64	146.40
Repairs to Buildings	98.57	4.23
Repairs to Machinery	157.30	60.03
Insurance Expenses	17.50	13.01
Rates and Taxes, excluding taxes on income	87.45	38.69
Material Handling Expenses	142.37	211.42
Freight and Selling Expenses	170.55	179.30
Loss on exchange fluctuation (net)	67.80	79.03
Loss on Sale of Assets	0.43	-
Bad Debts/Advance written off *	-	-
Provision for Doubtful Debts	23.63	54.98
Provision for Doubtful Advances	15.46	144.56
Miscellaneous Expenses	216.26	250.45
Transfer to Project	-	(54.43)
	2,420.83	2,070.73
Less: Discounting Operations [Refer Note : 33]	654.40	593.97
	1,766.43	1,476.76

*Net of adjustment against provision for doubtful balances of Rs. 24.41 Million (31 March 2015 -Nil)

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33 DISCONTINUING OPERATIONS

(a) The Board of Directors of the Company at its meeting held on 12 August 2013 had approved the transfer of its Special Steel Undertaking on a going concern basis to its wholly owned subsidiary VISA Special Steel Limited by way of Scheme of Arrangement (the Scheme) with effect from 1 April, 2013 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to the sanctions/approval of Jurisdictional High Court, lenders and other concerned authorities as may be applicable and no accounting effect has been given to the Scheme in these Financial Statements. However, Special Steel business has been considered as discontinuing operations in keeping with Accounting Standard 24: Discontinuing Operations.

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

	Year ended 31 March 2016	Year ended 31 March 2015
Revenue		
Revenue from Discontinuing Operations (Gross)	5,686.72	5,291.39
Less: Excise duty	627.37	525.33
	5,059.35	4,766.06
Other income	41.11	74.14
Total Revenue	5,100.46	4,840.20
Expenses		
Cost of Materials Consumed	4,113.92	3,444.87
Purchase of Stock in Trade	223.37	571.22
Changes In Inventories of Finished Goods, Stock-In-Trade, Work-in-Progress and By-products	(65.85)	140.78
Employee Benefits Expense	315.32	166.85
Finance Costs	2,899.11	1,202.82
Depreciation and Amortization Expense	865.29	219.34
Other Expenses	654.40	593.97
Total Expenses	9,005.56	6,339.85
(Loss) / Profit before exceptional and extraordinary items and tax	(3,905.10)	(1,499.65)
Exceptional items	-	-
(Loss) / Profit from discontinuing operations before tax	(3,905.10)	(1,499.65)
Tax Expenses of discontinuing operations	-	-
Operating (Loss) / Profit from discontinuing operations after tax	(3,905.10)	(1,499.65)
(c) The Net Cash Flows attributable to the discontinuing operations are as follows:		
Operating activities	(1,481.52)	24.37
Investing activities	5.31	(456.80)
Financing activities	1,476.21	432.43
Net Cash Inflows / (outflows)	(0.00)	(0.00)
(d) The carrying amounts of total assets and liabilities attributable to discontinuing operations are as follows :		
Total Assets	21,473.26	21,884.95
Total Liabilities	27,818.12	24,324.72
Net Assets/(Liabilities)	(6,344.86)	(2,439.77)

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34 BUSINESS RE-ORGANISATION/RE-STRUCTURING PLAN

- (a) The Board of Directors of the Company at its meeting held on 21 August 2015 had approved the merger of VISA BAO Limited, a subsidiary Company, with the Company on a going concern basis by way of Scheme of Arrangement (the Scheme) with effect from 1 April, 2015 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and intimated the same to the respective stock exchanges. The Scheme is subject to the sanctions/ approval of Jurisdictional High Court, lenders and other concerned authorities, as may be applicable. Pending such sanction/ approval, no accounting effect has been given to the Scheme in these Financial Statements.
- (b) The Board of Directors of the Company at its meeting held on 18 December 2014 had approved the merger of Kalinganagar Special Steel Pvt Ltd, a wholly owned Subsidiary of the Company, with the Company, on a going concern basis by way of Scheme of Arrangement (the Scheme) with effect from 31 March 2014 pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956. The Scheme is subject to the sanction/approval of Jurisdictional High Court and other concerned authorities as may be applicable. Pending such sanction/approval, no effect has been given to the Scheme in these Financial Statements.
- (c) Refer Note 33(a) for proposed transfer of Special Steel Undertaking of the Company to its wholly owned subsidiary, VISA Special Steel Limited by way of Scheme of Arrangement.

	Year ended 31 March 2016		Year ended 31 March 2015	
	%	Value	%	Value
35 VALUE OF CONSUMPTION OF INDIGENOUS AND IMPORTED MATERIALS				
(a) Value of Indigenous and Imported Raw Materials Consumed				
Indigenous	75.17%	5,408.48	78.41%	5,164.99
Imported	24.83%	1,786.73	21.59%	1,422.37
	100.00%	7,195.21	100.00%	6,587.36
(b) Stores and Spares Consumed				
Indigenous	100.00%	488.43	99.69%	351.34
Imported	-	-	0.31%	1.08
	100.00%	488.43	100.0%	352.42

	Year ended 31 March 2016		Year ended 31 March 2015	
36 C.I.F VALUE OF IMPORTS				
Raw Materials		1,565.85		1,757.57
Traded Goods		73.10		140.24
Capital Goods		1.43		3.60
		1,640.38		1,901.41

	Year ended 31 March 2016		Year ended 31 March 2015	
37 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF				
Foreign Travel		4.64		6.90
Interest		1.27		0.84
Professional and Consultation Fees		-		0.15
Other Matters		32.73		31.71
		38.64		39.60

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	Year ended 31 March 2016	Year ended 31 March 2015
38 EARNING IN FOREIGN CURRENCY		
Export of goods calculated on F.O.B. basis	508.31	2,491.98

	Year ended 31 March 2016	Year ended 31 March 2015
39 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITOR AS AUDITORS :		
Audit Fees	1.50	1.50
Tax Audit Fees	0.20	0.20
Other Services	1.60	1.81
Re-imbusement of expenses	0.13	0.14
	3.43	3.65

	Year ended 31 March 2016	Year ended 31 March 2015
40 EARNING / (LOSS) PER EQUITY SHARE		
(I) Basic		
a. (Loss) / Profit after tax	(5,835.47)	(2,414.40)
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.)	(53.05)	(21.95)
(II) Diluted		
a. Weighted Average number of Equity Shares for computing Dilutive earning / (Loss) per Share	110,000,000	110,000,000
b. Diluted Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	(53.05)	(21.95)

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.

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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 2016 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	496,105	46.30	46.30	2
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	273,605	46.30	46.30	-
Outstanding at the end of the year	222,500	46.30	46.30	1
Exercisable at the end of the year	222,500			

During the year total Nil 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

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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	(Rs. Million)	
	31 March 2016	31 March 2015
Net (Loss) / Profit attributable to Equity shareholders	(5,835.47)	(2,414.40)
Less : Compensation cost under ESOP as per Fair Value		(1.10)
Proforma (Loss) / Profit before Tax adjustment for earlier years	(5,835.47)	(2,413.30)
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.00
Face Value of Equity Shares	10.00	10.00
Reported Earning per Share (EPS)		
Basic EPS (in Rs.)	(53.05)	(21.95)
Diluted EPS (in Rs.)	(53.05)	(21.95)
Proforma Earning per Share (EPS)		
Basic EPS (in Rs.)	(53.05)	(21.94)
Diluted EPS (in Rs.)	(53.05)	(21.94)

42 DETAILS OF FOREIGN CURRENCY EXPOSURE

Particulars	As at 31 March 2016			As at 31 March 2015		
	USD	EURO	Amount (INR)	USD	EURO	Amount (INR)
Unhedged Portion as at Balance Sheet Date						
a) Trade Receivable	0.03	-	2.09	-	-	-
b) Trade Payable	0.54	0.00	36.12	-	-	-
c) Capital Advance	0.51	0.05	37.53	0.51	0.01	32.23
d) Capital Creditor	0.25	0.21	32.30	0.12	0.27	25.29
e) Advance to supplier	0.16	0.00	11.04	0.02	0.01	1.27
f) Advance from customer	0.01	-	0.35	0.03	-	2.15
*Unhedge foreign currency exposure as on Balance Sheet date has been derived without considering the effect of any natural hedge						
Derivatives Outstanding as at the reporting date						
a) Forward Contracts to sell USD - Hedge of firm commitment and highly probable forecast transaction	0.85	-	58.04	9.00	-	571.79
b) Forward Contracts to buy USD - Hedge of firm commitment and highly probable forecast transaction	1.20	-	79.98	3.33	-	212.71
Mark to market losses provided for	-	-	0.01	-	-	0.62

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43 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2016

A Primary Segment Reporting (by Business Segment)

Identification of the Business Segment

The Company has identified primary business segments namely "Special Steel" and "Ferro Chrome" in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act and has disclosed segment information accordingly.

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

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

Ferro Chrome Ferro Chrome and Captive Power

Segment Revenue, Segment Results and other information

A)- Primary Business Segment	As at 31 March 2016			As at 31 March 2015		
	Special Steel	Ferro Chrome	Total of Reportable Segments	Special Steel	Ferro Chrome	Total of Reportable Segments
External Revenue from Operations*	5,059.35	5,052.55	10,111.90	4,766.06	4,455.51	9,221.57
Inter Segment Revenue from Operations*	14.50	104.13	118.63	42.91	49.94	92.85
Segment Revenues	5,073.85	5,156.68	10,230.53	4,808.97	4,505.45	9,314.42
Segment Results	(984.78)	129.12	(855.66)	(60.83)	267.34	206.51
Segment Assets	21,476.67	6,171.10	27,647.77	21,894.70	5,714.16	27,608.86
Segment Liabilities	1,263.36	731.17	1,994.53	1,687.61	1,676.02	3,363.63
Capital Expenditure	0.18	2.81	2.99	155.40	14.48	169.88
Depreciation & Amortization	863.98	154.80	1,018.78	192.52	152.19	344.71
Non Cash Expenses other than depreciation & amortization	-	-	-	-	-	-

* Net of Excise Duty

Reconciliation of Reportable Segments with the Financial Statements

Particulars	As at 31 March 2016				As at 31 March 2015			
	Revenues	Results/Net Profit(Loss)	Assets	Liabilities#	Revenues	Results/Net Profit(Loss)	Assets	Liabilities#
Total of Reportable Segments	10,230.53	(855.66)	27,647.77	1,994.53	9,314.42	206.51	27,608.86	3,363.63
Corporate-Unallocated / Others (Net)	269.15	(251.39)	10,256.15	40520.55	276.46	(512.62)	11,011.23	34,032.15
Inter Segment Revenues from Operations	(118.63)	-	-	-	(92.85)	-	-	-
Other Allocated Segment Income	3.03	-	-	-	12.06	-	-	-
Finance Costs	-	(4,453.71)	-	-	-	(2,061.90)	-	-
Tax Expenses-Current Tax	-	-	-	-	-	-	-	-
MAT Credit Entitlement	-	(274.71)	-	-	-	(32.33)	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	-	-	-	-	(14.06)	-	-
As per Financial Statements	10,384.08	(5,835.47)	37,903.92	42,515.08	9,510.09	(2,414.40)	38,620.09	37,395.78

Excluding Shareholder's Funds

NOTES

to Financial Statements

All amount in Rs. Million, unless otherwise stated

B Secondary Segment Reporting (By Geographical Segment)

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

Particulars	As at 31 March 2016			As at 31 March 2015		
	India	Outside India	Total	India	Outside India	Total
Revenue External	9,589.81	522.09	10,111.90	6,696.37	2,525.20	9,221.57
Total Segment Assets	27,599.31	48.46	27,647.77	27,254.93	353.93	27,608.86
Capital Expenditure	2.99	-	2.99	169.88	-	169.88

- 44 The Company has incurred a net loss of Rs. 5835.47 Million (31 March 2015 : Rs. 2414.40 Million) during the year ended 31 March 2016 and the year-end current liabilities exceeded current assets by Rs. 15843.22 Million (31 March 2015 : Rs. 10521.43 Million), and defaulted in its debt servicing obligations as mentioned in Note-5 and has negative networth at the year end. The Company's financial Performance has been adversely affected mainly due to non-availability of raw materials at viable prices, depressed market condition and other external factors beyond the Company's control

With the substantial improvement in raw material availability, likely improvement in market scenario with notification of Minimum Import Price on Steel, and the restructuring plan as may be agreed with lenders, it is expected that the overall financial health of the Company would improve considerably.

Considering the above developments and favorable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.

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 2016	As at 31 March 2015
VISA Urban Infra Limited	India	26.00%	26.00%

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

	31 March 2016	31 March 2015
a) Assets	28.06	27.53
b) Liabilities	18.10	17.65
c) Income	0.21	0.12
d) Expenses	0.05	0.12

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to Financial Statements

All amount in Rs. Million, unless otherwise stated

46 OPERATING LEASES

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

During previous year Company has entered into an agreement with VISA BAO Limited (VBL), for taking on lease a part of Production Facility of VBL located at Kalinganagar, Odisha. The said lease arrangement which is in the nature of cancellable operating lease, had been initially entered for a period of 9 months from 1 July, 2013 which has been further extended up to 30 September 2017.

With respect to all operating lease	Year ended 31 March 2016	Year ended 31 March 2015
Lease payments recognised in the statement of Profit and Loss during the year	164.92	158.07

47 (A) DISCLOSURES PURSUANT TO THE REGULATION 34(3) & 53(F) READ WITH PARA A OF SCHEDULE V TO SEBI LISTING REGULATION 2015 LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES AND ASSOCIATES

	As at 31 March 2016	As at 31 March 2015
Loan to subsidiary : Ghotaringa Minerals Limited	2.50	2.50
Maximum amount outstanding at any time during the year	2.50	2.50

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

NOTES

to Financial Statements

All amount in Rs. Million, unless otherwise stated

48 (A) RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18

Related Parties	Name of the Related Parties
(i) Where Control Exists	
Holding company	VISA Infrastructure Limited (Upto 21 April 2015)
Subsidiaries	Ghotaringa Minerals Limited
	VISA BAO Limited
	VISA SunCoke Limited
	Kalinganagar Special Steel Private Limited
	Kalinganagar Chrome Private Limited
	VISA Ferro Chrome Limited
	VISA Special Steel Limited
(ii) Others	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA Infrastructure Limited (from 22 April 2015)
	VISA International Limited
Fellow Subsidiary	VISA Resources India Limited (upto 21 April 2015)
	VISA Energy Ventures Limited (upto 21 April 2015)
	VISA Power Limited (upto 21 April 2015)
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Punkaj Kumar Bajaj - Joint Managing Director & CEO (Steel Business) -Upto 14 September 2015
	Mr. Manoj Kumar Digga w.e.f 14 August 2015
	Mr. Manoj Kumar w.e.f 15 September 2015
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources India Limited (From 22 April 2015)
	VISA Energy Ventures Limited (From 22 April 2015)
	VISA Power Limited (From 22 April 2015)
	VISA Resources PTE Limited
	VISA Bulk Shipping PTE Limited
	VISA Trading (Shanghai) Co., Limited

NOTES

to Financial Statements

All amount in Rs. Million, unless otherwise stated

48 (B) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

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

Nature of Transactions	Name of the Related Parties	31 March 2016	31 March 2015
Rent Paid	VISA International Limited	4.05	3.54
	VISA Infrastructure Limited	4.43	4.39
Purchase of Goods	VISA Resources India Limited	1,518.46	1,249.39
	VISA SunCoke Limited	1,266.65	728.72
Purchase of Traded Goods	VISA Resources India Limited	-	247.61
Sale of Goods	VISA Resources India Limited	3,455.39	1,330.70
	VISA International Limited	391.02	-
	VISA Resources PTE Limited	-	259.61
Sale of Traded Goods	VISA SunCoke Limited	0.30	33.66
Freight -Paid	VISA Resources India Limited	-	4.84
Hire Charges-Paid	VISA Resources India Limited	14.30	14.57
Commission -Paid	VISA Trading (Shanghai) Co., Limited	3.86	12.65
	VISA Resources India Limited	16.70	-
Interest Income	Ghotaringa Minerals Limited	0.28	0.28
Shared Service Fees Received	VISA SunCoke Limited	178.51	180.90
Finance Cost	VISA Resources India Limited	128.48	426.75
	VISA Infrastructure Limited	45.09	-
	VISA SunCoke Limited	32.92	-
Lease Rental-Paid	VISA BAO Limited	166.74	164.50
Remuneration	Mr. Vishambhar Saran	30.09	16.91
	Mr. Vishal Agarwal	30.38	20.19
	Mr. Punkaj Kumar Bajaj	-	9.92
	Mr. Manoj Kumar Digga	9.93	-
	Mr. Manoj Kumar	7.05	-
Sale of FPS Licenses	VISA SunCoke Limited	4.24	72.88
Purchase of FPS Licenses	VISA Resources India Limited	5.17	-
	VISA SunCoke Limited	5.62	-
Reimbursement of Expenses (Net)	VISA Resources India Limited	112.90	184.86
	VISA Resources PTE Limited	-	49.42
Advance against Sales	VISA Power Limited	(27.00)	27.00
Unsecured Loan Taken	VISA Infrastructure Limited	329.40	252.00

NOTES

to Financial Statements

All amount in Rs. Million, unless otherwise stated

48 (C) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	31 March 2016						31 March 2015									
	Holding Company	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Holding Company	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent Charges	0.37	-	-	-	8.11	-	-	-	4.39	-	-	-	3.54	-	-	-
Hire Charges	-	-	-	-	-	-	14.30	-	-	-	-	14.57	-	-	-	-
Purchase of Goods	-	1,266.65	-	-	-	-	1,518.46	-	728.72	-	1,249.39	-	-	-	-	3.09
Purchase of Traded Goods	-	-	-	-	-	-	-	-	-	-	247.61	-	-	-	-	-
Sale of Goods	-	0.02	-	25.60	391.02	-	3,422.98	-	25.38	-	1,330.70	-	-	-	-	259.61
Sale of Traded Goods	-	0.30	-	-	-	-	-	-	33.66	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-	-	-	4.84	-	-	-	-	-
Commission	-	-	-	-	-	-	20.56	-	-	-	-	-	-	-	-	12.65
Income From Shared Services	-	178.51	-	-	-	-	-	-	180.90	-	-	-	-	-	-	-
Purchase of FPS Licenses	-	5.62	-	-	-	-	5.17	-	-	-	-	-	-	-	-	-
Sale of FPS Licenses	-	4.24	-	-	-	-	-	-	72.88	-	-	-	-	-	-	-
Interest Income	-	0.28	-	-	-	-	-	-	0.28	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	44.79	-	-	45.09	-	128.48	-	0.53	26.48	-	426.75	-	-	-	-
Lease Rental	-	166.74	-	-	-	-	-	-	164.50	-	-	-	-	-	-	-
Re-imbusement of Expenses (Net)	0.18	1.092	-	-	4.95	-	113.32	-	0.21	10.15	-	176.70	0.45	-	-	70.29
Unsecured Loan Taken	154.00	-	-	-	175.40	-	-	-	252.00	-	-	-	-	-	-	-
Advance against Sales	-	-	-	-	-	-	27.00	-	-	-	27.00	-	-	-	-	-
Refund of Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	86.42	4.03	-	-	-	-	-	-	-	47.02	0.67	-
Receivable	-	3.82	-	337.92	56.35	-	881.59	-	258.09	3.49	-	-	11.91	85.54	-	160.90
Payable	-	1,374.06	-	-	41.88	-	935.39	-	-	1,251.90	-	1,918.53	-	-	-	20.63
Long Term Borrowing	-	-	-	-	581.40	-	-	-	252.00	-	-	-	-	-	-	-

49 General Reserve (Refer Note 4) represents free reserve not held for any specific purpose, other than to the extent of Rs. 3,761.16 Million (31 March 2015 : Rs. 3,761.16 Million) which had arisen on implementation of a scheme of amalgamation in earlier year.

50 PREVIOUS YEAR FIGURES

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

For Lovelock & Lewes

Firm Registration Number - 301056E

Chartered Accountants

Pradip Law

Partner

Membership Number 51790

Place: Kolkata

Date: 27 May 2016

Keshav Sadani

Company Secretary

Manoj Kumar Digga

Executive Director (Finance) & CFO

Vishal Agarwal

Vice Chairman & Managing Director

Manoj Kumar

Director (Kalinga Nagar)

For and on behalf of the Board of Directors

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VISA STEEL LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of VISA Steel Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity (refer Note 2.2 (vii) to the attached consolidated financial statements), comprising the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2016 and their consolidated loss and their consolidated cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Emphasis of Matter

8. We draw your attention to the following matters:

- (a) Note 37 (a) to the consolidated financial statements, regarding the presentation of the financial statements of the Parent Company on going concern basis. The Parent Company has incurred a net loss of Rs. 5,835.47 Million during the year ended March 31, 2016 and, as of that date, the Parent Company's current liabilities exceeds its current assets by Rs. 15,843.22 Million and the Parent Company's net worth has been eroded as at the balance sheet date. These conditions along with other matters as set forth in the aforesaid Note, indicate the existence of a material uncertainty that may cast significant doubt about the Parent Company's ability to continue as a going concern.
- (b) The financial statements of VISA SunCoke Limited for the year ended March 31, 2016, a subsidiary of VISA Steel Limited, was audited by another firm of chartered accountants, who vide their report dated May 25, 2016 have reported as follows :

"We draw attention to Note 40 in the financial statements which, indicates that the Company has accumulated losses, it has incurred cash loss during the current and previous years and its current liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters said forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern"

Further, the standalone financial statements of the Parent Company and the aforesaid subsidiary reflect total assets of Rs. 35,728.64 Million (94.63%) and net assets of Rs. (7,235.77) Million (96.91%) as at March 31, 2016, total revenue of Rs. 13,161.15 Million (99.98%), net loss of Rs. 6,081.27 Million (94.81%) and net cash flows amounting to Rs. 632.62 Million (99.88%) for the year ended March 31, 2016, which have been considered in the consolidated financial statements of the Group and its jointly controlled entity. Consequently, this indicates the existence of a material uncertainty that may cast significant doubt about the Group and its jointly controlled entity's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of five subsidiaries, and one jointly controlled entity whose financial statements reflect total assets of Rs. 2,377.08 Million and net assets of Rs. 535.47 Million as at March 31, 2016, total revenue of Rs. 2,936.63 Million, net loss of Rs. 1,403.10 Million and net cash flows amounting to Rs. 62.23 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are

INDEPENDENT AUDITORS' REPORT

in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matter mentioned under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and its jointly controlled entity. Further, the audit report on the financial statements of VISA SunCoke Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated May 25, 2016 contains the following remark, which is reproduced by us as under:

"We draw attention to Note 40 in the financial statements which, indicates that the Company has accumulated losses, it has incurred cash loss during the current and previous years and its current liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters said forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern"

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and jointly controlled entity– Refer Note 22 to the consolidated financial statements.

ii. The Group and jointly controlled entity had long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled company incorporated in India during the year ended March 31, 2016.

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

Pradip Law

Kolkata
May 27, 2016

Partner
Membership Number 51790

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(g) of the Independent Auditors' Report of even date to the members of **Visa Steel Limited** on the consolidated financial statements for the year ended 31.03.2016

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31 2016, we have audited the internal financial controls over financial reporting of Visa Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(g) of the Independent Auditors' Report of even date to the members of **Visa Steel Limited** on the consolidated financial statements for the year ended 31.03.2016

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Pradip Law

Kolkata
May 27, 2016

Partner
Membership Number 51790

CONSOLIDATED BALANCE SHEET

as at 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Note	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,100.00	1,100.00
Reserves and Surplus	4	(9,321.79)	(3,147.70)
		(8,221.79)	(2,047.70)
Minority Interest		755.37	1,032.45
Non-current Liabilities			
Long-term Borrowings	5	23,570.56	24,879.66
Deferred Tax Liabilities (Net)	6	1.08	1.08
Other Long-term Liabilities	7	18.20	17.76
Long-term Provisions	8	15.70	16.93
		23,605.54	24,915.43
Current Liabilities			
Short-term Borrowings	9	9,208.62	6,308.14
Trade Payables	10		
Total outstanding dues of micro enterprises and small enterprises		41.53	150.74
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,175.89	3,055.78
Other Current Liabilities	11	10,173.63	6,131.35
Short-term Provisions	12	18.75	13.53
		21,618.42	15,659.54
Total		37,757.54	39,559.72
II. ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13 A	28,913.81	30,355.76
Intangible Assets	13 B	2.86	5.29
Capital Work-in-progress	13 C	3,525.21	3,508.73
		32,441.88	33,869.78
Non current investment	14	0.10	0.10
Long-term Loans and Advances	15	662.24	969.14
Other Non-current Assets	16	6.42	7.65
		33,110.64	34,846.67
Current Assets			
Inventories	17	1,914.19	2,741.23
Trade Receivables	18	1,492.92	582.39
Cash and Bank Balances	19	256.83	193.49
Short-term Loans and Advances	20	927.55	1,087.13
Other Current Assets	21	55.41	108.81
		4,646.90	4,713.05
Total		37,757.54	39,559.72

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

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

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director

Manoj Kumar
Director (Kalinga Nagar)

Pradip Law
Partner
Membership Number : 51790

Keshav Sadani
Company Secretary

Manoj Kumar Digga
Director (Finance) & CFO

Place: Kolkata
Date: 27 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Note	Year ended 31 March 2016	Year ended 31 March 2015
INCOME			
Revenue from Operations (Gross)	24	13,902.74	13,638.03
Less: Excise duty		871.40	835.29
Revenue from Operations (Net)		13,031.34	12,802.74
Other Income	25	131.90	148.70
I. Total revenue		13,163.24	12,951.44
EXPENSES			
Cost of Materials Consumed	26	9,967.53	9,578.81
Purchases of Stock-in-Trade	27	223.36	583.19
Changes In Inventories of Finished Goods, Stock-In-Trade, Work-in-Progress and By-products	28 A	(181.43)	(140.83)
Change in Job-in-Progress	28 B	-	-
Employee Benefits Expense	29	667.59	442.82
Finance Costs	30	4,754.44	2,293.60
Depreciation and Amortization Expense	31	1,431.89	767.30
Other Expenses	32	2,439.35	2,179.86
II. Total expenses		19,302.73	15,704.75
III. Loss before Exceptional and Extraordinary Items and Tax		(6,139.49)	(2,753.31)
IV. Exceptional items	33	-	(240.38)
V. Loss before Extraordinary Items, Tax and Minority Interest		(6,139.49)	(2,993.69)
VI. Extraordinary Items	35	-	27.43
VII. Loss before Tax and Minority Interest		(6,139.49)	(2,966.26)
VIII. Tax Expense			
Current tax		0.05	7.44
MAT credit entitlement		274.71	38.68
Net Current Tax		274.76	46.12
Deferred tax		-	14.06
Current Tax Adjustment in respect of earlier years		0.03	-
IX. Loss for the period after Tax before Minority Interest		(6,414.28)	(3,026.44)
X. Minority Interest		(259.00)	(297.34)
XI. Loss for the period		(6,155.28)	(2,729.10)
XII. Earning per Equity Share (Nominal Value per Share of Rs. 10 each)	34		
Basic (Rs.)		(55.96)	(24.81)
Diluted (Rs.)		(55.96)	(24.81)

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

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

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director

Manoj Kumar
Director (Kalinga Nagar)

Pradip Law

Partner
Membership Number : 51790

Keshav Sadani
Company Secretary

Manoj Kumar Digga
Director (Finance) & CFO

Place: Kolkata
Date: 27 May 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2016	Year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Extraordinary Items and Tax	(6,139.48)	(2,993.69)
Adjusted for :		
Depreciation and Amortization	1,431.89	767.30
Finance Costs	4,754.44	2,293.60
Interest Income	(127.39)	(129.32)
Bad Debts Written Off	2.15	-
Provision for Bad and Doubtful Debts	24.08	54.98
Provision for Doubtful Advances	15.46	144.56
Liabilities no longer required written back	(23.13)	(7.74)
Provision no longer required written back	(18.63)	(18.20)
Exceptional Item	-	240.38
(Profit) / Loss on sale of Fixed Assets	0.43	1.17
Unrealised Forex Loss / (Gain) [Net]	13.53	9.57
Operating (Loss) / Profit before working capital changes	(66.65)	362.61
Adjustments for changes in working capital		
(Increase) / Decrease in Trade and Other Receivables	(1,815.13)	380.86
Decrease in Inventories	826.01	94.70
(Decrease) in Trade and Other Payables	(2,010.01)	(3,020.73)
Cash (used in) from Operations	(3,065.78)	(2,182.56)
Direct Taxes (paid)/refund	100.49	(9.39)
Net Cash (used in) Operating Activities before extraordinary items	(2,965.29)	(2,191.95)
Extraordinary Items - Insurance claim received against loss on account of cyclone at plant (Note 35)	-	27.43
Net Cash (used in) Operating Activities	(2,965.29)	(2,164.52)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital Work in Progress	(49.73)	(567.21)
Proceeds from Sale of Fixed Assets	0.47	(0.80)
Investments in Bank Deposits (having original maturity of more than three months)	(54.63)	59.86
(Placement in) / Release of Margin Money	23.02	110.51
Interest received	133.39	137.33
Net cash from / (used in) Investing Activities	52.52	(260.31)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2016

All amount in Rs. Million, unless otherwise stated

	Year ended 31 March 2016	Year ended 31 March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,753.74	3,269.67
Repayment of Long Term Borrowings	(219.99)	(339.00)
(Repayment) / Proceeds of Short Term Borrowings	2,900.49	2,650.79
Payment out of Earmarked Accounts	0.39	-
Proceeds from increase in Preference Share capital	0.39	4.55
Finance Cost paid [Refer Note (c) below]	(1,491.19)	(4,014.64)
Net Cash from Financing Activities	2,943.83	1,571.37
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	31.06	(853.46)
D. CASH AND CASH EQUIVALENTS		
Net Increase / (Decrease) in Cash and Cash Equivalents	31.06	(853.46)
Cash and Cash Equivalents as on 1 April	6.07	859.53
Cash and Cash Equivalents as at 31 March	37.13	6.07

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

	Year ended 31 March 2016	Year ended 31 March 2015
Balance with Banks in		
Current Accounts	33.71	4.21
Demand Deposits with maturity less than 3 months	0.88	0.87
Cheque - In - Hand	0.03	0.02
Cash on hand	2.43	0.73
Share of Joint Venture [Refer Note 2.2]	0.08	0.24
Cash and Cash Equivalents as at 31 March	37.13	6.07

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

(c) Finance Costs include borrowing cost capitalized.

(d) Refer Note 43.

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

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

Vishal Agarwal
Vice Chairman & Managing Director

Keshav Sadani
Company Secretary

Pradip Law

Partner
Membership Number : 51790

Place: Kolkata
Date: 27 May 2016

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

For and on behalf of the Board of Directors

Manoj Kumar
Director (Kalinga Nagar)

Manoj Kumar Digga
Director (Finance) & CFO

NOTES

to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

1. GENERAL INFORMATION

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These Consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for the processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise 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.

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to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

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

	Country of Incorporation	Proportion of ownership interest as at 31 March 2016 [Including Beneficial Interest]	Proportion of ownership interest as at 31 March 2015 [Including Beneficial Interest]
Subsidiaries considered for consolidation :			
VISA BAO Limited	India	65 %	65 %
Ghotaringa Minerals Limited	India	89 %	89 %
VISA SunCoke Limited	India	51 %	51 %
Kalinganagar Chrome Private Limited	India	100 %	100 %
Kalinganagar Special Steel Private Limited	India	100 %	100 %
VISA Ferro Chrome Limited	India	@ 100 %	@ 100 %
VISA Special Steel Limited	India	@ 100 %	@ 100 %
@ represents step-down subsidiary			
Joint Venture considered for consolidation :			
VISA Urban Infra Limited	India	26 %	26 %

2.3 Fixed Assets

(a) Tangible Assets

- (i) Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any. Cost comprises cost of acquisition, construction and subsequent improvements thereto including taxes and duties (net of credits and draw backs), freight and other incidental expenses related to acquisition and installation.

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to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

- (ii) Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

(b) Intangible Assets

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

(c) Capital Work-in-Progress

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

(d) Depreciation and Amortisation

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

(i) Assets of the Parent Company

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

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

(ii) Assets of the Subsidiaries

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

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

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

- » Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.
- » Amortisation of intangible Assets is done over its useful life of three years under SLM.

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to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

2.4 Impairment Loss

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

2.5 Borrowing Cost

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

2.6 Investments

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

2.7 Inventories

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

2.8 Revenue Recognition

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

2.9 Other Income

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

2.10 Transactions in Foreign Currencies

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

All monetary assets and liabilities in foreign currency are re-instated at the end of accounting period at the closing exchange rate. With respect to long-term foreign currency monetary items, from 1 April 2011 onwards, the Group has adopted the following policy: (a) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

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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 amortised over the balance period of such long term asset / liability.

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

(iii) Forward Exchange Contracts

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

2.11 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post Employment Benefit Plans

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

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

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

2.12 Accounting for Taxes on Income

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

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

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

NOTES

to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

2.13 Provisions and Contingent Liabilities

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

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

2.14 Leases

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

2.15 Segment Reporting

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

2.16 Cash and Cash Equivalents

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

2.17 Earnings per Share

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

	As at 31 March 2016	As at 31 March 2015
3 SHARE CAPITAL		
Authorised		
160,000,000 (31 March 2015 : 160,000,000) Equity Shares of Rs.10/- each	1,600.00	1,600.00
Issued, Subscribed and Paid-up		
110,000,000 Equity Shares (31 March 2015 : 110,000,000) of Rs. 10/- each fully paid up	1,100.00	1,100.00

NOTES

to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

	As at 31 March 2016	As at 31 March 2015
4 RESERVES AND SURPLUS		
Capital Reserve	11.19	11.19
Securities Premium Reserve	2,552.80	2,552.80
General Reserve [Refer (a) below]		
Balance as at the beginning of the year	60.32	91.76
Adjustment on account of revision in useful life of fixed asset [Refer Note 13 D]	-	(31.44)
Balance as at the end of the year	60.32	60.32
(Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(5,772.01)	(3,025.41)
Adjustment on account of revision in useful life of fixed assets [Refer Note 13 D]	-	(17.50)
Adjustment on account of revision in useful life upon componentisation of fixed assets [Refer Note 13 E]	(18.81)	-
Net Loss after Tax transferred from Statement of Profit and Loss	(6,155.28)	(2,729.10)
Balance as at the end of the year	(11,946.10)	(5,772.01)
Total	(9,321.79)	(3,147.70)

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

	Non Current Portion		Current Maturities		Total	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
5 LONG-TERM BORROWINGS						
Secured						
Term Loans(I & II), SMC(Sub Debt), Corporate Term Loans(I & II) and Fresh Term Loan (For Sinter Plant)						
[Refer B(i) and B(v) below]						
From Banks	18,885.20	19,712.36	3,930.14	1,792.40	22,815.34	21,504.76
From Other Parties	711.31	568.55	178.60	60.24	889.91	628.79
Working Capital Term Loans (WCTL)						
[Refer B(i) and B(v) below]						
From Banks	632.80	967.04	679.04	409.60	1,311.84	1,376.64
From Other Parties	15.73	23.13	16.65	9.25	32.38	32.38
Funded Interest Term Loans (FITL)						
[Refer B(i) and B(v) below]						
From Banks	2,537.73	2,864.66	319.64	34.99	2,857.37	2,899.65
From Other Parties	147.73	118.61	14.51	-	162.24	118.61
Equipment and Vehicle Term Loans						
From Banks [Refer B(ii) and B(v) below]	-	-	-	0.48	-	0.48
From Other Parties [Refer B(ii) and B(v) below]	2.64	5.56	1.90	2.38	4.54	7.94
Term Loans from Other Parties	56.02	367.75	90.14	78.41	146.16	446.16
[Refer B(iii) and B(v) below]						
	22,989.16	24,627.66	5,230.62	2,387.75	28,219.78	27,015.41
Unsecured						
Loans from Related Parties	581.40	252.00	-	-	581.40	252.00
	23,570.56	24,879.66	5,230.62	2,387.75	28,801.18	27,267.41
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)	-	-	(5,230.62)	(2,387.75)	(5,230.62)	(2,387.75)
	23,570.56	24,879.66	-	-	23,570.56	24,879.66

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to Consolidated Financial Statements

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A. Debt Restructuring

In respect of Parent Company (the Company)

Pursuant to restructuring of the Company's debts, a Master Restructuring Agreement dated 19 December 2012 (MRA) had been executed to give effect to the CDR package approved by the Corporate Debt Restructuring (CDR) cell with effect from 1 March 2012, resulting in various reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc to the Company. Further, pursuant to the approval of the Company's Business Re-organisation Plan by the CDR cell, a Common Loan Agreement (CLA) had also been executed on 28 March 2015 among the Company, its Subsidiary company, VISA Special Steel Limited, and lenders. CLA would operate in continuation of above mentioned MRA. In terms of CLA, inter-alia, additional credit facilities have been granted and effective 28 March 2015 the Company's existing Debt portfolio has been reorganised/reallocated and secured as under:

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

During the past years, performance of the Company has been adversely affected mainly because of external factors beyond management control, due to which the Company was not able to meet the repayment terms as per the CLA and the Company is under discussion with the lenders for sustainability of its debts. Pending outcome of such discussion, the lenders have allowed for the time being "Hold-On operation" status to the Company and for the purpose of these financial statements, the Company has followed reorganisation/reallocation and other terms and conditions of MRA/CLA as set out above.

B. Details of Securities

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

In respect of Parent Company (the Company)

- (a) First pari-passu charge by way of hypothecation of all the Company's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Company, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
- (b) First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, Odisha, Golagaon, Jajpur, Odisha, Raigarh, Chhattisgarh and office premises of the Company at Bhubaneswar, Odisha.
- (c) Pledge of 51 % of Promoter's Shareholding and further Pledge up to 51 % of total equity of the Company needs to be executed by 31 March 2016.
- (d) Pledge of Equity Shares equivalent to 51 % of the present shareholding in Ghotaringa Minerals Limited held by the Company and entire Equity Shares held by the Company in VISA Urban Infra Limited.
- (e) 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 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.

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

The total loan of Rs 1820.00 million (Facility) & Rs. 76.90 million together with all interest, all fees, commitment charges, costs, charges, expenses and other monies whatsoever stipulated in or payable under the Agreement and the other Financing Documents is secured by:-

- (a) Assignment of the right, on pari passu basis among the term lenders of the consortium, to receive the advance ('Advances for Infrastructure Development' estimated at Rs 787.20 million as per project cost") from VISA Steel Ltd. under the Facilities (Infrastructure Sharing) Agreements between VISA Steel Ltd. & VISA BAO Ltd. for sharing the former's facilities by the latter, in case of termination of Facilities (Infrastructure Sharing) Agreements.
- (b) A first charge on pari passu basis to all the term lenders on all the immovable and movable assets of the Borrower, created/ to be created/ acquired/ to be acquired in this Project (other than those assets which has been financed by the other lenders/financial institutions and specifically charged to them).
- (c) Hypothecation of plant and machinery, miscellaneous fixed assets and all other movable fixed assets.
- (d) Equitable Mortgage of 50 acres of land along with the factory building and the super structures thereof, situated at Jakhapura Village, P.S. No, 197. Jajpur Road, Jajpur, Odisha.
- (e) Collateral Security in the form of second charge on all the current assets of the Borrower, both present and future, ranking pari – passu basis to all the proposed Term Lenders.
- (f) The Facility is also covered by Non Disposal Undertaking on 51 % of shares held by the Promoters in the Company.
- (g) The Facility is partially covered by the irrevocable and unconditional Corporate Guarantee of Rs. 720.00 million by VISA Steel Limited.

ii. Equipment and Vehicle Term Loans

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

iii. Term Loans from Bank and Other Parties

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

In respect of Parent Company

These loans are secured by way of second pari-passu charge on entire pooled assets of the Company save and except assets charged in favour of Banks/FI/NBFC and 50 acres of land on which VISA BAO Limited is setting up a Ferro Chrome Plant. This loan is also covered by a Corporate Guarantee of VISA International Limited. Subsequently, in September 2015 this loan has been assigned by IL&FS Limited to State Bank of India, CAG Branch, Kolkata.

In respect of Subsidiary Company VBL

The Company had obtained a long term loan of INR 30.00 million for a period of 36 month from the date of disbursement from IL&FS Limited for the purpose of acquisition of certain plant & equipments. Subsequently, in September 2015 this loan has been assigned by IL&FS Limited to State Bank of India, CAG Branch, Kolkata. The facility is secured by exclusive first charge on certain plant & equipments.

- (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. This loan is also covered by a Corporate Guarantee of VISA International Limited & Personal Guarantee of Mr Vishal Agarwal Vice Chairman & Managing Director, VISA Steel Ltd.

iv. Conversion Right

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

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v. Details of defaults of principal and interest

The Group has defaulted in the repayment of dues (principal and interest). The details of continuing defaults of principal and interest at the year end are as follows:-

Lenders	Upto 2 Months		More than 2 Months and up to 12 Months		More than 12 Months		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Andhra Bank	0.51	29.34	266.28	114.58	-	-	266.79	143.92
	(191.09)	(18.43)	-	-	-	-	(191.09)	(18.43)
Bank of Baroda	-	14.54	221.46	70.86	-	9.98	221.46	95.38
	(35.54)	(9.98)	-	-	-	-	(35.54)	(9.98)
Bank of India	-	12.50	42.11	57.22	-	3.65	42.11	73.37
	-	(1.73)	-	(1.60)	-	-	-	(3.33)
Canara Bank	-	18.90	160.82	57.16	-	10.13	160.82	86.19
	-	(16.85)	(147.26)	(15.63)	-	-	(147.26)	(32.48)
Central Bank of India	-	34.66	274.24	174.92	135.86	-	410.10	209.58
	(135.89)	-	-	-	-	-	(135.89)	-
Corporation Bank	-	1.31	4.36	6.39	-	1.24	4.36	8.94
	-	(1.08)	-	(0.16)	-	-	-	(1.24)
Dena Bank	-	16.26	32.84	64.41	-	0.48	32.84	81.15
	-	(11.33)	(6.16)	(16.08)	-	-	(6.16)	(27.41)
Exim Bank	-	20.08	93.51	75.06	74.07	9.06	167.58	104.20
	(75.79)	(13.36)	(1.65)	-	-	-	(77.44)	(13.36)
HUDCO	-	15.80	64.55	76.09	-	10.27	64.55	102.16
	-	(14.22)	(4.72)	(1.75)	-	-	(4.72)	(15.97)
IL & FS Limited	-	-	-	-	-	-	-	-
	-	(6.43)	(10.50)	(0.57)	-	-	(10.50)	(7.00)
Indian Overseas Bank	-	23.53	125.33	113.40	100.81	16.94	226.14	153.87
	(111.33)	(16.48)	-	-	-	-	(111.33)	(16.48)
Oriental Bank of Commerce	0.01	83.44	951.83	360.08	-	11.65	951.84	455.17
	(670.19)	(8.27)	(3.06)	(3.50)	-	-	(673.25)	(11.77)
Punjab National Bank	-	97.85	728.48	296.34	-	-	728.48	394.19
	(161.52)	(51.57)	-	(10.13)	-	-	(161.52)	(61.70)
Small Industries Development Bank of India	-	0.80	-	0.95	-	-	-	1.75
	-	-	-	-	-	-	-	-
State Bank of Hyderabad	-	16.92	125.10	74.04	-	-	125.10	90.96
	-	(0.03)	-	-	-	-	-	(0.03)
State Bank of India	45.57	126.06	1,572.48	426.90	10.50	13.06	1,628.55	566.02
	(271.95)	(84.04)	-	-	-	-	(271.95)	(84.04)
State Bank of Travancore	-	5.97	19.12	20.16	-	4.96	19.12	31.09
	-	(4.85)	-	-	-	-	-	(4.85)
Syndicate bank	0.01	71.26	717.94	213.71	-	0.42	717.95	285.39
	(81.64)	(43.40)	(1.38)	(0.43)	-	-	(83.02)	(43.83)
UCO Bank	-	30.10	212.01	156.96	-	17.40	212.01	204.46
	(181.25)	(24.36)	(12.00)	(0.04)	-	-	(193.25)	(24.40)
Union Bank of India	-	60.69	484.52	171.41	-	-	484.52	232.10
	-	(33.48)	-	-	-	-	-	(33.48)
Punjab and Sind Bank	-	5.80	18.33	27.53	-	3.96	18.33	37.29
	-	(7.81)	-	(7.07)	-	-	-	(14.88)
Vijaya Bank	-	33.12	269.59	104.16	-	14.07	269.59	151.35
	(26.48)	(7.86)	-	(8.69)	-	-	(26.48)	(16.55)
Total	46.10	718.93	6,384.90	2,662.33	321.24	127.27	6,752.24	3,508.53
	(1,942.67)	(375.56)	(186.73)	(65.65)	-	-	(2,129.40)	(441.21)

Note : Figures in brackets in the above table relates to previous year.

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	As at 31 March 2016	As at 31 March 2015
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:		
Deferred Tax Liabilities		
Depreciation as per tax law and books	# 3,458.76	# 2,532.51
(A)	3,458.76	2,532.51
Deferred Tax Assets		
Unabsorbed Tax Depreciation	(3,182.85)	(2,233.55)
Unabsorbed Business Loss Carried Forward	(129.51)	(158.32)
Provision for doubtful debts and advances	(120.25)	(123.85)
Disallowances allowable for tax purpose on payment	(25.06)	(15.69)
Others	(0.01)	(0.02)
(B)	(3,457.68)	(2,531.43)
Deferred Tax Liabilities (Net)	(A + B)	1.08
	1.08	1.08

After considering adjustments against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. Nil (31 March 2015: Rs. 24.23 Million)[Refer Note 13 D].

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

	As at 31 March 2016	As at 31 March 2015
7 OTHER LONG-TERM LIABILITIES		
Liability on Lease Equalisation	0.17	0.12
Add - Share of Joint Venture [Refer Note 2.2]	18.03	17.64
	18.20	17.76

	As at 31 March 2016	As at 31 March 2015
8 LONG-TERM PROVISIONS		
Provision for Employee Benefits	15.70	16.93
	15.70	16.93

	As at 31 March 2016	As at 31 March 2015
9 SHORT-TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
Working Capital Loans		
From Banks [Refer (a) below]	8,011.82	5,613.84
Buyers' Credit (In Foreign Currency)	952.54	435.23
From Other Parties [Refer (a) below]	176.10	125.50
Other Working Capital Loan		
From Other Parties [Refer (b) below]	68.16	69.48
Unsecured		
Working Capital Facilities	-	64.09
	9,208.62	6,308.14

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- (a) For details of securities of Working Capital loan of Parent Company, refer Note 5 B (i).
Cash Credit and working capital facilities from banks are secured by hypothecation/first charge on all current assets, present and future, of the Company on pari-passu basis. Further such facilities from banks are also secured by first charge on the entire fixed assets, present and future, of VSCL, by way of hypothecation of movable assets and equitable mortgage of immovable properties ranking pari passu between lending banks. The creation of collateral security is pending due to non-receipt of No Objection Certificate (NOC) from Odisha Industrial Infrastructure Development Corporation (IDCO) for 25 acres of land taken on lease.
- (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 2015 : Rs. 76.40 Million) under the MSMED Receivable Finance Scheme sanctioned by SIDBI covering the sale of goods / services made by SME / eligible service sector and transport services. Also refer Note 5.B (i) for details of security.

	As at 31 March 2016	As at 31 March 2015
10 TRADE PAYABLES		
Due to Micro and Small Enterprises	41.53	150.74
Due to other than Micro and Small Enterprises	2,175.89	3,055.78
	2,217.42	3,206.52

	As at 31 March 2016	As at 31 March 2015
11 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (Refer Note 5)	5,230.62	2,387.75
Interest accrued and due on borrowings	1,747.69	58.79
Interest accrued but not due on borrowings	2,194.30	617.75
Employee related liabilities	104.63	216.04
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	104.75	235.58
Unclaimed Dividend	0.60	0.99
Advances from Customers	175.49	88.90
Advance from Fellow Subsidiary	-	1,896.52
Capital Creditors	414.12	409.40
Forward Contract Payable	11.55	14.10
Other liabilities	189.81	205.52
Add - Share of Joint Venture [Refer Note 2.2]	0.07	0.01
	10,173.63	6,131.35

	As at 31 March 2016	As at 31 March 2015
12 SHORT-TERM PROVISIONS		
Provision for Employee Benefits	18.75	13.53
	18.75	13.53

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13 A TANGIBLE ASSETS

Particulars	Gross Block		Depreciation / Amortization				Net Block	
	As at 1 April 2015	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2016	Adjustment consequent to revision of useful lives/Component Accounting (Refer Note-13 D & 13 E)	For the year /Adjustments during the Year	As at 31 March 2016	As at 31 March 2015
Owned								
Land- Freehold	13.61	-	(1.47)	15.08	-	-	15.08	13.61
Land- Leasehold	225.23	-	1.47	223.76	19.45	5.08	199.23	205.78
Factory Buildings	5,106.63	0.40	-	5,107.03	221.77	160.86	4,724.40	4,884.86
Buildings	1,455.26	3.72	-	1,458.98	63.95	24.11	1,370.92	1,391.31
Road	556.41	0.22	-	556.63	155.43	143.29	257.91	400.98
Plant and Equipment	26,901.57	19.32	-	26,920.89	3,623.87	36.88	22,200.22	23,277.70
Computers	47.03	0.04	-	47.07	41.06	2.02	4.13	5.97
Office Equipment	33.14	0.47	1.25	32.36	26.23	3.11	4.21	6.91
Furniture and Fixtures	85.57	-	-	85.57	38.19	9.33	47.52	47.38
Vehicles	106.94	0.05	7.55	99.44	73.42	7.39	25.34	33.52
Leasehold (Jointly Held):								
Buildings	129.08	-	-	129.08	50.71	11.99	66.38	78.37
Plant and Equipment	15.42	-	-	15.42	6.05	1.43	7.94	9.37
Total	34,675.89	24.22	8.80	34,691.31	4,320.13	36.88	28,913.81	30,355.76
2014-15	15,186.00	19,499.49	9.60	34,675.89	3,476.66	88.88	4,320.13	30,355.76

13 B INTANGIBLE ASSETS

Particulars	Gross Block		Amortization		Net Block			
	As at 1 April 2015	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016		
Computer Software - acquired	41.92	1.07	-	42.99	36.63	3.36	40.13	2.86
Total	41.92	1.07	-	42.99	36.63	3.36	40.13	5.29
2014-15	42.14	1.85	2.07	41.92	32.58	4.91	36.63	5.29

13C CAPITAL WORK-IN-PROGRESS

	As at 31 March 2016	As at 31 March 2015
Capital work-in-progress	3,501.75	3,485.77
Add - Share of Joint Venture [Refer Note 2.2]	23.46	22.96
	3,525.21	3,508.73

Capital Work-in-Progress includes Exchange (Gain) / Loss capitalised during the year Rs. Nil [31 March 2015 : Rs (0.59)Million] and borrowing cost for the year capitalized amounting to Rs.1.17 Million (31 March 2015 : Rs.2,123.36 Million).

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13D REVISION IN USEFUL LIVES OF TANGIBLE ASSETS

Effective 1 April 2014 the Group has started charging depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013 (the 'Act') and as a result of which the estimated useful lives of certain tangible assets have been revised. Pursuant to the transitional provision set out in the said Schedule II, the carrying amount (after retaining the residual values) aggregating Rs. Nil (31 March 2015 : Rs. 88.88 Million) relating to tangible assets of the Group other than of one of its subsidiary VISA BAO Ltd. (VBL), where the revised useful lives are nil as on 1st April 2014, has been adjusted against Retained Earnings(General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss). Tangible Assets of VBL whose useful lives are nil as on 1 April 2014, amounting Rs. Nil (31 March 2015 : Rs. 0.28 million) has been charged in the Statement of Profit and Loss. On Consolidation Rs. Nil (31 March 2015 :67.62 Million and Rs. 21.27 Million) has been debited to Retained Earnings(General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss) and minority interest respectively. Further, corresponding tax impact on such adjustment amounting to Rs. Nil (31 March 2015 : Rs. 18.69 Million and Rs. 4.45 Million) has been credited to the respective accounts of Retained Earnings(General Reserves/ (Deficit) / Surplus in the Statement of Profit and Loss) and minority interest.

13E COMPONENT ACCOUNTING

VSCL, a Subsidiary Company, has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. VSCL was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, VSCL has changed the manner of depreciation for its fixed asset. Now, VSCL identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. VSCL has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had VSCL continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs. 2.50 million. Profit for the current period would have been higher by Rs. 2.50 million. Fixed asset would correspondingly have been higher by Rs. 2.50 million.

On the date of component accounting becoming applicable, i.e., 1 April 2015, there were components having zero remaining useful life. Hence, the carrying amount of such component amounting to Rs. 36.88 million has been adjusted directly against retained earnings.

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	As at 31 March 2016	As at 31 March 2015
14 NON - CURRENT INVESTMENTS		
Other Investments		
Government and Trust Securities		
National Savings Certificate	0.10	0.10
	0.10	0.10

	As at 31 March 2016	As at 31 March 2015
15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advance	104.74	94.45
Security Deposits	217.80	221.10
Loans & Advances to related parties		
Security Deposit with Enterprise having significant influence		
VISA International Limited	8.00	8.00
VISA Infrastructure Limited #	261.50	294.00
Balances with Government Authorities	37.09	36.66
Prepaid Expenses	0.43	1.46
Advance Payment of Income Tax	30.73	36.82
[Net of Provision for Income Tax Rs. 8.08 Million (31 March 2015 : Rs. 39.93 Million) & Provision for FBT Rs. 0.10 Million (31 March 2015 : Rs. 0.10 Million)]		
MAT Credit Entitlement	-	274.70
Other Long Term Advances	0.47	0.47
Add - Share of Joint Venture [Refer Note 2.2]	1.48	1.48
	662.24	969.14

Ceased to be the Holding Company during the year

	As at 31 March 2016	As at 31 March 2015
16 OTHER NON-CURRENT ASSETS		
Margin Money with maturity more than 12 months	6.18	7.32
Interest Accrued on Investments	0.04	0.02
Non-Current Bank Balances	0.20	0.12
Gratuity	-	0.19
	6.42	7.65

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	As at 31 March 2016	As at 31 March 2015
17 INVENTORIES		
(Refer Note 2.7)		
Raw Materials [Refer (a) below]	744.48	1,734.19
Work-In-Progress	80.14	67.28
Finished Goods	681.93	517.38
Stock-in-Trade	11.05	46.32
Stores and Spares parts	257.00	302.13
By-products	139.59	73.93
	1,914.19	2,741.23

(a) Raw Materials includes goods in transit Rs. 94.61 Million (31 March 2015 : Rs. Nil)

	As at 31 March 2016	As at 31 March 2015
18 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	218.64	220.53
Considered Doubtful	211.65	206.61
Other Debts		
Considered Good	1,274.28	361.86
	1,704.57	789.00
Less: Provision for Doubtful Debts	211.65	206.61
	1,492.92	582.39

	As at 31 March 2016	As at 31 March 2015
19 CASH AND BANK BALANCES		
(i) Cash and Cash equivalents		
Balance with Banks in		
Current Accounts	33.71	4.21
Demand Deposits with maturity less than 3 months	0.88	0.87
Cheque - In - Hand	0.03	0.02
Cash on hand	2.43	0.73
Add - Share of Joint Venture [Refer Note 2.2]	0.08	0.24
	37.13	6.07
(ii) Other Bank balances		
Earmarked Accounts		
Unclaimed Dividend Account	0.60	0.99
Margin Money with Banks with maturities more than 3 months but less than 12 months	216.91	183.74
Deposits with original maturity for more than 12 months	-	0.50
Add - Share of Joint Venture [Refer Note 2.2]	2.19	2.19
	219.70	187.42
(i) + (ii)	256.83	193.49

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	As at 31 March 2016	As at 31 March 2015
20 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated)		
Prepaid Expenses	25.58	54.94
Advances against Supply of goods and rendering services		
Considered Good	255.83	234.39
Considered Doubtful	151.35	149.05
Less: Provision for doubtful Advances	(151.35)	(149.05)
Loans and Advances to related parties		
Advances to Key Managerial Personnel	56.35	85.54
Advance Payment of Income Tax	88.59	183.10
[Net of Provision Rs. 463.07 Million (31 March 2015 : Rs. 496.65 Million)]		
Security Deposit	0.20	3.29
Others taxes receivable / adjustable		
Considered Good	487.92	502.59
Considered Doubtful	7.62	7.62
Less: Provision for Other Taxes receivable / adjustable	(7.62)	(7.62)
Employee Advances	11.61	22.47
Advance To Employee Benefit Plan	0.99	-
Other Advances	-	0.33
Add - Share of Joint Venture [Refer Note 2.2]	0.48	0.48
	927.55	1,087.13

	As at 31 March 2016	As at 31 March 2015
21 OTHER CURRENT ASSETS		
Unsecured, considered good		
Receivable from DGFT and Customs towards Export Incentive		
Consider Good	15.35	55.93
Considered Doubtful	-	11.29
Less: Provision for doubtful Advances	-	(11.29)
Interest accrued on Deposits	28.13	36.89
Unamortized Premium on Forward Covers	11.55	14.10
Job in Progress	-	1.70
Add - Share of Joint Venture [Refer Note 2.2]	0.38	0.19
	55.41	108.81

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	As at 31 March 2016	As at 31 March 2015
22 CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debt :		
(i) Sales/ Customers and related matters	191.90	-
(ii) Purchases / Vendors and related matters	4,785.60	-
(iii) Other matters	442.10	35.10
(b) Other money for which the Group is contingently liable		
(i) Disputed Income Tax matter under Appeal	34.68	29.78
(ii) Disputed Sales Tax matter under Appeal	171.34	159.03
(iii) Disputed Entry Tax matters under Appeal	67.13	51.77
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	34.86	34.86
(v) Disputed Excise duty matters under Appeal	10.96	10.96
(vi) In terms of CDR package for restructuring of Debt of the Parent Company as referred to in Note 5A, the recompense payable by the Parent Company towards the reliefs/sacrifices/waivers extended by the concerned lenders, which is conditional upon achievement of certain favourable financial parameters by the Parent Company, in future. Estimated recompense amount at year end	3,994.21	2,730.30
(c) Guarantees		
(i) Bank Guarantee	27.19	27.19
(d) Bill discounted with banks against Letter of Credit	537.48	758.03
(e) 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 2016	As at 31 March 2015
23 COMMITMENTS:		
(a) Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account [Net of advance of Rs. 88.52 Million, (31 March 2015 : Rs. 85.66 Million)]	697.55	675.14

(b) Other Commitments

- (i) The Parent 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 is Rs. 218.47 Million (31 March 2015 : Rs. 167.21 Million). The Parent Company is confident that the above export obligation will be met during the specified period. In addition the Parent Company needs to maintain the average annual export turnover of Rs 2,430.30 Million to meet the above export obligation.
- (ii) Other Commitments -Export Obligation under EPCG scheme of VBL, a Subsidiary Company is Rs. 247.03 million (31 March 2015 : Rs. 247.03 million).
- (iii) The Parent Company has given undertaking to consortium bankers of subsidiary Company VISA BAO Limited for sanctioning Rs. 1,820.00 Million (31 March 2015 : Rs. 1,820.00 Million) term loan, by agreeing not to dispose off 51 % shares [i.e. 46,410,000 (31 March 2015 : 46,410,000) number of shares] of VISA BAO Limited.

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	Year ended 31 March 2016	Year ended 31 March 2015
24 REVENUE FROM OPERATIONS (GROSS)		
(a) Sale of products		
Manufactured Goods		
Pig Iron	1,980.69	482.82
Coke	2,416.73	3,252.07
Silico Managanese	219.39	361.32
Ferro Chrome	4,598.54	3,707.58
Sponge Iron	3,260.63	4,038.21
Bloom / Round	1.95	831.45
Rolled Product	35.09	11.37
By-products	425.83	360.88
Power	-	67.48
Total	12,938.85	13,113.18
Traded Goods		
Coal and Coke	789.65	1,102.98
Others	96.84	3.50
Total	886.49	1,106.48
Less: Trial Run Sale	-	784.29
Sale of products	13,825.34	13,435.37
(b) Other Operating Revenues		
Scrap sales	19.08	41.68
Export Incentives	16.83	138.01
Liabilities no longer required written back	22.86	4.77
Provisions for doubtful debts, advances etc. no longer required written back	18.63	18.20
	77.40	202.66
Total Revenue from Operations (Gross)	13,902.74	13,638.03

	Year ended 31 March 2016	Year ended 31 March 2015
25 OTHER INCOME		
Insurance claim received	3.77	5.10
Interest Income		
On bank deposits (Margin Money)	17.90	27.37
On others	109.28	101.83
Scrap sales	-	1.15
Other non operating income	0.74	13.13
Add: Share of Joint Venture [Refer Note 2.2]	0.21	0.12
	131.90	148.70

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	Year ended 31 March 2016	Year ended 31 March 2015
26 COST OF MATERIALS CONSUMED		
Chrome Ore	2,189.32	1,627.90
Iron Ore	1,886.90	2,313.61
Coal and Coke	5,488.77	5,771.36
Others	402.54	463.75
	9,967.53	10,176.62
Less: Trial Run Consumption	-	597.81
	9,967.53	9,578.81

	Year ended 31 March 2016	Year ended 31 March 2015
27 PURCHASES OF STOCK-IN-TRADE		
Coal and Coke	120.82	577.52
Others	102.54	5.67
	223.36	583.19

	Year ended 31 March 2016	Year ended 31 March 2015
28 A CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE, WORK-IN-PROGRESS AND BY-PRODUCTS		
Opening Stock		
Finished Goods	517.38	394.08
Stock-In-Trade	46.32	-
By-products	73.93	157.33
Work-in-Progress	67.28	114.21
	704.91	665.62
Add: Transfer from project		
Finished Goods	-	66.83
By-Products	-	15.25
Total	-	82.08
Less: Closing Stock		
Finished Goods	681.93	517.38
Stock-In-Trade	11.05	46.32
By-products	139.59	73.93
Work-in-Progress	80.14	67.28
	912.71	704.91
Increase/(Decrease) in Excise Duty on Stock	19.18	11.24
Less: Transferred to exceptional item (Refer Note 33)	-	(194.86)
Less : Conversion stock transferred to Finished Goods	7.19	-
Increase/(Decrease) in Stock	(181.43)	(140.83)
28 B CHANGE IN JOB-IN-PROGRESS		
Opening Job-in-Progress	1.70	1.72
Less: Closing Job-in-Progress	-	1.70
Less : Adjustment on account of Conversion stock transferred to Finished Goods	(1.70)	-
Increase/ (Decrease) in Excise Duty on Job-in- Progress	-	(0.02)
	-	-

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	Year ended 31 March 2016	Year ended 31 March 2015
29 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	631.82	413.43
Contribution to Provident and Other Funds	28.81	26.24
Staff Welfare Expenses	6.96	3.15
	667.59	442.82

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

Other Disclosures in terms of Accounting Standard-15 (Revised 2005) on 'Employees Benefits'

(i) Defined Contribution Plan

The Group contributes to the Provident Funds (PF) maintained by the Regional Provident Fund Commissioner. Under the PF Scheme Contributions are made by both the Group Companies and its eligible employees to the Funds, based on the current salaries. An amount of Rs. 24.42 Million (31 March 2015 : Rs. 17.97 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the aforesaid PF schemes. Apart from making monthly contribution to the scheme, the Group has no other obligation.

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

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

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

	As at 31 March 2016	As at 31 March 2015
(i) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets :		
Present Value of funded obligation at the end of the year	38.06	35.84
Fair Value of Plan Assets at the end of the year	26.96	26.81
Less : Amount not recognised as per AS 15	0.44	-
Net (Asset) / Liability recognised in the Balance Sheet	11.54	9.03
(ii) Expenses recognised in the Consolidated Statement of Profit and Loss:		
Current Service cost	5.51	5.95
Interest cost	2.79	2.42
Expected Return on Plan Assets	(2.38)	(2.43)
Actuarial loss / (gain)	(2.03)	3.91
Total Expenses	3.89	9.85

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	As at 31 March 2016	As at 31 March 2015
(iii) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligations:		
Opening defined benefit obligation	35.84	26.92
Current Service cost	5.51	5.95
Interest cost	2.79	2.42
Actuarial loss / (gain)	(2.45)	3.48
Benefits paid	(3.63)	(2.93)
Closing Defined Benefit Obligation	38.06	35.84
(iv) Reconciliation of opening and closing balances of the fair value of plan assets:		
Opening fair value of Plan Assets	26.80	27.74
Expected Return on Plan Assets	2.38	2.43
Contributions by employer	1.83	-
Benefits paid	(3.63)	(2.93)
Actuarial (loss) / gain	(0.42)	(0.44)
Closing Fair Value on Plan Assets	26.96	26.80
(v) Actual Return on Plan Assets	1.45	2.41
(vi) Category of Plan Assets		
Fund with LIC	26.96	26.80
	26.96	26.80
(vii) Principal Actuarial Assumption Used:		
Discount Rates	7.85%	7.80%/7.78%
Expected Return on Plan Assets	8%/8.35%	9%/8%
Expected Salary increase rates	5%	5%
Withdrawal Rate	2% depending on age	2% depending on age
Mortality Rates	IALM (2006-08) mortality tables	IALM (2006-08) mortality tables
(viii) Investment Details of Plan Assets (% allocation)		
Insurer managed funds	100%	100%

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

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

- (ix) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Company for the year ending 31 March 2016 cannot be readily ascertainable and therefore not disclosed.

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(x) Experience Adjustment	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Present Value of Defined Benefit Obligation as at end of the year [a]	38.06	35.84	26.92	19.72	15.53
Fair Value of Plan Assets as at end of the year [b]	26.96	26.80	27.74	25.79	19.34
(Surplus) / Deficit as at end of the year [a-b]	11.10	9.04	(0.82)	(6.07)	(3.81)
Experience Adjustments on Plan Liabilities [Gain / (Loss)]	1.29	1.39	(5.45)	(2.20)	(0.71)
Experience Adjustments on Plan Assets [Gain / (Loss)]	(1.43)	0.37	(0.13)	(0.01)	0.09

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

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

	Year ended 31 March 2016	Year ended 31 March 2015
30 FINANCE COSTS		
Interest expense	4,418.97	1,476.20
Other borrowing costs	335.47	812.50
Interest on Income Tax relating to earlier years	-	4.90
Add: Share of Joint Venture [Refer Note 2.2]	-	-
	4,754.44	2,293.60

The amount of finance cost capitalised for qualifying assets during the year 31 March 2016 is Rs. 1.17 Million (31 March 2015 : Rs. 2,123.36 Million)

	Year ended 31 March 2016	Year ended 31 March 2015
31 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation and Amortization expense on Tangible Assets	1,428.53	763.25
Amortization expense of Intangible Assets	3.36	4.05
	1,431.89	767.30

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	Year ended 31 March 2016	Year ended 31 March 2015
32 OTHER EXPENSES		
Consumption of Stores and Spare Parts	523.23	394.48
Power and Fuel	697.27	505.52
Rent	22.84	16.81
Lease Rent	0.24	-
Repairs to Buildings	100.54	6.32
Repairs to Machinery	170.29	72.98
Repairs Others	1.54	0.63
Insurance Expenses	23.34	17.42
Rates and Taxes, excluding taxes on income	88.15	39.47
Shared Service Charges for Infrastructure Facilities	0.27	0.00
Contract Labour Charges	20.31	27.71
Material Handling Expenses	149.95	218.50
Freight and Selling Expenses	187.49	223.74
Bad Debts Written off*	2.15	-
Provision for Doubtful Debts	24.08	54.98
Provision for Doubtful Advances	15.46	144.66
Premium on Forward Exchange Contract Amortized	38.82	53.37
Exchange differences (Net)	126.31	119.71
Net Loss on Sales/Discard of Fixed Assets	0.43	1.16
Miscellaneous Expenses [Refer (a) below]	246.59	336.71
Transfer to Project	-	(54.43)
Add: Share of Joint Venture [Refer Note 2.2]	0.05	0.12
	2,439.35	2,179.86

*Net of adjustment against provision for doubtful balances of Rs. 24.41 Million (31 March 2015 -Nil))

(a) includes Prior Period Rs. Nil (31 March 2015 : 0.18 Million) related to VSCL.

33 Exceptional Items amounting to Rs. Nil (31 March 2015: Rs. 240.38 million) represents write down of excess of costs of period end inventories of one of its Subsidiary Company (VSCL) in coke business over their net realisable values in accordance with Accounting Standard 2 - Valuation of Inventories. The said Subsidiary Company had procured coal in line with its planned production programme. However, metallurgical coke prices have fallen significantly due to recessionary conditions.

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	Year ended 31 March 2016	Year ended 31 March 2015
34 CONSOLIDATED EARNING PER EQUITY SHARE		
(I) Basic		
a. Loss after Tax and Minority Interest	(6,155.28)	(2,729.10)
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.)	(55.96)	(24.81)
(II) Diluted		
a. Weighted average number of Equity Shares for computing dilutive earning/ Loss per share	110,000,000	110,000,000
b. Dilutive Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	(55.96)	(24.81)

35 Extra-ordinary item of Rs. Nil (31 March 2015: Rs. 27.43 million) represents insurance claim received during the year in respect of claim against loss / destruction suffered by the one of its Subsidiary Company (VSCL) in coke business due to cyclonic weather conditions in Odisha in October 2013.

36 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

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Movement of Options Granted

The movement of the options for the year ended 31 March 2016 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices	Weighted Average	
			Exercise Price	Remaining Contractual Years
Outstanding at the beginning of the year	496,105	46.30	46.30	2
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	273,605	46.30	46.30	-
Outstanding at the end of the year	222,500	46.30	46.30	1
Exercisable at the end of the year	222,500			

During the year total Nil number of Options were vested.

Fair Valuation:

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

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

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Net (Loss) / Profit attributable to Equity shareholders	(5,835.47)	(2,414.40)
Less: Compensation cost under ESOP as per Fair Value	-	(1.10)
Proforma (Loss) / Profit before Tax adjustment for earlier years	(5,835.47)	(2,413.30)
Weighted average number of Basic equity shares outstanding (in Million)	110.00	110.00
Weighted average number of Diluted equity shares outstanding (in Million)	110.00	110.00
Face Value of Equity Shares	10.00	10.00
Reported Earning per Share (EPS)		
Basic EPS (in Rs.)	(53.05)	(21.95)
Diluted EPS (in Rs.)	(53.05)	(21.95)
Proforma Earning per Share (EPS)		
Basic EPS (in Rs.)	(53.05)	(21.94)
Diluted EPS (in Rs.)	(53.05)	(21.94)

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37(a) The Parent Company has incurred net loss during the quarter and year ended 31 March 2016 and the year-end current liabilities exceeded the current assets as on 31 March 2016 which has adversely impacted the net worth of the Parent Company. The Parent Company's financial performance has been adversely affected mainly due to non-availability of raw materials at viable prices, depressed market condition and other external factors beyond the Parent Company's control. With the substantial improvement in raw material availability, likely improvement in market scenario with notification of Minimum Import Price on Steel, and the restructuring plan as may be agreed with lenders, it is expected that the overall financial health of the Parent Company would improve considerably. Considering the above developments and favorable impact thereof on the Parent Company's operations and financials, the Parent Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.

37(b) VISA SunCoke Limited (VSCL), a subsidiary Company, has incurred cash loss during the current year and previous year and its current liabilities exceeds its current assets as at 31 March 2016. VSCL's financial performance has been adversely affected by external factors beyond VSCL's control, such as lower market demand for its finished goods due to downturn in the steel sector, declining selling prices, temporary availability of cheaper imports of its products etc. VSCL feels that these factors are temporary and it is expected that the overall financial results and cash flows of VSCL would improve with the recent improvement in selling prices of products, industry representations for imposition of anti-dumping duty and with support from lenders. Based on the above developments, VSCL has prepared the financial statements on the basis of going concern assumption, to which their Statutory Auditors have also drawn attention, without qualifying their opinion in VSCL's audit report.

38 SEGMENT INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 ON SEGMENT REPORTING : Primary Segment Reporting (by Business Segment)

Identification of the Business Segment

The Group has identified primary business segments namely "Special Steel", "Ferro Alloys" and "Coke" in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act and has disclosed segment information accordingly.

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

Special Steel	Bar and Wire Rods , Billets and Blooms , Pig Iron and Sponge Iron and other Allied Products
Ferro Alloys	Ferro Chrome, Ferro Manganese, Silico Manganese and Captive Power
Coke	Metallurgical Coke

Segment Revenue, Segment Results and other information for the Group

A) Primary Business Segment	As at 31 March 2016				As at 31 March 2015			
	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke	Total of Reportable Segments
External Revenue from Operations*	5,059.07	5,052.52	2,919.75	13,031.34	4,712.05	4,455.51	3,635.18	12,802.74
Inter Segment Revenue from Operations*	14.77	104.16	1,126.03	1,244.96	96.91	49.94	648.14	794.99
Segment Revenues	5,073.84	5,156.68	4,045.78	14,276.30	4,808.96	4,505.45	4,283.32	13,597.73
Segment Results	(984.02)	211.76	(379.46)	(1,151.72)	(60.01)	365.54	(509.42)	(203.89)
Segment Assets	21,476.81	8,149.67	2,096.01	31,722.49	21,894.99	7,529.91	1,759.10	31,183.99
Segment Liabilities	676.53	805.35	236.34	1,718.22	1,540.31	1,749.65	200.98	3,490.93
Capital Expenditure	0.18	28.83	3.75	32.76	155.40	217.99	3,048.20	3,421.59
Depreciation & Amortisation	863.98	215.41	175.26	1,254.65	192.52	200.48	174.15	567.15
Non Cash Expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-

* Net of Excise Duty.

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Reconciliation of Reportable Segments with the Financial Statements

	As at 31 March 2016				As at 31 March 2015			
	Revenues	Results / Net Profit (Loss)	Assets	Liabilities #	Revenues	Results / Net Profit (Loss)	Assets	Liabilities #
Total of Reportable Segments	14,276.30	(1,151.72)	31,722.49	1,718.22	13,597.73	(203.89)	31,183.99	3,490.93
Corporate-Unallocated/Others (Net)	128.87	@ (233.41)	6,035.05	43,505.74	136.64	@ (468.77)	8,375.73	37,084.04
Inter Segment Revenues from Operations	(1,244.96)	-	-	-	(794.99)	-	-	-
Other Allocated Segment Income	3.03	-	-	-	12.06	-	-	-
Finance Costs	-	4,754.44	-	-	-	2,293.60	-	-
Tax Expenses-Current Tax	-	-	-	-	-	(7.44)	-	-
MAT Credit Entitlement	-	(274.71)	-	-	-	(38.68)	-	-
Tax Expenses-Deferred tax(Charge)/Credit	-	-	-	-	-	(14.06)	-	-
As per Financial Statements	13,163.24	##(6414.28)	37,757.54	45,223.96	12,951.44	##(3,026.44)	39,559.72	40,574.97

@ After considering Extraordinary item (Gross of Tax) Rs. Nil (31 March 2015 : Rs. 27.43 Million)

Excluding Shareholder's Funds and Minority Interest

Profit after Taxation and before Minority Interest

B. Secondary Segment Reporting (By Geographical Segment)

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

	31 March 2016			31 March 2015		
	India	Outside India	Total	India	Outside India	Total
Revenue External (Net of Excise Duty)	12,509.25	522.09	13,031.34	10,277.54	2,525.20	12,802.74
Total Segment Assets	31,674.23	48.26	31,722.49	30,830.06	353.93	31,183.99
Capital Expenditure	32.76	-	32.76	3,421.59	-	3,421.59

NOTES

to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

Particulars	As at 31 March 2016			As at 31 March 2015		
	USD	EURO	Amount (INR)	USD	EURO	Amount (INR)
39 DETAILS OF FOREIGN CURRENCY EXPOSURE						
a) Trade Receivable	0.03	-	2.09	-	-	-
b) Trade Payable	0.58	0.00	38.61	0.50	-	31.08
c) Capital Advance	0.51	0.05	37.53	0.51	0.01	32.23
d) Capital Creditors	0.25	0.21	32.30	0.12	0.27	25.29
e) Advance to Supplier	0.16	0.00	11.04	0.02	0.01	1.27
f) Advance from Customers	0.01	-	0.35	0.03	-	2.15
g) Advances Recoverable in cash or kind	0.01	-	0.56	0.01	-	0.67
h) Short Term Borrowings	4.16	-	275.81	6.54	-	409.18
i) Buyers Credit	-	-	-	-	-	-
* Unhedged foreign currency exposure as on Balance Sheet date has been derived without considering the effect of any natural hedge.						
Derivatives Outstanding as at the reporting date						
a) Forward Contracts to sell USD - Hedge of firm commitment and highly probable forecast transaction	0.85	-	58.04	9.00	-	571.79
b) Forward Contracts to buy USD - Hedge of firm commitment and highly probable forecast transaction	17.53	-	1,163.21	21.47	-	2,058.85
Mark to market losses provided for	-	-	0.01	-	-	0.62

40 OPERATING LEASES

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

	Year ended 31 March 2016	Year ended 31 March 2015
With respect to all operating lease		
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	23.09	16.81

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to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

41(A) RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 18

Related Parties	Name of the Related Parties
(i) Where Control Exists	
Ultimate Holding Company	VISA Infrastructure Limited (up to 21 April 2015)
(ii) Others	
Enterprise having significant influence	VISA International Limited VISA Infrastructure Limited (from 22 April 2015)
Fellow Subsidiaries	VISA Resources India Limited (up to 21 April 2015) VISA Energy Ventures Limited (up to 21 April 2015) VISA Power Limited (upto 21 April 2015)
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman) Mr. Vishal Agarwal (Vice Chairman & Managing Director) Mr. Punkaj Kumar Bajaj - Joint Managing Director & CEO (Steel Business) -Up to 14 September 2015 Mr. Manoj Kumar Digga w.e.f 14 August 2015 Mr. Manoj Kumar w.e.f 15 September 2015
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
Enterprise over which Relatives of Key Managerial Personnel having significant influence	VISA Resources India Limited (From 22 April 2015) VISA Energy Ventures Limited (From 22 April 2015) VISA Power Limited (From 22 April 2015) VISA Resources PTE Limited VISA Bulk Shipping PTE Limited VISA Trading (Shanghai) Co., Limited

41(B) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

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

Nature of Transactions	Name of the Related Parties	31 March 2016	31 March 2015
Rent Paid	VISA International Limited	4.05	3.54
	VISA Infrastructure Limited	4.43	4.39
Purchase of Goods	VISA Resources India Limited	1,518.46	1,249.39
Purchase of Traded Goods	VISA Resources India Limited	-	247.61
Sale of Goods	VISA Resources India Limited	3,455.39	1,330.70
	VISA Resources PTE Limited	-	259.61
	VISA International Limited	391.02	-
Freight - Paid	VISA Resources India Limited	-	4.84
Hire Charges-Paid	VISA Resources India Limited	14.30	14.57
Commission -Paid	VISA Trading (Shanghai) Co. Limited	3.86	12.65
	VISA Resources India Limited	16.70	-
Finance Cost	VISA Infrastructure Limited	45.09	-
	VISA Resources India Limited	128.48	426.75
Remuneration	Mr. Vishambhar Saran	30.09	16.91
	Mr. Vishal Agarwal	30.38	20.19
	Mr. Punkaj Kumar Bajaj	-	9.92
	Mr. Manoj Kumar Digga	9.93	-
Purchase of FPS Licenses	VISA Resources India Limited	5.17	-
Reimbursement of Expenses (Net)	VISA Resources India Limited	112.90	184.86
	VISA Bulk Shipping Pte Limited	-	-
	VISA Resources PTE Limited	-	49.42
Issue of Preference Shares	VISA Infrastructure Limited	0.39	-
Advance Paid	VISA Infrastructure Limited	0.05	-
Shared Service Fees	VISA Infrastructure Limited	0.04	-
Advance against Sales	VISA Power Limited	(27.00)	27.00
Unsecured Loan Taken	VISA Infrastructure Limited	329.40	252.00

NOTES

to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

41(C) DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	31 March 2016					31 March 2015				
	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel
Rent Charges	0.37	-	8.11	-	-	4.39	-	3.54	-	-
Hire Charges	-	-	-	-	14.30	-	14.57	-	-	-
Purchase of Goods	-	-	-	-	1,518.46	-	1,249.39	-	-	3.09
Purchase of Traded Goods	-	-	-	-	-	-	247.61	-	-	-
Sale of Goods	-	25.60	391.02	-	3,422.98	-	1,330.70	-	-	259.61
Freight	-	-	-	-	-	-	4.84	-	-	-
Commission	-	-	-	-	20.56	-	-	-	-	12.65
Shared Service Fees	0.04	-	-	-	-	-	-	-	-	-
Purchase of FPS Licenses	-	-	-	-	5.17	-	-	-	-	-
Finance Cost	-	-	45.09	-	128.48	0.53	426.75	-	-	-
Issue of Preference Shares	0.39	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses (Net)	0.25	-	4.95	-	113.32	0.21	176.70	0.45	-	70.29
Unsecured Loan Taken	154.00	-	175.40	-	-	252.00	-	-	-	-
Advance Paid	0.05	-	-	-	-	-	-	-	-	-
Advance against Sales	-	-	-	-	-	-	27.00	-	-	-
Refund of Advance	-	-	-	-	27.00	-	-	-	-	-
Remuneration	-	-	-	86.42	4.03	-	-	-	47.02	0.67
Outstanding at closing	-	-	-	-	-	-	-	-	-	-
Receivable	-	-	337.92	56.35	881.59	258.09	-	11.91	85.54	160.90
Payable	0.03	-	41.88	-	935.39	-	1,918.53	-	-	20.63
Long term borrowings	-	-	581.40	-	-	252.00	-	-	-	-

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to Consolidated Financial Statements

All amount in Rs. Million, unless otherwise stated

42 ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS .

SL No	Name of the Entity [Refer Note (a) below]	Year Ended				Year Ended			
		31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
		Net Assets	As a % of Consolidated Net Assets	Net Assets	As a % of Consolidated Net Assets	Net Profit/(Loss)	As a % of Consolidated Profit/(Loss)	Net Profit/(Loss)	As a % of Consolidated Profit/(Loss)
Parent									
1	VISA Steel Limited	(7,747.44)	94.23%	(3,142.42)	153.46%	(4,678.24)	76.00%	(2,045.82)	74.96%
Subsidiaries									
2	VISA Bao Limited	(254.44)	3.09%	845.11	(41.27%)	(332.95)	5.41%	(93.08)	3.41%
3	Ghotaringa Minerals Limited	13.55	(0.16%)	12.67	(0.62%)	0.00	0.00%	0.02	0.00%
4	VISA Suncoke Limited	511.69	(6.22%)	1,259.11	(61.49%)	(1,403.03)	22.79%	(887.34)	32.51%
5	Kalinganagar Special Steel Private Limited	0.09	0.00%	0.10	0.00%	(0.01)	0.00%	(0.04)	0.00%
6	VISA Ferro Chrome Limited*	0.01	0.00%	0.02	0.00%	(0.01)	0.00%	(0.03)	0.00%
7	VISA Special Steel Limited*	(0.07)	0.00%	0.04	0.00%	(0.11)	0.00%	(0.14)	0.01%
8	Kalinganagar Chrome Private Limited	0.23	0.00%	0.24	(0.01%)	(0.01)	0.00%	(0.01)	0.00%
	Minority Interest in Subsidiaries	(755.37)	9.19%	(1,032.45)	50.42%	259.00	(4.21%)	297.34	(10.90%)
Joint Venture									
9	VISA Urban Infra Limited	9.96	(0.12%)	9.88	(0.48%)	0.08	0.00%	0.01	0.00%
		(8,221.79)	100.00%	(2,047.70)	100.00%	(6,155.28)	100.00%	(2,729.10)	100.00%

- (a) All entities specified above have been incorporated in India.
 (b) The Net Asset position / Net Profit of the Company considered above is after considering elimination if any, for determining the Profit for the Year in the Consolidated Statement of Profit and Loss
 (c) *Represents Step down Subsidiary

43 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

Vishal Agarwal
 Vice Chairman & Managing Director

Manoj Kumar
 Director (Kalinga Nagar)

Pradip Law
 Partner
 Membership Number : 51790

Keshav Sadani
 Company Secretary

Manoj Kumar Digga
 Director (Finance) & CFO

Place: Kolkata
 Date: 27 May 2016

NOTES

to Consolidated Financial Statements

(PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 READ WITH RULES 5 OF THE COMPANIES (ACCOUNTS) RULES 2014)

Statement containing salient features of the financial statement of subsidiaries/joint ventures for the year ended on 31 March 2016

PART -A - Subsidiary Company

(Amount in Rs.)

Name of the Subsidiary	VISA SunCoke Limited	VISA BAO Limited	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited	Ghotaringa Minerals Limited
Financial Year Ending on	31 March 2016	31 March 2016	31 March 2016	31 March 2016	31 March 2016
Reporting Currency	INR	INR	INR	INR	INR
Share Capital	20,676,000	910,000,000	700,000	600,000	10,000,000
Reserves & Surplus	1,009,426,933	(220,804,933)	(941,699)	(66,212)	9,167
Total Assets	2,852,354,816	2,930,469,531	176,619	538,368	-
Total Liabilities	1,822,251,883	2,241,274,463	418,318	4,580	3,873,680
Details of Investment (Except in case of Subsidiaries)	100,000	-	-	-	-
Turnover (including Other Income)	4,095,175,184	160,079,245	-	-	70,604
Profit/(Loss) Before Taxation	(417,977,367)	(175,410,294)	(151,439)	(7,029)	5,009
Provision for Taxation	-	-	-	-	2,377
Profit/(Loss) after Taxation	(417,977,367)	(175,410,294)	(151,439)	(7,029)	2,632
Proposed Dividend	-	-	-	-	-
Percentage of Shareholding	51 %	65 %	100 %	100 %	89 %

Notes:

Name of the Subsidiary yet to commence operations : Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA BAO Limited and Ghotaringa Minerals Limited

PART -B - Joint Ventures

Name of the Joint Ventures	VISA Urban Infra Limited
Latest Audited Balance Sheet Date	31 March 2016
Number of Shares held as on 31 March 2015	1,000,000
Amount of Investment in Joint Ventures as on 31 March 2015	10,000,000
Extent of Shareholding % as on 31 March 2015	26 %
Description of how there is a significant influence	By virtue of Share Holding
Reason why Joint ventures is not consolidated	Not Applicable
Net worth attributable to Shareholding	27,995,905
Profit/(Loss) for the year (Consolidated)	313,490
a) considered in Consolidation	81,507
b) Not Considered in Consolidation	231,983

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director

Manoj Kumar
Director (Kalinga Nagar)

Keshav Sadani
Company Secretary

Manoj Kumar Digga
Director (Finance) & CFO

Place: Kolkata

Date: 27 May 2016

CORPORATE INFORMATION

Board of Directors

Mr. Vishambhar Saran, Chairman
Mr. Vishal Agarwal, Vice Chairman & Managing Director
Mr. Debi Prasad Bagchi, Independent Director
Mr. Pratip Chaudhuri, Independent Director
Mr. Kishore Kumar Mehrotra, Independent Director
Ms. Puja Sondhi, Independent Director
Mr. Manas Kumar Nag, Nominee Director
Mr. Manoj Kumar Digga, Wholetime Director designated as Director (Finance) & Chief Financial Officer
Mr. Manoj Kumar, Wholetime Director designated as Director (Kalinganagar)

Company Secretary

Mr. Sudhir Kumar Banthiya

Statutory Auditors

Lovelock & Lewes

Internal Auditors

L. B. Jha & Co.

Bankers & Financial Institutions

Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
Edelweiss Asset Reconstruction Company Limited
Export Import Bank of India
HUDCO
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
SIDBI
State Bank of India
State Bank of Hyderabad
Syndicate Bank
UCO Bank
Union Bank of India
Vijaya Bank

Registrars

Karvy Computershare Private Limited

Registered Office

BHUBANESWAR
11 Ekamra Kanan, Nayapalli,
Bhubaneswar - 751015.
Tel: +91 (674) 2552 479,
Fax: +91 (674) 2554 661

Corporate Office

KOLKATA
VISA House,
8/10 Alipore Road,
Kolkata - 700027
Tel: +91 (33) 3011 9000
Fax: +91 (33) 3011 9002

Plant Offices

Kalinganagar Plant Site

Kalinganagar Industrial Complex,
P.O. Jakhapura,
Jajpur 755 026,
Odisha
Tel: +91 (6726) 242 441
Fax: +91 (6726) 242 442

Golagaon Plant Site

Village Golagaon, Near Duburi,
P.O. Pankapal, Jajpur,
Odisha
Tel: +91 (6726) 245 470
Fax: +91 (6726) 245 561

Corporate Identification Number

L51109OR1996PLC004601

VISA STEEL

www.visasteel.com

VISA STEEL

VISA Steel Limited

CIN: L51109OR1996PLC004601

Registered Office: 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015

Tel: +91 674 2552 479: Fax: +91 674 2554 661

Website: www.visasteel.com

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

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of VISA Steel Limited will be held on Wednesday, 28 December 2016 at 11.00 A.M. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Consolidated Audited Financial Statement for the Financial Year ended 31 March 2016, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Kumar Digga (DIN: 01090626), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Lovelock & Lewes, Chartered Accountants (Firm Registration No. 301056E) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Twenty First Annual General Meeting, be and is hereby ratified, on such remuneration plus service tax, reimbursement of out-of pocket expenses, etc., as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

4. To appoint Ms. Puja Sondhi (DIN 06592082) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and in accordance with the provisions of Articles of Association of the Company, Ms. Puja Sondhi (DIN 06592082), who was appointed as an Additional Director (Non-Executive, Independent) of the Company w.e.f. 24 October 2016 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Act, signifying its intention to propose her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and shall hold office for a period of 3 (three) years from 24 October 2016.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Mr. Vishambhar Saran (DIN 00121501) as the Whole time Director designated as Chairman and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (the Act), if any (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Rules made thereunder read with Schedule V to the Act, and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and in terms with the enabling provisions of the Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the Members be and is hereby accorded to the appointment of Mr. Vishambhar Saran (DIN 00121501) as the Whole time

Director designated as Chairman of the Company for a period of 5 (five) years w.e.f. 15 December 2016 on the following remuneration and perquisites for a period of 3 (three) years, as under:

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 Nomination and Remuneration Committee constituted by the Board) from time to time.

Special Allowance

Rs. 12,000/- per month with such revisions as may be determined by the Board from time to time.

Perquisites

Housing

House Rent Allowance of Rs. 358,000/- 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.

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 / 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.

Leave Pay

Leave with full pay and allowances as per the Rules of the Company.

Convenyance

A Company maintained Car will be provided for the use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities

The Company shall provide Telephone, and other communication facilities at the residence of Mr. 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 herein

above, 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.

RESOLVED FURTHER THAT pursuant to the provision of Section 197, Schedule V and other applicable provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such approval as may be necessary, in the event of loss or inadequacy of profits in any financial year during the tenure of his aforesaid appointment, Mr. Vishambhar Saran, the Whole time Director designated as Chairman, shall be paid remuneration by way of salary, perquisites and allowances as specified above, as the minimum remuneration, notwithstanding the limits prescribed from time to time under Section 197, Schedule V and any other applicable provisions of the Act.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Vishambhar Saran, Wholetime 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 Act for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint Mr. Vishal Agarwal (DIN 00121539) as the Vice Chairman & Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (the Act), if any (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Rules made thereunder

read with Schedule V to the Act, and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and in terms with the enabling provisions of the Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the Members be and is hereby accorded to the appointment of Mr. Vishal Agarwal (DIN 00121539) as the Vice Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. 25 June 2017 on the following remuneration and perquisites for a period of 3 (three) years, as under:

Salary (including Dearness Allowance)

Rs. 840,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

Special Allowance

Rs. 83,150/- 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.

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 / 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.

Leave Pay

Leave with full pay and allowances as per the Rules of the Company.

Conveyance

A Company maintained Car will be provided for the use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities

The Company shall provide Telephone, and other communication facilities at the residence of Mr. Agarwal. Use of personal long distance calls shall be billed to him separately.

Other benefits, amenities and facilities as per Company's Rules, subject to overall remuneration mentioned herein above, Mr. Agarwal may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

RESOLVED FURTHER THAT Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Wholetime Director designated as Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT pursuant to the provision of Section 197, Schedule V and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof, for the time being in force), notwithstanding anything to the contrary contained herein and subject to such 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. Vishal Agarwal, Vice Chairman & Managing Director of the Company, shall be paid remuneration by way of salary, perquisites and allowances as specified above, as the minimum remuneration, notwithstanding the limits prescribed from time to time under Section 197, Schedule V and any other applicable provisions of the Act.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Vishal Agarwal, Vice Chairman & Managing Director, shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors. 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. Vishal Agarwal and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To ratify the Remuneration of the Cost Auditors for the Financial year ending 31 March 2017 and in this regard to consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 40,000 plus service tax and actual out-of-pocket expenses payable to M/s. DGM & Associates (Firm Registration No. 00038), who are appointed as the Cost Auditors to conduct audit of the cost records maintained by the Company for the Financial Year 2016-17.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To approve related party transactions and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, approval of the Members of the Company be and is hereby accorded for contracts/ arrangements entered in to or to be entered with related parties by the Company, as per the terms and conditions as detailed in the explanatory statement to this Notice.

RESOLVED FURTHER THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations 2015, approval of the Members of the Company be and is hereby accorded for ratification of contracts/arrangements entered in to with related parties by the Company as per the terms and conditions as detailed in the explanatory statement to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, including delegation of powers, in the best interest of the Company.”

9. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

By Order of the Board
For VISA Steel Limited

Sudhir Kumar Banthiya
(Company Secretary)

Place: Kolkata
Date: 18 November 2016

Registered Office:
11 Ekamra Kanan, Nayapalli
Bhubaneswar 751 015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY/PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Members / proxies should bring the Attendance Slips along with their copy of Annual Report to the meeting.
3. Corporate Shareholders / Trust / Societies are requested to send a duly certified copy of the Board / Managing Committee Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books will remain closed from 21 December 2016 to 28 December 2016 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out details relating to Special Business at the meeting is annexed hereto.
6. The Certificate from the Auditors of the Company for the Company's Employee Stock Option Scheme 2010 (ESOP Scheme 2010) will be available for inspection at the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained by the Company under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
8. The Register of Contracts or Arrangement in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
9. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and all its Subsidiaries for consideration and adoption by the Members of the Company.
10. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, brief profile of the Directors seeking appointment / re-appointment at the Annual General Meeting is annexed to this Notice.
11. The Annual Report for 2015-16 is being sent to all Members in electronic mode whose email ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
12. The Notice of the 20th AGM of the Company inter-alia indicating the process and manner of remote e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent in permitted mode.
13. Members may also note that the Notice of the 20th AGM and the Annual Report for 2015-16 will be available on the Company's website, www.visasteel.com. The physical copies of all the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investors@visasteel.com.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar.

15. Voting through Electronic means

- a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- b. The facility for voting through ballot paper shall be made available at the venue of the Meeting. Members who are attending the meeting and have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- c. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d. The Company has appointed Karvy Computershare Private Limited (Karvy) as the Agency for the purpose of facilitating the e-voting.
- e. The Company has appointed M/s. MKB Associates, Company Secretaries and Mr. Debendra Raut, Practicing Company Secretary of M/s. D Raut & Associates as the Scrutinizers to scrutinize the voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

(a) INSTRUCTION FOR E-VOTING

- i. In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)].
 - a. Use the following URL for e-voting from Karvy's website: <https://evoting.karvy.com>.
 - b. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for

e-voting, you can use your existing User ID and password for logging in.

- c. After entering these details appropriately, click on "LOGIN".
- d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e. You need to login again with the new password.
- f. On successful login, the system will prompt you to select the "EVENT" i.e. VISA Steel Limited.
- g. On the e-voting page, enter the number of shares (which represents the number of votes as on the Cut off date) under "FOR / AGAINST/ ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
- h. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
- i. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- j. You may then cast your vote by selecting an appropriate option and click on "Submit".
- k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you

- confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- i. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizers at email id: scrutinizermkb@gmail.com & csdraut@gmail.com with a copy marked to evoting@karvy.com.
 - ii. In case a member receives physical copy of the Notice by permitted mode [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
 - a. User ID and initial password - These will be sent separately.
 - b. Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
- (b) The remote e-voting period commences on Sunday, 25 December 2016 at 09.00 AM and ends on Tuesday, 27 December 2016 at 05.00 PM. During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as on 21 December 2016, the cutoff date, may cast their vote electronically in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently.
- (c) Any person, who acquires shares of the Company and become Member of the Company after despatch of the notice and holding shares as of the cut-off date for e-voting i.e. 21 December 2016, may obtain the login ID and password by sending a request at evoting@karvy.com or Issuer/RTA. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on <https://evoting.karvy.com> or contact Karvy at the following toll free no.: 1-800-34-54-001.
- (d) In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>.
- (e) The Scrutinizers, after scrutinizing the votes cast at the meeting and through remote e-voting, in the presence of at least 2 (two) witnesses not in the employment of the Company, shall within 48 hours from the time of conclusion of AGM, submit their consolidated report of the votes cast in favour or against, if any, to the Chairman of the Company. The Results declared alongwith the report of the Scrutinizers shall be placed on the website of the Company at www.visasteel.com and on the website of Karvy at <https://evoting.karvy.com> immediately after the declaration of result by the Chairman or a person authorised by him. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited.
- 16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
- Item no. 4**
- Ms. Puja Sondhi (DIN 06592082) was appointed as Additional Director (Non-Executive, Independent) on the Board of Directors of the Company w.e.f. 24 October 2016. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and the Rules made thereunder, Ms. Puja Sondhi holds office as such up to the date of this Annual General Meeting. The Company has received notice in writing alongwith requisite deposit from a member under Section 160 of the Act, proposing her candidature for the office of the Director.
- In terms of provisions of Section 149 and 152 of the Act, which became effective from 1 April 2014, an Independent Director of a Company can be appointed for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation. Accordingly, it is proposed to appoint Ms. Puja Sondhi as Independent Director of the Company to hold office as such for a period of 3 (Three) years i.e. up to 23 October 2019, who shall not be liable to retire by rotation.
- Ms. Puja Sondhi has given the requisite declaration pursuant to Section 149(7) of the Act, to the effect that she meets

the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Ms. Puja Sondhi, proposed to be appointed as Independent Director fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the management.

Her brief profile, including nature of her expertise and other disclosures as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in Annexure 1 of this Notice.

The Board recommends the Resolution set out at Item No. 4 of the Notice for approval of the Members of the Company.

Except Ms. Puja Sondhi, being appointee and her relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

Item no. 5

Mr. Vishambhar Saran was re-appointed as Whole time Director designated as Chairman of the Company for a period of three years with effect from 15 December 2013, which was approved by the Board of Directors at its meeting held on 31 October 2013 on the recommendation of the Nomination and Remuneration Committee. The Members of the Company had granted the approval at their meeting held on 16 December 2013.

Keeping in view the vast experience and knowledge of Mr. Vishambhar Saran, the Board of Directors had appointed him as Wholetime Director designated as Chairman of the Company for a period of 5 (Five) years w.e.f. 15 December 2016 and approved remuneration payable for a period of 3 (three) years on the terms and conditions as mentioned in the said resolution and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (the Act), if any, and the Rules made thereunder read with Schedule V of the Act.

The information as required under the provisions of Schedule V of the Companies Act, 2013 (the Act) and also under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished below:

- (I) General Information : As per Annexure A to the Notice.
- (II) Information about Mr. Vishambhar Saran
 - (1) Background details :
Born on 04.12.1947 at Faizabad, U.P., Secured Bachelor's Degree in Mining Engineering from Institute of Technology, Banaras Hindu University in 1969, then served TATA Steel for 25 years, starting from their various mines, ports and in Kolkata Office, rising to the position of Director – Raw Materials, TATA Steel in 1988. He availed voluntary retirement from 1st April, 1994. He has been associated with VISA Steel Limited since 10.09.1996.
 - (2) Past Remuneration
Mr. Saran was entitled to receive a sum of Rs.33,989,976/- per annum as remuneration, as approved by the members of the Company at the Annual General Meeting held on 16 December 2013. In view of the ongoing losses being incurred by the Company, Mr. Saran had voluntarily reduced his salary to Rs.15,120,967/- per annum (by about 55 %), excluding retirement benefits, with effect from 1 April 2014.
 - (3) Recognition or awards
As stated in (1) above
 - (4) Job profile and his suitability
Mr. Vishambhar Saran as Wholetime Director designated as Chairman is responsible for the overall in charge of the affairs of the Company and its subsidiaries and is accountable to the Board of Directors. Considering his past track record, qualifications, vast experience and his achievement in the same business, Mr. Saran is best suited for the assignment as Wholetime Director designated as Chairman of the Company.
 - (5) Remuneration proposed
As detailed in the Resolution.
 - (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. 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, growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : NIL

(III) Other Information: As per Annexure B to the Notice

The companies in which Mr. Saran is a Director and his Committee positions is given in Annexure 1 of this Notice.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval of the Members of the Company.

Mr. Vishambhar Saran, Mr. Vishal Agarwal and their relatives are deemed to be interested/concerned in these resolution(s) to the extent specified hereinabove. No other Director and key managerial personnel of the Company including their relatives are interested, financially or otherwise in the resolution.

Item no. 6

Mr. Vishal Agarwal was re-appointed as Vice Chairman & Managing Director of the Company for a period of three years with effect from 25 June 2014, which was approved by the Board of Directors at its meeting held on 23 May 2014 on the recommendation of the Nomination and Remuneration Committee. The Members of the Company had granted the approval at their meeting held on 28 December 2014.

Keeping in view the vast experience and knowledge of Mr. Vishal Agrawal, the Board of Directors had appointed him as the Vice Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f 25 June 2017 and approved remuneration payable for a period of 3 (three) years on the terms and conditions as mentioned in the said

resolution and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (the Act), if any, and the Rules made thereunder read with Schedule V of the Companies Act, 2013.

The information as required under the provisions of Schedule V of the Companies Act, 2013 and also under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished below:

(I) General Information : As per Annexure A to the Notice

(II) Information about : Mr. Vishal Agarwal

(1) Background details :

Mr. Agarwal holds a Bachelors degree in Economics from the London School of Economics and a Master's degree in Economics for Development from Oxford University. He has over 19 years experience in the iron & steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Coke and Ferro Chrome industry.

(2) Past Remuneration:

Mr. Agarwal was entitled to receive a sum of Rs.29,482,964/- per annum as remuneration, as approved by the members of the Company at the Annual General Meeting held on 24 December 2014. In view of the ongoing losses being incurred by the Company, Mr. Agarwal had voluntarily reduced his salary to Rs. 15,000,021/- per annum (by about 50%), excluding retirement benefits, retrospectively from 1 April 2014.

(3) Recognition or awards:

As stated in (1) above

(4) Job profile and his suitability:

Mr. Vishal Agarwal as Vice Chairman & Managing Director is responsible for the entire operations of the plant of the Company and is accountable to the Board of Directors. Considering his past track record, qualifications, vast experience and his achievement in the same business, Mr. Agarwal is best suited for the assignment as Vice Chairman & Managing Director of the Company.

(5) Remuneration proposed
As detailed in the Resolution.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Agarwal which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. Considering his rich experience, competence, growth and development of the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Nil

(III) Other Information: As per Annexure B to the Notice

The companies in which Mr. Agarwal is a Director and his Committee positions is given in Annexure 1 of this Notice.

The Board recommends the Resolution set out at Item No. 6 of the Notice for approval of the members of the Company.

Mr. Vishal Agarwal, Mr. Vishambhar Saran and his relatives are deemed to be interested/concerned in these resolution(s) to the extent specified hereinabove. No other Director and key managerial personnel of the Company including their relatives are interested, financially or otherwise, in the resolution.

Item no. 7

The Company is directed, under Section 148 of the Companies Act, 2013 to have the audit of its cost records

conducted by a Cost Accountant in practice. The Board of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. DGM & Associates as the Cost Auditors of the Company to conduct cost audit relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules made thereunder for the year ending 31 March 2017, at a remuneration of Rs. 40,000 plus out-of-pocket expenses, at actuals.

M/s. DGM & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board has approved the remuneration of Rs. 40,000 plus out-of-pocket expenses to M/s. DGM & Associates as the Cost Auditors and the ratification of the shareholders is sought for the same.

The Board recommends the Resolutions set out at Item No. 7 of the Notice for approval of the members of the Company.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

Item no. 8

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) read with Rules made thereunder and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment for the time being in force), all Related Party Transactions beyond the prescribed threshold limit require Shareholders approval.

In terms of the above, approval of the Members is required on the transaction(s), which are material in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore, the Board has proposed the same to be placed before the shareholders for their approval as a Special Resolution.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

No	Name of Party	Nature of Relationship	Particulars of the Contract/ Arrangement	Period of the Contract / Arrangement	Manner of price determination	Estimated Annual Value INR (Crores)
1	VISA SunCoke Limited	Subsidiary Company	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions	1 April 2016 to 31 March 2017	Arm's length pricing as agreed in Audit Committee Meeting	300
2	VISA Resources India Limited	Fellow Subsidiary (up to 22 April 2015), thereafter Enterprises over which KMP or Relatives of KMP exercise significant influence	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions	1 April 2016 to 31 March 2017	Arm's length pricing as agreed in Audit Committee Meeting	1200
3	VISA Minmetal Limited	Enterprises over which KMP or Relatives of KMP exercise significant influence	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions	1 April 2016 to 31 March 2017	Arm's length pricing as agreed in Audit Committee Meeting	400

The details of the transactions for ratification forms part of Financial Statement (Note 48).

The aforesaid proposed contract(s) / transaction(s) / arrangement(s) have been approved by the Audit Committee and recommended by the Board of Directors of the Company to the shareholders for their approval.

The Board recommends the Resolutions set out at Item No. 8 of the Notice for approval of the members of the Company.

Except Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution.

Item No. 9

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a

member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors has proposed that a sum equivalent to the estimated actual expense of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

The Board recommends the Resolution set out at Item No. 9 of the Notice for approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

By Order of the Board
For VISA Steel Limited

Place: Kolkata
Date: 18 November 2016

Registered Office:

11 Ekamra Kanan, Nayapalli
Bhubaneswar 751 015

Sudhir Kumar Banthiya
(Company Secretary)

ANNEXURE A

General Information about the Company

(1) Nature of industry:

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

(2) Date of commencement of commercial production:

Sl. No.	Name of the Unit	Annual Production Capacity	Date of commencement of Commercial Production
1.	Blast Furnace	225,000 TPA	March 2005
2.	Coke Oven Plant	400,000 TPA	March 2006 to July 2007
3.	Ferro Alloy Plant	60,000 TPA	November 2007
4.	Power Plant	1st 25 MW	October 2008
		2nd 25 MW	March 2009
		3rd 25 MW	September 2010
5.	500,000 TPA	150,000 TPA	October 2008
		150,000 TPA	June 2009
6.	Steel Melt Shop	500,000 TPA	December 2014
7.	Bar & Wire Rod Mill	500,000 TPA	March 2015

(3) Financial performance based on given indicators

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Net Revenue	10,111.90	9,221.57	13,031.34	12,802.74
Other Income	272.18	288.52	131.90	148.70
Total Revenue	10,384.08	9,510.09	13,163.24	12,951.44
Profit before interest, depreciation, tax & exceptional item	119.81	267.98	46.84	307.59
Finance Cost	4,453.71	2,061.90	4,754.44	2,293.60
Depreciation	1,226.86	574.09	1,431.89	767.30
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(5,560.76)	(2,368.01)	(6,139.49)	(2,753.31)
Exceptional & Extraordinary Items	-	-	-	(212.95)
Profit / (Loss) before Tax	(5,560.76)	(2,368.01)	(6,139.49)	(2,966.26)
Tax Expenses	274.71	46.39	274.79	60.18
Profit / (Loss) after Tax	(5,835.47)	(2,414.40)	(6,414.28)	(3,026.44)
Minority Interest	-	-	(259.00)	(297.34)
(Loss) / Profit for the period	(5,835.47)	(2,414.40)	(6,155.28)	(2,729.10)

(4) Foreign investments or collaborators, if any : NIL

ANNEXURE B

(1) Reasons of loss or inadequate profits:

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

During the year under review, the Company's performance was adversely impacted due to various external factors beyond management control including failure of the commitment made by the State Government through MoU to grant captive Iron Ore Mining Lease, depriving the Company from long term source of Iron Ore at cost, de-allocation of Coal Block by Ministry of Coal & Hon'ble Supreme Court's order dated 24 September 2014, depriving the Company from long term source of Coal at cost, non availability of Iron Ore and Chrome Ore at viable prices due to closure of Mines due to Shah Commission Investigation since 2011 & Supreme Court judgment on 16 May 2014, non-availability of working capital for Plant operations, sharp drop in Steel prices due to Chinese overcapacity, dumping of Steel from China and Russian Rouble depreciation, FTA's with Japan & Korea wherein Steel was being imported at import duty of below 2.5% and high interest costs, logistics costs, infrastructure bottlenecks etc.

(2) Steps taken or proposed to be taken for improvement to address these challenges:

The Company has initiated several measures towards achieving organisational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls inter alia:

1. The Company is taking various measures for raw material availability and reduce its input raw material cost including specific consumption per unit of product.
 2. Cost reduction by optimizing production.
 3. The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating & energy efficiencies and increasing overall productivity.
- (3) Expected increase in productivity and profits in measurable terms:
The Company has taken appropriate steps to ensure improvement in profitability in future which is subject to improvement in economic scenario and market condition. The performance of the Company has been adversely affected due to various external factors. It would therefore, be inappropriate to quantify in measurable terms the likely increase in productivity and profits, which has taken place as a result of the steps taken by the Company.

Annexure 1

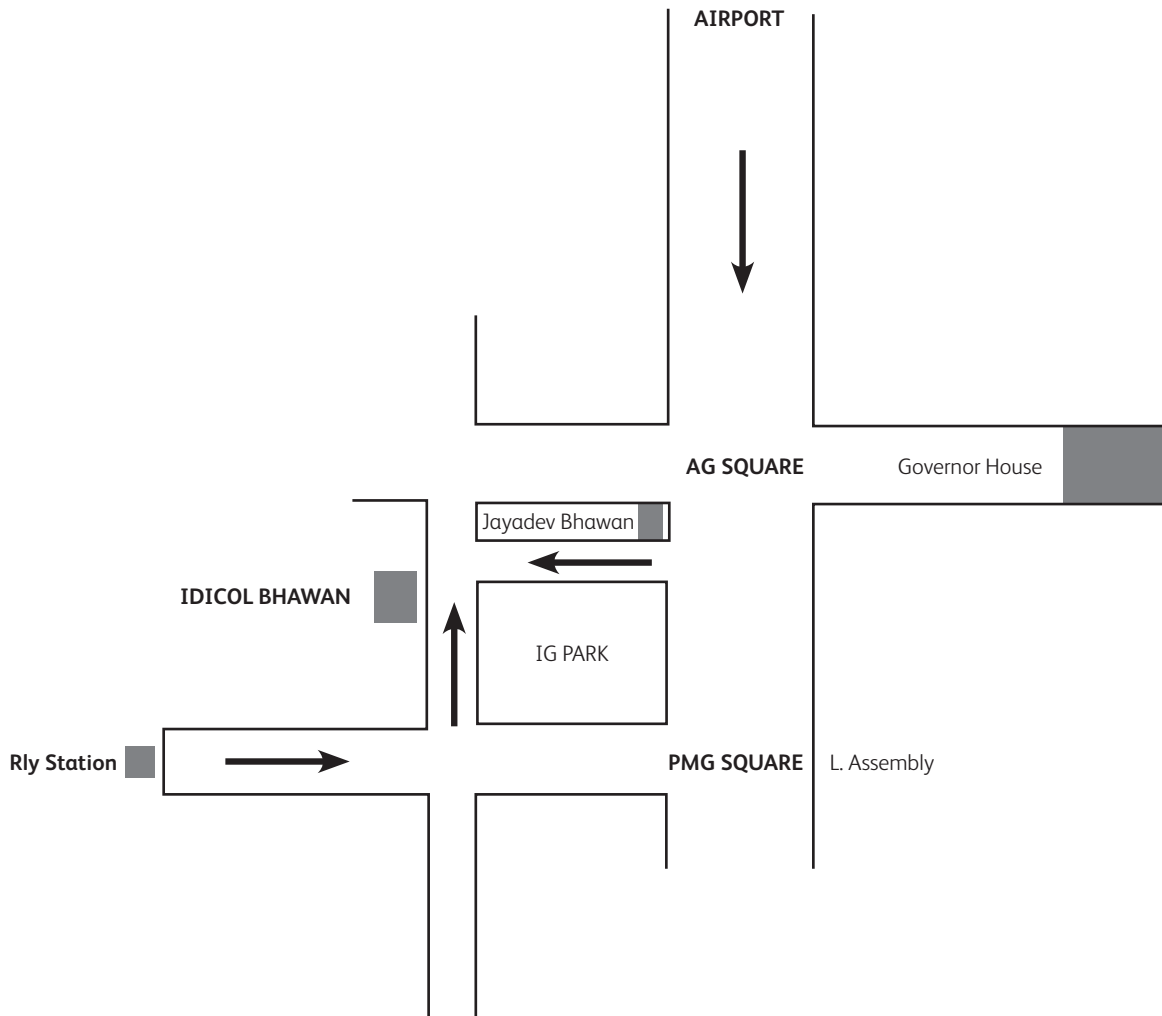
Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

[in pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

Name of the Director	Mr. Vishambhar Saran	Ms. Puja Sondhi
DIN	00121501	06592082
Date of Birth	04.12.1947	16.09.1979
Date of first appointment	10.09.1996	24.10.2016
Qualifications	Secured Bachelor's Degree in Mining Engineering from Institute of Technology, Banaras Hindu University in 1969	LLB degree from the premier National Law School of India University, Bangalore
Expertise in specific functional area	Mr. Saran has experience of almost 47 years in the iron & steel industry, with over 26 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 in 1988 before taking over as Chairman of the VISA Group in 1994. In a short span of time, he has built the VISA Group into a minerals and metals conglomerate. He is the Honorary Consul of the Republic of Bulgaria for Eastern India, Member of National Executive Committee of Federation of Indian Chamber of Commerce & Industry (FICCI) and former President of Indian Chamber of Commerce, Kolkata.	Ms. Sondhi is a Partner with Shardul Amarchand Mangaldas & Co., Advocates & Solicitors in the General Corporate Practice with specialisation in matters relating to Joint Ventures, Mergers & Acquisitions, and Private Equity. She received her LLB degree from the premier National Law School of India University, Bangalore where she was a gold medalist. She has done her Masters in law from NYU School of Law where she was a Hauser Global Scholar and recipient of many awards. She is qualified to practice in New York and India. She holds memberships of Delhi High Court Bar Association and New York State Bar.
Directorship held in other public companies (excluding foreign companies)	VISA Infrastructure Limited VISA International Limited VISA Resource India Limited VISA BAO Limited VISA Power Limited VISA Special Steel Limited VISA Energy Venture Limited VISA Minmetal Limited	NIL
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Audit Committee - Chairman VISA Infrastructure Limited	NIL
Number of shares held in the Company	NIL	NIL
Relationship with Directors interse	Mr. Saran is the father of Mr. Vishal Agarwal, Vice Chairman & Managing Director.	Ms. Sondhi is not related to any Director of the Company.
Number of Board Meetings attended during the year	6	N.A.

Name of the Director	Mr. Vishal Agarwal	Mr. Manoj Kumar Digga
DIN	00121539	01090626
Date of Birth	14.09.1974	02.09.1969
Date of first appointment	10.09.1996	14.08.2015
Qualifications	Bachelor's degree in Economics from the London School of Economics and a Master's degree in Economics for Development from Oxford University.	CA, CS & M.Com
Expertise in specific functional area	<p>Mr. Agarwal has over 19 years' experience in the iron & steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for transforming VISA Steel into a leading player in the Special Steel, Coke and Ferro Chrome industry.</p> <p>He holds a Bachelor's degree in Economics from the London School of Economics and a Master's degree in Economics for Development from Oxford University. He is a Committee Member of the CII - Eastern Region Council and Indian Chamber of Commerce. He is also the Chairman of ICC Odisha Expert Committee.</p>	<p>Mr. Digga, is a qualified Chartered Accountant and a qualified Company Secretary with over 25 years of experience in Finance, including Corporate Finance, Banking, Domestic & International Taxation, Treasury, Risk Management, Strategy and Secretarial Matters. He joined VISA group in the year 1995 and since then he had played key role in shaping the Company's business plans and financial strategy. He oversees the finance and accounting affairs of the Company. He has also played a vital role in mobilising funds for the expansion projects of the Company.</p>
Directorship held in other public companies (excluding foreign companies)	<p>VISA International Limited VISA Aluminium Limited VISA BAO Limited VISA Cement Limited VISA Special Steel Limited VISA SunCoke Limited VISA Ferro Chrome Limited</p>	<p>Ghotaringa Minerals Limited Kalinganagar Chrome Private Limited VISA Ferro Chrome Limited VISA Aviation Limited</p>
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	<p><u>Audit Committee - Chairman</u> VISA International Limited</p> <p><u>Audit Committee - Member</u> VISA BAO Limited</p>	Nil
Number of shares held in the Company	Nil	Nil
Relationship with Directors interse	Mr. Agarwal is the son of Mr. Vishambhar Saran, Chairman.	Mr. Digga is not related to any Director of the Company
Number of Board Meetings attended during the year	5	4

ROUTE MAP



**20th Annual General Meeting
Wednesday, 28th December,
2016, at 11.00 a.m.**

VISA STEEL LIMITED

CIN : L51109OR1996PLC004601

Regd. Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar - 751 015

Tel : (+91-674) 2552479 Fax : (+91-674) 2554661 e-mail : investors@visasteel.com website : www.visasteel.com

ATTENDANCE SLIP

No. of shares held :

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 20th Annual General Meeting of the Company to be held on Wednesday, 28 December 2016 at 11.00 a.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit - II, Bhubaneswar - 751 009.

.....
Name of the Member / Proxy (in BLOCK letters)

.....
Signature of Member / Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

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ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID	Password / PIN

Please refer to the AGM Notice for e-voting instructions.

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**20th Annual General Meeting
Wednesday, 28th December,
2016, at 11.00 a.m.**

VISA STEEL LIMITED

CIN : L51109OR1996PLC004601

Regd. Office : 11 Ekamra Kanan, Nayapalli, Bhubaneswar - 751 015

Tel : (+91-674) 2552479 Fax : (+91-674) 2554661 e-mail : investors@visasteel.com website : www.visasteel.com

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

I/We, being the member(s), holding..... shares of the above named Company hereby appoint :

- (1) Name Address
E-mail id Signature or failing him/her
- (2) Name Address
E-mail id Signature or failing him/her,
- (3) Name Address
E-mail id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Wednesday, 28 December 2016 at 11.00 a.m. at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit - II, Bhubaneswar 751 009 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below :

Resolution No.	Resolutions	Vote	
		For	Against
Ordinary Business :			
1.	To receive, consider and adopt the Audited Financial Statements of the Company including Consolidated Audited Financial Statement for the Financial Year ended 31 March 2016, together with the Report of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Manoj Kumar Digga (DIN : 01090626), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To ratify the appointment of the Statutory Auditors.		
Special Business :			
4.	To appoint Ms. Puja Sondhi (DIN 06592082) as an Independent Director.		
5.	To appoint Mr. Vishambhar Saran (DIN : 00121501) as Wholetime Director designated as Chairman.		
6.	To appoint Mr. Vishal Agarwal (DIN : 00121539) as Vice Chairman & Managing Director.		
7.	To ratify the Remuneration of the Cost Auditors for the Financial Year ending 31 March 2017.		
8.	To approve related party transactions.		
9.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.		

Signed this day of 2016

Signature of Shareholder (s) Signature of Proxy holder(s)

Folio No./DP ID & CL ID

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
Revenue
Stamp