7 September 2021

BSE Limited 25th Floor, P J Tower Dalal Street Mumbai 400001 BSE SCRIP CODE - 532721	National Stock Exchange of India Limited Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai 400051 NSE SYMBOL – VISASTEEL

Sub: **Annual Report 2020-21 and Notice of the 25th Annual General Meeting**

Ref: **Intimation under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report 2020-21 and Notice convening the 25th Annual General Meeting of the members of VISA Steel Limited ("Company"), to be held on Wednesday, 29 September, 2021 at 1200 Hours through Video Conference (VC) / Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India Circulars.

This Annual Report and Notice are also available on the website of the Company www.visasteel.com.

This is for your information and records.

Yours truly,

For **VISA Steel Limited**

Amisha Chaturvedi
Company Secretary&
Compliance Officer
F11034

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: **cs@visasteel.com**

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of VISA Steel Limited will be held on 29 September 2021 at 1200 hours through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) for which purpose Registered Office situated at 11, Ekamra Kanan, Nayapalli, Bhubaneswar 751015 shall be deemed as venue for the meeting and proceedings of the AGM shall be deemed to be made thereat, to transact following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt Standalone and Consolidated Audited Financial Statements of the Company for year ended on 31 March 2021, Reports of the Board of Directors and Auditors thereon.

2. To consider appointment of Mr. Manoj Kumar (DIN:06823891), as a director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Mr. Dhanesh Ranjan (DIN 03047512) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule IV of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time and upon recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company, Mr. Dhanesh Ranjan (DIN 03047512), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and Listing Regulations and has also registered himself on Independent Directors Databank and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and shall hold office for a second term of five consecutive years with effect from 30 September 2021.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which shall be deemed to include, unless the context otherwise requires, any Committee of the Board or any Director/s or officer/s authorised by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to alter and/or vary the terms of appointment, as they may deem fit, proper and desirable, in best interest of the Company and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

4. To ratify the remuneration of the Cost Auditors for the Financial Year ending 31 March 2022 and, in this regard, to consider and, if thought fit, to pass 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 Companies (Audit and Auditors) Rules, 2014, Companies (Cost Records and Audit) 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 ₹25,000/- (Rupees Twenty Five Thousand Only) plus applicable taxes and actual out-of-pocket expenses payable to M/s. DGM & Associates, Cost Accountants (Firm Registration No. 00038), appointed as the Cost Auditors of the Company by the Board of Directors to conduct audit of the cost records maintained by the Company for the Financial Year 2021-22."

5. To re-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 the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors, and in accordance with 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 relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations" or "Listing Regulations"), as amended from time to time 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 re-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 2021, not liable to retire by rotation, on the following remuneration and perquisites, as approved for a period of 3 (three) years w.e.f. 15 December 2021 , as under:

Salary (including Dearness Allowance)
₹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
₹12,000/- per month with such revisions as may be determined by the Board from time to time.

Perquisites
Housing
House Rent Allowance of ₹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
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
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 subject to the overall superintendence, direction and control of the Board of Directors, Mr. Vishambhar Saran, Whole time Director designated as the Chairman, shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors. The appointment may be terminated by either party by giving to the other one month notice in writing.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during his appointment, the Company will pay to Mr. Vishambhar Saran, the remuneration as per the explanatory statement as minimum remuneration

RESOLVED FURTHER THAT Mr. Vishambhar Saran, shall, notwithstanding his age exceeding 70 years at the time of his appointment, shall continue to act as the Wholetime Director of the Company designated as Chairman on the terms and conditions mentioned in the explanatory statement.

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 authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To re-appoint Mr. Vishal Agarwal (DIN 00121539) as the Vice Chairman & Managing Director and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors, and in accordance with 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 relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations" or "Listing Regulations"), as amended from time to time 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 re-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 2022, liable to retire by rotation, on the following remuneration and perquisites, as approved for a period of 3 (three) years w.e.f 25 June 2022, as under:

Salary (including Dearness Allowance)
₹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
₹83,150/- per month with such revisions as may be determined by the Board from time to time.

Perquisites
Housing
House Rent Allowance of ₹ 4,20,000/- 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
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
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 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 Mr. Vishal Agarwal, shall be subject to retirement by rotation during his tenure as the Vice-Chairman and Managing Director of the Company provided that if he vacates office by retirement by rotation under the provisions of the Companies Act 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Vice-Chairman and Managing Director.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during his appointment, the Company will pay to Mr. Vishal Agarwal, the remuneration as per the explanatory statement as minimum remuneration.

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 authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To re-appoint Mr. Manoj Kumar (DIN:06823891) as the Whole-time Director designated as Director (Kalinganagar) of the Company and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors, and in accordance with 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 relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations" or "Listing Regulations"), as amended 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 of the Company, be and is hereby accorded to the re-appointment of Mr. Manoj Kumar (DIN 06823891) as the Whole-time Director designated as Director (Kalinganagar) of the Company for a further period of 5 (Five) years w.e.f. 15 September 2021 and remuneration for a period of 3 (three) years, liable to retire by rotation, on the following terms and conditions including remuneration and perquisites as approved:

Salary (including Dearness Allowance)
₹82,500/- 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
₹405,991/- per month with such revisions as may be determined by the Board from time to time.

Performance Bonus
Performance Bonus of ₹792,000/- per annum, subject to achievement of KRA parameters. The performance bonus payable to Mr. Kumar, will be approved by the Board at the end of the relevant financial year and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

Perquisites
House Rent Allowance
House Rent Allowance of ₹26,400/- per month.

Medical Reimbursement
Expenses incurred for self and family (consisting of spouse and dependent children) subject to the Rules of the Company applicable to the senior executives.

Leave Travel Concession
For self and family in accordance with the Rules of the Company applicable to the senior executives.

Contribution to Provident Fund and Superannuation / Annuity Fund
The Company's contribution to Provident Fund and Superannuation / Annuity Fund as per the Rules of the Company applicable to the senior executives.

Gratuity
As per Rules of the Company applicable to the senior executives.

Bonus
As per Rules of the Company applicable to the senior executives.

Leave Pay
Leave with full pay and allowances as per the Rules of the Company.

Vehicle Expenses
Vehicle Expenses of ₹22,000/- per month.

Telephone and other Communication Facilities
The Company shall provide Telephone, and other communication facilities at the residence of Mr. Kumar. 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. Kumar 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 subject to the overall superintendence, direction and control of the Board of Directors, Mr. Manoj Kumar, Whole-time Director designated as Director (Kalinganagar), 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 Mr. Manoj Kumar, shall be subject to retirement by rotation during his tenure as the Wholetime Director of the Company 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 Whole-time Director.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during his appointment, the Company will pay to Mr. Manoj Kumar, the remuneration as per the explanatory statement as minimum remuneration

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. Manoj Kumar 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 authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For VISA Steel Limited

Amisha Chaturvedi
(Company Secretary)

Place: Kolkata
Date: 13 August 2021

Registered Office
11 Ekamra Kanan, Nayapalli
Bhubaneswar - 751 015

NOTES:

1. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA'), Government of India, and Securities Exchange Board of India ('SEBI'), permitted conduct of Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal presence of the members at the meeting vide their circular No. 14/2020 dated 8 April 2020, Circular No.17/2020 dated 13 April 2020, Circular No. 20/2020 dated 5 May 2020 and Circular No. 02/2021 dated 13 January 2021, prescribed the specified procedures to be followed for conducting the AGM through VC/OAVM. The deemed venue for the meeting shall be registered office of the Company at 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751015.

2. Pursuant to the Circular No. 14/2020 dated 8 April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA circulars, the 25th AGM of the members will be held through video conferencing ('VC') or other audio-visual means ('OAVM'). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is explained here and the same will also be available at the website of the Company at www.visasteel.com.

4. The Company has appointed M/s. KFin Technologies Private Limited, Registrars and Transfer Agent ('RTA') of the Company, to provide VC/OVAM facility for the 25th AGM of the Company.

5. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 309 4001 (toll free).

6. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. The explanatory statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses at the meeting, is annexed hereto.

10. Institutional/Corporate members are encouraged to attend and vote at the meeting through VC/OVAM. We also request them to send, a duly certified copy of the Board Resolution authorising their representative to attend the AGM through VC/OAVM and vote through remote e-voting on its behalf at cs@visasteel.com and suresh.d@kfintech.com pursuant to Section 113 of the Companies Act, 2013.

11. In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.

12. Only bona fide members of the Company, whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

13. The Register of Directors and Key Managerial Personnels and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at cs@ visasteel.com up to the date of AGM.

14. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address and email IDs to their respective Depository Participants only. The Company or its RTA i.e. KFin Technologies Private Limited, cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars.

15. Members holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email IDs to our RTA i.e. KFin Technologies Private Limited (Unit: VISA Steel Limited), Plot 31-32, Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

16. Members holding shares in electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the RTA i.e. KFin Technologies Private Limited (Unit: VISA Steel Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

17. Members who have not registered their email ID with the depository participants, are requested to register their email ID with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid

email ID to our RTA at suresh.d@kfintech.com for receiving all communications including annual report, notices, letters etc., in electronic mode from the Company. For more details, please refer Para B of "Instructions for E-Voting and Insta Poll" section below.

18. Pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation Disclosures Requirement) Regulation, 2015 ("SEBI Listing Regulations"), Companies can serve Annual Report and other communications through electronic mode to those Members who have registered their email ID either with the Company or with the Depository Participants.

19. In compliance with the provisions of MCA vide its Circular No. 14/2020 dated 8 April 2020, Circular No.17/2020 dated 13 April 2020 and Circular No. 20/2020 dated 5 May 2020 and SEBI circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2020-21 are being sent only through electronic mode to those Members whose email IDs are available with the Company/Depositories/RTA.

20. Members may note that the Notice of the AGM and Annual Report 2020-21 will also be available on the Company's website www.visasteel.com and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited at URL: https://evoting.kfintech.com/.

21. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed in this to the Notice.

22. M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), was appointed as Statutory Auditors of the Company at the 21st Annual General Meeting held on 14 December, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7 May 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

23. **AGM Live Webcast Facility:**
Pursuant to Regulation 44 of SEBI Listing Regulations and para 3 Clause A (III) of Circular No. 14/2020 dated 8 April 2020 issued by MCA, Government of India, the Company has made arrangements for two-way live webcast for the proceedings of the AGM. The details of the webcast link shall be made available on the website of the Company at www.visasteel.com

24. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility of remote e-voting to all the members as per applicable Regulations relating to e-voting. The complete instruction on e-voting facility provided by the Company is annexed to this Notice, explaining the process of e-voting with necessary user id and password. Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again.

25. The Company has fixed Wednesday, 22 September 2021 as Cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 3 days commencing from 26 September 2021 9:00 AM to 28 September 2021 5:00 PM.

26. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

27. The Company has appointed CS Debendra Raut, Practicing Company Secretary, (Membership No. A16626/CP-5232) of M/s D. Raut & Associates, Company Secretaries as Scrutiniser to scrutinise the e-voting process in fair and transparent manner.

28. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company/Electronic mode during normal business hours on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company.

29. Information required under Regulation 36 of SEBI Listing Regulations, Directors seeking Appointment/Re-appointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Act and rules made thereunder.

30. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. **Hence, Members who have not registered their mail IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., electronically.**

31. Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under Section 125 of the Act. Members may approach the IEPF Authority to claim the unclaimed dividend transferred by the Company to IEPF. Members may approach the Company Secretary and Compliance Officer of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

32. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from 1 April 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management,

Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the RTA for assistance in this regard.

33. 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 mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to our RTA.

34. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. 1 April 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with the Company/ KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2021-22 does not exceed ₹5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com.

35. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com.The aforesaid declarations and documents need to be submitted by the shareholders.

36. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.

37. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

38. The process and manner of participating in 25th Annual General Meeting through Video conferencing mode is explained herein below:

    a) Members may attend the AGM through video conferencing platform provided by M/s. KFin Technologies Private Limited. Members may access the same at https://emeetings.kfintech.com and click on the "video conference" and access members login by using the remote e-voting credentials. The link for AGM will be available in members login where the EVENT and the name of the Company can be selected.

    b) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

    c) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches and Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

    d) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

    e) Shareholders queries
    Members who wish to seek any clarification on Annual Report from the Company may visit https://emeetings.kfintech.com and click on the tab "Post Your Queries Here" to write their queries in the window provided, by mentioning your name, demat account number/folio number, email ID and mobile number. Please note that, members' questions will be answered during the meeting or subsequently via email, only if, the shareholder continues to hold the shares as on the cut-off date i.e. 22 September 2021 The window shall remain active during the remote e-voting period.

    f) Speaker Registration
    Members who wish to speak at the AGM may register themselves as a speaker by visiting https://emeetings.kfintech.com and click on 'Speaker Registration' during the remote e-voting period starting 26 September 2021 9:00 am to 28 September 2021 5:00 pm (both days inclusive). Members shall be provided a 'queue number' before the AGM. The Company reserves the right to

restrict the speakers at the AGM to only those Members who have registered themselves and depending on the availability of time at the AGM.

g) Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon ('vote now') on the left side of the screen to cast their votes.

h) Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Private Limited at toll free number 1800-345-4001 or write at evoting@kfintech.com

By Order of the Board of Directors
For VISA Steel Limited

Place: Kolkata
Date: 13 August 2021

Amisha Chaturvedi
(Company Secretary)

Registered Office
11 Ekamra Kanan, Nayapalli
Bhubaneswar - 751 015

INSTRUCTIONS FOR E-VOTING

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013 ('the Act'), read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015 and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company is providing e-voting facility through Kfin Technologies Private Limited ('KFintech') on all resolutions set forth in this Notice, from a place other than the venue of the Meeting, to members holding shares as on 22 September 2021, being the cut -off date fixed for determine eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in Demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@ Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https:// eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1
3. Alternatively, by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/ Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period	**3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants.

I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.

II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.

III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Step 2: Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e. VISA Steel Limited - AGM" and click on "Submit".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email csdraut.contact@gmail.com with a copy marked to evoting@kfintech.com and cs@visasteel.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No." The documents should reach the Scrutiniser on or before 17:00 hours on 28 September 2021.

B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

In case of Members who have not registered their e-mail IDs (including Members holding shares in physical form), may please follow the steps for registration of e-mail IDs and obtaining User ID and Password for e-voting as mentioned in para 16 of the "Notes" and para (c & d) under the "Other Instructions" section below also.

C. Voting at the Annual General Meeting:

I. The 'Vote Now Thumb sign' on the left-hand corner of the video screen shall be activated upon instructions of the chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

II. Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

The Company has appointed CS D Raut of M/s D. Raut & Associates, Practicing Company Secretaries, Kolkata (ACS- 16626; C. P.: No. 5232 as Scrutiniser to scrutinise the e-voting process in fair and transparent manner.

The scrutiniser shall immediately after the conclusion of voting at the AGM, count the votes and shall submit a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, within a period of not exceeding 48 (forty eight) hours from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith.

The results of the e-voting along with the scrutiniser's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and shall be placed on the Company's website www.visasteel.com and on the website of KFintech at https://evoting.kfintech.com immediately after the result declared by the chairperson or any other person authorised by the chairman.

OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Suresh Babu D, (Unit: VISA Steel Limited) of KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 – 6716 1517 or call toll free No. 1800-309-4001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. In case a person has become a shareholder of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 22 September 2021, he/she may obtain the User ID and Password in the manner as mentioned below:

   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD

   <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399 Example for NSDL: MYEPWD <SPACE> IN12345612345678

   Example for CDSL: MYEPWD <SPACE> 1402345612345678

   Example for Physical: MYEPWD <SPACE> XXXX1234567890

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Member may call KFintech toll free number 1800-309-4001 for any assistance.

   iv. Member may send an e-mail request to evoting@kfintech.com. However, KFintech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

d. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of AGM and e-voting instructions could not be serviced, may temporarily get their email address and mobile number registered with the RTA of the Company, by clicking the link: https://ris.kfintech.com/email_registration/ Shareholders are requested to follow the process as guided to capture the email IDs and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

   Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in respect of shares held in electronic form and copy of share certificate in respect of shares held in physical form for sending the Annual report, Notice of AGM and the e-voting instructions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Mr. Dhanesh Ranjan is an Independent Non-Executive Director of the Company. He had joined the Board of Directors of the Company on 30 September 2018, pursuant to Sections 149(11) of the Companies Act, 2013, Mr. Ranjan was appointed as an Independent Non- Executive Director to hold office for three consecutive years for a term up to 29 September 2021.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall also be eligible for re-appointment upon passing a Special Resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Mr. Dhanesh Ranjan is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has given his consent to act as an Independent Director of the Company. The Company has also received necessary declaration from him that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Based on the report of performance evaluation of Mr. Dhanesh Ranjan, the Nomination and Remuneration Committee has recommended his re-appointment for a second term of 5 (five) years to the Board of Directors. The Board of Directors at its meeting held on 13 August 2021, based on the report of performance evaluation of Mr. Dhanesh Ranjan and recommendation of the Nomination and Remuneration Committee, approved to re-appoint Mr. Ranjan as an Independent Director for second term of 5 (five) years with effect from 30 September 2021 to 29 September 2026, subject to the approval of shareholders.

Brief resume of the Director and nature of his expertise in specific functional areas:

Born on 30 September 1953, Mr. Dhanesh Ranjan secured a Master's Degree in Economics from Ranchi University and Diploma in Maritime Law from Lloyd's Maritime Academy, London. He served SAIL for 36 years in various positions and offices. He has travelled overseas to several countries in the course of his appointment for facilitating business of the Company. Throughout his career, he has been at the cutting edge of policy making and strategising in different areas and divisions of SAIL.

Considering his experience, it is proposed to re-appoint him as an Independent Director for another term of five consecutive years from 30 September 2021 to 29 September 2026. A copy of the draft letter for the appointment of Mr. Dhanesh Ranjan as an Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dhanesh Ranjan as an Independent Director.

The Board recommends the passing of the resolution as set out at item no. 3 of the accompanying notice as Special Resolution.

Except Mr. Dhanesh Ranjan being an appointee, none of the Directors, Manager and other Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding, if any.

Disclosure under Regulation 36(3) of the LODR and Secretarial Standard on General Meetings (SS-2) of ICSI is annexed to this Notice in Annexure 1.

ITEM NO. 4

The Company is directed, under Section 148 of the Companies Act, 2013 ("the Act") to have the audit of its cost records conducted by a Cost Accountant in practice. Accordingly, 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 audit of the cost records of the Company for the year ending 31 March 2022, at a remuneration of ₹25,000/- plus applicable taxes and out of pocket expenses, at actuals.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31 March 2022 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

The Board recommends the Resolutions set out at Item No. 4 of the Notice for consent 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, except to the extent of their shareholding.

ITEM NO. 5

Mr. Vishambhar Saran was re-appointed as Whole time Director designated as Chairman of the Company for a period of 5 (Five) years with effect from 15 December 2016, which was approved by the Board of Directors at its meeting held on 18 November 2016 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 2016.

Based on the recommendation of Nomination and Remuneration Committee & keeping in view the vast experience and knowledge of Mr. Vishambhar Saran, the Board of Directors had re-appointed him as Whole time Director designated as Chairman of the Company for a further period of 5 (Five) years w.e.f. 15 December 2021 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.

Details of Director seeking appointment/reappointment/fixation of remuneration (pursuant to Section 196(4) of the Companies Act, 2013, Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) and Secretarial Standards on General Meetings SS-2 of ICSI is provided in Annexure 1.

Mr. Vishambhar Saran is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has given his consent to act as Director of the Company.

Mr. Saran is not a director in any other Listed Company except VISA Steel Limited. This approval is also taken as an approval under Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. This special resolution is also proposed pursuant to the fact that Mr. Saran is attaining the age of 74 years in December, 2021. 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., Mr. Saran has a Bachelor's Degree in Mining Engineering from Indian Institute of Technology, Banaras Hindu University in 1969, and 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 1 April 1994 and founded the VISA Group. He has been associated with VISA Steel Limited since 1996.

(2) Past Remuneration Mr. Saran, has withdrawn ₹17.42 Mn (including retirement benefits) for FY 2020-21. Mr. Saran has not taken any increment in his remuneration since 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: Mr. Vishal Agarwal, Vice Chairman & Managing Director is son of Mr. Vishambhar Saran. Except as stated, Mr. Vishambhar Saran does not have any pecuniary relationship directly or indirectly with the Company or any other Managerial Personnel.

(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 and Managing Director of the Company for a period of 5(Five) years with effect from 25 June 2017, which was approved by the Board of Directors at its meeting held on 18 November 2016 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 2016.

Based on the recommendation of Nomination and Remuneration Committee & keeping in view the vast experience and knowledge of Mr. Vishal Agarwal, the Board of Directors had re-appointed him as Vice-Chairman and Managing Director Vice-Chairman and Managing Director of the Company for a further period of 5 (Five) years w.e.f. 25 June 2022 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.

Details of Director seeking appointment/reappointment/fixation of remuneration (pursuant to Section 196(4) of the Companies Act, 2013, Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and Secretarial Standards on General Meetings SS-2 of ICSI is provided in Annexure 1.

Mr. Vishal Agarwal is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has given his consent to act as Director of the Company.

Mr. Agarwal is not a director in any other Listed Company except VISA Steel Limited. This approval is also taken as an approval under Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. 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. Vishal Agarwal

(1) Background details: Born on 14 September 1974 at Faizabad, U.P., Mr. Agarwal has a Bachelor's degree in Economics from the London School of Economics and a Master's degree in Economics for Development from Oxford University, and over 24 years' experience in the iron & steel industry with hands on experience of setting up greenfield projects and international trading business. He is responsible for setting up the manufacturing business for VISA Group from scratch.

(2) Past Remuneration Mr. Agarwal, has withdrawn ₹18.36 Mn (including retirement benefits) for FY 2020-21. Mr. Agarwal has not taken any increment in his remuneration since 1 April 2014.

(3) Recognition or awards: As stated in (1) above

(4) Job profile and his suitability: Mr. Vishal Agarwal as Vice-Chairman and Managing Director 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. Agarwal is best suited for the assignment as Vice-Chairman and 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: Mr. Vishal Agarwal, Vice Chairman & Managing Director is son of Mr. Vishambhar Saran. Except as stated, Mr. Vishal Agarwal does not have any pecuniary relationship directly or indirectly with the Company or any other Managerial Personnel.

(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 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. 7

Mr. Manoj Kumar was re-appointed as Whole time Director designated as Director - Kalinganagar for a period of 3 (three) years with effect from 15 September 2018, which was approved by the Board of Directors at its meeting held on 6 August 2018 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 2018.

Based on the recommendation of Nomination and Remuneration Committee & keeping in view the vast experience and knowledge of Mr. Manoj Kumar, the Board of Directors had re-appointed him as Whole time Director designated as Director - Kalinganagar for a further period of 5 (Five) years w.e.f. 15 September 2021 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.

Details of Director seeking appointment/reappointment/fixation of remuneration (pursuant to Section 196(4) of the Companies Act, 2013, Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and Secretarial Standards on General Meetings SS-2 of ICSI is provided in Annexure 1.

Mr. Manoj Kumar is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has given his consent to act as Director of the Company.

Mr. Kumar is not a director in any other Listed Company except VISA Steel Limited. This approval is also taken as an approval under Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. 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. Manoj Kumar

(1) Background details: Born on 02 December 1965, 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. Prior to joining VISA Steel, Mr. Kumar had worked with TATA Steel and Jindal Steel & Power. Mr. Kumar joined VISA Steel in the year 2003 as General Manager – Purchase and was responsible for procurement related affairs of the Company. 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.

(2) Past Remuneration: Mr. Kumar has withdrawn ₹7.65 Mn (including retirement benefits) for FY 2020-21.

(3) Recognition or awards: As stated in (1) above

(4) Job profile and his suitability: Mr. Manoj Kumar as Whole-time Director designated as Director (Kalinganagar) 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. Kumar is best suited for the assignment as Whole-time Director designated as Director (Kalinganagar) 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. Kumar 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: Mr. Manoj Kumar does not have any pecuniary relationship directly or indirectly with the Company or any other Managerial Personnel. Except, he holds 3700 Equity Shares of the Company.

(III) Other Information: As per Annexure B to the Notice

The Companies in which Mr. Kumar 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. 7 of the Notice for approval of the Members of the Company.

Mr. Manoj Kumar is 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.

ANNEXURE A

General Information about the Company

(1) Nature of industry:

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

(2) Date or expected date of commencement of commercial production: The Company is an existing Company and was incorporated on 10 September 1996.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators

(₹in Million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	5666.73	3478.79	9763.63	6833.44
Other Income	438.13	397.22	114.46	116.14
Total Income	6104.86	3876.01	9878.09	6949.58
Profit before interest, depreciation, tax & exceptional item	(90.08)	(197.25)	44.98	(383.05)
Finance Cost	196.06	168.06	169.88	195.42
Depreciation	465.16	483.15	1284.62	1340.55
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(751.30)	(848.46)	(1409.53)	(1919.02)
Exceptional & Extraordinary Items	2151.17	-	10563.16	-
Profit /(Loss) before Tax	(2902.47)	(848.46)	(11972.74)	(1919.02)
Tax Expenses	-	-	-	-
Profit / (Loss) after Tax	(2902.47)	(848.46)	(11972.74)	(1919.02)
Other Comprehensive Income	(12.88)	(5.65)	(12.57)	(6.45)
Total Comprehensive Income for the period	**(2915.35)**	**(854.11)**	**(11985.31)**	**(1925.47)**

(5) Foreign investments or collaborators, if any. As on 31 March 2021, the total share holdings of Foreign Institutional Investors (including Foreign Corporate Bodies) is 26.95% and Non-Resident Indians is 0.25%, of the total paid up capital of the Company

ANNEXURE B

OTHER INFORMATION

(1) REASONS OF LOSS OR INADEQUATE PROFITS:

The Company is pursuing Ferro Alloy Business. The Ferro Alloy Business includes production of High Carbon Ferro Chrome and generation of Power for captive use. The Company's performance has been adversely impacted due to various external factors beyond management control including non-availability of working capital for operations and other external factors including challenges arising out of high prices of Chrome Ore being fixed by OMC through e-auction, high energy costs and electricity duty/compensation cess, high road transport rates 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 to ensure raw material availability and reduce its input raw material cost 2. Cost reduction 3. The Company has also adopted various measures for cutting production cost & administrative expenses, meeting fixed costs and keeping the plant operational.

(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 debt resolution and 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

Details of Director seeking appointment/re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration (pursuant to Section 196(4) of the Companies Act, 2013, Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and Secretarial Standards on General Meetings SS-2 of ICSI are as follows:

Name of Director, DIN, Age, Nationality, Date of first Appointment, Qualifications, Exposure in specific functional areas, shareholding in the Company Indian.	Mr. Vishambhar Saran (DIN: 00121501) aged 73 years, nationality Indian, Chairman is an industrialist of repute. He has been Director of the Company since its incorporation i.e 10 September 1996. Mr. Saran secured Bachelor's Degree in Mining Engineering from Indian Institute of Technology, Banaras Hindu University in 1969. He has experience of more than 50 years in the Iron & Steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the Iron & Steel industry.	Mr. Vishal Agarwal (DIN: 00121539) aged 46 years, nationality Indian, Vice-Chairman & Managing Director holds Bachelor's degree in Economics from the London School of Economics and a Masters degree in Economics for Development from Oxford University. He has been Director of the Company since its incorporation (ie) 10 September 1996. Mr. Agarwal has almost 24 years of experience in the Iron & Steel Industry with hands on experience of setting up greenfield projects and international trading business.	Mr. Manoj Kumar (DIN: 06823891) aged 55 years, nationality Indian, Director, (Kalinganagar) is a Mechanical Engineer from BIT Mesra, Ranchi. He has been the Director of the Company since 15 September 2015. Mr. Kumar has over 30 years of experience of working in various positions in the Iron & Steel Industry. Prior to joining VISA Steel, Mr. Kumar had worked with TATA Steel and Jindal Steel & Power. Mr. Kumar joined VISA Steel in the year 2003 as General Manager – Purchase and was responsible for procurement related affairs of the Company. He had played a key role in the Company's projects & operations. As per Company records, he holds 3700 shares of the Company	Mr. Dhanesh Ranjan (DIN: 03047512) aged 68 years, nationality Indian, Independent Director is a Master's in Economics from Ranchi University and Diploma in Maritime Law from Lloyd's Maritime Academy, London. He has been the Director of the Company since 30 September 2018. He served SAIL for 36 years in various positions and offices. He has travelled overseas to several countries in the course of his appointment for facilitating business of the Company. Throughout his career, he has been at the cutting edge of policy making and strategising in different areas and divisions of SAIL. He has NIL shareholding in the Company.
Terms & Conditions of Appointment	As mentioned in the Explanatory Statement.			
Directorship held in other Companies (excluding foreign Companies)	04	07	05	None
Details of Remuneration last drawn	Mentioned under Statement pursuant to Schedule V of the Companies Act, 2013 annexed to this notice			
Service Contracts, notice period & severance fees	As per Resolution			
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company.	Son of Mr. Vishambhar Saran, Chairman of the Company.	Mr. Kumar is not related to any other Director of the Company.	Not related to Directors or Key Managerial Personnel of the Company.
The No. of Meetings of the Board attended during the year	05	05	04	05
Other Directorship	VISA Special Steel Limited VISA Infrastructure Limited VISA International Limited VISA Minmetal Limited	VISA Natural Resources Limited VISA Coke Limited VISA Special Steel Limited VISA Industries Limited VISA Ferro Chrome Limited VISA Urban Infra Limited	Kalinganagar Special Steel Private Limited Kalinganagar Chrome Private Limited VISA Special Steel Limited VISA Ferro Chrome Limited Jajpur Cluster Development - NIMZ	Nil
Membership/Chairmanship of the Committees of the Board	VISA Infrastructure Limited – Member, Nomination Remuneration Committee	VISA Coke Limited – Chairman, Nomination Remuneration Committee Chairman – Corporate Social Responsibility Committee Chairman – Audit Committee	Nil	Nil

VISA STEEL

ANNUAL REPORT 2020-21

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

Vision

Create long term stakeholder value through value addition of natural resources

Core Values

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

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

PASSION
We are passionately committed to delivering excellence in performance

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

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

Contents

LISTING

Your Company has been listed on National Stock Exchange of India Limited and BSE Limited.

CHAIRMAN'S INSIGHT

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources.

Mr. Vishambhar Saran
Chairman

Dear Shareholders,

For the year ended 31 March 2021, your Company's consolidated Revenue from operations increased from ₹ 6,833.44 million in FY 2019-20 to ₹ 9,763.63 million in FY 2020-21 and EBITDA was at ₹ 44.98 million in FY 2020-21.

The operational performance and margins of your Company have improved, inspite of non-availability of working capital for operations, and challenges due to other external factors including the outbreak of Covid-19 pandemic.

THE INDUSTRY

The global High Carbon Ferro Chrome production was at approx. 12.47 million tonnes in 2020, out of which India's Ferro Chrome production stood at approx. 1 million tonnes. India exported approx. 65% of its Ferro Chrome production, primarily to China, South Korea, Japan and Taiwan. China accounted for approx. 70% of global Ferro Chrome consumption.

India's Chrome Ore production dropped from approx. 3.92 million tonnes in FY 2019-20 to approx. 2.78 million tonnes in FY 2020-21. OMC produced only approx. 1 million tonnes of Chrome Ore in FY 2020-21 against an EC limit of 1.53 million TPA resulting in a huge supply-demand imbalance for Chrome Ore.

Iron Ore production in Odisha dropped from 142 million tonnes in FY 2019-20 to approx. 111 million tonnes in FY 2020-21, out of which 65 million tonnes was from captive mines. The exports of Iron Ore from Odisha also increased from 17.4 million tonnes in FY 2019-20 to 29 million tonnes in FY 2020-21. As a result, the merchant supply of Iron Ore got reduced drastically in FY 2020-21 creating a supply-demand imbalance which has resulted in an unprecedented increase in Iron Ore prices.

The Chrome Ore and Iron Ore production volume and price fixing mechanism by OMC for end user industries remains a key challenge.

VISION & STRATEGY

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources. The Company is focused on implementing Debt Resolution as per Reserve Bank of India (RBI) guidelines and plans to raise funds for working capital by inducting Investor, reducing cost and keeping the Plant operational.

OUTLOOK

The Government's focus on implementing reforms to revive the economy is expected to increase demand for Ferro Alloys and Iron & Steel products going forward. However, the outcome of mine auctions with extremely high bid premium is likely to impact the availability and price of both Iron Ore & Chrome Ore. The high raw material, energy, logistics & finance costs will remain a concern and challenge going forward.

I would like to place on record my sincere appreciation and gratitude to the entire team of VISA Steel for their relentless commitment inspite of the challenging business environment. I am grateful to the members of the Board of the Company for their invaluable guidance and contribution and acknowledge the support of all shareholders. I would also like to convey my sincere thanks to all the stakeholders including lenders, suppliers, customers, employees, Government officials etc. for their valued support as we navigate through these challenging times and I hope to continue to receive your support in the future.

Warm regards & best wishes,

Vishambhar Saran
Chairman

VICE CHAIRMAN & MD'S MESSAGE

It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital, for which the Company plans to raise funds by inducting Investor.

Vishal Agarwal
Vice Chairman & MD

Dear Shareholders,

Your Company has set up manufacturing facilities in Odisha for production of Ferro Alloys. The performance of your Company has been adversely affected due to non-availability of working capital for operations, and other external factors including the outbreak of Covid-19 pandemic.

OPERATIONS

Your Company achieved sales quantity of 66,720 MT of Ferro Chrome in FY 2020-21 compared to 54,278 MT in FY 2019-20. The Company has been taking support of operational creditors including related parties to continue Plant operations under conversion arrangement without which such operation as a going concern would become impossible.

FINANCE

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of your Company and its management. Despite the debt restructuring dated 27 September 2012 and 31 December 2014 the lenders have not disbursed sanctioned facilities for operations and adjusted the same with interest resulting in complete depletion of working capital and it now appears that the whole exercise of purported restructuring was mere evergreening of debt without even considering its adverse effect on the Company's operations. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital, for which the Company plans to raise funds by inducting Investor.

Meanwhile, banks including Vijaya Bank (since merged with Bank of Baroda), SIDBI, Bank of Baroda, Dena Bank (since merged with Bank of Baroda), Indian Overseas Bank, Central Bank of India, UCO Bank and State Bank of Travancore (since merged with State Bank of India) have already implemented Resolution through sale of debt to ARCs. Other Banks are also in various stages of implementing Resolution through sale of debt to ARCs.

HUMAN RESOURCE

Your Company has been focused on ensuring safety of employees and compliance of guidelines issued by Government of India and Government of Odisha for prevention of Covid-19. The Company recognises human resource as its most important assets and is constantly engaged in developing its employees through various development & training programmes. We improve our team building through various employee engagement social activities.

CORPORATE SOCIAL RESPONSIBILITY

We acknowledge our role and responsibility as a corporate citizen. In line with our core business philosophy, health, safety and environment continues to be one of our key priorities. As a responsible corporate, the Company is focused on the happiness of the people living in its larger neighbouring communities. Your Company's CSR team has directed its community development work in the areas of education, healthcare, rural development, sports & culture and your Company wishes to continue supporting this. I would like to convey my sincere thanks to all the stakeholders including shareholders, lenders, suppliers, customers, Government officials and employees for their valued support.

With warm regards & best wishes,

Vishal Agarwal
Vice Chairman & MD

BOARD OF DIRECTORS

MR. VISHAMBHAR SARAN,

Chairman

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

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

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

MR. VISHAL AGARWAL

Vice Chairman & Managing Director, Chairman, Corporate Social Responsibility Committee

Mr. Agarwal holds a Bachelor's Degree from London School of Economics and a Master's Degree from Oxford University. He was born in Faizabad, Uttar Pradesh and completed his schooling from Mayo College, Ajmer and Cheltenham College, UK. He has almost 24 years of rich experience in the Iron & Steel industry with hands on experience of setting up greenfield projects and international trading business. During 1997 to 2004, Mr. Agarwal developed the international trading business for the VISA Group in minerals and metals including Chrome Ore, Iron Ore, Manganese Ore, Alumina, Ferro Alloys etc. Since 2004, he has built the manufacturing business of the VISA Group from scratch.

MR. PRATIP CHAUDHURI

Independent Director Chairman, Stakeholders Relationship Committee, Nomination & Remuneration Committee & Finance and Banking Committee

Mr. Pratip Chaudhuri is the former Chairman of State Bank of India (SBI) and has 42 years of rich experience in banking sector. He is a Master's in Business Administration (Finance) from University Business School, Chandigarh and B.Sc (Hons.) in Chemistry from St. Stephen's College, Delhi University He has also served as the Chairman of SBI Global Factors Ltd, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore and State Bank of Hyderabad. He was also a Director at Export-Import Bank of India and State Bank of Patiala.

MS. RUPANJANA DE

Independent Director, Chairperson, Audit Committee

Ms. Rupanjana De is a Fellow Member of the Institute of Company Secretaries of India (ICSI) and a former Council Member of EIRC of ICSI. She is a triple Master's Degree holder. Ms. De has a hands-on expertise in Company Law and Management, Corporate Governance, Legal Compliance, Corporate Sustainability, Corporate Social Responsibility and Quality Control.

She has also been faculty and speaker at various forums viz. ICSI, The Indian Chamber of Commerce, Institution of Engineers (India). She has authored a number of articles on Corporate Governance, Insurance Market and Products and Renewable Energy Technology in both Indian publications and International journals.

MR. SHEO RAJ RAI

Independent Director

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

MR. MANOJ KUMAR

Wholetime Director designated as Director (Kalinganagar)

Mr. Manoj Kumar is a Mechanical Engineer from BIT Mesra, Ranchi. He has over 30 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.

MR. DHANESH RANJAN

Independent Director

Mr. Dhanesh Ranjan secured a Master's Degree in Economics from Ranchi University and Diploma in Maritime Law from Lloyd's Maritime Academy, London. He joined Steel Authority of India Limited (SAIL) as Management Trainee and retired as Executive Director (Coal Import Group). He served SAIL for 36 years in various positions and offices. He has travelled overseas to several countries in the course of his appointment for facilitating business of the Company. Throughout his career, he has been at the cutting edge of policy making and strategizing in different areas and divisions of SAIL.

CORPORATE SOCIAL RESPONSIBILITY

Your Company focused on health and safety during this unprecedented crisis from the outbreak of Covid-19 pandemic. The CSR activities were dominated by COVID -19 relief work and vaccination along with continuing our activities in the areas of education, healthcare, rural development, sports, culture, hygiene & safety and environment.

EDUCATION

Your Company ensures access to quality education and learning opportunities for all, with special emphasis on scholarship programs.

- Provides scholarships to meritorious students from unprivileged background in Odisha and Kolkata and also to students at Smt. Sarala Devi Saraswati Balika Inter College in Tilhar, Uttar Pradesh
- Established The Heritage School and The Heritage Institute of Technology through Kalyan Bharti Trust in Kolkata
- Sets up science and computer labs at schools in Odisha; provides teachers training, transport facilities, infrastructure support, among others
- Provides vocational trainings to women in Jajpur, Odisha; encourages entrepreneurship

HEALTHCARE

Your Company is making continuous efforts to provide access to quality healthcare solutions.

- Distributed safety kits in the Government Offices & Hospitals and COVID monitoring and safety kits to the health workers
- Provided sanitisation services following the COVID-19 appropriate norms in the nearby areas, Government Institutes, Offices and Schools to ensure the safety of all
- Supports Medical Institutes and Odisha Blood Bank, Jajpur Road with equipment to enhance their healthcare facilities
- Massive drive of COVID-19 vaccination has been taken up at work site in Jajpur and Kolkata in coordination with the District Administration
- Creates awareness on cleanliness and sanitation, aligned with 'Swachh Bharat' initiative
- Organises medical camps with free medicine distribution in backward areas of Odisha
- Conducts health check-up camps and engaged in raising awareness on the treatment of common diseases and hygiene
- Undertakes initiatives to control malaria and dengue

RURAL DEVELOPMENT

Your Company focuses on sustainable rural livelihood improvement initiatives and enhancing access to better amenities.

- Installed Automated Ticket Checking machine at Jakhapura Railway station which helps to maintain social distancing and avoid physical checking of the tickets
- Distributed daily consumable items and preventive hygiene kits to the nearby community in Kolkata and Jajpur
- Contributed towards renovation of temples and heritage sites and road development
- Undertakes landscaping initiatives in Kalinganagar, Odisha
- Works towards providing drinking water in the backward areas of Odisha
- Undertook renovation of primary health centre, Jakhapura, Odisha
- Support celebration of local festivals organised by government and non-government (NGOs) in Odisha and West Bengal

SPORTS AND CULTURE

Your Company aims to promote sports and art among the youth by way of creating a platform to facilitate their skills.

- Sponsored and organised Annual Ladies Golf Tournament at Tollygunge Club, Kolkata
- Works toward preserving contemporary Indian arts, culture and heritage for the future generation with the aim to support and promote talented artists and craftsmen

SAFETY AND ENVIRONMENT

Your Company, in its journey towards environmental excellence, continues to achieve new milestones.

- Conducts regular safety training sessions for employees and contract labourers
- Extended support towards animal welfare
- Undertakes mass plantation drives in the industrial region of Odisha and in nearby government schools, hospital and public places
- Launched water recycling initiatives to preserve ground water levels
- Distributes saplings among villagers to encourage plantation

RESPONDING TO COVID-19 AND NATURAL CALAMITIES

Your Company is continuously working toward strengthening the efforts to tackle the pandemic. We have mobilised our resources to ensure the health and safety of all stakeholders, employees and communities by boosting healthcare infrastructure & facilities and providing immediate relief to the community. Your Company has extended support to Healthcare Institutes, Government Organisations, NGOs, Peripheral Health Workers and local communities in the fight against the pandemic and other natural calamities.

REPORT OF THE DIRECTORS

Dear Shareholders,

Your Directors are pleased to present this 25th Annual Report and the Audited Standalone and Consolidated Financial Statements of Accounts of the Company for the financial year ended 31 March 2021.

FINANCIAL RESULTS

(₹ in million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	5,666.73	3,478.79	9,763.63	6,833.44
Other Income	438.13	397.22	114.46	116.14
Total Income	6,104.86	3,876.01	9,878.09	6,949.58
Profit before interest, depreciation, tax & exceptional items	(90.08)	(197.25)	44.98	(383.05)
Finance Cost	196.06	168.06	169.88	195.42
Depreciation	465.16	483.15	1,284.62	1,340.55
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(751.30)	(848.46)	(1,409.52)	(1,919.02)
Exceptional & Extraordinary Items	2151.17	-	10,563.22	-
Profit /(Loss) before Tax	(2,902.47)	(848.46)	(11,972.74)	(1,919.02)
Tax Expenses	-	-	-	-
Profit / (Loss) after Tax	(2,902.47)	(848.46)	(11,972.74)	(1,919.02)
Other Comprehensive Income	(12.88)	(5.65)	(12.57)	(6.45)
Total Comprehensive Income for the period	(2,915.35)	(854.11)	(11,985.31)	(1,925.47)

OPERATIONS

The standalone Revenue from operations of the Company was ₹ 5,666.73 million and profit before interest, depreciation, tax and exceptional items was at ₹ (90.08) million for the FY 2020-21. The consolidated Revenue from operations of the Company was ₹ 9,763.63 million and profit before interest, depreciation, tax and exceptional items was at ₹ 44.98 million during the FY 2020-21.

The standalone operations with Ferro Alloy Plant achieved sales quantity of 66,720 MT as compared to 54,278 MT in the previous year and operated under conversion arrangement effective Q4 FY 2020-21. The Sponge Iron and Pig Iron Plant operated under conversion arrangement, whereas the Steel operations have been closed since 2017. The Company has carried out impairment test of capital work in progress and Steel assets of VISA Special Steel Limited (VSSL) in accordance with IND-AS and an impairment loss has been recognised as an Exceptional item.

During the year under review, operational performance of your Company has been adversely affected due to non-availability of working capital for operations and other external factors. The Company has been taking support of operational creditors including related parties to continue Plant operations under conversion arrangement without which such operation as a going concern would become impossible and there is a risk of Plant closure and agitation and other law & order problems from workers.

The spread of Covid-19 Pandemic since mid-March 2020 and subsequent lockdowns has resulted in an unprecedented crisis creating huge uncertainty for business, markets and the economy. The Company has been focused on ensuring safety of employees and compliance of guidelines issued by Government of India and Government of Odisha for prevention of Covid-19.

SCHEME OF ARRANGEMENT FOR TRANSFER OF SPECIAL STEEL BUSINESS UNDERTAKING

The Scheme of Arrangement between your Company and VISA Special Steel Limited (VSSL) and their respective shareholders and creditors was sanctioned by the Hon'ble National Company Law Tribunal, Cuttack Bench vide an Order dated 8 July 2019 and the Certified Copy of the order was filed with Registrar of Companies on 13 July 2019. Consequently, the Special Steel Business Undertaking (including Blast Furnace, Sponge Iron Plant, Steel Melting Shop and Rolling Mill) including all its assets and liabilities stood transferred to and vested in VSSL effective from the appointed date of 1 April 2013.

However, the Hon'ble Supreme Court vide its ex-parte order dated 17 January 2020 in Civil Appeal (Civil) No 56 of 2020 (State Bank of India vs VISA Steel Ltd & Anr) has directed issuance of notice and in the meantime stayed the aforesaid NCLT Order. Since the NCLT Order had been given effect to and stood implemented by the Company prior to 17 January 2020, the Company is dealing with the aforesaid Civil Appeal before the Hon'ble Supreme Court in consultation with its Advocates.

Debt Resolution

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

State Bank of India (SBI) had filed an application before National Company Law Tribunal (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT Cuttack bench. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed NCLT to restore the application and proceed further in accordance with law. The NCLAT order has been challenged by the Company in the Hon'ble Supreme Court and the matter is pending. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital for which the Company plans to raise funds by inducting Investor.

Your Company has been requesting lenders to implement a Resolution as per RBI Guidelines. Several Banks including Vijaya Bank (since merged with Bank of Baroda), SIDBI, Bank of Baroda, Dena Bank (since merged with Bank of Baroda), Indian Overseas Bank, Central Bank of India, UCO Bank and State Bank of Travancore (since merged with State Bank of India) have already implemented Resolution through sale of debt to ARCs. Other Banks are also in various stages of implementing Resolution through sale of debt to ARCs.

Future Outlook

In view of some of the Government initiatives with focus on implementing reforms to revive the economy, the demand for Ferro Alloys and Iron & Steel products is expected to grow.

Your Company is committed to its vision to create long term stakeholder value through value addition of natural resources. The Company is focused on implementing Debt Resolution as per RBI guidelines and is making efforts for reducing cost and keeping the Plant operational.

DIVIDEND:

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the FY ended 31 March 2021.

TRANSFER TO RESERVES:

No amount has been transferred to the General Reserve for the FY ended 31 March 2021.

CHANGE IN NATURE OF BUSINESS:

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Dividend:

During the year under review, no amount was due to be transferred in the Investor Education and Protection Fund.

Mr. Sudhir Kumar Banthiya ceases to be the Nodal officer of the Company w.e.f. 31 December 2020 and Ms. Amisha Chaturvedi, Company Secretary of the Company was subsequently appointed as the Nodal Officer (IEPF) of the Company. The details of the Nodal officer of the Company are also available on the website www.visasteel.com.

SHARE CAPITAL:

Your Company's paid up Equity Share Capital is ₹ 1,157,895,000 (Rupees One Hundred Fifteen Crore Seventy Eight Lac Ninety Five Thousand only) comprising of 115,789,500 Equity Shares of ₹ 10/- each. There has been no change in the Capital Structure of the Company, during the financial year under review.

SUBSIDIARIES:

As on 31 March 2021, the Company has four subsidiaries including step down subsidiaries namely, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited:

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

(ii) Kalinganagar Chrome Private Limited (KCPL), a wholly owned subsidiary, was incorporated on 1 July 2013.

(iii) 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.

(iv) VISA Special Steel Limited (VSSL), a step down subsidiary incorporated on 27 July 2012 and is a wholly owned subsidiary of VISA Ferro Chrome Limited.

CONSOLIDATED FINANCIAL STATEMENT

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

The Annual Accounts of the Subsidiary Companies will be made available to the shareholders of the aforesaid subsidiaries and your Company as and when they demand and will also be kept for inspection by any investor at the registered office of your Company and their subsidiaries. The financial statements of your Company and its subsidiaries are also available on the website of your Company. In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Consolidated Financial Statement, confirming to Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, is attached as a part of the Annual Report.

The highlights of performance of subsidiaries as on 31 March 2021 and their contribution to the overall performance of your Company during the period under review are tabulated below:

(₹ in million)

Name of the Subsidiary	Total Income	Total Comprehensive Income	Profit / Loss considered in Consolidation	Net worth Attributable
Kalinganagar Special Steel Private Limited	4,444.25	(9070.01)	(9070.01)	(20899.84)
Kalinganagar Chrome Private Limited	-	(0.01)	(0.01)	0.47

BOARD MEETINGS:

The Board met 5 times during the year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

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

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

COMMITTEES OF THE BOARD

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

The details of the composition, brief terms of reference, meetings held during the financial year 2020-21, attendance of the Board of Directors/ Members etc., of the said Board Meeting/ Committees are given in the Report on Corporate Governance annexed hereto and forming part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

The Board comprises of an optimum mix of Executive and Non-Executive Directors including Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of your Company, Mr. Manoj Kumar, Whole-time Director designated as Director Kalinganagar (DIN: 06823891), retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his reappointment, to the members for their approval.

Mr. Pratip Chaudhuri (DIN 00915201), Mr. Dhanesh Ranjan (DIN 03047512), Ms. Rupanjana De (DIN 01560140) and Mr. Sheo Raj Rai (DIN 07902184) have given declarations confirming that they meet the criteria of independence as prescribed both under sub- section (6) of section 149 of the Companies Act, 2013 and under Regulation 17 of the Listing Regulations.

During the year under review, Mr. Sheo Raj Rai, (DIN: 07902184) Independent Director whose first term as an Independent Director expired on 7 August 2020 was reappointed as an Independent Director on the Board of the Company for a second term of 3 (three) years with effect from 8 August 2020 to 7 August 2023. Ms. Rupanjana De, (DIN: 01560140) Independent Director whose first term as an Independent Director expired on 25 August 2020 was reappointed as an Independent Director on the Board of the Company for a second term of 3 (three) years with effect from 26 August 2020 to 25 August 2023.

Subsequent to the end of the year under review, Mr. Dhanesh Ranjan (DIN: 03047512), Independent Director whose first term as an Independent Director expires on 29 September 2021, the Board has reappointed Mr. Ranjan as an Independent Director on the Board of the Company for a second term of 5 (five) years with effect from 30 September 2021 to 29 September 2026, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

Mr. Vishambhar Saran (DIN: 00121501) whose term of 5 Years as Whole-time Director designated as the Chairman ends on 14 December 2021, being eligible has offered himself for reappointment. The appointment and remuneration payable to him is subject to the approval of the members at the ensuing Annual General Meeting and other necessary approvals.

Mr. Vishal Agarwal (DIN: 00121539) whose term of 5 Years as Vice Chairman & Managing Director ends on 24 June 2022 being eligible has offered himself for reappointment. The appointment and remuneration payable to him is subject to the approval of the members at the ensuing Annual General Meeting and other necessary approvals.

Mr. Manoj Kumar (DIN 06823891) continues to be the Whole time Director designated as Director (Kalinganagar) of your Company for a period of 3 (three) years w.e.f. 15 September 2018. The Board of Directors of your Company had at its meeting held on 13 August 2021 have extended the term of Mr. Kumar for a further period of 5 (five) years w.e.f. 15 September 2021, subject to the approval of the members at the ensuing Annual General Meeting and other necessary approvals.

Brief resume of the above Directors, nature of their expertise in their specific functional areas, details of directorships in other Companies and the chairmanship /membership of committees of the Board, as stipulated under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are given in the notice of the ensuing Annual General Meeting.

Key Managerial Personnel

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

During the year under review, Mr. Surinder Kumar Singhal was appointed the Chief Financial Officer of your Company w.e.f 30 June 2020. Mr. Sudhir Kumar Banthiya ceased to be the Company Secretary and Compliance Officer of your Company w.e.f. 31 December 2020 and subsequently Ms. Amisha Chaturvedi was appointed as the Compliance Officer of your Company w.e.f 1 January 2021 and the Company Secretary w.e.f 10 February 2021.

BOARD EVALUATION

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

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

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the loss of the Company for that period;

(c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts had been prepared on a going concern basis;

(e) that the directors had 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 had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

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

All recommendations made by the Audit Committee during the FY 2020-21 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. Surinder Kumar Singhal, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2021, which is annexed to this Report.

AUDITORS

Statutory Auditors and Auditors Report

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

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 2 of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note No. 15B of the Accounts of the Standalone Accounts.

2. Attention is drawn to Para 4 of the Independent Auditors Report regarding Matter related to material uncertainty relating to Going Concern. The clarification of the same is provided in Note No. 36 of the Accounts of the Standalone Accounts.

3 Attention is drawn to Para 5 of the Independent Auditors Report regarding Emphasis of Matter related to Scheme of Arrangement. The clarification of the same is provided in Note No. 35 of the Accounts of the Standalone Accounts.

4. Attention is drawn to Para viii of Annexure A to the Independent Auditors Report. The clarification of the same is provided in Note No. 15B of the Accounts of the Standalone Accounts.

5. The Auditors observation in para 8 of the Annexure B to the Auditors report regarding dues to financial institution and banks has been addressed in Note No. 15B of the Standalone Accounts.

Internal Auditors

In terms of the provisions of Section 138 of the Act, M/s. L B Jha & Company, an Independent Chartered Accountants were appointed as Internal Auditors of the Company for FY 2021-22. The Audit

Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, interalia, reviews the Internal Audit Report.

Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. MKB & Associates, Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for FY 2020-21. The report of the Secretarial Auditor of the Company and its material unlisted subsidiary, VISA Special Steel Ltd in specified form MR-3 are annexed herewith as Annexure IA & IB respectively and forms part of this report. The reports do not contain/contains any observation or qualification or adverse reports remarks.

The Board has re-appointed M/s. MKB & Associates, Company Secretaries, as Secretarial Auditors of the Company for the financial year 2021-22.

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 manufactured by the Company for the FY ending 31 March 2022. The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained. The filings as prescribed under the provisions of Companies Act, 2013 were done within the due time.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolutions seeking ratification to the remuneration of the said Cost Auditors are appearing in the Notice convening the 25th Annual General Meeting of the Company.

No frauds have been reported during the financial year under review by the Auditors of the Company.

RISK MANAGEMENT

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

The Company has formulated and implemented a risk management policy in accordance with Listing Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks. In accordance with the policy, the risk associated with the Company's business is always reviewed by the management team and placed before the Audit Committee. The Audit Committee reviews these risks on periodical basis and ensures that mitigation plans are in place. The Board is briefed about the identified risks and mitigation plans undertaken.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS:

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

INTERNAL CONTROL SYSTEM

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

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

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee for their inputs and suggestions. The Audit Committee through Internal Auditor regularly reviews the system for cost control, financial controls, accounting controls, etc. to assess the adequacy and effectiveness of the internal control systems. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, except as disclosed.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during FY 2020-21 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 2020-21 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 by M/s L B Jha & Co., Chartered Accountants (LB Jha) and a statement giving details of all Related Party Transactions was placed before the Audit Committee for its approval on a quarterly basis. LB Jha concluded that all Related Party Transactions entered into during FY 2020-21 by your Company were on Arm's Length

Basis and also in the ordinary course of business, to the Audit Committee of the Board of Directors of your Company.

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 transactions same forms part of this report.

None of the Directors or KMPs have any pecuniary relationships or transactions vis-à-vis the Company during FY 2020-21except as disclosed in Notes to Financial Statement Forming part of this Annual Report.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION:

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

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

DEPOSITS

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

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Regulation 17-23 of the 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.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, as amended, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended 31 March 2021 is available on the website of the Company at www.visasteel.com.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against victimisation 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

The Corporate Social Responsibility (CSR) Committee comprises of 3 (three) Directors. As on date, Mr. Vishal Agarwal is the Chairman of the CSR Committee with Ms. Rupanjana De and Mr. Manoj Kumar as Members.

The Corporate Social Responsibility (CSR) policy recommended by the Corporate Social Responsibility Committee had been approved by the Board of Directors.

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.

The Company is taking all necessary measures in terms of mitigating the challenges being faced in the business and is focused on the safety of its employees and in an endeavour to fight against Covid–19, your Company had organised a free vaccination camp for its employees and dependents. Apart from this, to prevent the further spread of Covid – 19; the Company is following the advisories issued by the state government from time to time by issuing guidelines and circulars including wearing of masks, ensuring social distancing norms and health & hygiene protocols at all the times.

The CSR Policy is available on the website of the Company (www.visasteel.com).

Detailed Annexure as per Companies (CSR Policy) Rules, 2014 (as amended from time to time) is attached as Annexure V.

NOMINATION AND REMUNERATION POLICY

In terms of the requirement of Section 178 of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration Policy (hereinafter referred as "Policy') of the Company. The policy is available on the website of the Company (www.visasteel.com).

The salient features of the policy are as below:

- to lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management or as 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;
- to assist the Board with developing a succession plan for the Board.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint of sexual harassment during the FY 2020-21.

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

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance, support and guidance provided by all stakeholders including employees, banks, customers, suppliers, regulatory & government authorities, business associates. The Directors commend the continuing commitment and dedication of all employees at all levels and look forward to their continued support in future.

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

For and on behalf of the Board

Vishal Agarwal
Vice Chairman & Managing Director
(DIN 00121539)

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

Place: Kolkata
Date: 13 August 2021

Annexure IA to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 our opinion thereon.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31 March 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;

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

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

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

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

   a) The Securities 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 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 (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 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

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

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

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

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

   d) The Gas Cylinder Rules, 2004

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

   f) The Environment (Protection) Act, 1986

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

   h) Orissa Air (Prevention and Control of Pollution) Rules, 1983

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

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

b) Provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations').

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

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no changes in the composition of the Board of Directors during the period under review.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company had passed the following special resolutions which needs mention:

a) Approval of related party transactions under Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder;

b) Re-appointment of Mr. Sheo Raj Rai (DIN: 07902184) as the Independent Non - Executive Director of the Company;

c) Re-appointment of Ms. Rupanjana De (DIN: 01560140) as the Independent Non - Executive Director of the Company.

We further report that the stay granted by Supreme Court of India vide its order dated 17 January 2020 against the order of National Company Law Tribunal, Cuttack Bench dated 8 July 2019 continues to remain in operation.

We further report that as required under Regulation 24(1) of Listing Regulations, the independent director of the Company has been appointed as director in its unlisted material subsidiary, VISA Special Steel Limited on 9 February 2021.

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
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428
UDIN: A017190C000778379

Annexure – I

To
The Members,
VISA STEEL LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

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

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents/details have been provided by the Company through electronic mode and the same have been verified by us.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428
UDIN: A017190C000778379

Annexure IB to the Directors Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 SPECIAL STEEL LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31 March 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder **(Not applicable to the Company during the Audit Period);**

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

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI **(Not applicable to the Company during the Audit Period).;**

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

a) The Boilers Act, 1923;

b) The Legal Metrology Act, 2009 and Rules made there;

c) The Explosives Act, 1884 and Rules;

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

e) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981;

f) The Gas Cylinder Rules, 2004;

g) The Petroleum Act, 1934 and Rules made there under;

h) The Environment Protection Act, 1986;

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

j) Orissa Air (Prevention and Control of Pollution)Rules, 1983

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, the Company had passed special resolution towards approval of the related party transactions as per Section 188 of the Companies Act, 2013.

We further report that the stay granted by Supreme Court of India vide its order dated 17 January 2020 against the order of National Company Law Tribunal, Cuttack Bench dated 8 July 2019 continues to remain in operation.

We further report that the Company being a material subsidiary of VISA Steel Limited, one of the independent director of VISA Steel Limited has been appointed as director in the Company on 9 February 2021.

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
Firm Reg No: P2010WB042700

Sonal Sarda
Partner
ACS no. 60192
COP no. 23418
UDIN: A060192C000774994

Annexure – I

To
The Members,
VISA SPECIAL STEEL LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

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

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents/details have been provided by the Company through electronic mode and the same have been verified by us.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Sonal Sarda
Partner
ACS no. 60192
COP no. 23418
UDIN: A060192C000774994

Annexure II to the Directors' Report

FORM NO. AOC-2

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

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

1.	**Details of contracts or arrangements or transactions not at arm's length basis**		
	(a) Name(s) of the related party and nature of relationship	:	Not Applicable
	(b) Nature of contracts/arrangements/ transactions	:	
	(c) Duration of the contracts/arrangements/ transactions	:	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	:	
	(e) Justification for entering into such contracts or arrangements or transactions	:	
	(f) Date(s) of approval by the Board	:	
	(g) Amount paid as advances, if any	:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	
2.	**Details of material contracts or arrangements or transactions at arm's length**		
	(a) Name(s) of the related party and nature of relationship	:	VISA Coke Limited (Enterprises over which KMP or relative of KMP exercise significant influence); VISA Minmetal Limited (Enterprises over which KMP or relative of KMP exercise significant influence)
	(b) Nature of contracts/arrangements/ transactions	:	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions
	(c) Duration of the contracts/arrangements/ transactions	:	As mutually agreed
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any.	:	In the Ordinary course of business and on arm's length basis
	(e) Date(s) of approval by the Board	:	In the quarterly meetings of the Board@
	(f) Amount paid as advances, if any	:	Nil

Note: @ Date of the quarterly meetings of the Board of Directors of the Company are mentioned in the Corporate Governance Report for the year ended 31 March 2021.

Annexure III to the Directors' Report

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required pursuant to provisions of Section 134 of the Companies Act, 2013 read with the Company (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy;

1. Screening size of nut coke has been reduced from 12 mm to 6 mm and additional fines are now directly feed in to the ferrochrome furnaces.

2. In CPP two dozing pumps along with their agitators has been changed with one big capacity pump and agitator to ensure uniform dozing in both the WHRBS's boilers and also saving in power cost.

3. 100% DM permeate water has been replaced by water generated from RO plant installed for utilising water of CPP cooling tower. This has resulted direct reduction of chemical and power cost of DM plant.

4. Overall descaling of three condensers has been done due to which specific steam consumption of steam and heat rate of turbine has been improved from 0.82 to 0.85.

5. Char and De-dust input as fuel in CFBC boiler resulted in reduction of primary coal consumption as well as utilisation of Char & De-dust produced from DRI Kilns.

6. Insulation of 100 sq. meter area of steam line/boiler in CPP for preventing loss of steam enthalpy

7. During rainy to winter season cooling tower fan's blade angle reduced from 17.5 deg. to 15 deg resulting saving of 1.5 MWH per day in auxiliary power consumption in captive power plant.

8. In the FY 2020-21, HPSV lights consuming around 434 KW was replaced by 233 KW LED Lights further as per requirement 77 KW LED new installations were done instead of HPSV.

9. 6.4 KL LDO was used in place of HSD to reduce the specific energy consumption.

(ii) the steps taken by the Company for utilising alternate sources of energy

-NIL.

(iii) the capital investment on energy conservation equipment

- NIL

B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

(i) the efforts made towards technology absorption;

1. Modification of reversible conveyor belt no-10 used for feeding of surge hopper in Briquette Plant.

2. Logic has been developed in DCS for remote operation of high capacities Condenser Pumps.

3. Logic has been developed for monitoring of running hours of major critical equipment of CPP in DCS.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

1. Spillage of material has been controlled from 1.3% to 0.1% resulting saving in reprocessing cost of ₹ 1.5 lacs on annual basis.

2. Remote operation has reduced the restoring time of CW pumps after tripping resulting saving in the drop of TG's vacuum and further preventing of CPP from tripping or blackout.

3. Running hour's implementation has resulted in implementing proper lubrication and change of filters schedule for key critical equipment.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) Details of Imported technology

2018-19	2019-20	2020-21
NIL	NIL	NIL

(b) Year of Import: Not Applicable

(c) Has technology been fully absorbed : Not Applicable

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

(iv) the expenditure incurred on Research and Development

- NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR

(₹ in Million)

Particular	2020-21	2019-20
Foreign Exchange Earned	-	-
Foreign Exchange Outgo	-	0.91

Annexure IV to the Directors' Report

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

1) Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2020-21:

Sl. No.	Name of the Director	Ratio
	Executive Directors	
1	Mr. Vishambhar Saran	44.50
2	Mr. Vishal Agarwal	46.90
3	Mr. Manoj Kumar	19.63
	Independent Directors	
1	Mr. Pratip Chaudhuri	0.77
2	Ms. Rupanjana De	1.07
3	Mr. Sheo Raj Rai	0.77
4	Mr. Dhanesh Ranjan	0.46

Note:

1. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, in the financial year 2020-21: Nil

2. The percentage increase in the median remuneration of employees in the financial year 2020-21: 2.6%

3. The number of permanent employees on the rolls of the Company as on 31 March 2021: 386

4. 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: NIL

5. Average percentile increase in salary of the Company's employees for the financial year 2020-21 was NIL

6. Remuneration is as per the Nomination and Remuneration Policy of the Company.

Annexure V to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21.

1. **Brief outline of Company's CSR Policy of the Company:**
The Company has formulated a CSR policy as per the provisions of the Companies Act, 2013 to take up projects or programs relating to CSR activities as decided by the Corporate Social Responsibility Committee from time to time every year, as per the availability of CSR expenditure activities specified in Section 135 read with Schedule VI to the Companies Act 2013.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship
1	Mr. Vishal Agarwal	Chairman/Vice Chairman & Managing Director
2	Ms. Rupanjana De	Member/Independent Director
3	Mr. Manoj Kumar	Member/ Whole-time Director designated as Director (Kalinganagar)

No meeting(s) of CSR Committees were held during the year under review

3. **Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.**
Composition of CSR Committee, CSR Policy and CSR projects approved by the Board is available on the website of the Company and can be accessed through the following weblinks: www.visasteel.com

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) -** Not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. -** Not applicable

6. **Average net profit of the Company as per section 135(5). –** The Company has losses during the last three financial years
7. (a) **Two percent of average net profit of the Company as per section 135(5) -** NA

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years. –** NA

   (c) **Amount required to be set off for the financial year, if any –** NA

   (d) **Total CSR obligation for the financial year (7a+7b-7c). –** NA
8. (a) **CSR amount spent or unspent for the financial year:** NA

   (b) **Details of CSR amount spent against ongoing projects for the financial year:** NA

   (c) **Details of CSR amount spent against other than ongoing projects for the financial year:** NA

   (d) **Amount spent in Administrative Overheads –** NA

   (e) **Amount spent on Impact Assessment, if applicable –** NA

   (f) **Total amount spent for the Financial Year (8b+8c+8d+8e) –** NA

   (g) **Excess amount for set off, if any**

S. No.	Particular	Amount (₹ Crores)
1.	Two percent of average net profit of the Company as per section 135(5)	NA
2.	Total amount spent for the Financial Year	
3.	Excess amount spent for the financial year [(ii)-(i)]	
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** NA

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – NA**
11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). –** NA

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During FY 2020-21, the performance of the Company has been adversely affected due to non-availability of working capital for operations and other external factors beyond the control of the Company and its management, including the outbreak of Covid-19 pandemic.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Industry Overview

The global High Carbon Ferro Chrome production was at approx. 12.47 million tonnes in 2020, out of which India's Ferro Chrome production stood at approx. 1 million tonnes. India exported approx. 65% of its Ferro Chrome production, primarily to China, South Korea, Japan and Taiwan. China accounted for approx. 70% of global Ferro Chrome consumption.

India's Chrome Ore production dropped from approx. 3.92 million tonnes in FY 2019-20 to approx. 2.78 million tonnes in FY 2020-21. OMC produced only approx. 1 million tonnes of Chrome Ore in FY 2020-21 against an EC limit of 1.53 million TPA resulting in a huge supply-demand imbalance for Chrome Ore.

Iron Ore production in Odisha dropped from 142 million tonnes in FY 2019-20 to approx. 111 million tonnes in FY 2020-21, out of which 65 million tonnes was from captive mines. The exports of Iron Ore from Odisha also increased from 17.4 million tonnes in FY 2019-20 to 29 million tonnes in FY 2020-21. As a result, the merchant supply of Iron Ore got reduced drastically in FY 2020-21 creating a supply-demand imbalance which has resulted in an unprecedented increase in Iron Ore prices.

The Chrome Ore and Iron Ore production volume and price fixing mechanism by OMC for end user industries remains a key challenge.

Company Overview

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

OPPORTUNITIES AND THREATS

Opportunities

In view of some of the Government's initiatives with focus on implementing reforms to revive the economy, the demand for Ferro Alloys and Iron & Steel products is expected to grow.

Threats

The Company is under stress due to non-availability of Chrome Ore at viable prices, shortage in availability of Chrome Ore due to low production at OMC's mines, high prices of Chrome Ore being fixed by OMC through e-auction, high electricity duty & Coal Cess, high logistics costs including road transport rates, non-availability of working capital, high interest rates and delays in debt resolution. The long-term competitiveness of the Ferro Alloy Industry in India will depend on the cost of doing business including raw material costs, energy costs, regulatory costs, logistics costs for inbound and outbound transportation of raw material and finished goods, interest costs etc. There has been significant increase in levies, duties and regulatory costs in the recent years. However, your Company is determined to face these challenges going forward.

SEGMENT WISE PERFORMANCE & OUTLOOK

Your Company is engaged in the manufacturing of Ferro Alloys.

During the year under review, the operational performance of your Company has been adversely affected due to non-availability of working capital for operations and challenges due to other external factors including the outbreak of Covid-19 pandemic.

Your Company has achieved Ferro Chrome sales quantity of 66,720 MT in FY 2020-21 compared to 54,278 MT in FY 2019-20. The main raw material for Ferro Chrome is Chrome Ore which is being sourced mainly from OMC.

The spread of Covid-19 Pandemic since mid-March 2020 and subsequent lockdowns has resulted in an unprecedented crisis creating huge uncertainty for business, markets and the economy.

In view of the drop in production of Chrome Ore and the price fixing mechanism of OMC, the outlook remains uncertain. The Company's furnaces have become very old and are overdue for major refurbishment and relining. The Company is operating under conversion arrangement effective Q4 FY 2020-21. The Company has been taking support of operational creditors including related parties to continue plant operations under conversion arrangement without which such operations as a going concern would be impossible.

RISK MANAGEMENT

The volatility in the Global economy and the increasingly complex interplay of factors influencing a more globally integrated 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 – The price and availability of key raw materials, non-availability of working capital and regulatory changes such as duties / taxes / cess etc. 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 & equipment and stocks (raw materials, stores & spares and finished goods) against fire, allied perils and all other foreseeable risks. 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 your Company and also covers transit of all the incoming raw materials.

b) Foreign Exchange – Your Company deals in foreign exchange in imports of raw materials and exports of finished products.

A comprehensive forex policy has been formulated for managing its foreign exchange exposure.

c) Systems – Your Company has implemented SAP, the leading software for Enterprise Resource Planning, to integrate its operations and to use best business and commercial practices.

d) Statutory compliances – Procedure is in place for periodical reporting of compliance of statutory obligations and is reported to the Board of Directors at its meetings.

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, & Co. Internal Auditor 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 Auditor regularly reports to the Audit Committee on their observations on your Company's processes, systems and procedures ascertained during the course of their audit. Your Company has also appointed Cost Auditors for the cost audit of its manufactured products and the Cost Auditors also report to the Audit Committee on their observations. Your Company has appointed Auditors to report on arm's length pricing policy and its compliance with the Companies Act, SEBI regulations on related party transactions. Concerted efforts towards stabilisation of SAP have also contributed to tightening of control systems. Your Company has been able to adapt adequately to this ERP package and is placed to derive significant benefits from the same. Your Company has successfully migrated to cloud which will reduce the IT Cost and will also protect from data loss in case of hardware failure. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.

Your Company has been accredited with ISO 14001 (Environmental Management System) and OHSMS 45001 (Occupational Health and Safety Management System) Certification by BSI (British Standards Institution). It has also been accredited with the ISO 9001 (Quality Management System) certification. It shows commitment to quality, customers, and a willingness to work towards improving efficiency.

Your Company has an adequate internal financial control system over financial reporting which were operating effectively as at 31 March 2021 and have been audited and certified by the Statutory Auditor.

FINANCE REVIEW AND ANALYSIS

Your Company reported Standalone Revenues from operations of ₹ 5,666.73 Million. The standalone EBITDA was (₹ 90.08) Million.

Highlights (Standalone)

(₹ Million)

Particulars	2020-21	2019-20
Revenue from operations	5,666.73	3,478.79
Other Income	438.13	397.22
Total Income	**6,104.86**	**3,876.01**
Expenditure		
Raw Materials consumed	3,150.94	2,133.55
(Increase) / decrease in stock	16.91	85.23
Employee Cost	267.49	284.50
Other expenses	2,759.60	1,569.98
Operating Profit	**(90.08)**	**(197.25)**
Finance Cost	196.06	168.06
Depreciation	465.16	483.15
Exceptional Item	2,151.17	-
Profit/(Loss) before Tax	**(2,902.47)**	**(848.46)**
Tax Expenses	-	-
Profit/(Loss) after Tax	**(2,902.47)**	**(848.46)**
Other Comprehensive Income	(12.88)	(5.65)
Total Comprehensive Income	**(2,915.35)**	**(854.11)**

Sales & Other Income: Sales Revenue increased due to increase in the sales quantity of Ferro Chrome.

Expenditure: The raw material expenditure has increased due to increase in the price of raw material and higher production in comparison to previous year.

Finance Cost: Your Company did not provide majority part of the finance cost as per details mentioned in Note 15B of the Standalone Financial Statements.

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of your Company and its management. The Lenders have not disbursed sanctioned limits for operations and adjusted the same with interest resulting in complete depletion of working capital and it now appears that the whole exercise of purported restructuring was mere evergreening of debt without even considering its adverse effect on the Company's operations.

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

Your Company has been requesting lenders to implement a Resolution as per RBI Guidelines. Several Banks including Vijaya Bank (since merged with Bank of Baroda), SIDBI, Bank of Baroda, Dena Bank (since merged with Bank of Baroda), Indian Overseas Bank, Central Bank of India, UCO Bank and State Bank of Travancore (since merged with State Bank of India) have already implemented Resolution through sale of debt to ARCs. Other Banks are also in various stages of implementing Resolution through sale of debt to ARCs.

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

Your Company has been focused on ensuring safety of employees and compliance of guidelines issued by Government of India and Government of Odisha for prevention of Covid-19. The Company recognises Human Resource as its most important assets and is constantly engaged in developing its employees through various development & training programmes. We improve our team building through various employee engagement social activities.

The total number of employees in your Company, including those inducted as trainees in your Company, as on 31 March 2021 was 386.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible Corporate, your Company is focused on the happiness of people living in its larger neighbouring communities. Your Company's CSR team has directed its community development work in the areas of education, healthcare, rural development, sports & culture and your Company wishes to continue its support and focus on these issues.

HEALTH AND SAFETY

Your Company endeavours to be one of the most respected enterprises across the world in terms of providing a safe workplace 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.

KEY FINANCIAL RATIOS

	2020-21	2019-20
Debtors Turnover	-	39.53
Inventory Turnover	30.55	8.60
Interest Coverage Ratio	(2.83)	(4.05)
Current Ratio	0.26	0.29
Debt Equity Ratio	-	38.28
Operating Profit Margin	(0.09)	(0.18)
Net Profit Margin	(0.48)	(0.22)
Return on Net worth	-	(2.41)

During the current year, the key financial ratios have been adversely affected due to non- availability of working capital for operations and other external factors including challenges arising out of shortage & high prices of Chrome Ore being fixed by OMC through e-auction, high energy costs, high electricity duty/coal cess, high road transport rate and other external factors including outbreak of Covid-19 pandemic.

OUTLOOK

The Government initiatives with focus to implement reforms to revive the economy is expected to increase demand for Ferro Alloys and Iron & Steel products going forward. However, the outcome of mine auctions with extremely high bid premium is likely to impact the availability and price of raw material. The high energy, logistics & finance costs and huge uncertainty due to second and third waves of Covid-19 pandemic are areas of concern and will remain a challenge going forward.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE

OUR PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to the structures and processes for direction and control of the Companies. It is the process carried out by the Board of Directors and its related Committees, on behalf of and for the benefit of the Company's Stakeholders, to provide direction, authority and oversights to the Management. It also provides the structure through which the objectives of the Company are set and the means of attaining those objectives and monitoring performances are determined. The Company takes pride in being a responsible corporate citizen and in maintaining the highest standard of good Corporate Governance. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company. The purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards Shareholders and other Stakeholders. The Company has established systems and procedures to ensure that its Board of Directors is well informed and equipped to fulfill its overall responsibilities and to provide the Management with strategic direction needed to create long-term shareholder value. The Company always endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its vision of emerging as a low cost and efficient producer of value added steel products with backward integration and captive power.

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.

- **Core Skills/ Expertise/ Competencies identified by the Board as required in the context of Companies Business**

  The Board of Directors of your Company have evaluated and identified the following as the core skills/ expertise/ competencies in the context of Company's business, as may be required by the Members of the Board for effectively contributing to the Board and Committee proceedings.

Sl. No.	Core Skills/ Expertise/ Competencies	Whether such key skills, expertise and competence and attributes are available with the Company's Board
1.	Understanding of Company's Business and its Operation	Yes
2.	Finance & Accounts	Yes
3.	Corporate Governance and Ethics	Yes
4.	Strategy and Planning	Yes
5.	Technology and Innovation	Yes

Hence, core skills, expertise and competencies identified to function effectively amongst others are understanding of Company's Business and its Operation, Finance & Accounts, Corporate Governance and Ethics, Strategy and Planning and Technology and Innovation. All of those are available with each of the Board member in as much as they are from diverse fields and have said competencies individually as well as collectively. Table below give summary of said competencies each of the Directors of the Company have.

Sl No.	Core Skills/Expertise/ Competencies	Vishambhar Saran	Vishal Agarwal	Pratip Chaudhuri	Rupanjana De	Sheo Raj Rai	Dhanesh Ranjan	Manoj Kumar
1	Understanding of Company's Business and its Operation	√	√	√	√	√	√	√
2	Finance & Accounts	√	√	√	√	√	-	-
3	Corporate Governance and Ethics	√	√	√	√	√	√	√
4	Strategy and Planning	√	√	√	-	√	√	√
5	Technology and Innovation	-	√	-	√	-	-	√

- **Composition of the Board as on 31 March 2021**

  The Composition of the Board of Directors of the Company is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. The Company has a judicious mix of Executive, Non-Executive and Independent Directors on its Board. As on 31 March 2021, the Board comprised of seven members, out of these seven members, four members are Independent Directors including one Woman Director and three members are Executive Directors.

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

  a. Audit Committee;

  b. Nomination and Remuneration Committee;

c. Stakeholders Relationship Committee and

d. Finance & Banking Committee

Details of each Director as on 31 March 2021, as per SEBI Listing Regulations

Name of the Directors and DIN	Category	No. of Board Meetings attended	Attendance at AGM	No. of Directorship held in other Companies[1]	Names of the listed entities where the person is a director and the category of directorship	No. of Chairmanship/ Membership in Committees[4]
Mr. Vishambhar Saran 00121501	Promoter Executive Chairman	5	Yes	4	Nil	Member – 0 Chairman – 0
Mr. Vishal Agarwal 00121539	Promoter Vice Chairman & Managing Director	5	Yes	6	Nil	Member – 2 Chairman -1
Mr. Pratip Chaudhuri 00915201	Independent Non-Executive	4	No	7	CESC Limited– Independent Director Spencer's Retail Limited– Independent Director Cosmo Films Limited– Non Executive & Non-Independent Director Muthoot Finance Limited-Independent Director Firstsource Solutions Limited –- Independent Director	Member – 10 Chairman – 2
Ms. Rupanjana De 01560140	Independent Non-Executive	5	Yes	7	Assam Carbon Products Limited – Independent Director Sastasundar Ventures Limited – Independent Director	Member – 7 Chairperson -0
Mr. Sheo Raj Rai 07902184	Independent Non-Executive	4	No	0	Nil	Member – 1 Chairman -0
Mr. Dhanesh Ranjan 03047512	Independent Non-Executive	4	No	0	Nil	Member – 0 Chairman -0
Mr. Manoj Kumar 06823891	Executive Director	4	Yes	2	Nil	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. All the Independent Directors of the Company fulfills the conditions of Independence, as required under the Companies Act, 2013 and SEBI Listing Regulation. All the Independent Directors are independent of the management.

3. Each Director informs the Company on an annual basis about the Board and the Committee position which he/she occupies in other Companies and notifies any changes therein. In addition to this, the Independent Directors provide an annual confirmation that they meet the criteria of Independence U/s 149 (6) of the Companies Act, 2013 and SEBI Listing Regulation.

4. 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.

5. None of the Independent Directors have resigned before the end of their tenure.

During the year under review, 5 (Five) Board Meetings were held on the following dates: 30 June 2020, 30 July 2020, 10 September 2020, 10 November 2020 and 10 February 2021.

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

Details of Remuneration paid to Board of Directors

Name of the Director	Sitting Fees paid[1] (₹)	Total payments paid / payable in 2020-21 (₹)
Mr. Pratip Chaudhuri	300,000	300,000
Ms. Rupanjana De	420,000	420,000
Mr. Sheo Raj Rai	300,000	300,000
Mr. Dhanesh Ranjan	180,000	180,000
Total	**1,200,000**	**1,200,000**

Note:

1. Sitting fees were paid @ ₹ 40,000 per Board Meeting and ₹ 20,000 per Committee Meeting i.e. Audit, Stakeholders Relationship and Nomination and Remuneration Committee(s) including separate meeting of Independent Directors.

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

3. During the financial year 2020-21, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company apart from the above.

4. The criteria of making payment to the Non-Executive Directors are as and when decided by the Board of Directors/

Nomination and Remuneration Committee. For the financial year 2020-21, the Company paid only sitting fees to the Non-Executive Independent Directors.

B. Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2020-21			
			All elements of remuneration package, i.e. salary, benefits, bonuses etc. (in ₹ Mn)	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Vishambhar Saran	See Note (a)	Whole time Director designated as Chairman	17.42	See note (b)	See note (c)	NA
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	18.36	See note (b)	See note (c)	NA
Mr. Manoj Kumar	See Note (a)	Whole time Director designated as Director (Kalinganagar)	7.65	See note (b)	See note (c)	NA

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

(b) In view of the ongoing losses being incurred by the Company, Mr. Vishambhar Saran and Mr. Vishal Agarwal had volunteered for reducing their salary retrospectively w.e.f. 1 April 2014. Mr. Manoj Kumar, Whole time Director designated as Director (Kalinganagar) is entitled to Performance Bonus of ₹ 792,000. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

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

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

Mr. Manoj Kumar 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 2018. The appointment may be terminated by either party by giving 1 month notice in writing and no severance fee is payable.

II. BOARD COMMITTEES

- **Audit Committee**

The Audit Committee comprises of 3 Non-Executive Independent Directors. Details are given under as on 31 March 2021:

Ms. Rupanjana De, Chairperson - Independent Director

Mr. Pratip Chaudhuri, Member - Independent Director

Mr. Sheo Raj Rai, Member - Independent Director

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

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

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.

3. Recommendation of matters relating to financial management and audit reports.

4. The Committee is authorised to investigate into matters contained in the terms of reference or referred / delegated to it by the Board and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.

During the financial year 2020-21, the Committee met 4 (Four) times on - 30 July 2020, 10 September 2020, 10 November 2020 and 10 February 2021. The details of .attendance by the Committee Members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Ms. Rupanjana De	4	4
Mr. Sheo Raj Rai	4	4
Mr. Pratip Chaudhuri	4	3

Note:

The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on 22 December 2020.

- **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 2021:

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

  The primary function of the Committee is to consider and resolve the grievances of the stakeholders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends and such other grievances as may be raised by the security holders from time to time. As on 31 March 2021, 95% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the Stock Exchanges in the dematerialised form. Subsequent to the end of financial year, except 505 Equity Shares of ₹ 10/- of the Company, all the shares are in dematerialised form

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

  During the financial year 2020-21, the Committee met 4 (Four) times on - 30 July 2020, 10 September 2020, 10 November 2020 and 10 February 2021. The details of attendance by the Committee members are given as under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Vishal Agarwal	4	4
Mr. Pratip Chaudhari	4	3
Ms. Rupanjana De	4	4

  Ms. Amisha Chaturvedi, Company Secretary continues to be the Compliance Officer of the Company.

- **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 Independent Directors as on 31 March 2021:

  - Mr. Pratip Chaudhuri, Chairman - Independent Director
  - Ms. Rupanjana De, Member - Independent Director
  - Mr. Sheo Raj Rai, Member - Independent Director

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

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

  During the financial year 2020-21, the Committee met 2 (Two) times on 10 November 2020 and 10 February 2021. The details of attendance by the Committee members are as given under:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Pratip Chaudhari	2	1
Ms. Rupanjana De	2	2
Mr. Sheo Raj Rai	2	2

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 2021:

Mr. Vishal Agarwal, Chairman	- Vice Chairman & Managing Director

Ms. Rupanjana De, Member - Independent Director

Mr. Manoj Kumar, Member - Executive Director

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

Note:
During the financial year 2020-21, no Meeting of the Committee was held. The CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with applicable Rules made thereunder, are detailed in the Annual Report.

- **Finance & Banking Committee**

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

The Committee comprises of the following Directors as on 31 March 2021:

Mr. Pratip Chaudhuri, Chairman - Independent Director

Mr. Vishal Agarwal, Member - Vice Chairman & Managing Director

Ms. Rupanjana De, Member - Independent Director

During the financial year 2020-21, the Committee did not meet.

III. SUBSIDIARY COMPANIES

The Company has 4 (Four) subsidiaries including indirect subsidiaries, as on 31 March 2021:

Kalinganagar Chrome Private Limited

Kalinganagar Special Steel Private Limited

VISA Ferro Chrome Limited

VISA Special Steel Limited

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

- The Audit Committee reviewed the financial statements and in particular, the investments made by the unlisted subsidiary companies.
- The minutes of the Board Meetings as well as statements of all significant transactions of the unlisted subsidiary companies were placed before the Board of Directors of the Company for their review.

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

Means of communication

Quarterly results	- Posted on our website www.visasteel.com
Newspapers normally published in	- One English Language National Daily One daily published in Oriya Language
Any website, where displayed	- www.visasteel.com
Whether it displays official news releases	- Yes
Presentation to investors / analysts	- Available as and when made
Whether Shareholder Information Report forms part of the Annual Report	- Yes

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

General Body Meetings

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

Year	Location	Date	Time	Special Resolutions passed
2019-2020	Through VC / OAVM	22 December 2020	12.00 PM	1. To approve Related Party Transaction.
2018-2019	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	23 December 2019		1. To approve Continuation of Remuneration Payable to Mr. Vishal Agarwal, Vice-Chairman & Managing Director (DIN: 00121539) 2. To approve Related Party Transaction.
2017-2018		29 September 2018		1. To re-appoint Mr. Manoj Kumar (DIN:06823891) as the Whole-time Director designated as Director (Kalinganagar) of the Company 2. To approve Related Party Transaction.

Postal Ballot

- Whether resolutions were put through postal ballot last year: Yes
- Following resolutions had been passed through Postal ballot
  - Re-appointment of Mr. Sheo Raj Rai (DIN: 07902184) as the Independent Non - Executive Director of the Company. .

- Re-appointment of Ms. Rupanjana De (DIN: 01560140) as the Independent Non - Executive Director of the Company.
- To approve Related Party Transactions..

- Person who conducted the postal ballot exercise: KFin Technologies Private Limited
- Procedure of postal Ballot: Remote E-voting process i.e. voting by electronic means.
- Whether any Special Resolution is proposed to be conducted through postal ballot: No

General Shareholder Information

a) **Annual General Meeting for current FY**

Date : 29 September 2021

Time : 1200 Hours

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5 May 2020 and 13 January 2021 & as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b) **Financial Year:** April to March.

c) **Dividend Payment date:** The Company did not declare any dividend during the FY –2020-21.

d) **The name and address of the Stock Exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange:**

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

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

CIN of the Company – L51109OR1996PLC004601

The ISIN No. of the Company – INE286H01012

Listings fees have been paid to the Stock Exchanges for the financial year 2021-22.

e) **Market price data –**

Particulars	BSE Limited		NSE	
	High (₹)	Low	High (₹)	Low
Apr-20	4.89	2.55	4.90	2.45
May-20	3.93	3.25	4.25	3.50
Jun-20	7.02	4.07	6.90	4.05
Jul-20	8.11	4.82	7.90	4.70
Aug-20	6.63	4.78	6.50	4.90
Sep-20	7.21	5.61	7.30	5.50
Oct-20	6.60	5.67	6.70	5.65
Nov-20	6.25	5.24	6.10	5.15
Dec-20	7.16	5.56	7.20	5.55
Jan-21	8.62	6.35	8.80	6.30
Feb-21	7.34	5.74	7.35	5.85
Mar-21	8.21	6.01	7.35	5.85

f) **Performance in comparison to broad-based indicies such as BSE sensex, CRISIL Index etc.**

Financial Year	NSE NIFTY		BSE SENSEX	
	Change in VSL share price	Change in Nifty	Change in VSL share price	Change in SENSEX
2020-21	35.19%	72.66%	149.02%	70.14%

g) **In case the securities are suspended from trading, the directors report shall explain the reason thereof:** Not Applicable

h) **Registrar to an issue and share transfer agents:**
KFin Technologies Private Limited
Unit: VISA Steel Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Tel: + 91 40 67162222,
Fax: + 91 40 23001153
Email: einward.ris@Kfintech.com
Website: www.Kfintech.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	2021				2020			
	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	13853	80.66	2225405	1.92	13961	80.27	2295050	1.98
501 – 1000	1808	10.53	1413570	1.22	1895	10.90	1472719	1.27
1001 – 2000	855	4.98	1278756	1.10	865	4.97	1292643	1.12
2001 – 3000	216	1.26	565871	0.49	222	1.28	577568	0.50
3001 – 4000	111	0.65	402450	0.35	105	0.60	380175	0.33
4001 – 5000	100	0.58	484621	0.42	106	0.61	510332	0.44
5001 – 10000	128	0.74	945959	0.82	141	0.81	1047293	0.90
10001 and above	104	0.60	108472868	93.68	97	0.56	108213720	93.46
Total	**17175**	**100.00**	**115789500**	**100**	**17392**	**100.00**	**115789500**	**100.00**

k) **Dematerialisation of shares and liquidity:** 95% of Equity Shares of the Company are in dematerialised form and 5% of Equity Shares of the Company are in physical form as on 31 March 2021. Subsequent to the end of the financial year 2020-21, except 505 Equity Shares of ₹ 10/- of the Company, all the shares are in dematerialised form.

l) **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

m) **Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable

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

o) **Address for correspondence**
Registered Office
Bhubaneswar
VISA House
11 Ekamra Kanan, Nayapalli
Bhubaneswar – 751015
Odisha
Tel: + 91 674 2552 479-84
Fax: + 91 674 2554 661-62

Corporate Office
Kolkata
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 cs@visasteel.com

p) **List of all credit ratings obtained by the entity along with any revisions thereto during FY 2020-21 for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad -** Not Applicable

Other Disclosures

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**
All transactions entered into with related parties as defined under the Companies Act, 2013 and provisions of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business. These have been placed and approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.visasteel.com. Further, all the materially significant related party transactions are displayed in Note no. 48 of the Audited Financial Statement for the financial year ended 31 March 2021.

b) **Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**
Not Applicable

c) **Details of establishment of vigil mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee:**
The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against victimisation of employees and / or Directors and also provides for direct access to the Chairperson 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 and adoption of the non-mandatory requirements:
The Company has complied with all the mandatory and adoption of Non-mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

e) Web link where policy for determining material subsidiaries is disclosed
http://www.visasteel.com/code-policies/related-party-transactions-policy-and-policy-for-determining-material-subsidaries.pdf

f) Web link where policy on dealing with related party transactions
http://www.visasteel.com/code-policies/related-party-transactions-policy-and-policy-for-determining-material-subsidaries.pdf

g) Disclosure of commodity price risks and commodity hedging activities: Not Applicable

h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable

i) A Certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority – Attached

j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – Nil

k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part– Detailed in Note No. 41 to the Standalone Financial Statement

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year – NIL

b. Number of complaints disposed of during the financial year - NIL

c. Number of complaints pending as on end of the financial year – NIL

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

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

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.

m) Disclosure with respect to demat suspense account/ unclaimed suspense account
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:

No. of cases	No. of Shares held
3	873

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

No. of cases	No. of Shares held
0	0

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

No. of cases	No. of Shares held
3	873

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

n) 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 2021.

For VISA Steel Limited

Vishal Agarwal
Vice Chairman & Managing Director
(DIN 00121539)

Place: Kolkata
Date: 13 August 2021

ADOPTION AND COMPLIANCE OF DISCRETIONARY/NON-MANDATORY REQUIREMENTS:

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

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

Modified opinion in Audit Report
The modified opinion in the Independent Audit Report in the Financial Statement for the Financial Year 2020-21 forms integral part of this Annual Report.

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

CEO / CFO CERTIFICATION TO THE BOARD

30 June 2021

The Board of Directors
VISA Steel Limited
Kolkata 700 027

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 Surinder Kumar Singhal, Chief Financial Officer, hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity'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, of which we are aware.

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 & that the same have been disclosed in the notes to the financial statements; and

(iii) there have been no instances of significant fraud of which we have become aware.

Sd/-
Vishal Agarwal
Vice Chairman & Managing Director

Sd/-
Surinder Kumar Singhal
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
VISA Steel Limited
11 Ekamra Kanan
Nayapalli
Bhubaneswar – 751015
Odisha

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VISA Steel Limited (CIN: L51109OR1996PLC004601) having its Registered office at 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751015, Odisha (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN)] status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31 March 2021:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00121501	Mr. Vishambhar Saran	Executive Chairman	10.09.1996
2	00121539	Mr. Vishal Agarwal	Vice-Chairman & Managing Director	10.09.1996
3	00915201	Mr. Pratip Chaudhuri	Independent Director	01.10.2014
4	01560140	Mrs. Rupanjana De	Independent Director	26.08.2017
5	03047512	Mr. Dhanesh Ranjan	Independent Director	30.09.2018
6	06823891	Mr. Manoj Kumar	Executive Director	15.09.2015
7	07902184	Mr. Sheo Raj Rai	Independent Director	08.08.2017

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428
UDIN: A017190C000801094

Independent Auditors' Certificate on Corporate Governance to the members of VISA Steel Limited

To the members of
VISA Steel Limited

1. We, Singhi & Co., Chartered Accountants, the statutory auditors of VISA Steel Limited ("The Company"), have examined the compliance of conditions of corporate governance by the Company, for the year ended March 31, 2021 as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 (the Listing Regulations) as amended.

MANAGEMENTS' RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

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

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance note on certification of corporate governance issued by Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the guidance note on report or certificate for special purpose issued by ICAI which requires that we comply with ethical requirements of the code of Ethics issued by the ICAI.

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

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

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

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

(Navindra Kumar Surana)
Partner
Membership No. 053816
UDIN: 21053816AAAAGO2804

Place: Kolkata
Date: 13 August 2021

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. We have audited the standalone financial statements of VISA Steel Limited ("the Company") which comprise the standalone balance sheet as at 31 March 2021 and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

   In our opinion and to the best of our information and according to the explanations given to us, except for the effect of matter referred to in Basis of Qualified Opinion paragraph 2 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

2. We draw attention to Note 15B of the accompanying Standalone Financial Statements with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on 31 March 2021 is ₹ 7,207.66 million (including ₹ 1,459.69 million for FY 2016-17, ₹ 1,552.29 million for FY 2017-18, ₹ 1,465.46 million for FY 2018-19, ₹ 1,443.39 million for the FY 2019-20 and ₹ 1,286.83 million for the FY 2020-21 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.

   Had the aforesaid interest expense been recognised, finance cost for the year ended 31 March 2021 would have been ₹ 1,482.89 million instead of the reported amount of ₹ 196.06 million. Total expenses for the year ended 31 March 2021 would have been ₹ 8,142.99 million instead of the reported amount of ₹ 6,856.16 million. Net loss after tax for the year ended 31 March 2021 would have been ₹ 4,189.30 million instead of the reported amount of ₹ 2,902.47 million. Total Comprehensive Income for the year ended 31 March 2021 would have been ₹ (4,202.18) million instead of the reported amount of ₹ (2,915.35) million, other equity would have been ₹ (10,928.48) million against reported ₹ (3,720.82), other current financial liability would have been ₹ 20,031.46 million instead of reported amount of ₹ 12,823.80 million and Loss per share for the year ended 31 March 2021 would have been ₹ 36.18 instead of the reported amount of ₹ 25.07.

   The above reported interest has been calculated using Simple Interest rate.

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

4. We draw attention to Note - 36 to the standalone financial statements regarding the preparation of the statement on going concern basis, for the reason stated therein. The Company has accumulated losses and has also incurred losses during the year ended 31 March 2021. As on date, the Company's current liabilities are substantially higher than its current assets and the Company's net worth has also been fully eroded. Further the State Bank of India (financial creditor) had filed an application before National Company Law Tribunal (NCLT) Kolkata Bench for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT, Cuttack Bench. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed the NCLT, Cuttack Bench to restore the application and proceed further in accordance with law. The NCLAT order has been challenged by the Company in the Hon'ble Supreme Court which is pending. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business.

   All the assets including non-current assets and liabilities are still being carried at their book value. The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is critically dependent upon the debt resolution of the Company which is under process, the Company's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future. The ability of the Company to continue as a going concern is solely dependent on the successful outcome of these conditions, which are not wholly within the control of the Company.

Management of the Company has prepared the statement on going concern basis based on their assessment of the successful outcome of the debt resolution which will enhance the Company's viability and accordingly no adjustments have been made to the carrying value of the assets and liabilities.

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

EMPHASIS OF MATTER

5. We draw your attention to the following matters:

   Refer Note 35 to the standalone financial statements regarding accounting for transfer of Special Steel Undertaking, pursuant to the Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal vide its order dated 8 July 2019, all the assets and liabilities of the Special Steel Undertaking of Visa Steel Limited ("transferor Company" or "the Company") has been transferred to and vested in the Visa Special Steel Limited, (a wholly owned step down subsidiary) ("VSSL" or "transferee Company") at their respective book values on a going concern basis from 1 April 2013 being the appointed date. Effective date of the scheme is 13 July 2019 being the date on which certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Cuttack.

   On 17 January 2020, Hon'ble Supreme Court of India vide its ex-parte order in Civil Appeal No. 56 of 2020 filed by State Bank of India, has ordered issuance of notice and in the meanwhile stayed the aforesaid NCLT Order. The NCLT Order had been given effect to and stood implemented by the Company prior to 17 January 2020.

   To give the impact of the sanctioned scheme, the Standalone Financial Statement of the Company for the year ended 31 March 2019 were revised and the same were approved by the Board of Directors in their meeting held on 18 October 2019 and audited by us on which we have issued our audit report dated 18 October 2019 and same were approved by the members in their meeting held on 23 December 2019. In compliance to the sanctioned schemes, the Company has transferred various income, expenses, assets and liabilities related to special steel undertaking to VSSL from 1 April 2013 resulting in accumulated receivable of ₹ 3,776.91 million from VSSL as on 31 March 2021 (previous year ₹ 3,742.89 million). Since the matter is pending with Hon'ble Supreme Court, the impact of the sanctioned scheme considered as above on financial statements including aforesaid receivable from a subsidiary VSSL is dependent on the final judgment of the Hon'ble Supreme Court.

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

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

6. The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report, Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

KEY AUDIT MATTERS

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The key audit matter	How the matter was addressed in our audit
A. Related Party Transactions Refer to Note 44 to the financial statements. A significant part of the Company's Revenue and purchases of coal and coke relates to transactions with related party. The details of Related Party Transactions have been disclosed in note no 44 Related Party Transactions. Transactions with other related party for revenue generation is 99% of total revenue and coal and coke purchased is almost 100% of total coal and coke purchased. Transactions with related parties are significant for audit due to the materiality of revenue and purchase of coal and coke which are from other related parties and possible transfer price risk associated with transactions with related parties.	We addressed the Key Audit Matter as follows :- 1) We reviewed the policy of the Company with respect to related party transactions. 2) We reviewed the minutes of the meeting of the Audit Committee and Board. 3) We reviewed the list of Related party identified by the Company. 4) We performed the sales process / procurement process walk through and tested the controls. 5) We obtained the transfer pricing document prepared by the Company and assessed the Key Assumptions. 6) We have assessed the application of transfer price documents in executing the transactions. 7) We reviewed compliance with Section 177 & 188 of the Companies Act 2013 for related party transaction. 8) We reviewed whether transactions between related parties are on normal commercial terms and conditions no more favorable than those otherwise available to other parties considering the present financial position of the Company. 9) We reviewed the disclosure of related party transactions as per Ind AS 24. **Conclusion :** Our audit procedures did not lead to any reservations regarding the related party transactions and its disclosure.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

8. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

   In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, except for the matter referred to in paragraph 2 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, except for the matter referred to in paragraph 2 above, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

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

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements,

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

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 31 March 2021.

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

Pradeep Kumar Singhi
Partner
Membership No. 050773
UDIN: 21050773AAAAAM7126

Place: Kolkata
Date: 30 June 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 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 31 March 2021

We report that:

i. In respect of its fixed assets:

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

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

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

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

iii. According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

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

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

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

vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of goods and services tax, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including, sales tax, excise, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Due Date	Date of Payment
Goods & Service tax, 2017	Interest	0.97	Sep-17	20-Oct-17	Not yet Paid
Goods & Service tax, 2017	Interest	3.38	Oct-17	20-Nov-17	Not yet Paid
Goods & Service tax, 2017	Interest	0.28	Nov-17	20-Dec-17	Not yet Paid
Goods & Service tax, 2017	Interest	0.10	Dec-17	22-Jan-18	Not yet Paid
Goods & Service tax, 2017	Interest	1.31	Jan-18	20-Feb-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.15	Feb-18	20-Mar-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.13	Mar-18	20-Apr-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.03	Apr-18	22-May-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.24	May-18	20-Jun-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.24	Jun-18	20-Jul-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.22	Jul-18	24-Aug-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.34	Aug-18	20-Sep-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.21	Sep-18	25-Oct-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.12	Oct-18	20-Nov-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.16	Nov-18	20-Dec-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.19	Dec-18	20-Jan-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.21	Jan-19	22-Feb-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.18	Feb-19	20-Mar-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.31	Mar-19	23-Apr-19	Not yet Paid

Name of the statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Due Date	Date of Payment
Goods & Service tax, 2017	Interest	0.19	Apr-19	20-May-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.42	May-19	20-Jun-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.14	Jun-19	20-Jul-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.11	Jul-19	22-Aug-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.18	Aug-19	20-Sep-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.03	Sep-19	20-Oct-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.07	Oct-19	20-Nov-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.08	Nov-19	23-Dec-19	Not yet Paid
Goods & Service tax, 2017	Interest	0.08	Dec-19	20-Jan-19	Not yet Paid
Total		**10.07**			

The above table excludes the undisputed cases pertaining to the erstwhile Special Steel undertaking of the Company which stood transferred & vested in VISA Special Steel Limited pursuant to the Scheme of Arrangement as sanctioned by National Company Law Tribunal, Cuttack Bench dated 8 July 2019. These undisputed cases are still being pursued in the name of the Company.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax and duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, service tax and value added tax as at 31 March 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Duty of Excise	10.46	Financial Year 2008-09 to 2010-11	Custom, Excise & Service Tax Appellate Tribunal, Kolkata
Service Tax under Finance Act, 1994	Service Tax	39.02	Financial Year 2011-12 to 2014-15	Commissioner CGST& Central Excise and Customs
Service Tax under Finance Act, 1994	Service Tax	15.61	Financial Year 2010-11 to 2011-12	Commissioner of Central Excise (Appeals)
Central Sales Tax Act,1956	Central Sales Tax	0.02	Financial Year 1999-2000	Sales tax Tribunal, Orissa
Andhra Pradesh Value Added Tax Act 2005	CST & VAT	0.96	Financial Year 2013-14 to 2017-18	Additional Commissioner of Commercial Taxes, Vijayawada

The above table excludes the disputed cases pertaining to the erstwhile Special Steel undertaking of the Company which stood transferred & vested in VISA Special Steel Limited pursuant to the Scheme of Arrangement as sanctioned by National Company Law Tribunal, Cuttack Bench dated 8 July 2019. These disputed cases are still being pursued in the name of the Company.

viii. According to the records of the Company examined by us and the information and explanations given to us, except for loans or borrowings from banks and financial institutions aggregating to ₹ 19,242.16 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 (₹ in Million)		
		Less than 12 months	More than 12 months	Total
Asset Care and Reconstruction Enterprise limited	Principal & Interest	625.62	3,318.68	3,944.29
Bank of India	Principal & Interest	52.84	232.63	285.48
Canara Bank	Principal & Interest	270.50	1,493.00	1,763.49
Edelweiss Asset Reconstruction Company Limited	Principal & Interest	24.02	112.22	136.24
Exim Bank	Principal & Interest	106.29	583.59	689.88
HUDCO	Principal & Interest	166.76	901.63	1,068.38
Punjab & Sind Bank	Principal & Interest	66.25	327.18	393.43
Punjab National Bank	Principal & Interest	971.85	4,992.65	5,964.50
State Bank of India	Principal & Interest	375.80	2,646.96	3,022.75
Union Bank of India	Principal & Interest	318.59	1,655.12	1,973.71
Total		**2,978.50**	**16,263.66**	**19,242.16**

Note: The unprovided interest amount reported above has been calculated by the management at simple interest.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.

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.

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

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

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

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

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

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

Pradeep Kumar Singhi
Partner
Membership No. 050773
UDIN: 21050773AAAAAM7126

Place: Kolkata
Date: 30 June 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 (f) 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 March 2021

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of VISA Steel Limited ("the Company") as of 31 March 2021, 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 financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. 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 with reference to the standalone financial statements were established and maintained and whether 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

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

   i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone 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

   iii. 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS FOR QUALIFIED OPINION

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements as at 31 March 2021:

   The Company's internal financial controls relating to application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 15B to the standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to the standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim standalone financial statements will not be prevented or detected on a timely basis.

QUALIFIED OPINION

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

EXPLANATORY PARAGRAPH

11. We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Visa Steel Limited which comprise the Balance Sheet as at 31 March 2021, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the 31 March 2021 standalone financial statements of VISA Steel Limited and this report affect our report dated 30 June 2021, which expressed a qualified opinion on those standalone financial statements.

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

Pradeep Kumar Singhi
Partner
Membership No. 050773
UDIN: 21050773AAAAAM7126

Place: Kolkata
Date: 30 June, 2021

BALANCE SHEET
as at 31 March 2021

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2021	As at 31 March 2020
I.	**ASSETS:**			
	Non-current Assets			
	Property, Plant and Equipment including ROU Assets	3 A	10,296.25	10,790.95
	Capital Work-in-Progress	3 C	387.50	2,902.72
	Intangible Assets	3 B	1.09	1.26
	Financial Assets			
	(i) Investments	4	42.93	42.93
	(ii) Loans and Advances	5	16.08	63.73
	(iii) Other Financial Assets	6	0.21	-
	Deferred Tax Assets (Net)	7	-	-
	Total Non-Current Assets		**10,744.06**	**13,801.59**
	Current Assets			
	Inventories	8	193.89	172.54
	Financial Assets			
	(i) Trade receivables		-	-
	(ii) Cash and Cash Equivalents	9	80.94	63.52
	(iii) Other Bank Balances [other than (ii) above]	10	20.70	19.75
	(iv) Others Financial Assets	11	0.82	3.07
	Current Tax Assets (Net)	12	84.79	82.11
	Other Current Assets	13	4,131.07	3,931.15
	Total Current Assets		**4,512.21**	**4,272.14**
	TOTAL ASSETS		**15,256.27**	**18,073.73**
II.	**EQUITY AND LIABILITIES:**			
	Equity			
	Equity Share Capital	14 A	1,157.90	1,157.90
	Other Equity	14 B	(3,720.82)	(805.47)
			(2,562.92)	**352.43**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	15	-	2,360.92
	(ii) Other financial liabilities	16	461.32	499.54
	Provisions	17	46.29	33.61
	Total Non Current Liabilities		**507.61**	**2,894.07**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	18	2,763.94	2,764.33
	(ii) Trade Payables due to	19		
	- Micro and Small Enterprises		-	-
	- Other than Micro and Small Enterprises		473.91	614.19
	(iii) Other Financial Liabilities	20	12,823.80	10,602.15
	Other Current Liabilities	21	1,241.42	839.52
	Provisions	22	8.51	7.04
	Total Current Liabilities		**17,311.58**	**14,827.23**
	TOTAL EQUITY AND LIABILITIES		**15,256.27**	**18,073.73**

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

The accompanying Notes form an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from Operations	23	5,666.73	3,478.79
II	Other Income	24	438.13	397.22
III	**Total Income**		**6,104.86**	**3,876.01**
IV	**EXPENSES**			
	Cost of Materials Consumed	25	3,150.94	2,133.55
	Purchases of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	16.91	85.23
	Employee Benefit Expenses	27	267.49	284.50
	Finance Costs	28	196.06	168.06
	Depreciation and amortisation expense	29	465.16	483.15
	Other Expenses	30	2,759.60	1,569.98
	Total Expenses		**6,856.16**	**4,724.47**
V	**Profit/(Loss) before Exceptional Items and Tax**		**(751.30)**	**(848.46)**
VI	Exceptional items	31	2,151.17	-
VII	**Profit/(Loss) before Tax**		**(2,902.47)**	**(848.46)**
VIII	Tax Expenses			
	1) Current Tax		-	-
	2) Deferred Tax		-	-
IX	**Profit/(loss) for the period**		**(2,902.47)**	**(848.46)**
X	**Other comprehensive income**	32		
A(i)	Items that will not be reclassified to profit or loss		(12.88)	(5.65)
A(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-
B(i)	Items that will be reclassified to profit or loss		-	-
B(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period**		**(2,915.35)**	**(854.11)**
XII	**Earnings/(Loss) per Equity Share**			
	1) Basic	33	**(25.07)**	**(7.33)**
	2) Diluted		**(25.07)**	**(7.33)**

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

The accompanying Notes form an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as at 1 April 2019	Change in Share Capital during 2019-20	Balance as on 31 March 2020	Change in Share Capital during 2020-21	Balance as on 31 March 2021
Equity Share Capital	14 A	1,157.90	-	1,157.90	-	1,157.90

B OTHER EQUITY

Particulars	Note	Reserves and Surplus				Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2019		**4,601.53**	**1,645.00**	**110.24**	**(6,308.13)**	**48.64**
Profit/(Loss) for the year			-	-	(848.46)	(848.46)
Other Comprehensive Income					(5.65)	(5.65)
Balance as at 31 March 2020	14 B	**4,601.53**	**1,645.00**	**110.24**	**(7,162.24)**	**(805.47)**
Profit/(Loss) for the year		-	-	-	(2,902.47)	(2,902.47)
Other Comprehensive Income		-	-	-	(12.88)	(12.88)
Balance as at 31 March 2021		**4,601.53**	**1,645.00**	**110.24**	**(10,077.59)**	**(3,720.82)**

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

The accompanying Notes form an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

CASH FLOW STATEMENT
for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax for the period	(2,902.47)	(848.46)
	Adjustments to reconcile profit before tax for the period to net cash flows:		
	Depreciation and Amortisation Expenses	465.16	483.15
	Finance Costs-net	88.40	167.25
	Amortisation of Processing Fees	0.67	0.81
	Income from Shared Services	(427.90)	(378.04)
	Allowance for doubtful debts, advances etc. no longer required written back	5.24	(0.79)
	Liabilities no longer required written back	(69.33)	(6.02)
	Loss on Assets retirement/write off	362.52	80.46
	Adjustments for exceptional items	2,151.17	-
	Interest income classified as investing cash flows	(2.68)	(12.30)
	Net loss or (profit) on disposal of property, plant and equipment	-	(0.78)
	Net exchange differences	-	0.36
	Other non- cash items	10.79	-
	Operating Profit/(Loss) before changes in operating assets and liabilities	**(318.43)**	**(514.36)**
	Working capital adjustments:		
	(Increase)/Decrease in trade receivables	-	175.54
	Increase/(Decrease) in trade payable and current liabilities	241.76	39.45
	(Increase)/Decrease in Inventories	(21.34)	461.91
	(Increase)/Decrease in other non-current/current assets	(168.31)	(60.94)
	Cash flow from Operation	**(266.32)**	**101.60**
	Income Taxes (paid)/refund	(2.68)	32.38
	Net Cash flow from Operating Activities	**(269.00)**	**133.98**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for acquisition of property, plant and equipment and intangible assets	(0.44)	(26.06)
	Proceeds from sale of property, plant and equipment and intangible assets	-	12.12
	Income from Shared Services	427.90	378.04
	Release of Margin Money Account	-	16.83
	Interest received	3.77	13.65
	Net Cash flow from Investing Activities	**431.23**	**394.58**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Payments of long-term borrowings	(18.29)	(100.33)
	Payments of short-term borrowings	(0.39)	(180.14)
	Lease Payment	(73.03)	(94.35)
	Finance Costs paid	(53.10)	(98.72)
	Net Cash flow from Financing Activities	**(144.81)**	**(473.54)**
	Net increase in Cash and cash equivalents (A+B+C)	**17.42**	**55.02**
D.	**CASH AND CASH EQUIVALENTS**		
	Net Increase in Cash and Cash Equivalents	17.42	55.02
	Cash and cash equivalents at the Beginning	63.52	8.50
	Cash and cash equivalents at the end of the year	**80.94**	**63.52**

CASH FLOW STATEMENT

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

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

	Year ended 31 March 2021	Year ended 31 March 2020
Balance with Banks in		
Current Account	80.77	63.36
Cash in hand	0.17	0.16
Cash and cash equivalents as at 31 March (Refer Note 9)	**80.94**	**63.52**

(b) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)'.

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

Item	Balance as on 1 April 2020	Cash Flow	Non cash changes		Balance as on 31 March 2021
			Recognition/Others	Fair Value Adjustment	
Long term borrowings including current maturity	10,726.04	(18.29)	-	0.67	10,708.42
Short term Borrowings	2,764.33	(0.39)	-	-	2,763.94
Lease Liabilities	536.86	(73.03)	20.54	-	484.37
Others (specify)	-	-	-	-	-
Total Liabilities from financing Activities	**14,027.23**	**(91.71)**	**20.54**	**0.67**	**13,956.73**

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

The accompanying Notes form an integral part of these Financial Statements

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY INFORMATION

VISA Steel Limited ("VSL" or "the Company") is engaged in the manufacturing of High Carbon Ferro Chrome with captive power plant incorporated on 10 September 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing facilities at Kalinganagar in Odisha. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

2.1 Basis of preparation of financial statements

2.1.1 Compliance with Ind AS

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company has applied the following accounting standards and its amendment for the first time for annual reporting period commencing 1 April 2020.

- IND AS 103 - Business Combination: Have defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- IND AS 107 - Disclosures to be made in respect of financial instruments: Introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform.
- IND AS 109 - Financial reporting of financial assets and financial liabilities: Providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting.
- IND AS 116 - Accounting for Leases: Related Rent concession- a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modifications or not.
- IND AS 1 & 8 - Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors: Changes have been made to the definition of 'material' in relation to material information.
- IND AS 10 - Events after the Reporting Period: Apart from disclosure of non-adjusting event, the disclosure of an estimate of its financial effect should be made, or a statement that such an estimate cannot be made.
- IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets: Clarification on accounting for restructuring plans.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

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

2.1.2 Historical cost convention

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- certain financial assets and liabilities including derivative instruments measured at fair value
- defined benefit plans - plan assets measured at fair value

2.1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

2.2 Summary of significant accounting policies

2.2.1 Financial instruments

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

Financial asset

i) Classification and measurement

Classification

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

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

2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments only when its business model for managing those assets changes.

Measurement

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

Debt instruments

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

Amortised cost

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

Trade receivables

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

Cash and cash equivalents

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

ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41A details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Derecognition of financial assets

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

iv) Income recognition

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

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

2.2.1.2 Financial liabilities

i) Initial recognition and measurement

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

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

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

ii) Subsequent measurement

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

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

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

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

Loans and Borrowings

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

Trade and other payables

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii) Derecognition of financial liabilities

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

2.2.1.3 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of such derivatives is recognised as income or expense through profit or loss.

2.2.1.4 Offsetting of financial instrument

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

2.2.1.5 Investments in subsidiaries and joint venture

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

2.2.2 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual values

Depreciation including amortisation where applicable is provided on pro-rata basis under Straight Line Method (SLM) over the estimated useful lives of the assets as specified in Schedule II to the Companies Act, 2013 ('the Act'), which is also supported by technical assessment carried out by the Company other than the following:

- Leasehold assets (Buildings and Plant and Machinery) which are jointly held are amortised over the period of lease i.e., 6 to10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.

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

- Leasehold land is amortised over the period of lease.

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

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

Residual value: The residual values are not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.2.3 Intangible assets

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

Amortisation

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

2.2.4 Impairment of non financial assets

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

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

2.2.5 Leases

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

1. Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives.

2. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

3. The amount expected to be payable by the lessee under residual value guarantees.

4. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

5. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

6. The Company has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as at the date of initial application.

   The lease liability is not presented as a separate line in the Balance Sheet but presented as a separate

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

line item in the note disclosing both current and non-current other financial liabilities.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.2.6 Capital work-in-progress

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

2.2.7 Inventories

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

2.2.8 Provisions and Contingent Liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. However contingent liabilities are not considered. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.2.9 Revenue from Operations

The Company derives revenue primarily from sale of High Carbon Ferro Chrome and conversion of raw material into finished products.

Effective 1 April 2018, the Company adopted IND AS 115 “Revenue from Contracts with Customers” which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company disaggregates revenue from contracts with customers by major products lines.

Revenue from related party is recognised based on transaction price which is at arm’s length.

2.2.10 Income Tax

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

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

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

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

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

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

2.2.11 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund.

Defined benefit plan

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

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

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

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

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

Defined contribution plans

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

2.2.12 Foreign currency transactions

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

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

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

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

2.2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

2.2.14 Earnings per share

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

Diluted Earning per Share is calculated by dividing the profit attributable to equity holders (or owners) of the

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.2.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 37 for details on segment information presented. Chief Operating Decision Making Group consists of the Executive Chairman, Vice Chairman & Managing Director, the Director (Kalinganagar) and the CFO.

2.3 Critical accounting judgment and key sources of estimation uncertainty

a. **Impairment of non-current assets** – I Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalisation, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes.

b. **Defined Benefit Plans** – The cost of the employment benefits such as gratuity, leave and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 27.

c. **Taxes** – The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

d. **Leases** – The Company assesses whether a contract is or contains a lease, at inception of the contract.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The lease payments that are not paid at the commencement date are discounted using the incremental borrowing rate. The lease payment includes fixed lease payment, variable lease payment, exercise price of purchase option, penalties for termination of contract and any amount expected to pay.

e. **Useful lives of depreciable/amortisable assets (tangible and intangible)** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

2.4 (A) New Standards/Amendments to Existing Standard issued but not yet effective and Recent pronouncements –

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non Current Assets instead of Long term Loan & Advances.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios-Following Ratios to be disclosed: -

  (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

B) The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification. Consequently amendments are effective for the financial year ended 31 March 2022.

Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-

(a) Ind AS 116 - Leases – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognise COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

(b) Ind AS 109 - Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

applying hedge accounting is also added for Interest Rate Benchmark Reform.

(c) Ind AS 101 - Presentation of Financial Statements – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

(d) Ind AS 102 - Share-Based Payment – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.

(e) Ind AS 103 -Business Combinations – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

(f) Ind AS 104 -Insurance Contracts – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

(g) Ind AS 105 -Non-current assets held for sale and discontinued operations – The amendment substitutes the definition of – "fair value less costs to sell" with "fair value less costs of disposal"

(h) Ind AS 106 - Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognised as exploration and evaluation assets.

(i) Ind AS 107 - Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

(ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

(j) Ind AS 111 -Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.

(k) Ind AS 114 - Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

(l) Ind AS 115 -- Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

(m) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

(n) Ind AS 16 - Property, Plant and Equipment –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

(o) Ind AS 34 - Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

(p) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

(q) Ind AS 38 - Intangible Assets – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

3A PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 April 2020	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	For the year	Disposals /Adjustments during the Year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned										
Land- Freehold	15.63	-	-	15.63	-	-	-	-	15.63	15.63
Land- Leasehold	284.50	-	-	284.50	20.31	3.75	-	24.06	260.44	264.19
Factory Buildings	1,962.27	-	-	1,962.27	321.88	66.63	-	388.51	1,573.76	1,640.39
Buildings	854.07	-	-	854.07	97.76	20.71	-	118.47	735.60	756.31
Road	374.31	-	-	374.31	344.81	1.95	-	346.76	27.55	29.50
Plant & Machinery	9,365.11	-	-	9,365.11	1,757.53	339.97	-	2,097.50	7,267.61	7,607.58
Computers	5.60	-	-	5.60	4.40	0.39	-	4.79	0.81	1.20
Office Equipment	3.81	0.44	-	4.25	3.07	0.17	-	3.24	1.01	0.74
Furniture & Fixtures	26.35	-	-	26.35	23.27	0.42	-	23.69	2.66	3.08
Vehicles	32.76	-	-	32.76	21.22	3.06	-	24.28	8.48	11.54
Capital Spares	4.91	-	-	4.91	1.07	0.07	-	1.14	3.77	3.84
Right of Use Assets										
Plant & Machinery	561.46	-	-	561.46	134.66	27.87	-	162.53	398.93	426.80
Vehicles	46.59	-	46.59	-	16.44	-	16.44	-	-	30.15
Total	**13,537.37**	**0.44**	**46.59**	**13,491.22**	**2,746.42**	**464.99**	**16.44**	**3,194.97**	**10,296.25**	**10,790.95**
2019-20	**13,184.21**	**444.80**	**91.64**	**13,537.37**	**2,275.63**	**499.82**	**29.03**	**2,746.42**	**10,790.95**	**10,908.58**

All amount in ₹ Million, unless otherwise stated

3B INTANGIBLE ASSETS

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 April 2020	Additions during the year	Disposals /Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	For the year	Disposals /Adjustments during the Year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer Software - acquired	8.46	-	-	8.46	7.20	0.17	-	7.37	1.09	1.26
Total	**8.46**	**-**	**-**	**8.46**	**7.20**	**0.17**	**-**	**7.37**	**1.09**	**1.26**
2019-20	**8.46**	**-**	**-**	**8.46**	**6.82**	**0.38**	**-**	**7.20**	**1.26**	**1.64**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

3C CAPITAL WORK IN PROGRESS (CONSISTING OF PLANT & MACHINERY, BUILDING ETC.)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening	2,902.72	2,971.37
Addition	-	5.06
Transferred to Property, Plant & Equipment/Adjustments	-	-
Write Off (Refer Note 3E below)	(2,515.22)	(73.71)
Closing	**387.50**	**2,902.72**

3D The Company has till date incurred pre-operative expenses and interest cost of ₹ 4,887.05 million and allocated to respective assets.

3E The Company has written off projects lying in Capital Work in Progress to its recoverable value.

3F Refer Note no. 39 for details of hypothecation/mortgaged of Property, Plant and Equipment.

Particulars	As at 31 March 2021	As at 31 March 2020
4 NON-CURRENT INVESTMENTS		
Unquoted		
Investments in Equity Instruments (fully paid up)		
Investment in Subsidiaries (At cost)		
Kalinganagar Chrome Private Limited	0.60	0.60
60,000 (31 March 2020: 60,000) Equity Shares of		
₹ 10/- each fully paid up [Including beneficial interest in 1 Equity		
Shares of ₹ 10/- each, fully paid up]		
Kalinganagar Special Steel Private Limited	0.70	0.70
70,000 (31 March 2020: 70,000) Equity Shares of		
₹ 10/- each, fully paid up [Including beneficial interest in 1 Equity		
Shares of ₹ 10/- each, fully paid up]		
Investment in Joint Venture (At cost)	10.00	10.00
VISA Urban Infra Limited @		
1,000,000 (31 March 2020: 1,000,000) Equity Shares of		
₹ 10/- each, fully paid up		
Investment-Others (At fair value)		
VISA Coke Limited	31.63	31.63
1,054,476 (31 March 2020: 1,054,476) Equity Shares of		
₹ 10/- each fully paid up		
Aggregate amount of unquoted investments	**42.93**	**42.93**

@ For charges created in respect of shareholding in VISA Urban Infra Limited, refer Note 15C (iv).

Particulars	As at 31 March 2021	As at 31 March 2020
5 NON-CURRENT - LOANS		
Unsecured, considered good		
Security Deposits - Others	16.08	63.73
	16.08	**63.73**

Particulars	As at 31 March 2021	As at 31 March 2020
6 NON-CURRENT -OTHER FINANCIAL ASSETS		
Fixed Deposits with Bank	0.21	-
	0.21	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
7 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets (A)		
Investments in Joint Ventures	2.02	1.70
Inventories	0.72	1.00
Allowance for Doubtful Advances	1.36	3.32
Liabilities as per Ind-AS 116	169.26	187.60
Provisions for Employee Benefits	19.14	14.20
Interest Accrued	630.90	630.90
Disallowances allowable for Tax purpose on payment	433.71	287.73
Unabsorbed Depreciation & Business Loss Carried Forward	393.59	1,502.30
	1,650.70	**2,628.75**
Deferred Tax Liabilities (B)		
Property, Plant and Equipment and Intangible Assets	(1,650.44)	(2,628.25)
Amortisation of processing fees on borrowings	(0.26)	(0.50)
	(1,650.70)	**(2,628.75)**
Net Deferred Tax Assets (A-B)	**-**	**-**

Movements in Deferred Tax Assets during the year ended:

31 March 2021	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Assets/(Liabilities) in relation to:			
Investments in Joint Ventures	1.70	0.32	2.02
Inventories	1.00	(0.28)	0.72
Allowance for Doubtful Advances	3.32	(1.96)	1.36
Liabilities as per Ind-AS 116	187.60	(18.34)	169.26
Provisions for Employee Benefits	14.20	4.94	19.14
Interest Accrued	630.90	-	630.90
Disallowances allowable for Tax purpose on payment	287.73	145.98	433.71
Unabsorbed Depreciation & Business Loss Carried Forward	1,502.30	(1,108.71)	393.59
Total Deferred Tax Assets	**2,628.75**	**(978.05)**	**1,650.70**
Property Plant and Equipment and Intangible Assets	(2,628.25)	977.81	(1,650.44)
Amortisation of Processing fees on Borrowings	(0.50)	0.24	(0.26)
Total Deferred Tax Liabilities	**(2,628.75)**	**978.05**	**(1,650.70)**
Net (Charge)/Credit	**-**	**-**	**-**

Movements in Deferred Tax Assets during the year ended:

31 March 2020	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Assets/(Liabilities) in relation to:			
Investments in Joint Ventures	1.57	0.13	1.70
Inventories	0.10	0.90	1.00
Allowance for Doubtful Trade Receivables	1.58	(1.58)	-
Allowance for Doubtful Advances	2.48	0.84	3.32
Liabilities as per Ind-AS 116	70.00	117.60	187.60
Provisions for Employee Benefits	13.11	1.10	14.20
Interest Accrued	630.89	0.01	630.90
Disallowances allowable for Tax purpose on payment	147.14	140.59	287.73
Unabsorbed Depreciation & Business Loss Carried Forward	1,648.93	(146.63)	1,502.30
Total Deferred Tax Assets	**2,515.80**	**112.96**	**2,628.75**
Property Plant and Equipment and Intangible Assets	(2,515.02)	(113.23)	(2,628.25)
Processing fees on Borrowings	(0.78)	0.28	(0.50)
Total Deferred Tax Liabilities	**(2,515.80)**	**(112.95)**	**(2,628.75)**
Net (Charge)/Credit	**-**	**-**	**-**

Note: The Company has opted for Income Tax Provision as per section 115BAA of Income Tax Act'1961 w.e.f. Assessment Year 2020-21.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
8 INVENTORIES		
(Refer Note 2.2.7)		
Raw Materials	109.37	63.39
Work-in-Progress	31.15	8.71
Finished Goods [Refer (a) below]	0.43	41.20
Stores and Spares	47.81	55.54
By-products	5.13	3.70
	193.89	**172.54**
(a) Finished Goods have been stated at Net Realisable Value. An amount of ₹ Nil million (31 March 2020: 7.99 Million) have been charged off to statement of profit and loss and were recognised as an expense.		
(b) See note 39 for details of hypothecation of inventories.		

Particulars	As at 31 March 2021	As at 31 March 2020
9 CASH AND CASH EQUIVALENTS		
Balance with Banks		
in Current Account (Refer Note (a) below)	80.77	63.36
Cash in hand	0.17	0.16
	80.94	**63.52**
(a) The Jajpur District Court vide Order dated 22 July 2019 directed SBI to attach the Company's Bank Account based on a case filed by Kohli Builders. The Company filed a writ petition in Honourable Orissa High Court challenging the Order and was granted stay vide Order dated 22 August 2019, but despite the same, SBI did not allow operations in the account and hence, the Company is taking support of related parties for making payments on behalf of the Company to keep the plant operational.		

Particulars	As at 31 March 2021	As at 31 March 2020
10 OTHER BANK BALANCES [OTHER THAN CASH AND CASH EQUIVALENTS]		
Fixed Deposits with Bank	20.70	19.75
	20.70	**19.75**

Particulars	As at 31 March 2021	As at 31 March 2020
11 OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on Fixed Deposits	0.82	3.07
	0.82	**3.07**

Particulars	As at 31 March 2021	As at 31 March 2020
12 CURRENT TAX ASSETS (NET)		
Income Tax Assets (TDS & TCS)	84.79	82.11
	84.79	**82.11**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
13 OTHER CURRENT ASSETS		
Advances against Supply of Goods and Rendering Services		
Considered Good	70.72	50.78
Considered Doubtful	5.40	9.49
Less: Allowances for Doubtful Advances	(5.40)	(9.49)
Contract Assets	132.98	-
Advances to Key Managerial Personnel	-	0.29
Employee Advances	0.70	1.72
Advances to Related Party	0.25	0.20
Receivable from Subsidiary (Refer note 44 (d)(i))	3,776.91	3,742.89
Receivable from DGFT and Customs towards Export Incentive	0.18	0.18
Others Taxes Receivable/Adjustable	138.83	128.37
Insurance Receivable	2.18	-
Prepaid Expenses	8.32	6.72
	4,131.07	**3,931.15**

Particulars	As at 31 March 2021	As at 31 March 2020
14 EQUITY SHARE CAPITAL AND OTHER EQUITY		
A Equity Share Capital		
Authorised		
252,000,000 Equity Shares (31 March 2020: 252,000,000) of ₹ 10/- each	2,520.00	2,520.00
Issued, Subscribed and Paid-up		
115,789,500 Equity Shares (31 March 2020: 115,789,500) of ₹ 10/- each fully paid up	**1,157.90**	**1,157.90**

(a) Movements in Equity Share Capital

	Year ended 31 March 2021		Year ended 31 March 2020	
	Number of Shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	115,789,500	1,157.90	115,789,500	1,157.90
Add: Shares issued	-	-	-	-
Balance as at the end of the year	**115,789,500**	**1,157.90**	**115,789,500**	**1,157.90**

(b) Terms and rights attached to equity shares

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

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
VISA Infrastructure Limited	44,387,167	38.33	44,387,167	38.33
VISA International Limited	23,787,833	20.54	23,787,833	20.54
LTS Investment Fund Limited	10,497,122	9.07	10,497,122	9.07
ERISKA Investment Fund Limited	9,912,036	8.56	9,912,036	8.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
B Other Equity		
Reserves and Surplus		
Capital Reserve	4,601.53	4,601.53
Securities Premium	1,645.00	1,645.00
General Reserve	110.24	110.24
Retained Earnings	(10,077.59)	(7,162.24)
Total	**(3,720.82)**	**(805.47)**
Capital Reserve [Refer (a) below]		
Balance at the beginning of the year	4,601.53	4,601.53
Balance at the end of the year	4,601.53	4,601.53
Securities Premium [Refer (b) below]		
Balance at the beginning of the year	1,645.00	1,645.00
Balance at the end of the year	1,645.00	1,645.00
General Reserve [Refer (c) below]		
Balance at the beginning of the year	110.24	110.24
Balance at the end of the year	110.24	110.24
Retained Earnings		
Balance at the beginning of the year	(7,162.24)	(6,308.13)
Add: Net (Loss)/Profit after Tax transferred from Statement of Profit and Loss	(2,902.47)	(848.46)
Add: Remeasurements Gain/(Loss) of the net defined benefit Plan	(12.88)	(5.65)
Balance at the end of the year	(10,077.59)	(7,162.24)

Nature and purpose of Reserves

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

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

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

Particulars	Non-current Portion		Current Maturities*		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
15 LONG-TERM BORROWINGS						
Secured (Refer Note (a) & C below)						
From Banks	-	1,707.69	6,995.49	5,287.13	6,995.49	6,994.82
From Other Parties	-	653.23	3,270.43	2,635.49	3,270.43	3,288.72
Unsecured						
Loans from Related Parties	-	-	442.50	442.50	442.50	442.50
	-	**2,360.92**	**10,708.42**	**8,365.12**	**10,708.42**	**10,726.04**

*Please refer Note 20.

(a) The debts of the Company have been classified as Non-Performing Assets (NPA) and are barred by limitation from the NPA date of 11 July 2012 and accordingly the entire debt classified as current is disputed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

A. Debt Restructuring

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

Due to the aforesaid external factors, the EBITDA margins of the Company since 2011-12 have not been sufficient to service interest/principal repayment and whilst the outstanding principal term loan amount was only 3,850.00 Million as on 1 April 2013, during the period April 2013 to March 2016, the lenders have charged/recovered approx. 4,258.51 Million on account of interest/repayment whereas EBITDA during this period was only approx. 1,413.93 Million. This has resulted in ballooning of liabilities of the Company towards its lenders, which are far in excess of the hard cost of investments in the project for which the principal term loan had been taken from the lenders.

The Company's debts had been restructured under the aegis of Corporate Debt Restructuring cell (CDR) and a Master Restructuring Agreement (MRA) dated 19 December 2012 was executed to give effect to the package approved by CDR cell with effect from 1 March 2012. Pursuant to the approval of the Company's Business Re-organisation Plan by the CDR, a Common Loan Agreement (CLA) had also been executed among the Company, VISA Special Steel Limited (VSSL) and lenders.

SBI had filed an application before Hon'ble National Company Law Tribunal Cuttack Bench (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT, Cuttack Bench. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed NCLT to restore the application and proceed further in accordance with law. The NCLAT order has been challenged by the Company in the Hon'ble Supreme Court and the matter is pending.

The lenders like Bank of Baroda, Dena Bank (since merged with Bank of Baroda), Indian Overseas Bank, Central Bank of India, UCO Bank, Vijaya Bank (since merged with Bank of Baroda), SIDBI and State Bank of Travancore (since merged with State Bank of India) have already implemented Resolution through Sale of Debt to Asset Reconstruction Companies (ARC's).

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

B The Company stopped providing further interest in its books effective 1 April 2016 since the debt is barred by limitation from the NPA date of 11 July 2012. The amount of such interest not provided for in the financial year ended 31 March 2021 is estimated at ₹ 1,286.83 million and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 7,207.66 million.

C Details of Securities (Also refer note 39)

(i) 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).

(ii) 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).

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

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

(v) Lien on all Bank Accounts including the Trust and Retention Account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(vi) 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.

(vii) The Corporate Guarantee of VISA International Limited (VINL) was provided pursuant to CDR. SBI had filed an application before National Company law Tribunal, Kolkata Bench (NCLT) to initiate Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 against VINL which was admitted vide Order dated 07.08.2019. NCLT, by its Order dated 11.05.2021 has allowed liquidation of VINL.

(viii) The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company are invalid due to non-fulfilment of its obligation by lenders.

D Unsecured loan from related party is interest bearing and repayable on demand.

Particulars	As at 31 March 2021	As at 31 March 2020
16 OTHER NON CURRENT FINANCIAL LIABILITIES		
Long Term maturities of lease Obligations [Refer Note 42]	461.32	499.54
	461.32	**499.54**

Particulars	As at 31 March 2021	As at 31 March 2020
17 NON CURRENT PROVISIONS		
Provision for Employee Benefits	46.29	33.61
	46.29	**33.61**

Particulars	As at 31 March 2021	As at 31 March 2020
18 CURRENT - BORROWINGS		
Secured (Refer Note 15(a) and 15(C))		
Working Capital Loans		
From Banks	2,113.50	2,113.50
From Other Parties	650.44	650.83
	2,763.94	**2,764.33**

Particulars	As at 31 March 2021	As at 31 March 2020
19 CURRENT - TRADE PAYABLES		
Dues to Related Party [Refer Note 44]	50.65	119.87
Dues to Micro and Small Enterprises	-	-
Dues to other than Micro and Small Enterprises	423.26	494.32
	473.91	**614.19**

#There are no outstanding creditors registered under Micro, Small and Medium Enterprises Development Act, 2006. As a result no interest provision/payments have been made by the Company to such creditors, nor any amounts are shown as due to them.

Particulars	As at 31 March 2021	As at 31 March 2020
20 OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long-term debt (Refer Note 15(a) and 15(C))		
From Banks	6,995.49	5,287.13
From Other Parties	3,270.43	2,635.49
Current Maturities of Lease Obligations [Refer Note 42]	23.05	37.32
Loan repayable to related party (Refer Note 15(D))	442.50	442.50
Interest accrued (Refer Note 15(B))	1,896.56	1,913.50
Employee Related Liabilities	70.87	135.46
Other Liabilities	124.90	150.75
	12,823.80	**10,602.15**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
21 OTHER CURRENT LIABILITIES		
Contract Liabilities	-	11.38
Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc)	206.71	114.81
Electricity Duty#	1,034.71	713.33
	1,241.42	**839.52**
#This includes liability related to Electricity Duty levied on power generated from non-conventional sources which the Company has disputed. As per the provisions of Industrial Policy Resolution 2001, Government of Odisha (IPR 2001) dated 03.12.2001, "18.8 A power plant generating power from non-conventional sources set up after the effective date shall be deemed to be a new industrial unit and will be entitled to all the incentives under this policy. These plants will not be liable to pay electricity duty". The Company has set up the power plant generating power from non-conventional sources after the effective date of IPR 2001 i.e. 03.12.2001 and hence is deemed to be a new industrial unit and not liable to pay electricity duty as per IPR 2001.		

Particulars	As at 31 March 2021	As at 31 March 2020
22 CURRENT-PROVISIONS		
Provision for Employee Benefits	8.51	7.04
	8.51	**7.04**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
23 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods	3,906.47	3,447.72
Total	**3,906.47**	**3,447.72**
(b) Sale of services		
Conversion Income		
(i) For Materials	815.21	-
(ii) For Services	859.43	-
Total	**1,674.64**	**-**
(c) Other Operating Revenues		
Scrap Sales	16.29	21.67
Export Incentives	-	2.59
Liabilities no longer required written back	69.33	6.02
Allowances for Doubtful Debts, Advances etc. no longer required written back	-	0.79
Total	**85.62**	**31.07**
	5,666.73	**3,478.79**

(d) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Receivables, which are included in 'Trade and other receivables'		
Contract assets	132.98	-
Contract liabilities	-	11.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(e) Other Information

a. Transaction price allocated to the remaining performance obligations - NIL

b. The amount of revenue recognised in the current period that was included in the opening contract liability balance. - 11.38 Million

c. The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods – e.g. changes in transaction price- NIL

d. Performance obligations- The Company satisfy the performance obligation on shipment/delivery as per terms of contract.

e. Significant payment terms- The contract does not have any financing component and variable consideration.

(f) Disaggregation of Revenue: Revenue from manufactured goods mainly represents revenue from Sale of Ferro Chrome Products.

(g) The Company recognised Revenue at a Point in Time contract with customers are of short-term duration and all sales are direct to customers.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
24 OTHER INCOME		
(a) Interest Income		
On Bank Deposits	1.19	1.77
On Others	1.49	10.53
(b) Other Non-Operating Income		
Insurance Claim Received	2.17	0.70
Gain on Sale of Property, Plant and Equipment	-	0.78
Income from Shared Services	427.90	382.65
Rental and Other Non Operating Income	5.38	0.79
	438.13	**397.22**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
25 COST OF MATERIALS CONSUMED		
Chrome Ore	2,177.09	1,314.24
Coal and Coke	736.71	706.60
Others	237.14	112.71
	3,150.94	**2,133.55**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	41.20	80.92
By-Products	3.70	42.93
Work-in-Progress	8.71	14.99
	53.61	**138.84**
Less: Closing Stock		
Finished Goods	0.43	41.20
By-Products	5.13	3.70
Work-in-Progress	31.14	8.71
	36.70	**53.61**
(Increase)/Decrease in Stock	**16.91**	**85.23**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
27 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	246.87	263.23
Contribution to Provident and Other Funds	17.16	19.20
Staff Welfare Expenses	3.46	2.07
	267.49	**284.50**

Additional disclosures relating to Employee Benefit Obligations/Expenses

(I) Post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of ₹ 11.48 Million (31 March 2020: ₹ 15.58 Million) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

(II) Post Employment Defined Benefit Plan - Gratuity (funded)

The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LICI) make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days, as per provisions of Gratuity Act depending upon the tenure of service subject to a maximum limit of ₹ 2.00 Million. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.2.11, based on which, the Company makes contributions to the Gratuity Fund.

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2019	**25.49**	**8.76**	**16.73**
Current Service cost	2.39	-	2.39
Interest cost/Income	1.94	-	1.94
Past Service Cost	-	-	-
Investment Income	-	0.67	(0.67)
Total amount recognised in profit or loss	**4.33**	**0.67**	**3.66**
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	(0.02)	-	(0.02)
- Change in Financial assumptions	2.43	-	2.43
- Experience Variance (i.e. Actual Experience vs assumptions)	2.61	-	2.61
- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.62)	0.62
Total amount recognised in Other Comprehensive Income	**5.02**	**(0.62)**	**5.64**
Contributions by employer	-	0.35	(0.35)
Benefits paid	(8.38)	(8.38)	-
1 April 2020	**26.46**	**0.78**	**25.68**
Current Service cost	3.72	-	3.72
Interest Cost/Income	1.75	-	1.75
Past Service Cost	-	-	-
Investment Income	-	0.05	(0.05)
Total amount recognised in profit or loss	**5.47**	**0.05**	**5.42**
Remeasurements (Gains)/Losses			
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(1.17)	-	(1.17)
- Experience Variance (i.e. Actual Experience vs assumptions)	14.02	-	14.02
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.02)	0.02
Total amount recognised in Other Comprehensive Income	**12.85**	**(0.02)**	**12.87**
Contributions by employer	-	9.39	(9.39)
Benefits paid	(3.83)	(3.83)	-
31 March 2021	**40.95**	**6.36**	**34.59**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

	As at 31 March 2021	As at 31 March 2020
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	40.95	26.46
Fair Value of Plan Assets at the end of the year	6.36	0.78
Net Asset/(Liability) recognised in the Balance Sheet	**34.59**	**25.68**

(V) Principal Actuarial Assumption Used:

	As at 31 March 2021	As at 31 March 2020
Discount Rates	6.90%	6.60%
Expected Salary Increase Rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM (12-14) Ultimate	IALM (12-14) Ultimate
The Company ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Company's ALM objective is to match asset with gratuity obligation. The Company actively monitors how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Company has not changed the process used to manage its risk from previous period. The Company does not use derivatives to manage its risk. The gratuity scheme is funded with LICI which has good track record of managing fund.		

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

	As at 31 March 2021	As at 31 March 2020
Insurer Managed Funds	**100%**	**100%**

(VII) Category of Plan Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Fund with LIC	6.36	0.78
Total	**6.36**	**0.78**

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow) is 10 Years.

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

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2021					
Defined Benefit Obligation	4.20	9.49	17.21	58.04	88.94
As at 31 March 2020					
Defined Benefit Obligation	3.10	5.86	9.29	40.06	58.31

(VIII) Sensitivity Analysis

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

	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	45.07	37.40	29.30	24.03
Salary Growth Rate (-/+1%)	37.39	44.84	24.01	29.28
Attrition Rate(-/+50%)	40.30	41.55	26.05	26.82
Mortality Rate(-/+10%)	40.85	41.06	26.39	26.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

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

(IX) The Company expects to contribute ₹ 38.79 Millions (Previous Year ₹ 28.54 Millions) to its gratuity fund in 2021-22

Risk Exposure

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

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

Liquidity Risk: This is the risk that the Company is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities or holdings of liquid not being sold in time.

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000). An upward revision of maximum gratuity limit will result in gratuity plan obligation.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
28 FINANCE COSTS		
Interest Expenses- Others	195.36	166.05
Bank Charges and Amortisation of Processing fees etc	0.70	2.01
	196.06	**168.06**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
29 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortisation Expenses on Property, Plant and Equipment (Refer Note (a) below)	464.99	482.77
Amortisation Expenses on Intangible Assets	0.17	0.38
	465.16	**483.15**

Note:

a) Depreciation amount is reduced by Nil (Previous Year: ₹ 17.06 Million) towards allocation of depreciation of common facilities to VSSL.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
30 OTHER EXPENSES		
Consumption of Stores and Spare Parts	365.49	215.29
Power and Fuel	1,285.93	791.00
Rent	0.86	0.56
Repairs to Buildings	6.48	18.14
Repairs to Machinery	28.27	24.74
Insurance Expenses	6.88	3.89
Rates and Taxes, Excluding Taxes on Income	245.07	160.31
Material Handling Expenses	141.88	57.74
Freight and Selling Expenses	131.94	91.49
Loss on Exchange Fluctuation (net)	-	0.36
Advances Written off [Net of Provisions ₹ 9.31 million, (31 March 2020: ₹ Nil)]	-	-
Allowance for Doubtful Advances	5.24	-
Capital Work-In-Progress Written Off	364.05	68.28
Miscellaneous Expenses	177.51	138.18
	2,759.60	**1,569.98**

31 EXCEPTIONAL ITEMS

The Exceptional Items for the year ended 31 March 2021 represents ₹ 2,151.17 million (Carrying amount ₹ 2,538.67 million less Recoverable amount ₹ 387.50 million) towards write off related to projects lying in Capital Work in Progress (CWIP) of the Company. The Company had been continuously incurring losses for past few years and does not envisage any substantial improvement in the financial position to complete the aforesaid CWIP and hence these projects have been abandoned and closed. The CWIP is reinstated at the recoverable value i.e., fair value less cost of disposal as determined by an independent registered valuer using cost approach basis.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
32 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurements of the Defined Benefit Plans	(12.88)	(5.65)
	(12.88)	**(5.65)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
33 EARNING/(LOSS) PER EQUITY SHARE		
(I) Basic		
a. (Loss)/Profit After Tax	(2,902.47)	(848.46)
b. (i) Number of Equity Shares at the Beginning of the Year	11,57,89,500	11,57,89,500
(ii) Number of Equity Shares at the End of the Year	11,57,89,500	11,57,89,500
(iii) Weighted Average Number of Equity Shares outstanding during the year	11,57,89,500	11,57,89,500
(iv) Face Value of each Equity Share (₹)	10.00	10.00
c. Basic Earning/(Loss) per Share [a/(b(iii)] (₹)	(25.07)	(7.33)
(II) Diluted		
a. Dilutive Potential Equity Shares		
b. Weighted Average number of Equity Shares for computing Dilutive Earning/(Loss) per Share	11,57,89,500	11,57,89,500
c. Diluted Earning/(Loss) per Share [same as (I)(c) above] (₹)	(25.07)	(7.33)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
34 CONTINGENT LIABILITIES		
(a) Claims against the Company not Acknowledged as Debts:		
(i) Sales/Customers and Related Matters	191.90	191.90
(ii) Purchases/Vendors and Related matters	4,665.47	4,635.22
(iii) Other Matters	367.73	357.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(b) Other matters for which the Company is Contingently Liable:		
(i) Disputed Income Tax matters under Appeal	28.13	28.13
(ii) Disputed Sales Tax matters under Appeal	1.12	1.14
(iii) Disputed Entry Tax matters under Appeal	0.96	9.57
(iv) Disputed Excise Duty matters under Appeal	10.96	10.96
(v) Disputed Service Tax matters under Appeal	54.63	54.63

(c) In respect of the contingent liabilities mentioned in Note 34(a) and 34(b) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. The Company does not expect any reimbursements in respect of the above contingent liabilities.

35 BUSINESS RE-ORGANISATION/RE-STRUCTURING PLAN

Pursuant to sanction of the Scheme of Arrangement by National Company Law Tribunal (NCLT), Cuttack Bench vide Order dated 8 July 2019 (NCLT Order) and filing of the certified copy thereof with the Registrar of Companies, Cuttack on 13 July 2019, the Scheme of Arrangement became effective on and from 13 July 2019 and the Company's Special Steel Undertaking stood transferred to and vested in VISA Special Steel Limited on and from the Appointed Date of the Scheme being 1 April 2013. The Hon'ble Supreme Court vide its ex-parte Order dated 17 January 2020 in Civil Appeal (Civil) No 56 of 2020 (State Bank of India vs VISA Steel Ltd & Anr) has directed issuance of notice and in the meantime stayed the aforesaid NCLT Order. Since the NCLT Order had been given effect to and stood implemented by the Company prior to 17 January 2020, the Company is dealing with the aforesaid Civil Appeal before the Hon'ble Supreme Court in consultation with its Advocates. If the NCLT Order had not been given effect to, the financial results of the Company would have been as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(I) Total Income	9,878.09	6,949.58
(II) Profit Before Tax	(11,972.73)	(1,918.90)
(III) Profit After Tax	(11,972.73)	(1,918.90)
(IV) Other Comprehensive Income	(12.57)	(6.45)
(V) Total Comprehensive Income	(11,985.31)	(1,925.35)
(VI) Earnings/(Loss) per Equity Share	(103.40)	(16.57)

Assets and Liabilities of the Company would have been as under:

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Non Current Assets	17,484.63	29,801.97
(II) Current Assets, Loan and Advances	1,042.35	853.79
Total Assets	**18,526.98**	**30,655.76**
(III) Equity	(23,461.98)	(11,476.69)
(IV) Non Current Liabilities	217.03	6,270.73
(V) Current Liabilities and Provision	41,771.93	35,861.72
Equity and Total Liabilities	**18,526.98**	**30,655.76**

36 The Company has incurred net loss during the year ended 31 March 2021 which has adversely affected the net worth of the Company. The Company's financial performance has been adversely affected due to non-availability of working capital for operations, and other external factors beyond the Company's control which include high prices of raw materials during e-auction in comparison to the product prices. The Company has entered into an arrangement for conversion of raw material into finished goods with related party during the year. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in availability of working capital. Accordingly, the Company has prepared the financial statements on the basis of going concern assumption.

37 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

The Company is in the business of manufacturing of Ferro Alloys and hence has only one reportable operating segment as per IND AS 108 "Operating Segments". There is no reportable geographical segment of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

38 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	31 March 2021			31 March 2020		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
Financial Assets						
Investments*	11.30		31.63	11.30		31.63
Trade Receivables	-			-		
Cash and Cash Equivalents	80.94			63.52		
Other Bank Balances	20.70			19.75		
Loans	16.08			63.73		
Others Financial Assets	1.02			3.07		
Total Financial Assets	**130.04**	**-**	**31.63**	**161.37**	**-**	**31.63**
Financial Liabilities						
Non Current Borrowings	-			2,360.92		
Current Borrowings	2,763.94			2,764.33		
Other financial liability	12,823.80			10,602.15		
Trade Payables	473.91			614.19		
Lease Liabilities (Non Current)	461.32			499.54		
Total Financial Liabilities	**16,522.97**	**-**	**-**	**16,841.13**	**-**	**-**

*Excludes investment measured at deemed cost/cost.

b) Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets and Liabilities measured at fair value as at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	31.63	-	31.63
Total Financial Assets	**-**	**31.63**	**-**	**31.63**

Financial Assets and Liabilities measured at fair value as at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	31.63	-	31.63
Total Financial Assets	**-**	**31.63**	**-**	**31.63**

Notes:

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

(ii) Non-current financial assets and liabilities measured at amortised cost have same fair value as at 31 March 2021 and 31 March 2020.

c) Valuation techniques

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

Investment has been fair valued based on valuation carried out by independent valuer.

Changes in level 2 and level 3 fair values are analysed at each reporting period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

39 ASSETS HYPOTHECATED/MORTGAGED AS SECURITY (REFER NOTE 15 C)

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current Assets		
Financial assets	102.46	86.34
Non-financial assets		
Inventories	193.89	172.54
Total current assets hypothecated/mortgaged as security (A)	**296.35**	**258.88**
Non-current Assets		
Property, Plant and Equipment	9,897.32	10,334.00
Capital Work-in-progress	387.50	2,902.72
Intangible Assets	1.09	1.26
Certain Investments	10.00	10.00
Total non-currents assets hypothecated/mortgaged as security (B)	**10,295.91**	**13,247.98**
Total assets hypothecated/mortgaged as security (A+B)	**10,592.26**	**13,506.86**

Particulars	As at 31 March 2021	As at 31 March 2020
40 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITORS		
As Auditors:		
Audit Fees	0.88	0.88
Tax Audit Fees	0.10	0.10
Other Services	2.05	0.89
Re-imbursement of expenses	0.02	0.04
	3.05	**1.91**

41 FINANCIAL RISK MANAGEMENT

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

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(A) Credit Risk

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

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

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

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

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

(i) Credit risk exposure

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk as of 31 March 2021 and 31 March 2020 are as follows:

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	80.94	63.52
Other Bank balances	20.70	19.75
Loans and other receivables	17.10	66.80
	118.74	**150.07**

(ii) Impairment losses on financial assets

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

	As at 31 March 2021	As at 31 March 2020
Trade Receivables (measured under life time excepted credit loss model)		
Loss Allowance at the beginning of the year	-	4.50
Add: Loss Allowance provided during the year	-	-
Less: Write Off	-	-
Less: Loss Allowance reversed during the year	-	4.50
Loss Allowance at the end of the year	**-**	**-**

The ageing of trade accounts and notes receivable as of 31 March 2021 and 31 March 2020 are as follows:

	As at 31 March 2021	As at 31 March 2020
Not due		
Over due less than 3 month	-	-
	-	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, in view of various unfavourable factors as set out in Note 36, the Company has been experiencing stressed liquidity condition. In order to overcome such situation, the Company has been taking measures to ensure that the Company's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Company's operations.

Maturities of financial liabilities

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

As at 31 March 2021	Upto 12 months	More than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	473.91	-	-	473.91
Non Current Borrowings @	-	-	-	-
Lease Liabilities	23.05	157.14	304.18	484.37
Current Borrowings @	2,763.94	-	-	2,763.94
Other financial liabilities @	12,800.75	-	-	12,800.75
	16,061.65	**157.14**	**304.18**	**16,522.97**

As at 31 March 2020	Upto 12 months	More than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	614.19	-	-	614.19
Non Current Borrowings @	-	2,360.92	-	2,360.92
Lease Liabilities	37.32	158.36	341.18	536.86
Current Borrowings @	2,764.33	-	-	2,764.33
Other financial liabilities @	10,564.83	-	-	10,564.83
	13,980.67	**2,519.28**	**341.18**	**16,841.13**

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

(C) Market Risk

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

i) Interest rate risk

The Company manages the exposure to interest rate risk by monitoring interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings.

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

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2021 and 31 March 2020 are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate financial liabilities	12,372.23	12,390.29
Variable rate financial assets	-	-

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

As of 31 March 2021 and 31 March 2020, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1%, the changes in interest expense for the years ended 31 March 2021 and 31 March 2020 were as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Interest rates - increase by 100 basis points [Refer (a) below]	(123.72)	(123.90)
Interest rates - decrease by 100 basis points [Refer (a) below]	123.72	123.90

(a) The Company has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. Refer note 15 (B).

(D) **Other Risk-Impact of the COVID 19 pandemic**

The operations of the Company were temporarily impacted due to shutdown of its plant following nationwide lockdown imposed by the Government to control the spread of COVID-19 pandemic. The Company has resumed its operations in a phased manner through conversion arrangement with related party for some of its facilities and is taking necessary steps to ensure smooth operations. The Company is assessing the impact of COVID-19 pandemic on a continuing basis given the uncertainties associated with the nature and duration of the pandemic/lockdown and accordingly the impact may be different going forward than estimated. There are no material adjustments required in this financial statements due to the pandemic.

42 LEASES

Leases as lessee

(a) The Company has lease contracts for categorisied certain items of plant and machinery and other assets as lease obligation as per Ind AS 116 using retrospective method approach. Under this approach, the Company has recognised lease liabilities and corresponding equivalent right of use assets.

(b) Movement in lease liabilities during the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	536.86	200.34
Additions	-	418.38
Interest cost accrued during the year	52.24	51.59
Deletions	31.70	39.10
Payment of lease liabilities	73.03	94.35
Balance at the end	**484.37**	**536.86**
Lease liabilities included in the statement of financial position		
Current Lease liabilities	23.05	37.32
Non - Current Lease liabilities	461.32	499.54

(c) Amount recognised in Profit or Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on lease liabilities	52.24	51.59
Depreciation expense of right-of-use assets	27.87	51.07
Expense relating to short term leases (included in other expenses)	-	-
Total	**80.11**	**102.66**

(d) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	73.03	94.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(e) Future payment of lease liabilities on an undiscounted basis

Future payment of lease liabilities on an undiscounted basis are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	73.03	92.11
One to five years	363.43	381.06
More than five years	787.01	858.31
Total undiscounted Lease Liabilities	**1,223.47**	**1,331.48**

(f) The weighted average incremental borrowing rate of 10.50% has been applied to lease liabilities recognised in the Balance Sheet.

43 CAPITAL MANAGEMENT

Risk Management

The fundamental goal of capital management is to:

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

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

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

However in view of certain adverse factors and challenges being faced by the Company over past few years as explained in Note 36, the net worth of the Company is eroded.

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

Particulars	31 March 2021	31 March 2020
Net Debt	15,853.29	15,903.41
Total equity	(2562.92)	352.43
Net Debt to Equity Ratio	(6.19)	45.13

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

(a) Related Parties	**Names of the Related Parties**
(i) Where Control Exists	
Subsidiaries	Kalinganagar Special Steel Private Limited (KSSPL)
	Kalinganagar Chrome Private Limited (KCPL)
	VISA Ferro Chrome Limited (VFCL), a subsidiary of KSSPL
	VISA Special Steel Limited (VSSL), a subsidiary of VFCL
(ii) Others	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA Infrastructure Limited
	VISA International Limited (Refer Note 15 (C) (vii))
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Manoj Kumar (Director-Kalinganagar)
	Mr. Pratip Chaudhuri (Independent Director)
	Ms. Rupanjana De (Independent Director)
	Mr. Dhanesh Ranjan (Independent Director)
	Mr. Sheo Raj Rai (Independent Director)
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
Member of a Group of which Enterprise having significant influence is also a member	VISA Minmetal Limited
	VISA Coke Limited
	VISA Industries Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(b) Details of Transactions with Related Parties

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

Nature of Transactions	Name of the Related Parties	31 March 2021	31 March 2020
Purchase of Goods	VISA Coke Limited	1,088.62	540.30
	VISA Special Steel Limited	357.03	146.05
	VISA Minmetal Limited	956.57	526.87
Sale of Goods	VISA Special Steel Limited	234.85	649.97
	VISA Minmetal Limited	4,174.30	3,045.84
Rent Charges	VISA Minmetal Limited	0.60	0.80
	VISA Coke Limited	5.90	-
Conversion Income	VISA Minmetal Limited	1,963.84	-
Shared Service Fees	VISA Coke Limited	113.70	111.68
	VISA Special Steel Limited	383.22	330.44
Finance Cost	VISA Infrastructure Limited	35.40	35.50
Lease Rental	VISA Coke Limited	37.48	37.48
	VISA Special Steel Limited	35.55	26.66
Remuneration	Mr. Vishambhar Saran	16.35	16.35
	Mr. Vishal Agarwal	17.35	17.34
	Mr. Manoj Kumar	7.42	7.26
	Mrs.Bhawna Agarwal	4.73	4.43
Sitting Fees	Mr. Pratip Chaudhuri (Independent Director)	0.30	0.38
	Ms. Rupanjana De (Independent Director)	0.42	0.44
	Mr. Dhanesh Ranjan (Independent Director)	0.18	0.14
	Mr. Sheo Raj Rai (Independent Director)	0.30	0.36
Reimbursement of Expenses (Net)	VISA Coke Limited	33.91	32.85
	VISA Minmetal Limited	0.64	0.15
	VISA Special Steel Limited	35.27	112.76
	VISA Industries Limited	0.77	-

(c) Details of Transactions with Related Parties

Nature of Transaction	31 March 2021					31 March 2020				
	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Purchase of Goods	357.03	-	-	-	2,045.19	146.05	-	-	-	1,067.17
Sale of Goods	234.85	-	-	-	4,179.30	649.97	-	-	-	3,049.30
Conversion Income	-	-	-	-	1,963.84	-	-	-	-	-
Rent Charges	-	-	-	-	6.50	-	-	-	-	0.80
Income From Shared Services	383.22	-	-	-	113.70	330.44	-	-	-	111.68
Finance Cost	-	35.40	-	-	-	-	35.50	-	-	-
Lease Rental	35.55	-	-	-	37.48	26.66	-	-	-	37.48
Remuneration	-	-	41.12	4.73	-	-	-	40.95	4.43	-
Sitting Fees	-	-	1.20	-	-	-	-	1.32	-	-
Recovery of Expenses (Net)	35.27	-	-	-	35.31	112.76	-	-	-	33.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2021

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable#	3,777.16	-	-	-	-
Payable	-	-	7.55	0.52	50.65
Unsecured Loan	-	442.50	-	-	-

Details of Balances with Related Parties as at 31 March 2020

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable#	3,743.09	-	-	-	-
Payable	-	-	9.41	1.13	119.87
Unsecured Loan	-	442.50	-	-	-

(i) Includes ₹ 3776.91 million (31 March 2020: ₹ 3742.89 million) receivable from VISA Special Steel Limited pursuant to sanction of the Scheme of Arrangement by National Company Law Tribunal, Cuttack bench vide Order dated 8 July 2019 (NCLT Order) effective from 13 July 2019. Consequently, the Special Steel Undertaking of the Company stood transferred to and vested in VISA Special Steel Limited on and from the Appointed Date of the Scheme being 1 April 2013. To give effect of the sanctioned scheme, the Company has allocated the various heads of income and expenditures including depreciation since 1 April 2013 resulting in accumulation of receivable from VISA Special Steel Limited.

(e) Details of compensation paid to KMP

KMP COMPENSATION	VISHAMBHAR SARAN		VISHAL AGARWAL		MANOJ KUMAR	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Short-Term Employee Benefits	15.08	15.08	16.13	16.13	7.30	7.14
Post-Employment Benefits	1.27	1.27	1.22	1.21	0.12	0.12
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	**16.35**	**16.35**	**17.35**	**17.34**	**7.42**	**7.26**

(f) The Company is taking support of Related Parties for making payments on-behalf of the Company for supply of essential goods and critical raw material to ensure that Plant is operational, and adjusting the receivable and payable amount. The transaction falling under the ambit of Section 188 of Companies Act are at Arm's length and in Ordinary Course of business.

45 (i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realisation in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated.

ii) Balances of banks/financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Company are pending and the Company is contesting the same.

46 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021,

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Standalone basis)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ In Million)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ In Million)
	1	Total income	6,104.86	6,104.86
	2	Total Expenditure	6,856.16	8,142.99
	3	Net Profit/(Loss)	(2,902.47)	(4,189.30)
	4	Earnings Per Share	(25.07)	(36.18)
	5	Total Assets	15,256.27	15,256.27
	6	Total Liabilities	17,819.19	25,026.85
	7	Net Worth	(2,562.92)	(9,770.58)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

- **a. Details of Audit Qualification:** As per Annexure A
- **b. Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
- **c. Frequency of qualification:** since how long continuing - FY 2017
- **d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** As per Annexure A
- **e. For Audit Qualification(s) where the impact is not quantified by the auditor:** Not Applicable
  - **(i) Management's estimation on the impact of audit qualification:**
  - **(ii) If management is unable to estimate the impact, reasons for the same:**
  - **(iii) Auditors' Comments on (i) or (ii) above:**

III. Signatories:

• **Managing Director**	Vishal Agarwal
• **CFO**	Surinder K. Singhal
• **Audit Committee Chairperson**	Rupanjana De
• **Statutory Auditor**	For Singhi & Co. Firm Registration Number:302049E Chartered Accountants Pradeep Kumar Singhi Partner Membership Number 50773

Place: Kolkata
Date: 30 June 2021

Annexure – A

Sl. No	Details of Audit Qualification (s)	Management's Views
1	Auditors in their Standalone Audit Report has stated that: **Basis of Qualified Opinion** We draw attention to Note 4 of the accompanying statement with regard to non-recognition of interest expense on the borrowings of the Company. The accumulated interest not provided as on March 31, 2021 is ₹ 7,207.66 Millions (including ₹ 1,459.69 Millions for FY 2016-17, ₹ 1,552.29 Millions for FY 2017-18, ₹ 1,465.46 Millions for the FY 2018-19, ₹ 1,443.39 Millions for the FY 2019-20, ₹ 312.70 Millions and ₹ 1,286.83 Millions for the quarter and year ended March 31, 2021 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'. Had the aforesaid interest expense been recognized, finance cost for the quarter and year ended March 31, 2021 would have been ₹ 367.04 Millions and ₹ 1,482.89 Millions instead of the reported amount of ₹ 54.34 Millions and ₹ 196.06 Millions respectively. Total expenses for the quarter and year ended March 31, 2021 would have been ₹ 2,315.78 Millions and ₹ 8,142.99 Millions instead of the reported amount of ₹ 2,003.08 Millions and ₹ 6,856.16 Millions. Net loss after tax for the quarter and year ended March 31, 2021 would have been ₹ 2,536.55 Millions and ₹ 4,189.30 Millions instead of the reported amount of ₹ 2,223.85 Millions and ₹ 2,902.47 Millions. Total Comprehensive Income for the quarter and year ended March 31, 2021 would have been ₹ (2,545.19) Millions and ₹ (4,202.18) Millions instead of the reported amount of ₹ (2,232.49) Millions and ₹ (2,915.35) Millions, other equity would have been ₹ (10,928.48) Millions against reported ₹ (3,720.82) Millions, other current financial liability would have been ₹ 20,031.46 Millions instead of reported amount of ₹ 12,823.80 Millions and Loss per share for the quarter and year ended March 31, 2021 would have been ₹ 21.91 and ₹ 36.18 instead of the reported amount of ₹ 19.21 and ₹ 25.07. The above reported interest has been calculated using Simple Interest rate.	The majority of lenders have stopped charging interest on debts. The Company has stopped providing further interest in its books effective 1 April 2016 since the debts is barred by limitation from NPA date on 11 July 2012. The amount of interest expenses not provided for is estimated at ₹ 312.70 Million for the quarter ended 31 March 2021 and the accumulated interest not provided as on 31 March 2021 is estimated at ₹ 7,207.66 Millions.

Vishal Agarwal Managing Director	Surinder K. Singhal Chief Financial Officer	Rupanjana De Chairperson, Audit Committee	For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants Pradeep Kumar Singhi Partner Membership Number 50773

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

QUALIFIED OPINION

1. We have audited the accompanying consolidated financial statements of VISA Steel Limited ("hereinafter referred to as the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), and its joint venture (refer Note 44 to the attached consolidated financial statements), comprising the consolidated balance sheet as at 31 March 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

   In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and except for the effect of matter referred to in paragraph 2 below 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 joint venture as at 31 March 2021, of its consolidated total comprehensive income (comprising consolidated loss and consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR QUALIFIED OPINION

2. We draw your attention to Note 16B of the accompanying the consolidated financial statements with regard to non-recognition of interest expense by Parent Company and one of its Subsidiary. The accumulated interest not provided as on 31 March 2021 is ₹ 18,252.28 million (including ₹ 3,840.96 million for FY 2016-17, ₹ 3,874.55 million for FY 2017-18, ₹ 3,667.27 million for FY 2018-19, ₹ 3618.99 million for FY 2019-20 and ₹ 3,250.51 million for the year ended 31 March 2021 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.

   Had the aforesaid interest expense been recognised, finance cost for the year ended 31 March 2021 would have been ₹ 3,420.39 million instead of the reported amount of ₹ 169.88 million. Total expenses for the year ended 31 March 2021 would have been ₹ 14,538.18 million instead of the reported amount of ₹ 11,287.67 million. Net loss after tax for the year ended 31 March 2021 would have been ₹ 15,223.25 million instead of the reported amount of ₹ 11,972.74 million. Total Comprehensive Income for the year ended 31 March 2021 would have been ₹ (15,235.82) million instead of the reported amount of ₹ (11,985.31) million, other equity would have been ₹ (42,873.46) million against reported ₹ (24,621.18), other current financial liability would have been ₹ 50,104.95 million instead of reported amount of ₹ 31,852.67 million and Loss per share for the year ended 31 March 2021 would have been ₹ 131.47 instead of the reported amount of ₹ 103.40.

   The above reported interest has been calculated using Simple Interest rate.

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their report is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

4. We draw your attention to Note 36 to the consolidated financial statements regarding the preparation of the consolidated financial statements on going concern basis, for the reason stated therein. The Parent Company and one of its subsidiary VISA Special Steel Limited (VSSL), has accumulated losses and has also incurred losses during the year ended 31 March 2021. As on date, the Parent Company and one of its subsidiary VSSL's current liabilities are substantially higher than its current assets and their net worth has also been fully eroded. Further the State Bank of India (financial creditor) had filed an application before National Company Law Tribunal (NCLT) Kolkata Bench for initiating Corporate Insolvency Resolution Process (CIRP) of the Parent Company under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT, Cuttack Bench. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed the NCLT, Cuttack Bench to restore the application and proceed further in accordance with law. The NCLAT order has been challenged by the Parent Company before the Hon'ble Supreme Court which is pending. These conditions indicate the existence of a material uncertainty

that may cast significant doubt on the Group's ability to continue as going concern and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business.

All the assets including non-current assets and liabilities of the Group are still being carried at their book value except in respect of one of its subsidiary VISA Special Steel Limited (VSSL) where part of the non-current assets have been impaired and are carried at its recoverable value. The appropriateness of assumption of going concern, and evaluation of recoverable value of non-current assets of the Parent Company is critically dependent upon the debt resolution of the Parent Company and VSSL which is under process, the Parent Company and VSSL's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future. The ability of the Group to continue as a going concern is solely dependent on the successful outcome of these conditions, which are not wholly within the control of the Group.

Management of the Parent Company has prepared the statement on a going concern basis based on their assessment of the successful outcome of the debt resolution which will enhance the Parent Company and VSSL's viability and accordingly no adjustments have been made to the carrying value of the assets and liabilities.

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

EMPHASIS OF MATTER

5. We draw your attention to the following matters:

Refer Note 45 to the Statement regarding accounting for transfer of Special Steel Undertaking, pursuant to the Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal vide its order dated 8 July 2019, all the assets and liabilities of the Special Steel Undertaking of Visa Steel Limited ("transferor Company" or "the Company") has been transferred to and vested in Visa Special Steel Limited, (a wholly owned step down subsidiary) ("VSSL" or "transferee Company") at their respective book values on a going concern basis from 1 April 2013 being the appointed date. Effective date of the scheme is 13 July 2019 being the date on which certified copy of the order sanctioning the said scheme is filled with the Registrar of Companies, Cuttack.

To give the impact of the sanctioned scheme, the Consolidated Financial Statements of the Company for the year ended 31 March 2019 were revised and the same were approved by the Board of Directors in their meeting held on 18 October 2019 and audited by us on which we have issued our audit report dated 18 October 2019 and same were approved by the members in their meeting held on 23 December 2019.

On 17 January 2020, Hon'ble Supreme Court of India vide its ex-parte order in Civil Appeal No. 56 of 2020 filed by State Bank of India, has ordered issuance of notice and in the meanwhile stayed the aforesaid NCLT Order. The NCLT Order had been given effect to and stood implemented by the Company prior to 17 January 2020. The NCLT Order sanctioning the schemes does not have any impact on the Consolidated Financial statements of the Group.

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

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

6. The Parent Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report, Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

KEY AUDIT MATTERS

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

The key audit matter	How the matter was addressed in our audit
A. Related Party Transactions Refer to Note No. 44 to the consolidated financial statements. A significant part of the Parent Company's revenue and purchases of coal and coke relates to transactions with related party. The details of Related Party Transactions have been disclosed in Note No. 44 Related Party Transactions. Transactions of Parent Company with other related party for revenue generation is 94% of its total revenue and coal and coke purchased is almost 100% of its total coal and coke purchased. Transactions with related parties are significant for audit due to the materiality of revenue and purchase of coal and coke which are from other related parties and possible transfer price risk associated with transactions with related parties.	We addressed the Key Audit Matter as follows :- 1) We reviewed the policy of the Parent Company with respect to related party transactions. 2) We reviewed the minutes of the meeting of the Audit Committee and Board. 3) We reviewed the list of Related party identified by the Parent Company. 4) We performed the sales process / procurement process walk through and tested the controls. 5) We obtained the transfer pricing document prepared by the Parent Company and assessed the Key Assumptions. 6) We have assessed the application of transfer price documents in executing the transactions. 7) We reviewed compliance with Section 177 & 188 of the Companies Act 2013 for related party transaction. 8) We reviewed whether transactions between related parties are on normal commercial terms and conditions no more favorable than those otherwise available to other parties considering the present financial position of the Parent Company. 9) We reviewed the disclosure of related party transactions as per Ind AS 24. Conclusion : Our audit procedures did not lead to any reservations regarding the related party transactions and its disclosure.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Parent Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of each Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Parent and subsidiaries) as well as joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in consolidated financial statements of which we are the auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

10. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

11. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

12. We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

15. We did not audit the financial statements / financial information of 3 subsidiaries whose financial statements reflect total assets of ₹ 1.79 Million and net assets of ₹ 1.17 Million as at 31 March 2021, total revenue of ₹ Nil Million, net loss of ₹ 0.06 Million, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.06) Million for the year ended 31 March 2021 and net cash flows amounting to ₹ 0.02 Million for the year ended 31 March 2021, as considered in the consolidated annual financial statements. The consolidated annual financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 0.06 Million for the year ended 31 March 2021 as considered in the consolidated annual

financial statements, in respect of an joint venture whose financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated annual financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint venture, 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 qualified 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

16. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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, except for the matter referred to in paragraph 2 above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, except for the matter referred to in paragraph 2 above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent Company as on 31 March 2021 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent Company and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    g) In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent Company, its subsidiary companies and joint venture to its directors is in accordance with the provisions of Section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and its joint venture as noted in the 'Other Matters' paragraph:

        i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its joint venture. Refer Note 35A to the consolidated financial statements.

        ii. The Group and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company or its subsidiary companies, joint venture incorporated in India during the year ended 31 March 2021.

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

Pradeep Kumar Singhi
Partner
Membership No. 050773
UDIN: 21050773AAAAAN9852

Place: Kolkata
Date: 30 June 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16 (f) 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 March 2021.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS 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 VISA Steel Limited as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Company (hereinafter referred to as "the Parent Company") and its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to the consolidated financial statements, based on criteria established by the respective 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 with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

   i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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

   iii. 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 consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS FOR QUALIFIED OPINION

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of internal financial controls with reference to the consolidated financial statements of the Company as at 31 March 2021:

   The internal financial controls of the Parent Company and one of its subsidiary relating to application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 16B to the consolidated the consolidated financial statements.

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

QUALIFIED OPINION

10. In our opinion, the Parent Company, its subsidiary companies and its joint venture, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls with reference to the consolidated financial statements were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the consolidated financial statements 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

11. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to three subsidiaries and one joint venture, 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.

EXPLANATORY PARAGRAPH

12. We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated financial statements which comprise the Balance Sheet as at 31 March 2021, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the 2021consolidated financial statements for the year ended 31 March 2021 and this report affect our report dated 30 June 2021, which expressed a qualified opinion on those consolidated financial statements.

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

Pradeep Kumar Singhi
Partner
Membership No. 050773
UDIN: 21050773AAAAAN9852

Place: Kolkata
Date: 30 June 2021

CONSOLIDATED BALANCE SHEET

as at 31 March 2021

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2021	As at 31 March 2020
I.	ASSETS:			
	Non-current Assets			
	Property, Plant and Equipment including ROU Assets	3A	17,036.68	26,791.19
	Capital Work-In-Progress	3C	387.50	2,902.72
	Intangible Assets	3B	1.18	1.35
	Financial Assets			
	(i) Investments	4	31.63	31.63
	(ii) Investments accounted for using the Equity Method	38(c)	10.30	10.24
	(iii) Loans and Advances	5	16.14	63.78
	(iv) Other Financial Assets	6	0.21	-
	Deferred Tax Assets (Net)	7	-	-
	Total Non Current Assets		**17,483.64**	**29,800.91**
	Current Assets			
	Inventories	8	348.16	327.98
	Financial Assets			
	(i) Trade receivables	9	-	90.79
	(ii) Cash and Cash Equivalents	10	81.33	73.54
	(iii) Other Bank Balances [other than (ii) above]	11	20.70	20.51
	(iv) Others Financial Assets	12	0.82	3.07
	Current Tax Assets (Net)	13	105.00	90.66
	Other Current Assets	14	486.38	247.36
	Total Current Assets		**1,042.39**	**853.91**
	TOTAL ASSETS		**18,526.03**	**30,654.82**
II.	EQUITY AND LIABILITIES:			
	Equity			
	Equity Share Capital	15A	1,157.90	1,157.90
	Other Equity	15B	(24,621.18)	(12,635.87)
	Non-Controlling Interest		-	-
	Total Equity		**(23,463.28)**	**(11,477.97)**
	Liabilities			
	Non-Current Liabilities			
	(i) Borrowings	16	-	6,021.38
	(ii) Other financial liabilities	17	143.30	190.15
	Provisions	18	73.73	59.20
	Total Non Current Liabilities		**217.03**	**6,270.73**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	19	7,622.20	7,622.59
	(ii) Trade Payables due to	20		
	- Micro and Small Enterprises		-	-
	- Other than Micro and Small Enterprises		886.59	1,181.71
	(iii) Other Financial Liabilities	21	31,852.67	25,995.33
	Other Current Liabilities	22	1,400.74	1,054.58
	Provisions	23	10.08	7.86
	Total Current Liabilities		**41,772.28**	**35,862.07**
	TOTAL EQUITY AND LIABILITIES		**18,526.03**	**30,654.83**

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

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from Operations	24	9,763.63	6,833.44
II	Other Income	25	114.46	116.14
III	**Total Income**		**9,878.09**	**6,949.58**
IV	**EXPENSES**			
	Cost of Materials Consumed	26	6,456.02	4,907.62
	Purchases of Stock-In-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	27	13.80	97.04
	Employee Benefit Expenses	28	406.85	505.13
	Finance Costs	29	169.88	195.42
	Depreciation and Amortisation Expenses	30	1,284.62	1,340.55
	Other Expenses	31	2,956.50	1,822.89
	Total Expenses		**11,287.67**	**8,868.65**
	Profit/(Loss) before Exceptional Items, Share of Net Profit of Investment accounted using Equity Method and Tax		**(1,409.58)**	**(1,919.07)**
	Share of Net Profit of Joint Venture accounted using Equity Method and Tax	38(c)	0.06	0.05
V	**Profit/(Loss) before Exceptional Items and Tax**		**(1,409.52)**	**(1,919.02)**
VI	Exceptional Items	32	10,563.22	-
VII	**Profit/(Loss) before Tax**		**(11,972.74)**	**(1,919.02)**
VIII	Tax Expenses			
	1) Current Tax		-	-
	2) Deferred Tax		-	-
IX	**Profit/(Loss) for the period**		**(11,972.74)**	**(1,919.02)**
X	**Other Comprehensive Income**	33		
A(i)	Items that will not be reclassified to profit or loss		(12.57)	(6.45)
A(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-
B(i)	Items that will be reclassified to profit or loss		-	-
B(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period**		**(11,985.31)**	**(1,925.47)**
XII	**Profit/(loss) for the year is attributable to:**			
	Owners of the Company		(11,972.74)	(1,919.02)
	Non-Controlling Interest		-	-
XIII	**Other comprehensive income is attributable to:**			
	Owners of the Company		(12.57)	(6.45)
	Non-Controlling Interest		-	-
XIV	**Total Comprehensive Income for the period attributable to:**			
	Owners of the Company		(11,985.31)	(1,925.47)
	Non-controlling Interest		-	-
XV	**Earnings/(Loss) per Equity Share**			
	1) Basic	34	**(103.40)**	**(16.57)**
	2) Diluted		**(103.40)**	**(16.57)**

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

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as at 1 April 2019	Change in Share Capital during 2019-20	Balance as on 31 March 2020	Change in Share Capital during 2020-21	Balance as on 31 March 2021
Equity Share Capital	15 A	1,157.90	-	1,157.90	-	1,157.90

B OTHER EQUITY

Particulars	Note	Reserves and Surplus				Total Other Equity	NCI	Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at 1 April 2019		**4,612.65**	**1,645.00**	**60.33**	**(17,028.38)**	**(10,710.40)**	**-**	**(10,710.40)**
Profit/(Loss) for the year			-	-	(1,919.02)	(1,919.02)	-	(1,919.02)
Other Comprehensive Income for the year					(6.45)	(6.45)	-	(6.45)
Balance as at 31 March 2020	14 B	**4,612.65**	**1,645.00**	**60.33**	**(18,953.85)**	**(12,635.87)**	**-**	**(12,635.87)**
Profit/(Loss) for the year		-	-	-	(11,972.74)	(11,972.74)	-	(11,972.74)
Other Comprehensive Income for the year		-	-	-	(12.57)	(12.57)	-	(12.57)
Balance as at 31 March 2021		**4,612.65**	**1,645.00**	**60.33**	**(30,939.16)**	**(24,621.18)**	**-**	**(24,621.18)**

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

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Tax for the period	(11,972.74)	(1,919.02)
	Adjustments for:		
	Depreciation and Amortisation Expenses	1,284.62	1,340.55
	Impairment charge/ (reverse)	8,412.05	-
	Finance Costs-net	54.84	193.35
	Amortisation of Processing Fees	1.72	2.07
	Income from Shared Services	(101.74)	(96.09)
	Allowance for Doubtful Debts, Advances etc. no longer required written back	(3.19)	(2.23)
	Liabilities no longer required written back	(94.92)	(19.02)
	Loss on Assets retirement/write off	361.49	80.17
	Adjustments for exceptional items	2,151.17	-
	Interest income classified as investing cash flows	(2.78)	(13.17)
	(Gain)/Loss on disposal of property, plant and equipment	(0.82)	(0.78)
	Changes in Investment in Joint Venture	(0.06)	(0.05)
	Net exchange differences	0.22	0.74
	Other non- cash items	13.20	
	Operating Profit/(Loss) before changes in Operating Assets and Liabilities	**103.06**	**(433.48)**
	Working capital adjustments:		
	(Increase)/Decrease in trade receivables	73.64	241.42
	Increase/(Decrease) in trade payable and current liabilities	48.89	(102.11)
	(Increase)/Decrease in Inventories	(20.17)	692.81
	(Increase)/Decrease in other non current /current assets	(158.65)	153.55
	Cash flow from Operation	**46.77**	**552.19**
	Income Taxes (paid)/ refund	(14.33)	34.35
	Net Cash flow from Operating Activities	**32.44**	**586.54**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for acquisition of property, plant and equipment and intangible assets	(0.83)	(26.06)
	Proceeds from sale of property, plant and equipment and intangible assets	9.37	12.12
	Income from Shared Services	101.74	96.09
	Release of Security Deposit/Fixed Deposit	0.76	16.68
	Interest Received	3.87	14.52
	Net Cash from Investing Activities	**114.91**	**113.35**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Payments of long-term borrowings	(48.42)	(167.00)
	Payments of short-term borrowings	(0.39)	(239.35)
	Lease Payments	(37.48)	(83.16)
	Finance Costs Paid	(53.27)	(145.64)
	Net Cash flow from Financing Activities	**(139.56)**	**(635.15)**
	Net increase in Cash and cash equivalents (A+B+C)	**7.79**	**64.74**

CASH FLOW STATEMENT

for the year ended 31 March 2021

All amount in ₹ Million, unless otherwise stated

	Year ended 31 March 2021	Year ended 31 March 2020
D. CASH AND CASH EQUIVALENTS		
Net Increase in Cash and Cash Equivalents	7.79	64.74
Cash and Cash Equivalents at the beginning of the year	73.54	8.80
Cash and cash equivalents at the end of the year	**81.33**	**73.54**

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

	Year ended 31 March 2021	Year ended 31 March 2020
Balance with Banks in		
Current Account	81.16	8.55
Cash in hand	0.17	0.25
Cash and cash equivalents as at 31 March (Refer Note 9)	**81.33**	**8.80**

(b) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)'.

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

Item	Balance as on 1 April 2020	Cash Flow	Non cash changes			Balance as on 31 March 2021
			Recognition/ Others	Classification/ Others	Fair Value Adjustment	
Long Term Borrowings including Current Maturity	27,125.05	(48.42)	-	-	1.72	27,078.35
Short Term Borrowings	7,622.59	(0.39)	-	-	-	7,622.20
Lease Liabilities	236.16	(37.48)	(52.86)	18.52	-	164.34
Total Liabilities from Financing Activities	**34,983.80**	**(86.29)**	**(52.86)**	**18.52**	**1.72**	**34,864.89**

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

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

VISA Steel Group is consisting of VISA Steel Limited ('VSL' or 'the Parent Company') and its subsidiaries (together referred to as "Group").The Group is engaged in the manufacturing of Iron and Steel products and High Carbon Ferro Chrome with captive power plant in Odisha. Incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing facilities at Kalinganagar in Odisha. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). For details on the subsidiaries, Refer Note-43.

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

2.1 Basis of preparation of financial statements

2.1.1 Compliance with Ind AS

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group has applied the following accounting standards and its amendment for the first time for annual reporting period commencing 1 April 2020.

- IND AS 103- Business Combination: Have defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- IND AS 107-Disclosures to be made in respect of financial instruments: Introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform.
- IND AS 109-Financial reporting of financial assets and financial liabilities: Providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting.
- IND AS 116 -Accounting for Leases: Related Rent concession-a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modifications or not.
- IND AS 1 & 8 -Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors: Changes have been made to the definition of 'material' in relation to material information.
- IND AS 10 -Events after the Reporting Period: Apart from disclosure of non-adjusting event, the disclosure of an estimate of its financial effect should be made, or a statement that such an estimate cannot be made.
- IND AS 37 -Provisions, Contingent Liabilities and Contingent Assets: Clarification on accounting for restructuring plans.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

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

2.1.2 Historical cost convention

The Consolidated Financial Statements have been prepared on the historical cost convention and on accrual basis except for the following:

- certain financial assets and liabilities including derivative instruments measured at fair value

- defined benefit plans - plan assets measured at fair value

2.1.3 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. The parent controls an entity when the parent is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the parent. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the parent.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Parent's share of the post-acquisition profits or losses of the investee in profit and loss, and the Parent's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Parent's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Parent does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Parent and its associates and joint ventures are eliminated to the extent of the Parent's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.2.4.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.1.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 Summary of significant accounting policies

2.2.1 Financial instruments

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

Financial asset

i) Classification and measurement

Classification

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

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

2) those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

Measurement

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

Debt instruments

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

Amortised cost

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

Trade receivables

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

Cash and cash equivalents

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

ii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41A details how the Group determines whether there has been a significant increase in credit risk.

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

iii) Derecognition of financial assets

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

iv) Income recognition

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

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

2.2.1.2 Financial liabilities

i) Initial recognition and measurement

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

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

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

ii) Subsequent measurement

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

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

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

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

Loans and Borrowings

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

Trade and other payables

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii) Derecognition of financial liabilities

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

2.2.1.3 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives is recognised as income or expense through profit or loss.

2.2.1.4 Offsetting of financial instrument

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

2.2.2 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual values

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

- Leasehold assets (Buildings and Plant and Machinery) which are jointly held are amortised over the period of lease i.e., 6 to10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.

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

- Leasehold land is amortised over the period of lease. No depreciation is provided for freehold land.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalised and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognised in the income statement on consumption.

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

Residual value: The residual value is not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period.

2.2.3 Intangible assets

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

2.2.5 Leases
As a Lessor
Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

As a lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

Lease Liability
The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

1. Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

2. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

3. The amount expected to be payable by the lessee under residual value guarantees;

4. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

5. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

6. The Group has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as at the date of initial application.

   The lease liability is not presented as a separate line in the Balance Sheet but presented as a separate line item in the note disclosing both current and non-current other financial liabilities.

   The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

   The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'Property, Plant and Equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.2.6 Capital work-in-progress

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

2.2.7 Inventories

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

2.2.8 Provisions and Contingent Liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. However, contingent liabilities are not considered. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.2.9 Revenue from Operations

The Group derives revenue primarily from sale of products like High Carbon Ferro Chrome, Iron & Steel Products and conversion of raw material into finished products.

Effective 1 April 2018, the Group adopted IND AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group disaggregates revenue from contracts with customers by primary geographical market and major products lines.

Revenue from related party is recognised based on transaction price which is at arm's length.

2.2.10 Income Tax

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

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

2.2.11 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund.

Defined benefit plan

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

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

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

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

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

Defined contribution plans

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

2.2.12 Foreign currency transactions

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

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

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

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

2.2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

2.2.14 Earnings per share

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.2.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 37 for details on segment information presented. Chief Operating Decision Making Group consists of the Executive Chairman, Vice Chairman & Managing Director, the CFO and the Director (Kalinganagar).

2.3 Critical accounting judgment and key sources of estimation uncertainty

a. **Impairment of non-current assets** – Ind AS 36 requires that the Group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Group's market capitalisation, significant changes in the Group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies. In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Group's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. The Group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes.

b. **Defined Benefit Plans** – The cost of the employment benefits such as gratuity, leave and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 28.

c. **Taxes** – The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

d. **Leases** – The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The lease payments that are not paid at the commencement date are discounted using the incremental borrowing rate. The lease payment includes fixed lease payment, variable lease payment, exercise price of purchase option, penalties for termination of contract and any amount expected to pay.

e. **Useful lives of depreciable/amortisable assets (tangible and intangible)** – Management reviews its estimate of the useful lives of depreciable/ amortisable

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

f. **Expected Credit Loss Model** – The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

2.4 (A) New Standards / Amendments to Existing Standard issued but not yet effective and Recent pronouncements –

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long term Loan & Advances.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios-Following Ratios to be disclosed: -

  (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

B) The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification. Consequently amendments are effective for the financial year ended 31 March 2022.

Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-

(a) Ind AS 116 - Leases – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognise COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

(b) Ind AS 109 - Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Ind AS 101 - Presentation of Financial Statements – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

(d) Ind AS 102 - Share-Based Payment – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.

(e) Ind AS 103 - Business Combinations – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

(f) Ind AS 104 - Insurance Contracts – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

(g) Ind AS 105 - Non-current assets held for sale and discontinued operations – The amendment substitutes the definition of – "fair value less costs to sell" with "fair value less costs of disposal"

(h) Ind AS 106 - Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognised as exploration and evaluation assets.

(i) Ind AS 107 - Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

  i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

  (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

(j) Ind AS 111 -Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.

(k) Ind AS 114 - Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

(l) Ind AS 115 - Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

(m) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

(n) Ind AS 16 - Property, Plant and Equipment –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

(o) Ind AS 34 - Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

(p) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

(q) Ind AS 38 - Intangible Assets – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

3A PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Impairment Losses				Net Carrying Amount	
	As at 1 April 2020	Additions during the year	Disposals/ Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	Recognised/ Reversal	Deduction/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned														
Land- Freehold	15.63	-	-	15.63	-	-	-	-	-	-	-	-	15.63	15.63
Land- Leasehold	319.62	-	-	319.62	23.12	4.21	-	27.33	-	-	-	-	292.29	296.50
Factory Buildings	5,829.68	-	-	5,829.68	944.87	190.92	-	1,135.79	-	1,900.72	-	1,900.72	2,793.17	4,884.81
Buildings	869.25	-	-	869.25	100.28	21.22	-	121.50	-	-	-	-	747.75	768.97
Road	411.32	-	-	411.32	379.25	1.95	-	381.20	-	-	-	-	30.12	32.07
Plant and Machinery	25,887.96	0.38	9.35	25,878.99	5,279.54	1,043.55	0.80	6,322.29	-	6,511.20	-	6,511.20	13,045.50	20,608.42
Computers	8.55	-	-	8.55	7.16	0.39	-	7.55	-	0.11	-	0.11	0.89	1.39
Office Equipment	4.39	0.44	-	4.83	3.61	0.17	-	3.78	-	0.02	-	0.02	1.03	0.78
Furniture and Fixtures	26.45	-	-	26.45	23.31	0.43	-	23.74	-	-	-	-	2.71	3.14
Vehicles	32.76	-	-	32.76	21.22	3.06	-	24.28	-	-	-	-	8.48	11.54
Capital Spares	10.65	-	-	10.65	2.80	0.69	-	3.49	-	-	-	-	7.16	7.85
Right of Use Assets														
Plant & Machinery	237.28	-	-	237.28	127.47	17.86	-	145.33	-	-	-	-	91.95	109.81
Vehicles	77.22	-	77.22	-	26.94	-	26.95	-	-	-	-	-	-	50.28
Total	**33,730.76**	**0.82**	**86.57**	**33,645.01**	**6,939.57**	**1,284.46**	**27.75**	**8,196.28**	**-**	**8,412.05**	**-**	**8,412.05**	**17,036.68**	**26,791.19**
Total 2019-20	**33,671.15**	**161.47**	**101.86**	**33,730.76**	**5,631.20**	**1,340.17**	**31.80**	**6,939.57**	**-**	**-**	**-**	**-**	**26,791.19**	**28,039.95**

3B INTANGIBLE ASSETS

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Impairment Losses				Net Carrying Amount	
	As at 1 April 2020	Additions during the year	Disposals/ Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments during the Year	As at 31 March 2021	As at 1 April 2020	Recognised/ Reversal	Deduction/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer Software - acquired	8.57	-	-	8.57	7.22	0.17	-	7.39	-	-	-	-	1.18	1.35
Total	**8.57**	**-**	**-**	**8.57**	**7.22**	**0.17**	**-**	**7.39**	**-**	**-**	**-**	**-**	**1.18**	**1.35**
Total 2019-20	**8.57**	**-**	**-**	**8.57**	**6.83**	**0.39**	**-**	**7.22**	**-**	**-**	**-**	**-**	**1.35**	**1.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

3C CAPITAL WORK IN PROGRESS (CONSISTING OF PLANT & MACHINERY, BUILDING ETC.)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening	2,902.72	2,971.37
Addition	-	5.06
Transferred to Property, Plant & Equipment	-	-
Write Off (Refer Note 3E below)	(2,515.22)	(73.71)
Closing	**387.50**	**2,902.72**

3D The Group has till date incurred pre-operative expenses and interest cost of ₹ 16,493.44 million and allocated to respective assets.

3E The Parent Company has written off projects lying in Capital Work in Progress to its recoverable value (Refer Note 32).

3F Refer Note no. 40 for details of hypothecation/mortgaged of Property, Plant and Equipment.

Particulars	As at 31 March 2021	As at 31 March 2020
4 NON-CURRENT INVESTMENTS		
Unquoted		
Investment-Others (At fair value)		
VISA Coke Limited	31.63	31.63
1,054,476 (31 March 2019: 1,054,476) Equity Shares of ₹10/- each fully paid up		
Aggregate amount of unquoted Investments	**31.63**	**31.63**

Particulars	As at 31 March 2021	As at 31 March 2020
5 NON-CURRENT - LOANS		
Unsecured, considered good		
Security Deposits - Others	16.14	63.78
	16.14	**63.78**

Particulars	As at 31 March 2021	As at 31 March 2020
6 NON-CURRENT -OTHER FINANCIAL ASSETS		
Fixed Deposits with Bank	0.21	-
	0.21	**-**

Particulars	As at 31 March 2021	As at 31 March 2020
7 DEFERRED TAX ASSETS (NET)		
The balance comprises temporary differences attributable to:		
Deferred Tax Assets (A)		
Investments in Joint Ventures	2.02	1.70
Inventories	1.83	2.66
Allowance for Doubtful Trade Receivables	-	2.81
Allowance for Doubtful Advances	7.99	33.70
Liability as per IND AS 116	169.26	82.52
Provisions for Employee Benefits	26.44	23.43
Interest Accrued	668.46	1,433.08
Disallowances allowable for Tax purpose on payment	461.96	348.78
Unabsorbed Depreciation	393.59	1,582.30
Business Loss Carried Forward	-	2,253.06
	1,731.54	**5,764.04**
Deferred Tax Liabilities (B)		
Property Plant and Equipment and Intangible Assets	(1,650.46)	(5,762.74)
Amortisation of Processing fees on Borrowings	(0.53)	(1.30)
Lease Receivable	(80.55)	
	(1,731.54)	**(5,764.04)**
Net Deferred Tax Assets (A-B)	**-**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Movements in Deferred Tax Assets during the year ended:

31 March 2021	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Assets/(Liabilities) in relation to:			
Investments in Joint Ventures	1.70	0.32	2.02
Inventories	2.66	(0.83)	1.83
Trade Receivables	2.81	(2.81)	-
Allowance for Doubtful Advances	33.70	(25.71)	7.99
Liability as per IND AS 116	82.52	86.74	169.26
Provisions for Employee Benefits	23.43	3.01	26.44
Interest Accrued	1,433.08	(764.62)	668.46
Disallowances allowable for Tax purpose on payment	348.78	13.17	461.95
Unabsorbed Depreciation	1,582.30	(1,188.71)	393.59
Business Loss Carried Forward	2,253.06	(2,253.06)	-
Total Deferred Tax Assets	**5,764.04**	**(4,032.50)**	**1,731.54**
Property Plant and Equipment and Intangible Assets	(5,762.74)	4,112.28	(1,650.46)
Processing fees on Borrowings	(1.30)	0.77	(0.53)
Lease Receivable	-	(80.55)	(80.55)
Total Deferred Tax Liabilities	**(5,764.04)**	**4,032.50**	**(1,731.54)**
Net (Charge)/Credit	**-**	**-**	**-**

31 March 2020	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Assets/(Liabilities) in relation to:			
Investments in Joint Ventures	1.57	0.13	1.70
Inventories	3.72	(1.06)	2.66
Trade Receivables	17.12	(14.31)	2.81
Allowance for Doubtful Advances	33.70	-	33.70
Liability as per IND AS 116	70.00	12.52	82.52
Provisions for Employee Benefits	20.23	3.20	23.43
Interest Accrued	1,433.08	-	1,433.08
Disallowances allowable for Tax purpose on payment	268.86	79.92	348.78
Unabsorbed Depreciation	1,475.88	106.42	1,582.30
Business Loss Carried Forward	2,341.26	(88.20)	2,253.06
Total Deferred Tax Assets	**5,665.42**	**98.62**	**5,764.04**
Property Plant and Equipment and Intangible Assets	(5,663.39)	(99.35)	(5,762.74)
Processing fees on Borrowings	(2.03)	0.73	(1.30)
Total Deferred Tax Liabilities	**(5,665.42)**	**(98.62)**	**(5,764.04)**
Net (Charge)/Credit	**-**	**-**	**-**

Note: The Parent Company & VSSL has opted for Income Tax Provision as per section 115BAA of Income Tax Act'1961 w.e.f. Assessment Year 2020-21.

Particulars	As at 31 March 2021	As at 31 March 2020
8 INVENTORIES		
(Refer Note 2.2.7)		
Raw Materials	144.90	97.26
Work-In-Progress	31.15	8.71
Finished Goods [Refer (a) below]	0.43	79.44
Stores and Spares	108.63	122.31
By-Products	63.05	20.26
	348.16	**327.98**
(a) Finished Goods have been stated at Net Realisable Value. An amount of ₹ Nil (31 March 2020: 8.22 Million) have been charged off to statement of profit and loss and were recognised as an expense.		
(b) See note 40 for details of hypothecation of inventories.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
9 CURRENT - TRADE RECEIVABLES		
Trade Receivable		
- Secured, considered good	-	-
- Unsecured, considered good	-	98.36
- Unsecured, considered doubtful	-	0.47
	-	**98.83**
Less: Allowances (refer note - b below)	-	8.04
	-	**90.79**
(a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.		
(b) Allowances Includes additional provision of ₹ Nil (Previous Year ₹ 7.99 Millions) made on account of Expected Credit Loss on Trade Receivable.		

Particulars	As at 31 March 2021	As at 31 March 2020
10 CASH AND CASH EQUIVALENTS		
Balance with Banks		
in Current Account (Refer Note (a) below)	81.16	73.37
Cash in hand	0.17	0.17
	81.33	**73.54**
(a) The Jajpur District Court vide Order dated 22 July 2019 directed SBI to attach the Parent Company's Bank Account based on a case filed by Kohli Builders. The Parent Company filed a writ petition in Orissa High Court challenging the Order and was granted stay vide Order dated 22 August 2019, but despite the same, SBI did not allow operations in the account and hence, the Parent Company is taking support of related parties for making payments on behalf of the Parent Company to keep the plant operational.		

Particulars	As at 31 March 2021	As at 31 March 2020
11 OTHER BANK BALANCES [OTHER THAN CASH AND CASH EQUIVALENTS]		
Fixed Deposits with Bank	20.70	20.51
	20.70	**20.51**

Particulars	As at 31 March 2021	As at 31 March 2020
12 OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on Fixed Deposits	0.82	3.07
	0.82	**3.07**

Particulars	As at 31 March 2021	As at 31 March 2020
13 CURRENT TAX ASSETS (NET)		
Income Tax Assets (TDS & TCS)	105.00	90.66
	105.00	**90.66**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
14 OTHER CURRENT ASSETS		
Advances against Supply of Goods and Rendering Services		
Considered Good	151.23	72.88
Considered Doubtful	31.76	96.58
Less: Allowances for Doubtful Advances	(31.76)	(96.58)
Contract Assets	142.82	-
Advances to Key Managerial Personnel	-	0.27
Employee Advances	0.97	1.93
Receivable from DGFT and Customs towards Export Incentive	0.18	0.18
Others Taxes Receivable / Adjustable	175.76	165.24
Insurance Receivable	3.74	-
Prepaid Expenses	11.68	6.86
	486.38	**247.36**

Particulars	As at 31 March 2021	As at 31 March 2020
15 EQUITY SHARE CAPITAL AND OTHER EQUITY		
A Equity Share Capital		
Authorised		
252,000,000 Equity Shares (31 March 2019: 252,000,000 of ₹ 10/- each)	2,520.00	2,520.00
Issued, Subscribed and Paid-up		
115,789,500 Equity Shares (31 March 2019: 115,789,500) of ₹ 10/- each fully paid up	**1,157.90**	**1,157.90**

(a) Movements in Equity Share Capital

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	115,789,500	1,157.90	115,789,500	1,157.90
Add: Shares issued	-	-	-	-
Balance as at the end of the year	**115,789,500**	**1,157.90**	**115,789,500**	**1,157.90**

(b) Terms and rights attached to equity shares

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

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
VISA Infrastructure Limited	44,387,167	38.34	44,387,167	38.34
VISA International Limited	23,787,833	20.54	23,787,833	20.54
LTS Investment Fund Limited	10,497,122	9.07	10,497,122	9.07
ERISKA Investment Fund Limited	9,912,036	8.56	9,912,036	8.56

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
B Other Equity		
Reserves and Surplus		
Capital Reserve	4,612.65	4,612.65
Securities Premium	1,645.00	1,645.00
General Reserve	60.33	60.33
Retained Earnings	(30,939.16)	(18,953.85)
Total	**(24,621.18)**	**(12,635.87)**
Capital Reserve [Refer (a) below]		
Balance at the beginning of the year	4,612.65	4,612.65
Balance at the end of the year	4,612.65	4,612.65
Securities Premium [Refer (b) below]		
Balance at the beginning of the year	1,645.00	1,645.00
Balance at the end of the year	1,645.00	1,645.00
General Reserve [Refer (c) below]		
Balance at the Beginning of the Year	60.33	60.33
Add: Restatement	-	-
Balance at the End of the Year	60.33	60.33
Retained Earnings		
Balance at the beginning of the year	(18,953.85)	(17,028.38)
Add: Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(11,972.74)	(1,919.02)
Add: Remeasurements of the Net Defined Benefit Plans	(12.57)	(6.45)
Balance at the end of the year	(30,939.16)	(18,953.85)

Nature and purpose of Reserves

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

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

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

Particulars	Non-current Portion		Current Maturities*		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
16 LONG-TERM BORROWINGS						
Secured (Refer Note (a) & C below)						
From Banks	-	4,369.03	18,537.58	14,166.83	18,537.58	18,535.86
From Other Parties	-	1,652.35	8,098.27	6,494.34	8,098.27	8,146.68
Unsecured						
Loans from Related Parties	-	-	442.50	442.50	442.50	442.50
	-	**6,021.38**	**27,078.35**	**21,103.67**	**27,078.35**	**27,125.04**

*Please refer Note 21.

(a) The debts of the Parent Company and one of its subsidiary i.e. VISA Special Steel Ltd. (VSSL) have been classified as Non-Performing Assets (NPA) and are barred by limitation from the NPA date of 11 July 2012 and accordingly the entire debt classified as current is disputed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

A. Debt Restructuring

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

Due to the aforesaid external factors, the EBITDA margins of the Parent Company and VSSL since 2011-12 have not been sufficient to service interest / principal repayment and whilst the outstanding principal term loan amount was only 3,850.00 Million as on 1 April 2013, during the period April 2013 to March 2016, the lenders have charged/recovered approx. 4,258.51 Million on account of interest/ repayment whereas EBITDA during this period was only approx. 1,413.93 Million. This has resulted in ballooning of liabilities of the Parent Company and VSSL towards its lenders, which are far in excess of the hard cost of investments in the project for which the principal term loan had been taken from the lenders.

The Parent Company's debts had been restructured under the aegis of Corporate Debt Restructuring cell (CDR) and a Master Restructuring Agreement (MRA) dated 19 December 2012 was executed to give effect to the package approved by CDR cell with effect from 1 March 2012. Pursuant to the approval of the Parent Company and VSSL Business Re-organisation Plan by the CDR, a Common Loan Agreement (CLA) had also been executed among the Parent Company, VISA Special Steel Limited (VSSL) and lenders.

SBI had filed an application before Hon'ble National Company Law Tribunal Cuttack Bench (NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), which was dismissed by NCLT, Cuttack Bench. SBI preferred an appeal before National Company Law Appellate Tribunal (NCLAT) New Delhi which has directed NCLT to restore the application and proceed further in accordance with law. The NCLAT order has been challenged by the Parent Company in the Hon'ble Supreme Court and matter is pending.

The lenders like Bank of Baroda, Dena Bank (since merged with Bank of Baroda), Indian Overseas Bank, Central Bank of India, UCO Bank, Vijaya Bank (since merged with Bank of Baroda), SIDBI and State Bank of Travancore (since merged with State Bank of India) have already implemented Resolution through Sale of Debt to Asset Reconstruction Companies (ARC's).

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

B The Parent Company and VSSL stopped providing further interest in its books effective 1 April 2016 since the debt is barred by limitation from the NPA date of 11 July 2012. The amount of such interest not provided for in the financial year ended 31 March 2021 is estimated at ₹ 1,286.83 million and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 7,207.66 million.

C Details of Securities (Also refer note 40)

(i) First pari-passu charge by way of hypothecation of all the Parent Company and VSSL's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other movable 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).

(ii) First pari-passu mortgage and charge on the immovable properties of the Parent Company and VSSL situated at Kalinganagar Industrial Complex, Jajpur, (Odisha), Golagaon, Jajpur, (Odisha), Raigarh, (Chhattisgarh) and office premises of the Parent Company at Bhubaneswar, (Odisha).

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

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

(v) Lien on Bank Accounts including the Trust and Retention Account of the Parent Company and VSSL.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(vi) The Lenders of SMCF are having a second pari-passu charge on the hypothecated assets and a second charge on the mortgaged assets of the Parent Company and VSSL.

(vii) The Corporate Guarantee of VISA International Limited (VINL) was provided pursuant to CDR. SBI had filed an application before National Company law Tribunal, Kolkata Bench (NCLT) to initiate Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 against VINL which was admitted vide Order dated 07.08.2019. NCLT, by its Order dated 11.05.2021 has allowed liquidation of VINL.

(viii) The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Parent Company are invalid due to non-fulfilment of its obligation by lenders.

D Unsecured loan from related party is interest bearing and repayable on demand.

Particulars	As at 31 March 2021	As at 31 March 2020
17 OTHER NON CURRENT FINANCIAL LIABILITIES		
Long Term maturities of lease Obligations [Refer Note 42]	143.30	190.15
	143.30	**190.15**

Particulars	As at 31 March 2021	As at 31 March 2020
18 NON CURRENT PROVISIONS		
Provision for Employee Benefits	73.73	59.20
	73.73	**59.20**

Particulars	As at 31 March 2021	As at 31 March 2020
19 CURRENT - BORROWINGS		
Secured (Refer Note 16(a) and 16(C))		
(i) Working Capital Loans		
From Banks	5,895.84	5,895.84
From Other Parties	1,726.36	1,726.75
	7,622.20	**7,622.59**

Particulars	As at 31 March 2021	As at 31 March 2020
20 CURRENT - TRADE PAYABLES		
Dues to Related Party [Refer Note 44]	284.10	420.21
Dues to Micro and Small Enterprises	-	-
Dues to other than Micro and Small Enterprises	602.49	761.50
	886.59	**1,181.71**

There are no outstanding creditors registered under Micro, Small and Medium Enterprises Development Act, 2006. As a result no interest provision/payments have been made by the Company to such creditors, nor any amounts are shown as due to them.

Particulars	As at 31 March 2021	As at 31 March 2020
21 OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long-term debt (Refer Note 16(a) and 16(C))		
From Banks	18,537.58	14,166.83
From Other Parties	8,098.27	6,494.34
Current Maturities of Lease Obligations [Refer Note 42]	21.03	46.01
Loan Repayable to Related Party (Refer Note 16(D))	442.50	442.50
Interest Accrued (Refer Note 16(B))	4,358.54	4,375.49
Employee Related Liabilities	93.71	190.78
Other Liabilities	301.04	279.38
	31,852.67	**25,995.33**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
22 OTHER CURRENT LIABILITIES		
Contract Liabilities	47.41	52.55
Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc)	318.62	288.70
Electricity Duty#	1,034.71	713.33
	1,400.74	**1,054.58**
#This includes liability related to Electricity Duty levied on power generated from non-conventional sources which the Company has disputed. As per the provisions of Industrial Policy Resolution 2001, Government of Odisha (IPR 2001) dated 03.12.2001, "18.8 A power plant generating power from non-conventional sources set up after the effective date shall be deemed to be a new industrial unit and will be entitled to all the incentives under this policy. These plants will not be liable to pay electricity duty". The Parent company has set up the power plant generating power from non-conventional sources after the effective date of IPR 2001 i.e. 03.12.2001 and hence is deemed to be a new industrial unit and not liable to pay electricity duty as per IPR 2001.		

Particulars	As at 31 March 2021	As at 31 March 2020
23 CURRENT-PROVISIONS		
Provision for Employee Benefits	10.08	7.86
	10.08	**7.86**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
24 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods	4,321.55	6,466.65
Total	**4,321.55**	**6,466.65**
(b) Sale of services		
Conversion Income		
(i) For Materials	3,933.42	223.87
(ii) For Services	1,365.27	76.49
Total	**5,298.69**	**300.36**
Total Sales	**9,620.24**	**6,767.01**
(c) Other Operating Revenues		
Scrap Sales	40.04	42.59
Export Incentives	-	2.59
Liabilities no longer required written back	94.92	19.02
Allowances for Doubtful Debts, Advances etc. no longer required written back	8.43	2.23
	143.39	**66.43**
Total	**9,763.63**	**6,833.44**

(d) Disaggregation of revenue

- Refer Note 37 for disaggregated Revenue information

(e) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.		
Receivables, which are included in 'Trade and other receivables'	-	98.83
Contract assets	142.82	-
Contract liabilities	47.41	52.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(f) Other Information

a. Transaction price allocated to the remaining performance obligations - NIL

b. The amount of revenue recognised in the current period that was included in the opening contract liability balance. - ₹ 52.55 Million

c. The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods – e.g. changes in transaction price - NIL

d. Performance obligations- The Company satisfy the performance obligation on shipment/delivery as per terms of contract.

e. Significant payment terms- The contract does not have any financing component and variable consideration.

(g) The Group recognises revenue at Point in Time. Contract with customers are of short term duration and all sales are direct to customer.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
25 OTHER INCOME		
(a) Interest Income		
On Bank Deposits	1.29	2.43
On Others	1.49	10.74
(b) Other Non-Operating Income		
Insurance Claim Received	3.73	0.70
Gain on Sale of Property Plant and Equipment	0.82	0.78
Income from Shared Services	101.74	100.70
Other Non Operating Income	5.39	0.79
	114.46	**116.14**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
26 COST OF MATERIALS CONSUMED		
Chrome Ore	2,177.09	1,314.24
Iron Ore	3,174.26	1,507.70
Coal and Coke	752.69	1,936.05
Others	351.98	149.63
	6,456.02	**4,907.62**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	79.44	137.55
By-Products	20.26	52.91
Work-in-Progress	8.71	14.99
	108.41	**205.45**
Less: Closing Stock		
Finished Goods	0.43	79.44
By-Products	63.04	20.26
Work-in-Progress	31.14	8.71
	94.61	**108.41**
(Increase)/Decrease in Stock	**13.80**	**97.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
28 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	375.29	467.75
Contribution to Provident and Other Funds	26.97	34.30
Gratuity	1.13	-
Staff Welfare Expenses	3.46	3.08
	406.85	**505.13**

Additional disclosures relating to Employee Benefit Obligations/Expenses

(I) Post Employment Defined Contribution Plan

The Group contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Group and its eligible employees to the Fund, based on the current salaries. An amount of ₹ 17.62 Million (31 March 2020: ₹ 27.31 Million) has been charged to the Statement of Profit and Loss towards Group's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Group has no other obligation.

(II) Post Employment Defined Benefit Plan - Gratuity (funded)

The Group provides for Gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LICI) make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days, as per provision of Gratuity Act depending upon the tenure of service subject to a maximum limit of ₹ 2.00 Million. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.2.11, based on which, the respected entities make contributions to the Gratuity Fund.

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2019	44.82	8.78	36.04
Current Service cost	4.26	-	4.26
Interest cost/Income	3.41	-	3.41
Past Service Cost	-	-	-
Investment Income	-	0.67	(0.67)
Total amount recognised in Profit or Loss	**7.67**	**0.67**	**7.00**
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	(0.03)	-	(0.03)
- Change in Financial assumptions	4.58	-	4.58
- Experience Variance (i.e. Actual Experience vs assumptions)	1.28	-	1.28
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.63)	0.63
Total amount recognised in Other Comprehensive Income	**5.83**	**(0.63)**	**6.46**
Contributions by employer	-	0.35	(0.35)
Benefits paid	(11.67)	(8.39)	(3.28)
1 April 2020	**46.65**	**0.78**	**45.87**
Current Service cost	5.92	-	5.92
Interest cost/Income	3.08	-	3.08
Past Service Cost	-	-	-
Investment Income	-	0.05	(0.05)
Total amount recognised in profit or loss	**9.00**	**0.05**	**8.95**
Remeasurements (Gains)/Losses			
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(1.90)	-	(1.90)
- Experience Variance (i.e. Actual Experience vs assumptions)	14.45	-	14.45
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.02)	0.02
Total amount recognised in Other Comprehensive Income	**12.55**	**(0.02)**	**12.57**
Contributions by employer	-	9.39	(9.39)
Benefits paid	(4.89)	(3.83)	(1.06)
31 March 2021	**63.31**	**6.37**	**56.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

	As at 31 March 2021	As at 31 March 2020
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	63.31	46.65
Fair Value of Plan Assets at the end of the year	6.37	0.78
Net Asset/(Liability) recognised in the Balance Sheet	**56.94**	**45.87**

(V) Principal Actuarial Assumption Used:

	As at 31 March 2021	As at 31 March 2020
Discount Rates	6.90%	6.60%
Expected Salary Increase Rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM (12-14) Ultimate	IALM (12-14) Ultimate
The Group ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Group's ALM objective is to match asset with gratuity obligation. The Group actively monitor how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Group has not changed the process used to manage its risk from previous period. The Group does not use derivatives to manage its risk. The gratuity scheme is funded with LICI which has good track record of managing fund.		

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

	As at 31 March 2021	As at 31 March 2020
Insurer Managed Funds	**100%**	**100%**

(VII) Category of Plan Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Fund with LIC	6.37	0.78
Total	**6.37**	**0.78**

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow) is 11 Years.

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

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2021					
Defined Benefit Obligation	5.38	13.59	27.47	95.25	141.69
As at 31 March 2020					
Defined Benefit Obligation	3.74	9.85	16.62	76.84	107.05

(VIII) Sensitivity Analysis

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

	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	69.99	57.54	52.01	42.07
Salary Growth Rate (-/+1%)	57.42	69.85	41.96	52.06
Attrition Rate (-/+50%)	62.25	64.25	45.90	47.31
Mortality Rate (-/+10%)	63.13	63.47	46.53	46.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

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

(IX) The Group expects to contribute ₹ 38.78 Millions (Previous Year ₹ 28.54 Millions) to its gratuity fund in 2021-22

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

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

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

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-out (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000) and Upward revision of maximum gratuity limit will result in gratuity plan obligation.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
29 FINANCE COSTS		
Interest Expenses - Others	167.96	188.18
Bank charges and Amortisation of Processing Fees etc.	1.92	7.24
	169.88	**195.42**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
30 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortisation expenses on Property, Plant and Equipment	1,284.45	1,340.17
Amortisation Expense on Intangible Assets	0.17	0.38
	1,284.62	**1,340.55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
31 OTHER EXPENSES		
Consumption of Stores and Spare Parts	527.81	376.36
Power and Fuel	1,191.84	755.15
Rent	1.44	1.30
Repairs to Buildings	7.71	18.42
Repairs to Machinery	34.58	35.02
Insurance Expenses	12.65	8.81
Rates and Taxes, excluding taxes on income	247.17	164.12
Material Handling Expenses	213.49	80.78
Freight and Selling Expenses	140.83	105.57
Loss on Exchange Fluctuation (net)	0.22	0.74
Advances Written off [Net of Provisions ₹ 68.30 million, (31 March 2020 ₹ Nil)]	-	-
Allowance for Doubtful Advances	5.24	-
Capital Work-In-Progress Written Off	364.05	68.28
Miscellaneous Expenses	209.47	208.34
	2,956.50	**1,822.89**

32 EXCEPTIONAL ITEMS

The Exceptional Items for the year ended 31 March 2021 includes ₹ 2,151.17 million (Carrying amount ₹ 2,538.67 million less Recoverable Parent ₹ 387.50 million) towards write off related to projects lying in Capital Work in Progress (CWIP) of the Parent Company. The Parent Company had been continuously incurring losses for past few years and does not envisage any substantial improvement in the financial position to complete the aforesaid CWIP and hence these projects have been abandoned and closed. The CWIP is reinstated at the recoverable value i.e., fair value less cost of disposal as determined by an independent registered valuer using cost approach basis.

The Exceptional items for the year ended 31 March 2021 also includes ₹ 8,412.05 million (Carrying amount ₹ 13,624.77 million less Recoverable amount ₹ 5,212.72 million) towards impairment charge on fixed assets of Steel Making Unit (Cash Generating Units) of a subsidiary Company in accordance with Ind-AS 36 on 'Impairment of Assets'. These Cash Generating Units are not in operation since 2017 due to various external factors beyond the control of the subsidiary Company. The recoverable value (fair value less cost of disposal) of the aforesaid Cash Generating units has been determined by an independent registered valuer on cost approach basis which is lower than the Carrying value and this resulted in an impairment charge.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
33 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurements of the Defined Benefit Plans	(12.57)	(6.45)
	(12.57)	**(6.45)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
34 EARNING/(LOSS) PER EQUITY SHARE		
(I) Basic		
a. Profit/(Loss) after Tax and Minority Interest	(11,972.74)	(1,919.02)
b. (i) Number of Equity Shares at the beginning of the year	115,789,500	115,789,500
(ii) Number of Equity Shares at the end of the year	115,789,500	115,789,500
(iii) Weighted average number of Equity Shares outstanding during the year	115,789,500	115,789,500
(iv) Face Value of each Equity Share (₹)	10.00	10.00
c. Basic Earning/(Loss) per Share [a / (b(iii)] (₹)	(103.40)	(16.57)
(II) Diluted		
a. Dilutive potential Equity Shares	-	-
b. Weighted Average number of Equity Shares for computing Dilutive Earning/(Loss) per Share	115,789,500	115,789,500
c. Diluted Earning/(Loss) per Share [same as (I)(c) above] (₹)	(103.40)	(16.57)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2021	As at 31 March 2020
35 CONTINGENT LIABILITIES		
(a) Claims against the Company not Acknowledged as Debts:		
(i) Sales/Customers and Related Matters	191.90	191.90
(ii) Purchases/Vendors and Related matters	4,839.72	4,807.66
(iii) Other Matters	389.73	362.23
(b) Other matters for which the Company is Contingently Liable:		
(i) Disputed Income Tax matters under appeal	28.13	28.13
(ii) Disputed Sales Tax matters under appeal	126.35	128.89
(iii) Disputed Entry Tax matters under appeal	0.96	9.57
(iv) Disputed Customs Duty matter on Imported Goods under appeal	64.00	61.34
(v) Disputed Excise Duty matters under appeal	15.97	15.97
(vi) Disputed Service Tax matters under appeal	54.63	54.63

(c) In respect of the contingent liabilities mentioned in Note 35(a) and 35(b) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any. The Group does not expect any reimbursements in respect of above contingent liability.

36 The Group has incurred net loss during the year ended 31 March 2021 which has adversely impacted the net worth of the Group. The Group's financial performance has been adversely affected due to non-availability of working capital for operations, and other external factors beyond the Group's control which include high prices of raw materials during e-auction in comparison to the product prices. The Parent Company has entered into an arrangement for conversion of raw material into finished goods with related party effective Q4 2020-21. It is expected that the overall financial health of the Group would improve after debt resolution, improvement in availability of working capital and to operate under conversion agreement. Accordingly, the Group has prepared the financial statements on the basis of going concern assumption.

37 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

Special Steel	Iron & Steel Products
Ferro Alloys	High Carbon Ferro Chrome

Segment assets, liabilities, revenue and expenses are measured in the same way as in the standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets. Sale between Segments are carried out at arm's length and are eliminated on consolidation.

(a) Summarised Segment information

Primary Business Segment	As at 31 March 2021			As at 31 March 2020		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
External Revenue from Operations	4,096.90	5,666.73	9,763.63	3,354.65	3,478.79	6,833.44
Inter Segment Revenue from Operations	311.13	-	311.13	137.66	-	137.66
Segment Revenues	4,408.03	5,666.73	10,074.76	3,492.31	3,478.79	6,971.10
Segment Results	(650.68)	(588.97)	(1,239.64)	(1,018.81)	(704.79)	(1,723.60)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(b) Specified amounts included in Segment Results

Primary Business Segment	As at 31 March 2021			As at 31 March 2020		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
Depreciation & Amortisation	819.46	465.16	1,284.62	857.40	483.15	1,340.55
Net Foreign Exchange loss / (gain)	0.22	-	0.22	0.38	0.36	0.75

(c) Reconciliation of Segment Results with Profit after tax

Primary Business Segment	As at 31 March 2021			As at 31 March 2020		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
Segment Results	(650.68)	(588.97)	(1,239.64)	(1,018.81)	(704.79)	(1,723.60)
Less: Exceptional Items	8,412.05	2151.17	10,563.22	-	-	-
Less: Finance Costs	-	-	169.88	-	-	195.42
Profit/(Loss) after tax as per Financial Statements	**(9062.73)**	**(2740.13)**	**(11,972.74)**	**(1018.81)**	**(704.79)**	**(1,919.02)**

(d) Other information
Reconciliation of Reportable Segments with the Financial Statements

Primary Business Segment	As at 31 March 2021			As at 31 March 2020		
	Special Steel	Ferro Alloys	Total of Reportable Segments	Special Steel	Ferro Alloys	Total of Reportable Segments
Segment Assets	7,048.20	11,477.83	18,526.03	16,325.53	14,329.29	30,654.82
Corporate Unallocated (net)	-	-	-	-	-	-
Total Assets	**7,048.20**	**11,477.83**	**18,526.03**	**16,325.53**	**14,329.29**	**30,654.82**
Segment Liabilities	799.50	1,966.38	2,765.88	992.50	1,781.01	2,773.51
Corporate Unallocated (net)	-	-	39.223.43	-	-	39,359.28
Total liabilities #	**799.50**	**1,966.38**	**41,989.31**	**992.50**	**1,781.01**	**42,132.79**

Excluding Shareholder's Funds

The Group has its customer in India as well as outside India and thus segment information based on geographical location of its customers is as follows:

Particulars	31 March 2021			31 March 2020		
	India	Outside India	Total	India	Outside India	Total
Revenue External*	9763.63	-	9,763.63	6,612.35	221.09	6,833.44
Total Segment Assets	18526.02	-	18,526.02	30,654.82	-	30,654.82

* Represent INR export to Bhutan

(e) The Group recognises Revenue at a Point in Time. The Contracts with customers are of Short term duration and all Sales are direct to customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

38 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
Financial Assets						
Investments*	-		31.63	-		31.63
Trade Receivables	-			90.79		
Cash and Cash Equivalents	81.33			73.54		
Other Bank Balances	20.70			20.51		
Loans	16.14			63.78		
Others Financial Assets	1.03			3.07		
Total Financial Assets	**119.20**	**-**	**31.63**	**251.69**	**-**	**31.63**
Financial Liabilities						
Non Current Borrowings	-			6,021.38		
Current Borrowings	7,622.20			7,622.59		
Other financial liability	31,852.67			25,995.33		
Trade Payables	886.59			1,181.71		
Total Financial Liabilities	**40,361.47**	**-**	**-**	**40,821.01**	**-**	**-**

*Excludes investment measured at deemed cost/cost.

b) Fair value hierarchy

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

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

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

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

Financial Assets and Liabilities measured at fair value as at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	31.63	-	31.63
Total Financial Assets	**-**	**31.63**	**-**	**31.63**

Financial Assets and Liabilities measured at fair value as at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments		31.63		31.63
Total Financial Assets	**-**	**31.63**	**-**	**31.63**

Notes:

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

(ii) Non- current financial assets and liabilities measured at amortised cost have same fair value as at 31 March 2021 and 31 March 2020.

c) Valuation techniques

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

Investment has been fair valued based on valuation carried out by independent valuer as on 31 March 2021.

Changes in level 2 and level 3 fair values are analysed at each reporting period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

39 INTEREST IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ Country of Incorporation	Principal Activities	Ownership Interest held by the Group		Ownership Interest held by non-controlling interests	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
Kalinganagar Special Steel Private Limited	India	Steel Products	100.00 %	100.00 %	-	-
Kalinganagar Chrome Private Limited	India	Chrome Products	100.00 %	100.00 %	-	-

(b) Interest in Joint Venture

Set out below is the joint venture of the Parent Company as at 31 March 2021 which, in the opinion of the directors, are material to the Parent Company. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Parent Company. The Country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal Activities	Place of Business	% of ownership interest	Relationship	Accounting Method	Carrying Amount as on 31 March 2021	Carrying Amount as on 31 March 2020
VISA Urban Infra Limited	Developing Star Hotel and Convention Centre project	India	26 %	Joint Venture	Equity Method	10.30	10.24

(c) Summarised financial information for joint venture

The table below provide summarised financial information for the joint venture that is material to the Group.

Summarised Balance Sheet	VISA Urban Infra Limited	
	31 March 2021	31 March 2020
Current Assets		
Cash and cash equivalents	0.20	0.93
Other Assets	9.64	9.82
Total Current Assets	**9.84**	**10.75**
Total Non Current Assets	**109.26**	**108.13**
Current Liabilities		
Financial Liabilities	0.86	0.88
Other Liabilities	-	0.08
Total Current Liabilities	**0.86**	**0.96**
Non Current Liabilities		
Financial Liabilities	71.23	71.23
Other Liabilities	8.14	8.05
Total Non Current Liabilities	**79.37**	**79.28**
Net Assets	**38.87**	**38.64**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Reconciliation to Carrying Amounts

Particulars	VISA Urban Infra Limited	
	31 March 2021	31 March 2020
Opening Net Assets	38.64	38.45
Profit/(Loss) for the year	0.23	0.19
Closing Net Assets	**38.87**	**38.64**
Group's share in %	26%	26%
Group's share in ₹	10.11	10.05
Inter company elimination	0.19	0.19
Carrying Amount	**10.30**	**10.24**

Summarised Statement of Profit and Loss

Particulars	VISA Urban Infra Limited	
	31 March 2021	31 March 2020
Revenue	-	-
Interest income	0.44	0.55
Depreciation and amortisation expense	-	-
Interest Expense	0.00	0.01
Other Expenses	0.10	0.13
Income tax Expense	0.11	0.22
Profit from continuing operation	**0.23**	**0.19**
Profit from Discontinuing operation	-	-
Profit for the year	0.23	0.19
Other Comprehensive income	-	-
Total Comprehensive income	**0.23**	**0.19**
Group Share	**0.06**	**0.05**

40 ASSETS HYPOTHECATED/MORTGAGED AS SECURITY (REFER NOTE 16)

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current Assets		
Financial assets	102.85	187.91
Non-financial assets		
Inventories	348.16	327.98
Total current assets hypothecated/mortgaged as security (A)	**451.01**	**515.89**
Non-current Assets		
Property, Plant and Equipment	16,944.74	26,631.10
Capital Work-in-progress	387.50	2,902.72
Intangible Assets	1.18	1.35
Investment	10.30	10.24
Total non-currents assets hypothecated/mortgaged as security (B)	**17,343.72**	**29,545.41**
Total assets hypothecated/mortgaged as security (A+B)	**17,794.73**	**30,061.30**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

41 FINANCIAL RISK MANAGEMENT

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

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

(A) Credit Risk

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

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

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

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

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

(i) Credit risk exposure

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The maximum exposure to credit risk as of 31 March 2021 and 31 March 2020 are as follows:

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	81.33	73.54
Other Bank balances	20.70	20.51
Loans and other receivables	17.17	66.85
Trade receivable (net)	-	90.79
	119.20	**251.69**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(ii) Impairment losses on financial assets

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

Trade Receivables (measured under life time excepted credit loss model)	As at 31 March 2021	As at 31 March 2020
Loss Allowance at the beginning of the year	8.04	48.98
Add: Loss Allowance provided during the year	-	5.18
Less: Write Off	0.19	39.45
Less: Loss Allowance reversed during the year	7.85	6.67
Loss Allowance at the end of the year	**-**	**8.04**

The ageing of trade accounts and notes receivable as of 31 March 2021 and 31 March 2020 are as follows:

	As at 31 March 2021	As at 31 March 2020
Not due	-	-
Over due less than 3 month	-	98.36
3 months - 12 months	-	-
over 12 months	-	0.47
	-	**98.83**

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

(B) Liquidity Risk

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

However, in views of various unfavourable factors as set out in Note 36, the Group has been experiencing stressed liquidity condition. In order to overcome such situation, the Group has been taking measures to ensure that the Group's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Group's operations.

Maturities of financial liabilities

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

As at 31 March 2021	Upto 12 months	More than 1 year and upto 5 years	> 5 Years	Total
Trade Payables	886.59	-	-	886.59
Non Current Borrowings @	-	-	-	-
Lease Liabilities	21.03	143.30	-	164.33
Current Borrowings @	7,622.20	-	-	7,622.20
Other financial liabilities	31,831.64	-	-	31,831.64
	40,361.46	**143.30**	**-**	**40,504.76**

As at 31 March 2020	Upto 12 months	More than 1 year and upto 5 years	> 5 Years	Total
Trade Payables	1,181.71	-	-	1,181.71
Non Current Borrowings @	-	6,021.38	-	6,021.38
Lease Liabilities	46.01	156.54	33.61	236.16
Current Borrowings @	7,622.59	-	-	7,622.59
Other financial liabilities	25,949.31	-	-	25,949.31
	34,799.62	**6,177.92**	**33.61**	**41,011.15**

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(C) Market Risk

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

i) Interest rate risk

The Group manages the exposure to interest rate risk by monitoring interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

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

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2021 and 31 March 2020 are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate financial liabilities	31,283.43	31,285.57
Variable rate financial assets	-	-

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

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

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

As of 31 March 2021 and 31 March 2020, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1%, the changes in interest expense for the years ended 31 March 2021 and 31 March 2020 were as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Interest rates - increase by 100 basis points [Refer (a) below]	312.83	312.86
Interest rates - decrease by 100 basis points [Refer (a) below]	(312.83)	(312.86)

(a) The Group has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. Refer note 16 (B).

ii) Foreign currency risk

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

a) The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2021 and 31 March 2020 are as follows:

	31 March 2021 EUR	31 March 2020 EUR
Financial Liabilities		
Trade payables	0.07	0.07
Net exposure to foreign currency risk (liabilities)	**0.07**	**0.07**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

b) As of 31 March 2021 and 31 March 2020, provided that functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 10%, the changes in gain or loss for the years ended 31 March 2021 and 31 March 2020 were as follows:

Particulars	Impact on profit before tax	
	As at 31 March 2021	As at 31 March 2020
EUR		
10% increase	(0.62)	(0.60)
10% decrease	0.62	0.60

(D) Other Risk-Impact of the COVID 19 pandemic

The operations of the Group were temporarily impacted due to shutdown of its plant following nationwide lockdown imposed by the Government to control the spread of COVID-19 pandemic. The Group has resumed its operations in a phased manner through conversion arrangement with related party for some of its facilities and is taking necessary steps to ensure smooth operations. The Group is assessing the impact of COVID-19 pandemic on a continuing basis given the uncertainties associated with the nature and duration of the pandemic / lockdown and accordingly the impact may be different going forward than estimated. There are no material adjustments required in the financial statements due to the pandemic.

42 LEASES

Leases as lessee

(a) The Group has lease contracts for categorisied certain items of plant and machinery and other assets as lease obligation as per Ind AS 116 using retrospective method approach. Under this approach, the Group has recognised lease liabilities and corresponding equivalent right of use assets.

(b) Movement in lease liabilities during the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	236.16	200.34
Additions	-	135.05
Interest cost accrued during the year	18.51	30.77
Deletions	52.86	46.84
Payment of lease liabilities	37.48	83.16
Balance at the end	**164.33**	**236.16**
Lease liabilities included in the statement of financial position		
Current Lease liabilities	21.03	46.01
Non - Current Lease liabilities	143.30	190.15

(c) Amount recognised in Profit or Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on lease liabilities	18.51	30.77
Depreciation expense of right-of-use assets	17.86	57.15
Expense relating to short term leases (included in other expenses)	-	-
Total	**36.37**	**87.92**

(d) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	37.48	83.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(e) Future payment of lease liabilities on an undiscounted basis

Future payment of lease liabilities on an undiscounted basis are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	37.48	68.80
One to five years	185.66	214.52
More than five years	-	35.75
Total undiscounted Lease Liabilities	**223.14**	**319.07**

(f) The weighted average incremental borrowing rate of 10.50% has been applied to lease liabilities recognised in the Balance Sheet.

43 CAPITAL MANAGEMENT

Risk Management

The fundamental goals of capital management are to:

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

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

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

However, in view of certain adverse factors and challenges being faced by the Group over past few years as explained in Note 36, the net worth of the Group has been eroded. It is expected that the overall financial health of the Group would improve after debt resolution and availability of working capital. The Parent Company has not declared any dividend since financial year 2011-12.

The Group manages its capital on the basis of net debt to equity ratio which is net debt (non current borrowings) divided by total equity.

Particulars	31 March 2021	31 March 2020
Net Debt	39,223.43	39,359.28
Total equity	(23,463.28)	(11,477.97)
Net Debt to Equity Ratio	(1.67)	(3.43)

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

(a) Related Parties	Names of the Related Parties
(i) Others	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA Infrastructure Limited
	VISA International Limited (Refer Note 16C vii)
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman)
	Mr. Vishal Agarwal (Vice Chairman & Managing Director)
	Mr. Manoj Kumar (Director-Kalinganagar)
	Mr. Pratip Chaudhuri (Independent Director)
	Mr. Dhanesh Ranjan (Independent Director)
	Ms. Rupanjana De (Independent Director)
	Mr. Sheo Raj Rai (Independent Director)
Relatives of Key Managerial Personnel	Mrs. Bhawna Agarwal (Wife of Mr. Vishal Agarwal)
Member of a Group of which Enterprise having significant influence is also a member	VISA Resources India Limited
	VISA Minmetal Limited
	VISA Coke Limited
	VISA Industries Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(b) Details of Transactions with Related Parties

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

Nature of Transactions	Name of the Related Parties	31 March 2021	31 March 2020
Purchase of Goods	VISA Coke Limited	1,088.62	540.30
	VISA Minmetal Limited	959.89	1,600.34
Sale of Goods	VISA Minmetal Limited	4,174.30	3,045.84
Rent Charges	VISA Minmetal Limited	1.20	1.20
	VISA Coke Limited	5.90	-
Shared Service Fees	VISA Coke Limited	113.70	111.68
Conversion Income	VISA Minmetal Limited	1,963.84	-
	VISA Industries Limited	4,372.32	334.18
Finance Cost	VISA Infrastructure Limited	35.40	35.50
Lease Rental	VISA Coke Limited	37.48	37.48
Remuneration	Mr. Vishambhar Saran	16.35	16.35
	Mr. Vishal Agarwal	17.35	17.34
	Mrs. Bhawna Agarwal	4.73	4.43
	Mr. Manoj Kumar	7.42	7.26
Sitting Fees	Mr. Pratip Chaudhuri	0.38	0.38
	Ms. Rupanjana Dey	0.42	0.44
	Mr. Dhanesh Ranjan	0.18	0.14
	Mr. Sheo Raj Rai	0.30	0.36
Re-imbursement of Expenses (Net)	VISA Minmetal Limited	1.23	0.46
	VISA Coke Limited	33.91	32.85
	VISA Industries Limited	1.28	-
Share of Profit/Loss of Joint Venture	VISA Urban Infra Limited	0.06	0.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(c) Details of Transactions with Related Parties

Nature of Transaction	31 March 2021					31 March 2020				
	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Purchase of Goods	-	-	-	-	2,048.51	-	-	-	-	2,140.64
Sale of Export Incentive Licences	-	-	-	-	4,179.30	-	-	-	-	3,046.71
Rent Charges	-	-	-	-	7.10	-	-	-	-	2.59
Shared Service Fees	-	-	-	-	113.70	-	-	-	-	111.68
Conversion Income	-	-	-	-	6,336.22	-	-	-	-	334.18
Finance Cost	-	35.40	-	-	-	-	35.50	-	-	-
Lease Rental	-	-	-	-	37.48	-	-	-	-	37.48
Remuneration	-	-	41.12	4.73	-	-	-	40.95	4.43	-
Sitting Fees	-	-	1.20	-	-	-	-	1.32	-	-
Re-imbursement of Expenses (Net)	-	-	-	-	36.42	-	-	-	-	0.31
Recovery of Expenses (Net)	-		-	-	-	-	-	-	-	33.00
Share of Profit/Loss of Joint Venture	0.06	-	-	-	-	0.05	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2021

Balance	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	-	-	-	-
Payable	-	7.55	0.52	313.66
Borrowings	442.50	-	-	-

Details of Balances with Related Parties as at 31 March 2020

Balance	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	-	-	-	24.18
Payable	-	9.41	1.13	420.21
Borrowings	442.50	-	-	-

(e) Details of compensation paid to KMP

KMP COMPENSATION	VISHAMBHAR SARAN		VISHAL AGARWAL		MANOJ KUMAR	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Short-Term Employee Benefits	15.08	15.08	16.13	16.13	7.30	7.14
Post-Employment Benefits	1.27	1.27	1.22	1.21	0.12	0.12
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	**16.35**	**16.35**	**17.35**	**17.34**	**7.42**	**7.26**

(f) The Parent Company is taking support of Related Parties for making payments on-behalf of the Parent Company for supply of essential goods and critical raw material to ensure that Plant is operational, and adjusting the receivable and payable amount, The transactions falling under the ambit of Section 188 of Companies Act are at Arm's length and in Ordinary Course of business.

45 Pursuant to sanction of the Scheme of Arrangement by National Company Law Tribunal, Cuttack bench vide Order dated 8 July 2019 (NCLT Order) and filing of the certified copy thereof with Registrar of Companies, Cuttack on 13 July 2019, the Scheme of Arrangement became effective on and from 13 July 2019 and the Parent Company's Special Steel Undertaking stood transferred to and vested in VISA Special Steel Limited on and from the Appointed Date of the Scheme being 1 April 2013. The Hon'ble Supreme Court vide its ex-parte order dated 17 January 2020 in Civil Appeal (Civil) No 56 of 2020 (State Bank of India vs VISA Steel Ltd & Anr) has directed issuance of notice and in the meantime stayed the aforesaid NCLT Order. Since the NCLT Order had been given effect to and stood implemented by the Parent Company prior to 17 January 2020, the Parent Company is dealing with the aforesaid Civil Appeal before the Hon'ble Supreme Court in consultation with its Advocates. The NCLT Order does not have any impact in the Consolidated Financial Statements of the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

46(A) ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

SL No	Name of the Entity [Refer Note (a) below]	2020-21							
		Net Assets i.e. Total Asset-Total Liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income
	Parent								
1	VISA Steel Limited	(6,021.35)	25.66 %	(2,902.47)	24.24 %	(12.88)	102.44 %	(2,915.35)	24.32 %
	Subsidiaries								
2	Kalinganagar Special Steel Private Limited	0.05	0.00 %	(0.02)	0.00 %	-	0.00 %	(0.02)	0.00 %
3	VISA Ferro Chrome Limited*	(0.01)	0.00 %	(0.04)	0.00 %	-	0.00 %	(0.04)	0.00 %
4	VISA Special Steel Limited*	(17,442.47)	74.34 %	(9,070.26)	75.75 %	0.31	-2.44 %	(9,069.89)	75.68 %
5	Kalinganagar Chrome Private Limited	0.20	0.00 %	(0.01)	0.00 %	-	0.00 %	(0.01)	0.00 %
	Joint Venture								
6	VISA Urban Infra Limited	0.30	0.00 %	0.06	0.00 %	-	0.00 %	0.06	0.00 %
		(23,463.28)	**100.00%**	**(11,972.68)**	**100.00%**	**(12.57)**	**100.00%**	**(11,985.25)**	**100.00%**

(B) ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSIDERED FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.

SL No	Name of the Entity [Refer Note (a) below]	2019-20							
		Net Assets i.e. Total Asset-Total Liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income
	Parent								
1	VISA Steel Limited	(3,070.09)	26.75 %	(848.46)	44.21 %	(5.65)	87.59 %	(854.11)	44.36 %
	Subsidiaries								
2	Kalinganagar Special Steel Private Limited	0.06	0.00 %	(0.08)	0.00 %	-	0.00 %	(0.08)	0.00 %
3	VISA Ferro Chrome Limited*	(0.02)	0.00 %	(0.08)	0.00 %	-	0.00 %	(0.08)	0.00 %
4	VISA Special Steel Limited*	(8,408.36)	73.26 %	(1,070.43)	55.78 %	(0.80)	12.41 %	(1,071.23)	55.63 %
5	Kalinganagar Chrome Private Limited	0.20	0.00 %	(0.02)	0.00 %	-	0.00 %	(0.02)	0.00 %
	Joint Venture								
6	VISA Urban Infra Limited	0.24	0.00 %	0.05	0.00 %	-	0.00 %	0.05	0.00 %
		(11,477.97)	**100.00%**	**(1,919.02)**	**100.00%**	**(6.45)**	**100.00%**	**(1,925.47)**	**100.00%**

(a) All entities specified above have been incorporated in India.

(b) The Net Asset position / Net Profit of the entity considered above is after considering elimination if any, for determing the Profit for the Year in the Consolidated Statement of Profit and Loss

(c) *Represents Step down Subsidiary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

47 i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realisation in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated. ii) Balances of banks/ financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Parent Company are pending and the Parent Company and VSSL are contesting the same.

48 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number - 50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 READ WITH RULES 5 OF THE COMPANIES (ACCOUNTS) RULES 2014)

Statement containing salient features of the financial statement of subsidiaries/joint venture for the year ended on 31 March 2021

PART A - Subsidiary Company

(Amount in Million.)

Name of the Subsidiary	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited
Financial Year Ending on	31 March 2021	31 March 2021
Reporting Currency	INR	INR
Share Capital	0.70	0.60
Reserves & Surplus	(20,900.47)	(0.13)
Total Assets	7,367.77	0.50
Total Liabilities	28,267.54	0.03
Details of Investment (Except in case of Subsidiaries)	-	-
Turnover (including Other Income)	4,444.31	-
Profit/(Loss) Before Taxation	(9,070.24)	(0.01)
Provision for Taxation	-	-
Profit/(Loss) after Taxation	(9,070.24)	(0.01)
Proposed Dividend	-	
Percentage of Shareholding	100%	100%

Notes:

Name of the Subsidiary yet to commence operations: Kalinganagar Special Steel Private Limited and Kalinganagar Chrome Private Limited.

PART B - Joint Venture

Name of the Joint Venture	VISA Urban Infra Limited
Latest Audited Balance Sheet Date	31 March 2021
Number of Shares held as on 31 March 2021	1.00
Amount of Investment in Joint Venture as on 31 March 2021	10.00
Extent of Shareholding % as on 31 March 2021	26%
Description of how there is a significant influence	By virtue of Share Holding
Reason why Joint venture is not consolidated	Not Applicable
Net worth attributable to Shareholding	10.00
Profit/(Loss) for the year (Consolidated)	0.23
a) considered in Consolidation	0.06
b) Not Considered in Consolidation	0.17

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 30 June 2021

Amisha Chaturvedi
Company Secretary

Surinder Kumar Singhal
Chief Financial Officer

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021,

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Consolidated basis)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ In Million)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ In Million)
	1	Total income	9,878.09	9,878.09
	2	Total Expenditure	11,287.67	14,538.18
	3	Net Profit/(Loss)	(11,972.74)	(15,223.25)
	4	Earnings Per Share	(103.40)	(131.47)
	5	Total Assets	18,526.03	18,526.03
	6	Total Liabilities	41,989.31	60,241.60
	7	Net Worth	(23,463.28)	(41,715.57)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

- **a. Details of Audit Qualification:** As per Annexure A
- **b. Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
- **c. Frequency of qualification:** since how long continuing - FY 2017
- **d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** As per Annexure A
- **e. For Audit Qualification(s) where the impact is not quantified by the auditor:** Not Applicable
  - **(i) Management's estimation on the impact of audit qualification:**
  - **(ii) If management is unable to estimate the impact, reasons for the same:**
  - **(iii) Auditors' Comments on (i) or (ii) above:**

III. Signatories:

• **Managing Director**	Vishal Agarwal
• **CFO**	Surinder K. Singhal
• **Audit Committee Chairperson**	Rupanjana De
• **Statutory Auditor**	For Singhi & Co. Firm Registration Number:302049E Chartered Accountants Pradeep Kumar Singhi Partner Membership Number 50773

Place: Kolkata
Date: 30 June 2021

Annexure – A

Sl. No	Details of Audit Qualification (s)	Management's Views
1	Auditors in their Consolidated Audit Report has stated that: **Basis of Qualified Opinion** We draw attention to Note 5 of the accompanying CFS statement with regard to non-recognition of interest expense on the borrowings of the Holding Company and its subsidiary. The accumulated interest not provided as on March 31, 2021 is ₹ 18,252.28 Millions (including ₹ 3,840.96 Millions for FY 2016-17, ₹ 3,874.55 Millions for FY 2017-18, ₹ 3,667.27 Millions for the FY 2018-19, ₹ 3,618.99 Millions for the FY 2019-20 and ₹ 788.88 Millions and ₹ 3,250.51 Millions for the quarter and year ended March 31, 2021 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'. Had the aforesaid interest expense been recognized, finance cost for the quarter and year ended March 31, 2021 would have been ₹ 835.47 Millions and ₹ 3,420.39 Millions instead of the reported amount of ₹ 46.59 Millions and ₹ 169.88 Millions respectively. Total expenses for the quarter and year ended March 31, 2021 would have been ₹ 4,413.41 Millions and ₹ 14,538.18 Millions instead of the reported amount of ₹ 3,624.52 Millions and ₹ 11,287.67 Millions. Net loss after tax for the quarter and year ended March 31, 2021 would have been ₹ 11,503.08 Millions and ₹ 15,223.25 Millions instead of the reported amount of ₹ 10,714.21 Millions and ₹ 11,972.74 Millions. Total Comprehensive Income for the quarter and year ended March 31, 2021 would have been ₹ (11,510.84) Millions and ₹ (15,235.82) Millions instead of the reported amount of ₹ (10,721.95) Millions and ₹ (11,985.31) Millions, other equity would have been ₹ (42,873.46) Millions against reported ₹ (24,621.18) Millions, other current financial liability would have been ₹ 50,104.95 Millions instead of reported amount of ₹ 31,852.67 Millions and Loss per share for the quarter and year ended March 31, 2021 would have been ₹ 99.34 and ₹ 131.47 instead of the reported amount of ₹ 92.53 and ₹ 103.40. The above reported interest has been calculated using Simple Interest rate.	The majority of lenders of the Parent Company and a step down subsidiary i.e. VISA Special Steel Limited (VSSL) have stopped charging interest on debts. The Parent Company and VSSL has stopped providing further interest in its books effective 1 April 2016 since the debt is barred by limitation from the NPA date of 11 July 2012. The amount of interest expenses not provided for is estimated at ₹ 788.88 Million for the quarter ended 31 March 2021 and the accumulated interest not provided as on 31 March 2021 is estimated at ₹ 18,252.28 Million.

			For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants
Vishal Agarwal Managing Director	Surinder K. Singhal Chief Financial Officer	Rupanjana De Chairperson, Audit Committee	Pradeep Kumar Singhi Partner Membership Number 50773

Notes

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Vishambhar Saran, Chairman
Mr. Vishal Agarwal, Vice Chairman & Managing Director
Mr. Pratip Chaudhuri, Independent Director
Mr. Dhanesh Ranjan, Independent Director
Mr. Sheo Raj Rai, Independent Director
Ms. Rupanjana De, Independent Director
Mr. Manoj Kumar, Wholetime Director designated as Director (Kalinganagar)

CHIEF FINANCIAL OFFICER
Mr. Surinder Kumar Singhal

COMPANY SECRETARY
CS Amisha Chaturvedi

STATUTORY AUDITORS
M/s. Singhi & Co., Chartered Accountants

INTERNAL AUDITORS
M/s. L. B. Jha & Co., Chartered Accountants

SECRETARIAL AUDITORS
M/s. MKB & Associates, Company Secretaries

COST AUDITORS
M/s. DGM& Associates, Cost Accountants

BANKERS & FINANCIAL INSTITUTIONS
Asset Care & Reconstruction Enterprise Ltd.
Bank of India
Canara Bank
Edelweiss Asset Reconstruction Company Limited
Export Import Bank of India
HUDCO
Punjab National Bank
Punjab & Sind Bank
State Bank of India
Union Bank of India

REGISTRARS
KFin Technologies 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

Corporate Identification Number
L51109OR1996PLC004601

VISA STEEL

www.visasteel.com

/ content and design at AICL (hello@aicl.in)