

27 November 2019

BSE Limited 25 th 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
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Sub: Annual Report 2018-19 and Notice of the 23rd 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 2018-19 and Notice convening the 23rd Annual General Meeting of the Company scheduled to be held on Monday, 23 December 2019 at 1200 Hours at IDCOL Auditorium, IDCOL House, Ashok Nagar, Bhubaneswar 751009.

This is for your information and records.

Yours truly,
For VISA Steel Limited

Sudhir K Banthiya
Sudhir Banthiya
Company Secretary &
Compliance Officer
F/8460



Encl: As above



VISA STEEL

ANNUAL REPORT 2018-19

FORWARD-LOOKING STATEMENTS

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

LISTING

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

COMPANY OVERVIEW

PG 01-13

- 02 Vision & Values
- 04 Chairman’s Message
- 06 Vice Chairman & MD’s Message
- 08 Board of Directors
- 10 Corporate Social Responsibility

STATUTORY REPORTS

PG 14-49

- 14 Report of the Directors
- 36 Management Discussion and Analysis
- 39 Corporate Governance

FINANCIAL STATEMENTS

PG 50-168

- 50 Standalone
- 107 Consolidated



VISION & VALUES

Vision

Create long term stakeholder value through value addition of natural resources

Core Values

Transparency

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

Team Work

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

Passion

We are passionately committed to delivering excellence in performance

Attitude

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

Governance

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



CHAIRMAN'S INSIGHT



Mr. Vishambhar Saran
Chairman

Dear Shareholders,

For the year ended 31 March 2019, your Company's standalone revenues decreased from ₹ 8,632.64 million in 2017-18 to ₹ 8,153.24 million in FY 2018-19 due to lower Ferro Alloy production and EBITDA decreased to ₹ (74.99) million in FY 2018-19 mainly due to high raw material costs.

The operational performance and margins of your Company has been adversely affected due to non-availability of working capital for operations, high prices of Chrome Ore being fixed by OMC, high electricity duty & Coal Cess, high road transport rates and high cutback by Lenders in excess of EBITDA. These factors

have resulted in the production facilities being operated at sub-optimum level. Your Company has been dependent upon OMC for supply of Chrome Ore, a vital raw material and has been facing challenges due to high prices of Chrome Ore.

The Scheme of Arrangement between your Company and VISA Special Steel Limited (VSSL) and their respective shareholders and creditors has been 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 has been filed with Registrar of Companies on 13 July 2019. Consequently, the Special Steel undertaking (including Blast Furnace, Sponge Iron Plant, Associated Steam Generation Unit, Steel Melting Shop and Rolling Mill) including all its assets and liabilities stand transferred to and vested in VSSL from the appointed date of 1 April 2013.

THE INDUSTRY

Ferro Chrome is used in varying proportions to produce different grades of Stainless Steel. The global Ferro Chrome production was at 13.41 million tonnes in 2018 out of which India's Ferro Chrome production stood at approx. 1.3 million tonnes. India exports approx. 50% of its Ferro Chrome production, primarily to China, South Korea, Japan and Taiwan.

India's Chrome Ore production was at approx. 4.3 million tonnes in 2018 out of which approx. 1.3 million tonnes is produced by OMC, approx. 2 million tonnes is produced by non-captive mines and approx. 1 million tonne by captive mines. The mining leases of non-captive mines will expire on 31 March 2020 which shall result in uncertainty and changes in supply and demand of Chrome Ore. The Ferro Chrome Producers without captive mines

The global Ferro Chrome production was at 13.41 million tonnes in 2018 out of which India's Ferro Chrome production stood at approx. 1.3 million tonnes. India exports approx. 50% of its Ferro Chrome production, primarily to China, South Korea, Japan and Taiwan.



including your Company are vulnerable to this and are making efforts to ensure a smooth transition.

In view of some of the Government's initiatives, the Indian Stainless Steel Sector is expected to grow in the future and the demand for Ferro Chrome is expected to continue to grow consistently driven by Stainless Steel production.

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 RBI guidelines and is making efforts for raising funds for working capital, ensuring fair price of Chrome Ore, increasing capacity utilisation, reducing cost and improving operational efficiency.

OUTLOOK

The Government Policies are aimed to attract investment and encourage manufacturing in India which is expected to increase demand for Steel, Stainless Steel and Ferro Alloys going forward. However, the uncertainty in supply of Chrome Ore after 31 March 2020, high raw

material and energy costs, logistics costs and high finance costs are areas of concern and will remain a challenge going forward.

I would like to place on record my sincere appreciation and gratitude to the entire team of VISA Steel for their relentless commitment inspite of the challenging business environment. I am grateful to the members of the Board of the Company for their invaluable guidance and contribution and acknowledge the support of all shareholders. I would also like to convey my sincere thanks to all the stakeholders 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

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 raising funds for working capital, ensuring fair price of Chrome Ore, increasing capacity utilisation, reducing cost and improving operational efficiency.



VICE CHAIRMAN & MD'S MESSAGE



Vishal Agarwal
Vice Chairman & MD

The operational performance and margins of your Company has been adversely affected due to 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, high cutback by Lenders in excess of EBITDA, high electricity duty and Coal cess, high road transport rates etc.



Dear Shareholders,

Your Company has set up manufacturing facilities in Odisha for production of Ferro Alloys. The operational performance and margins of your Company has been adversely affected due to 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, high cutback by Lenders in excess of EBITDA, high electricity duty and Coal cess, high road transport rates etc. Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of your Company and its management.

RAW MATERIAL

The main raw material for Ferro Chrome is Chrome Ore which is being sourced mainly from OMC under Long Term Agreement. However, the e-auction mechanism for fixing prices has seen unfairly high prices of Chrome Ore due to increase in number of participants in the e-auction. The price fixing mechanism of OMC for long term customers in Odisha continues to remain a key challenge and needs to be resolved to ensure Chrome Ore availability at fair prices. Further, the mining leases of 3 non-captive mines are expiring on 31 March 2020 and the supply demand scenario of Chrome Ore will witness a period of uncertainty. The Ferro Chrome Producers without captive mines including your Company are vulnerable to this and are making efforts to ensure a smooth transition. The uncertainties in mining lease auctions and unfair price fixing mechanism by OMC are creating challenges on availability of Chrome Ore at fair prices.

OPERATIONS

Your Company's Ferro Chrome production was 106,341 MT in FY 2018-19 compared to 115,020 MT in FY 2017-18.

MARKETING

The Chinese economy has slowed down amid escalation of US-China Trade War and shift from investment to consumption driven growth. The NBFC/ liquidity crisis in India and the disruptive technologies have adversely impacted the real estate and automobile sector thereby reducing demand for Iron & Steel products. This has adversely impacted the demand and prices of Ferro Chrome.

FINANCE

Your Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Company and its management. Despite the debt restructuring as per CDR LoA dated 27 September 2012 and 31 December 2014, the lenders have not disbursed sanctioned facilities for operations including 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 evergreening of debt without even considering its adverse effect on Plant operations and financial performance of your Company.

State Bank of India (SBI) filed an application with NCLT, Kolkata Bench to initiate Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC). In this regard, your Company has filed appropriate petitions in Hon'ble National Company Law Tribunal and in Hon'ble High Court of Orissa and the matters are sub-judice.

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



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

CORPORATE SOCIAL RESPONSIBILITY

We acknowledge our role and responsibility as a corporate citizen. In line with our core business philosophy, concern for Health, Safety and Environment continue to be one of our key priorities. As a responsible corporate, the Company is focused on the happiness of people living in its larger neighboring communities. 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.

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,

A handwritten signature in black ink.

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, metals and energy conglomerate.

Philanthropically, creating and improving educational and medical facilities for the poor in backward districts of Odisha, UP and West Bengal through "VISA Trust", founded by him and his wife.

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

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

He is a keen golfer and an avid art collector.



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

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

He is a Committee Member of Indian Chamber of Commerce (ICC). His Sporting activities include Golf, Tennis & Swimming. Mr. Agarwal is also actively involved in promoting CSR activities in the areas of education and healthcare in Odisha through the VISA Trust.



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

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



Ms. Rupanjana De
Independent Director
Chairperson - Audit Committee

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



Mr. Dhanesh Ranjan
Independent Director

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 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 strategising in different areas and divisions of SAIL.



Mr. Sheo Raj Rai
Independent Director

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



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

Mr. Manoj Kumar is a Mechanical Engineer from BIT, Mesra with 27 years of rich experience in the domestic and international procurements and project management in the iron and steel industry. Prior to joining us, he was in Tata Steel and Jindal Steel & Power. He is currently responsible for Company's projects at Kalinganagar.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to the cause of improving the life of people in its neighbouring communities to ensure a more sustainable, inclusive and people-centric development. Our CSR team has implemented several welfare initiatives particularly in Odisha in the areas of education, healthcare, rural development, sports, culture, safety and environment.



EDUCATION

We believe in igniting young minds to shape the future of young India and lay special emphasis to improve education facilities, training, infrastructure and skill enhancement to improve the quality of education. Some of the important initiatives comprise:

- Established two premier educational institutions in Kolkata, The Heritage School and The Heritage Institute of Technology through the Kalyan Bharti Trust. Introduced scholarship opportunities for brilliant and needy students
- Offered scholarships to girls in need at Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh
- Provided facilities, such as laboratories and science labs at various schools

- Planning to set up world-class, professionally managed primary and secondary school with facilities for extracurricular activities and sports
- Supporting various local schools in training local teachers and improve the medium of imparting knowledge
- Providing vocational trainings on tailoring, papad & pickle making, agarbatti making to the women in the villages to improve their skill set and encourage entrepreneurship for better quality living
- Provide Infrastructure support in schools
- Support schools with safe drinking water and material support viz., school bags, raincoats for day-to-day usage



RURAL DEVELOPMENT

We focus on improving quality of life through sustainable rural livelihood initiatives. The following initiatives have been taken to improve living standards:

- Installed bore-wells to provide clean drinking water in the backward areas
- Provided employment according to the rehabilitation policy of the Government
- Contributed towards renovation of the Biraja temple in Jajpur, Odisha
- Commissioned the landscaping and maintenance of Military Chhak in Kalinganagar, Odisha
- Contributed to road development activities in villages for better connectivity
- Supported Construction of Balaji temple in Kusumpur, Jajpur Road, Jajpur
- Provide safe drinking water during the scorching summers to the local people
- Undertook renovation of Primary Health Centre, Jakhapura
- Extending support to various Government schemes



CORPORATE SOCIAL RESPONSIBILITY



HEALTHCARE

We are making efforts to provide access to affordable quality healthcare solutions and spread awareness. We have undertaken the following initiatives to strengthen this purpose:

- Organised medical camps in backward areas of Odisha
- Contributed to the construction of a blood bank in Jajpur, Odisha
- Organise blood donation camps
- Raised awareness for the treatment of common diseases; providing free medicines and other medical facilities
- Work towards eradication and control of diseases with programmes by distributing mosquito nets, creating hygiene awareness and taking measures to control the spread of diseases like malaria and dengue
- Conduct health check-up, sessions on basic first aid, nutrition and awareness on personal hygiene and sanitation in Schools that encourages development of healthy behaviours for life
- Organise strength building and fitness training for students in Schools for a healthy development of body and mind
- Participated in international forums for mentally and physically challenged people, by way of financial sponsorship and support
- Awareness on keeping our surroundings clean through Swachh Bharat Scheme, spreading awareness on sanitation and cleanliness through street plays, and also creating no Plastic zones



SAFETY AND ENVIRONMENT

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

- Established a strong team of medical personnel
- Implement regular safety training sessions for employees and contract labour
- Launched water harvesting, water reuse, recover and recycle initiatives to protect ground water levels
- Undertake mass plantation drives to improve greenery in industrial region
- Distribution of fruit saplings to villages and nearby Schools along with spreading of awareness to encourage plantation
- Organise plantation week in nearby Government Schools Hospitals and other public locations
- Maintenance of trees outside the premises to ensure 100% survival
- Watering the roads to keep a check on the dust



SPORTS AND CULTURE

Your Company aims to encourage and sponsor young talent, give them a platform to perform and provide support for better training. We organise sporting activities for the all-round development of children. Some of the initiatives undertaken by your Company are as follows:

- Sponsored and organised an annual ladies golf tournament at the Tollygunge Club, Kolkata
- Actively works towards protecting contemporary Indian Art, Culture and Heritage with the aim to support and promote talented artists and craftsmen, preserving India's rich heritage for future generation
- Organised painting competitions to promote talented young artists
- Sponsored sporting activities, particularly cricket tournaments in Kotmar and Patrapalli villages of Chhattisgarh
- Celebrate occasions of festivity in schools, old age homes, orphanages and with underprivileged community

REPORT OF THE DIRECTORS

Dear Shareholders,

Your Directors are pleased to present this 23rd Annual Report and the Audited Standalone and Consolidated Financial Statements of Accounts of the Company for the financial year ended 31 March 2019.

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	8,153.24	8,632.64	14,167.59	20,997.72
Other Income	153.19	198.30	159.76	552.75
Total Income	8,306.43	8,830.94	14,327.35	21,550.48
Profit before interest, depreciation, tax & exceptional item	(74.99)	343.22	(95.74)	947.97
Finance Cost	131.23	126.69	186.64	339.06
Depreciation	455.40	492.46	1,333.96	1,505.84
Profit / (Loss) before Exceptional & Extraordinary Items and Taxation	(661.62)	(275.93)	(1,616.34)	(896.93)
Exceptional & Extraordinary Items	-	-	-	-
Profit / (Loss) before Tax	(661.62)	(275.93)	(1,616.34)	(896.93)
Tax Expenses	-	-	-	-
Profit / (Loss) after Tax	(661.62)	(275.93)	(1,616.34)	(896.93)
Other Comprehensive Income	(1.18)	1.95	(1.18)	2.47
Total Comprehensive Income for the period	(662.80)	(273.98)	(1,617.52)	(894.46)

(₹ in million)

OPERATIONS

The standalone Revenue of the Company dropped to ₹ 8,153.24 million and profit before interest, depreciation, tax and exceptional item was at ₹ (74.99) million for the FY 2018-19. The consolidated Revenue of the Company dropped to ₹ 14,167.59 million and profit before interest, depreciation, tax and exceptional item was at ₹ (95.74) million during the FY 2018-19.

The standalone operations with Ferro Alloy Plant produced 106,341 MT as compared to 115,020 MT in the previous year. The consolidated operations with DRI Plant produced 262,312 MT Sponge Iron as compared to 237,418 MT in the previous year whereas the Blast Furnace has been closed since July 2018 and produced only 11,920 MT Hot Metal. The Steel operations have been closed since 2017 and the production was Nil.

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

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 has been 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 has been filed with Registrar of Companies on 13 July 2019. Consequently, the Special Steel undertaking (including Blast Furnace, Sponge Iron Plant and associated steam generation unit Steel Melting Shop and Rolling Mill) including all its assets and liabilities stand transferred to and vested in VSSL effective from the appointed date of 1 April 2013.

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 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 with National Company Law Tribunal (NCLT) to initiate Corporate Insolvency Resolution Process (CIRP) of the Company under Insolvency & Bankruptcy Code 2016 (IBC). In this regard, your Company has filed appropriate petitions in Hon'ble National Company Law Tribunal and in Hon'ble High Court of Orissa and the matters are subjudice.

Your Company has been requesting lenders to implement a Resolution as per RBI Guidelines and 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

Ferro Chrome is used to produce different grades of Stainless Steel and in view of some of the Government initiatives, the Indian Stainless Steel Sector is expected to grow in future and the demand for Ferro Chrome is expected to continue to grow consistently.

The Chinese economy has slowed down amid escalation of US-China Trade War and shift from investment to consumption driven growth. The NBFC/ liquidity crisis in India and the disruptive technologies have adversely impacted the automobile and real estate sector thereby reducing demand for Iron & Steel products. The uncertainties in mining lease auctions and unfair price fixing mechanism by OMC are creating challenges on raw material availability at fair prices.

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 raising funds for working capital, ensuring fair price of vital raw materials, increasing capacity utilisation, reducing cost and improving operational efficiency.

DIVIDEND

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the FY ended 31 March 2019.

TRANSFER TO RESERVES

No amount has been transferred to the General Reserve for the FY ended 31 March 2019.

CHANGE IN NATURE OF BUSINESS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend

During the year under review, your Company transferred ₹ 204,861 balance lying in the Unpaid/ Unclaimed Dividend Account FY 2010-11 to the Investor Education and Protection Fund.

Mr. Sudhir Kumar Banthiya, Company Secretary of the Company continues to be the Nodal Officer (IEPF) of the Company.

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 2019, 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.

State Bank of India (SBI) had filed an application with NCLT to initiate Corporate Insolvency Resolution Process (CIRP) of Ghotaringa Minerals Limited (GML), a subsidiary of your Company under IBC. The application was admitted vide order dated 16 February 2018. However, since no resolution plan was received, the NCLT has passed an Order dated 31 August 2018 for liquidation and 22 February 2019 for dissolution of GML.

Subsequent to the end of year under review, your Company received approval to transfer the investment held in Kalinganagar Chrome Private Limited (a subsidiary of your Company) to Kalinganagar Special Steel Private Limited (another subsidiary of your Company). Your Company has also received approval to issue new equity shares in Kalinganagar Special Steel Private Limited to induct an investor.

CONSOLIDATED FINANCIAL STATEMENT

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

The Annual Accounts of the Subsidiary Companies will be made available to the shareholders of the aforesaid subsidiaries and your Company as and when they demand and will also be kept for inspection by any investor at the registered office of your Company and these subsidiaries. The financial statements of your Company and its subsidiaries are also available on the website of your Company. In terms of SEBI (Listing Obligation and Disclosure Requirements), 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 2019 and their contribution to the overall performance of your Company during the period under review are tabulated below:

Name of the Subsidiary	(₹ in million)			
	Total Income	Total Comprehensive Income	Profit / Loss considered in Consolidation	Networth Attributable
Kalinganagar Special Steel Private Limited	6200.82	(955.04)	(955.04)	(10758.43)
Kalinganagar Chrome Private Limited	-	(0.01)	(0.01)	0.51

EXTENSION OF DATE FOR HOLDING ANNUAL GENERAL MEETING OF THE COMPANY

In accordance with provisions of Section 96 read with Section 129 of the Companies Act, 2013, the Annual General Meeting (AGM) of the Company for the FY ended 31 March 2019, was due to be held on or before 30 September 2019. The Company approached the Registrar of Companies, Cuttack to extend time by three months for holding the Annual General Meeting so that necessary effect could be given to the Scheme of Arrangement between your Company and VISA Special Steel Limited sanctioned by the Hon'ble National Company Law Tribunal, Cuttack Bench and to complete the preparation of revised financial statements of the Company after giving effect to the Scheme. Necessary approval to hold the Annual General Meeting for the FY 2018-19 up to 31 December 2019 was granted by the Registrar of Companies, Cuttack.

BOARD MEETINGS

The Board met 4 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 2018-19, 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 re-appointment, to the members for their approval.

Mr. Pratip Chaudhuri (DIN 00915201), Mr. Kishore Kumar Mehrotra (DIN: 02894045), 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.

Mr. Kishore Kumar Mehrotra (DIN:02894045) Independent Director resigned w.e.f. 11 July 2018. Mr. Dhanesh Ranjan (DIN 03047512) was appointed as the Additional Independent Director w.e.f. 30 September 2018 and appointed as an Independent Director for a period of 3 years w.e.f. 30 September 2018, to hold office upto the date of ensuing Annual General Meeting.

Mr. Manas Kumar Nag (DIN 02058292) the Nominee Director (Nominee of State Bank of India) expired on 31 March 2019.

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 at its meeting held on 6 August 2018 have extended the term of Mr. Kumar for a further period of 3 (three) years w.e.f. 15 September 2018, which was approved by the members at the Annual General Meeting held on 29 September 2018.

Brief resume of the above Directors, nature of their expertise in their specific functional areas, details of directorships in other Companies and the chairmanship / membership of committees of the Board, as stipulated under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements), 2015 are given in the Notice for the ensuing Annual General Meeting.

Key Managerial Personnel

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

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

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

BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the Listing 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2019 and of the loss of the Company for that period;
- (c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts had been prepared on a going concern basis;
- (e) that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

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

All recommendations made by the Audit Committee during the FY 2018-19 were accepted by the Board of Directors of the Company.

CEO / CFO CERTIFICATION

As required under SEBI (Listing Obligation and Disclosure Requirements), 2015, Mr. Vishal Agarwal, Vice Chairman & Managing Director and Mr. Ranjan Kumar Jindal, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2019, 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 3 of the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note No. 18D of the Accounts of the Standalone Accounts.
2. Attention is drawn to Para 4 of the Independent Auditors Report regarding Emphasis of Matter related to Scheme of Arrangement. 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 Matter related to material uncertainty relating to Going Concern. The clarification of the same is provided in Note No. 38 of the Accounts of the Standalone Accounts.
4. Attention is drawn to Para iii of Annexure A to the Independent Auditors Report regarding Basis of Qualified Opinion. The clarification of the same is provided in Note No. 42 of the Accounts of the Standalone Accounts.
5. Attention is drawn to Para viii of Annexure A to the Independent Auditors Report. The clarification of the same is provided in Note No. 18D of the Accounts of the Standalone Accounts.

6. 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. 18D 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 2019-20. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Report.

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 2018-19. The report of the Secretarial Auditor in specified form MR-3 is annexed herewith as Annexure I and forms part of this report. The report does not contain/contains any observation or qualification or adverse remarks.

The Board has re-appointed M/s. MKB & Associates, Company Secretaries, as Secretarial Auditors of the Company for the financial year 2019-20.

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 2020. 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 23rd 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.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during FY 2018-19 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 2018-19 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 Price Waterhouse and Co LLP and a statement

giving details of all Related Party Transactions was placed before the Audit Committee for its approval on a quarterly basis. PWC concluded that all Related Party Transactions entered into during FY 2018-19 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 same forms part of this report.

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2018-19 except 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 Listing Regulation. A Report on Corporate Governance & Shareholder Information together with the Auditors' Certificate thereon is annexed as part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

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

ANNUAL RETURN

The Extract of Annual Return in Form MGT 9 is attached as Annexure V and shall be available on the website of the Company, i.e. www.visasteel.com.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Corporate Social Responsibility (CSR) policy recommended by the Corporate Social Responsibility Committee had been approved by the Board of Directors. The CSR policy is available on the website of the Company www.visasteel.com

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

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 VI

NOMINATION AND REMUNERATION POLICY

In terms of the requirement of Section 178 of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board has approved the 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 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, Senior Management Personnel and other Employees 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 2018-19.

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)

Kolkata
18 October 2019

Annexure I to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

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

To
The Members,

VISA STEEL LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 31st March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) The Legal Metrology Act, 2009 and Rules made there under
 - b) The Orissa Electricity (Duty) Act, 1961 and Rules made there under
 - c) The Static And Mobile Pressure Vessels (Unfired) Rules, 1981
 - d) The Gas Cylinder Rules, 2004
 - e) The Petroleum Act, 1934 and Rules made there under
 - f) The Environment (Protection) Act, 1986
 - g) The Air (Prevention and Control of Pollution) Act, 1981
 - h) Orissa Air (Prevention & Control Of Pollution) Rules, 1983

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

- a) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

We further report that during the period under audit, the Company has passed the following special resolution 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 there under.

We further report that two Schemes of Arrangement pursuant to Section 391/394 of the Companies Act, 1956 and corresponding sections of Companies Act, 2013, involving the Company were filed and are pending adjudication before the National Company Law Tribunal, Cuttack Bench:

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

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

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

For MKB & Associates
Company Secretaries

Raj Kumar Banthia

(Partner)

ACS no. 17190

COP no. 18428

Date: 15 May 2019

Place: Kolkata

FRN: P2010WB042700

Annexure - I

To
The Members,
VISA STEEL LIMITED

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

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

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 15 May 2019

Place: Kolkata

Annexure - II to the Directors' Report

FORM NO. AOC-2

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

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

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

Note: *Details mentioned in the Notice of the 23rd Annual General Meeting.® Date of the quarterly meetings of the Board of Directors of the Company are mentioned in the Corporate Governance Report for the year ended 31 March 2019.

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) Energy Conservation measures taken:

1. Production and Usage of composite briquettes by re-utilisation of screened off coke fines in Ferrochrome.
2. Modification of tapping fume duct at GCP 03 and 04 of Ferrochrome Furnace 3 & 4 to improve efficiency of tapping fume and provide pollution free environment at cast house.
3. Implementation of 2.5 mm thick casing sheet in place of 3.14 mm for better baking of electrode and further reduction in the specific consumption of electrode carbon paste.
4. In Ferrochrome one additional conveyor was installed for diverting plus size friable chrome ore to shed, with this modification one additional tipper usage in material handling was eliminated.
5. Online display of electrode holder position in HMI screen for two furnaces has resulted smooth operation and continuous monitoring for effective control.
6. In CPP by installation of VVVF and VFD drives in pumps of 131 kW load resulted in saving of 99 MWH of power on yearly basis.
7. In the FY 2018-19, around 498 KWH energy saved per day (181 MWH per year) by replacing different unit's lights of HPSV etc with LED.
8. Insulation of 350 sq. meter area of steam line/boiler in CPP for preventing loss of steam enthalpy.
9. Overall descaling of condenser due to which specific steam consumption of steam and heat rate of turbine has been improved.
10. During rainy to winter season cooling tower fan's blade angle reduced from 17.5 deg. to 14 deg resulting saving of 1.25 MW per day in auxiliary power consumption in captive power plant.

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

1. Implementation of additional jigs for Metal Recovery Plant-1 to achieve the rated capacity also processing of slag in set operation time
2. Replacement of 20 TPH Roller shaft with 30TPH at Briquette plant of ferrochrome to increase the productivity and save power of 304 MWH on yearly basis.
3. Modification of Shell Cooling water line in ferrochrome furnace 02 has resulted saving in power of 93 MWH on yearly basis.
4. FRP type blades replacement in 6 C.T. fans to reduce the auxiliary power consumption.

FORM B

Form for disclosure of particulars with respect to absorption.

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

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

1. Water cooling jacket arrangement done in between tap hole to tap hole of ferrochrome furnace-1 to enhance the refractory life.
2. Up-gradation of PLC system in SAF- 3 & 4 along with Briquette plant complex-1

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

1. Effective cooling of Furnace shell & Improve the life of shell lining.
2. To enhance operational parameter control and ensure storing of the critical sequence of event for longer duration.

Future plan of action:

1. Installation of full-fledged crushing system in Ferrochrome to crush plus 100 MM pure metal at finished product area for timely dispatch of sized finished product and reduction of inventory and work in progress stocks.
2. Installation of load sharing system for 6.6 KV station transformers for avoiding power failure/ load trip during grid failure/one TG trip.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Imported technology

2016-17	2017-18	2018-19
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

TECHNOLOGY INNOVATION

1. Installation of full-fledged metal recovery plant for recovery of chrome from ferrochrome slag.

C FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR

Particular	₹ in million	
	2018-19	2017-18
Foreign Exchange Earned	-	-
Foreign Exchange Outgo	6.08	94.52

Annexure IV B to the Directors' Report

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

- 1) Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2018-19:

Sl. No.	Name of the Director	Ratio
Executive Directors		
1	Mr. Vishambhar Saran	45.84
2	Mr. Vishal Agarwal	48.31
3	Mr. Manoj Kumar	20.08
Independent Directors		
1	Mr. Kishore Kumar Mehrotra	0.21
2	Mr. Pratip Chaudhuri	0.95
3	Ms. Rupanjana De	0.84
4	Mr. Sheo Raj Rai	0.74
5	Mr. Dhanesh Ranjan	0.21
Non – Executive Directors		
1	Mr. Manas Kumar Nag	0.42

Note:

- Mr. Dhanesh Ranjan (DIN 03047512) was appointed as the Additional Independent Director w.e.f 30 September 2018 and appointed as an Independent Director for a period of 3 years w.e.f. 30 September 2018.
- Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2018-19: Nil
- The percentage increase in the median remuneration of employees in the financial year: (0.82)
- The number of permanent employees on the rolls of the Company as on 31 March 2019: 477
- 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
- Average percentile increase in salary of the Company's employees for the financial year 2018-19 was Nil.
- Remuneration is as per the Nomination and Remuneration Policy of the Company.

Annexure V to the Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019 of **VISA STEEL LIMITED**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10 % OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section of Companies Act, 2013
1	Kalinganagar Special Steel Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC016907	Wholly owned Subsidiary	100.00%	2(87)(ii)
2	Kalinganagar Chrome Private Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27100OR2013PTC017080	Wholly owned Subsidiary	100.00%	2(87)(ii)
3	VISA Ferro Chrome Limited, VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751 015	U27310OR2013PLC017186	Step down subsidiary	100.00%	2(87)(ii)
4	VISA Special Steel Limited, VISA House, 8/10 Alipore Road, Kolkata - 700027	U27100WB2012PLC234197	Step down subsidiary	100.00%	2(87)(ii)
5	VISA Urban Infra Limited, 8/10 Alipore Road, Kolkata – 700 027	U55101WB2010PLC144874	Associate Company	26.00%	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	68,175,000	-	68,175,000	58.88	68,175,000	-	68,175,000	58.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	68,175,000	-	68,175,000	58.88	68,175,000	-	68,175,000	58.88	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	68,175,000	-	68,175,000	58.88	68,175,000	-	68,175,000	58.88	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	25,414,745	-	25,414,745	21.95	25,414,745	-	25,414,745	21.95	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	25,414,745	-	25,414,745	21.95	25,414,745	-	25,414,745	21.95	-
2. Non-Institutions									
a) Bodies Corp.	807,486	-	807,486	0.70	528,258	-	528,258	0.46	(0.24)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,397,456	5	7,397,461	6.39	7,695,699	505	7,696,404	6.65	0.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,783,054	-	7,783,054	6.72	7,739,915	-	7,739,915	6.68	(0.04)
c) IEPF	44,332	-	44,332	0.04	44,332	-	44,332	0.04	-
Non Resident Indians	332,282	-	332,282	0.29	353,785	-	353,785	0.30	0.01
Overseas Corporate Bodies	-	5,789,500	5,789,500	5.00	-	5,789,500	5,789,500	5.00	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	45,640	-	45,640	0.03	47,561	-	47,561	0.04	0.01
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	16,410,250	5,789,505	22,199,755	19.17	16,409,750	5,790,005	22,199,755	19.17	-
Total Public Shareholding(B) = (B) (1) + (B) (2)	41,824,995	5,789,505	47,614,500	41.12	41,824,495	5,790,005	47,614,500	41.12	-
C. Shares held by custodian for GDRs and ADRs									
Grand Total (A+B+C)	109,999,995	5,789,505	115,789,500	100.00	109,999,495	5,790,005	115,789,500	100.00	-

ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VISA Infrastructure Limited	44,387,167	38.34	100.00	44,387,167	38.34	100.00	-
2	VISA International Limited	23,787,833	20.54	100.00	23,787,833	20.54	100.00	-
	Total	68,175,000	58.88	58.88	68,175,000	58.88	58.88	-

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

SI No	Change in Promoters' Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	VISA Infrastructure Limited				
	At the beginning of the year	44,387,167	38.34	44,387,167	38.34
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-----No Change-----			
	At the end of the year (31.03.2019)	44,387,167	38.34	44,387,167	38.34
2	VISA International Limited				
	At the beginning of the year	23,787,833	20.54	23,787,833	20.54
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-----No Change-----			
	At the end of the year (31.03.2019)	23,787,833	20.54	23,787,833	20.54

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

SI No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	LTS Investment Fund Limited				
	At the beginning of the year	10,497,122	9.07	10,497,122	9.07
	Increase / Decrease in shareholding during the year	-----No Change-----			
	At the end of the year (31.03.2019)	10,497,122	9.07	10,497,122	9.07
2	Cresta Fund Ltd				
	At the beginning of the year	9,912,036	8.56	9,912,036	8.56
	Increase / Decrease in shareholding during the year – Open Market	(9,912,036)	(8.56)	-	-
	At the end of the year (31.03.2019)	-	-	-	-
3	Eriska Investment Fund Ltd				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in shareholding during the year – Open Market	9,912,036	8.56	9,912,036	8.56
	At the end of the year (31.03.2019)	9,912,036	8.56	9,912,036	8.56
4	Baosteel Resources Co. Ltd.,				
	At the beginning of the year	5,789,500	5.00	5,789,500	5.00
	Increase / Decrease in shareholding during the year	----- No Change-----			
	At the end of the year (31.03.2019)	5,789,500	5.00	5,789,500	5.00
5	APMS Investment Fund Ltd				
	At the beginning of the year	4,998,087	4.32	4,998,087	4.32
	Increase / Decrease in shareholding during the year – Open Market	(4,998,087)	(4.32)	-	-
	At the end of the year (31.03.2019)	-	-	-	-
6	Vikasa India Eif I Fund				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in shareholding during the year – Open Market	4,998,087	4.32	4,998,087	4.32
	At the end of the year (31.03.2019)	4,998,087	4.32	4,998,087	4.32
7	Narain Prasad Dalmia				
	At the beginning of the year	2,814,000	2.43	2,814,000	2.43
	Increase / Decrease in shareholding during the year	(100,000)	(0.08)	2,714,000	2.35
	At the end of the year (31.03.2019)	2,714,000	2.35	2,714,000	2.35
8	Nishant Dalmia				
	At the beginning of the year	1,100,479	0.95	1,100,479	0.95
	Increase / Decrease in shareholding during the year	-----No Change-----			
	At the end of the year (31.03.2019)	1,100,479	0.95	1,100,479	0.95
9	Siddhant Dalmia				
	At the beginning of the year	1,100,000	0.95	1,100,000	0.95
	Increase / Decrease in shareholding during the year	-----No Change-----			
	At the end of the year (31.03.2019)	1,100,000	0.95	1,100,000	0.95
10	Vedant Dalmia				
	At the beginning of the year	1,100,000	0.95	1,100,000	0.95
	Increase / Decrease in shareholding during the year	-----No Change-----			
	At the end of the year (31.03.2019)	1,100,000	0.95	1,100,000	0.95
11	Gita Devi Dalmia				
	At the beginning of the year	861,512	0.74	861,512	0.74
	Increase / Decrease in shareholding during the year	-----No Change-----			
	At the end of the year (31.03.2019)	861,512	0.74	861,512	0.74
12	Indianivesh Securities Limited				
	At the beginning of the year	214,849	0.18	214,849	0.18
	Increase / Decrease in shareholding during the year – Open Market	(214,849)	(0.18)	-	-
	At the end of the year (31.03.2019)	-	-	-	-
13	Triplerank Vinimay Private Limited				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in shareholding during the year – Open Market	123,496	0.11	123,496	0.11
	At the end of the year (31.03.2019)	123,496	0.11	123,496	0.11

v) Shareholding of Directors and Key Managerial Personnel:

SI No	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	Directors				
1	Mr. Vishambhar Saran				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
2	Mr. Vishal Agarwal				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
3	Mr. Kishor Kumar Mehrotra (up to 11 July 2018)				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)			NA	
4	Mr. Pratip Chaudhuri				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
5	Mr. Dhanesh Ranjan (w.e.f. 30 September 2018)				
	At the beginning of the year			NA	
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
6	Mr. Manas Kumar Nag				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
7	Mr. Sheo Raj Rai				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2019)			NIL	
8	Ms. Rupanjana De				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2019)				
9	Mr. Manoj Kumar				
	At the beginning of the year	3700	0.00	3700	0.00
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2019)	3700	0.00	3700	0.00

SN	Shareholding of each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	Key Managerial Personnel				
1	Mr. Manoj Kumar Digga (up to 14 July 2018)				
	At the beginning of the year			NIL	
	Increase / Decrease in shareholding during the year				
	At the end of the year (31.03.2019)			NA	
2	Mr. Ranjan Kumar Jindal (w.e.f. 6 August 2018)				
	At the beginning of the year			NA	
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				
3	Mr. Sudhir Kumar Banthiya				
	At the beginning of the year				
	Increase / Decrease in shareholding during the year			NIL	
	At the end of the year (31.03.2019)				

V) INDEBTEDNESS –

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

	(₹ in million)			
	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,780.66	760.68	-	14,541.34
ii) Interest accrued	1,880.61	-	-	1,880.61
Total (i+ii)	15,661.27	760.68	-	16,421.95
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	617.21	138.14	-	755.35
Net Change	617.21	138.14	-	755.35
Indebtedness at the end of the financial year				
i) Principal Amount	13,147.49	622.54	-	13,770.03
ii) Interest accrued	1,896.56	-	-	1,896.56
Total (i+ii)	15,044.05	622.54	-	15,666.59

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Vishambhar Saran, Whole time Director designated as Chairman	Mr. Vishal Agarwal, Vice Chairman & Managing Director	Mr. Manoj Kumar, Whole time Director designated as Director (Kalinganagar)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,075,000	16,132,800	6,426,198	37,633,998
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Vehicle Reimbursement	-	-	-	-
	Performance Bonus	-	-	792,000	792,000
	Total (A)	15,075,000	16,132,800	7,218,198	38,425,998
	Ceiling as per the Act				In accordance with Companies Act, 2013

B. Remuneration to other Directors

Sl. No.	Name of the Director	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
Independent Director				
1	Mr. Pratip Chaudhuri	360,000	-	360,000
2	Mr. Kishore Kumar Mehrotra	80,000	-	80,000
3	Ms. Rupanjana De	320,000	-	320,000
4	Mr. Sheo Raj Rai	280,000	-	280,000
5	Mr. Dhanesh Ranjan	80,000	-	80,000
	Sub Total (A)	1,120,000	-	1,120,000
Non Executive Director				
1	Mr. M.K.Nag	160,000	-	160,000
	Sub Total (B)	160,000	-	160,000
	Total (A) + (B)	1,280,000	-	1,280,000
	Overall Ceiling as per the Act			In accordance with Companies Act, 2013

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Manoj Kumar Digga (Chief Financial Officer) (up to 14 July 2018)	Mr. Ranjan Kumar Jindal (Chief Financial Officer) (w.e.f. 6 August 2018)	Mr. Sudhir Kumar Banthiya (Company Secretary)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,761,419	2,997,499	1,544,325	8,303,243
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Vehicle Reimbursement	-	-	-	-
	Performance Bonus	-	326,616	-	326,616
	Total (A)	3,761,419	3,324,115	1,544,325	8,629,859

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure VI to the Directors' Report

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

Sl. No	Particulars	Details
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has formulated a CSR policy as per the provisions of the Companies Act, 2013 to take up projects or programs relating to CSR activities as decided by the Corporate Social Responsibility Committee from time to time every year, as per the availability of CSR expenditure activities specified in Section 135 read with Schedule VI to the Companies Act 2013.
2	The Composition of the CSR Committee	Mr. Vishal Agarwal Ms. Rupanjana De Mr. Manoj Kumar
3	Average net profit of the company for last three financial years	₹ (412.07) Mn
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NA
5	Details of CSR spent during the financial year. a. Total amount to be spent for the financial year; b. Amount unspent , if any; c. Manner in which the amount spent during the financial year is detailed below.	NA
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	

Sd/-
Managing Director

Sd/-
Chairman
CSR Committee

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During FY 2018-19, 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.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Industry Overview

Ferro Chrome is used in varying proportions to produce different grades of Stainless Steel. The global High Carbon Ferro Chrome production was at approx. 13.4 million tonnes in 2018 out of which India's Ferro Chrome production stood at approx. 1.3 million tonnes. India exports approx. 50% of its Ferro Chrome production, primarily to China, South Korea, Japan and Taiwan. China accounts for approx. 60% of global Ferro Chrome consumption.

India's Chrome Ore production was at approx. 4.3 million tonnes in 2018, out of which approx. 1.3 million tonnes is produced by OMC, approx. 2 million tonnes is produced by non-captive mines and approx. 1 million tonne by captive mines. The mining leases of non-captive mines will expire on 31 March 2020 which shall result in uncertainty and changes in supply and demand of Chrome Ore. The Ferro Chrome Producers without captive mines including your Company are vulnerable to this risk and are making all possible efforts to ensure a smooth transition.

The global Stainless Steel production was approx. 50.7 million tonnes in 2018, out of which India's production stood at approx. 4 million tonnes. In view of some of the Government's initiatives, the Indian Stainless Steel Sector is expected to grow in the future and the demand for Ferro Chrome is expected to continue to grow consistently driven by Stainless Steel production.

Company Overview

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

OPPORTUNITIES AND THREATS

Opportunities

India has favourable demographic factors due to which demand for Stainless Steel products will remain strong. The Government of India's focus on "Make in India" and support to manufacturing and development of Smart Cities and Infrastructure will improve demand for Stainless Steel going forward and help your Company to benefit from this opportunity as a supplier of Ferro Chrome.

Threats

Due to Global over capacity, mainly in China and the high production run rate, the Stainless Steel and Ferro Chrome business environment remains extremely challenging. The Ferro Chrome producers not having captive Chrome Ore mines are under stress due to non-availability of Chrome Ore at viable prices, high energy costs, non-availability of working capital, high interest rates, high

logistics costs and delays in debt resolution. There is going to be a period of huge uncertainty in supply of Chrome Ore after 31 March 2020 when leases of 3 non-captive mines of Chrome Ore will expire.

The long-term competitiveness of the Ferro Alloy Industry in India will depend on the cost of doing business including raw material costs, regulatory costs, logistics costs for inbound and outbound transportation of raw material and finished goods, interest costs and also the availability of finance at globally competitive costs. We have seen significant increase in levies, duties and regulatory costs in the mining sector in India in the recent years and also high interest rates and infrastructural challenges especially in logistics. The port and rail infrastructure also needs to be upgraded. The majority of the ports, mines and railways have inadequate and low capacity bulk handling facility. The congested road networks connecting Plants to mines and ports lead to delays in supply and delivery of raw materials like Chrome Ore and imported Coal & Coke.

However, your Company is determined to face these challenges going forward by adjusting to the new rules of the game for the Industry.

SEGMENT WISE PERFORMANCE AND OUT LOOK

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 other external factors including challenges arising out of high prices of Chrome Ore being fixed by OMC through e-auction, high cutback by Lenders in excess of EBITDA, high energy costs and electricity duty/compensation cess, high road transport rates etc. Due to high cutback, the dues to operational creditors and statutory dues have increased.

Your Company has achieved Ferro Chrome production of 106,341 MT in FY 2018-19 compared to 115,020 MT in FY 2017-18. The main raw material for Ferro Chrome is Chrome Ore which is being sourced mainly from OMC & Misrilal Mines. Ferro Chrome produced by your Company is mainly exported.

RISK MANAGEMENT AND ITS CONCERN

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** – Timely and cost-effective raw material supply is critical to growth. Fluctuations in the price and availability of key raw materials, non-availability of working capital and commercial changes such as domestic duties / taxes on raw

materials have an impact on the operations. Moreover, the stocks are also subject to the other foreseeable risks. Necessary coverage has been taken in the form of a comprehensive Industrial All Risk (IAR) policy which covers plant, machinery, buildings (with contents), tools and equipment and stocks (raw materials, stores & spares and finished goods) against fire, allied perils and all other foreseeable risks. The policy also covers loss of profit to the business arising from any accidental event. 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, 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 M/s. Price Watehouse and Co LLP to report on arms length pricing policy and its compliance with the Companies Act, SEBI regulations on related party transaction. Concerted efforts towards stabilisation of SAP have also contributed to tightening of control systems. Your Company has been able to adapt adequately to this ERP package and is placed to derive significant benefits from the same. Your Company has successfully migrated to cloud which will reduce the IT Cost and will also protect from data loss in case of hardware failure. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.

Your Company has been accredited with ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System) Certification by BSI (British Standards Institution). It has also been accredited with the ISO 9001 certification. It shows commitment to quality, customers, and a willingness to work towards improving efficiency

Your Company has an adequate internal financial control system over financial reporting which were operating effectively as at 31 March 2019 and have been audited and certified by the Statutory Auditor.

FINANCE REVIEW AND ANALYSIS

Your Company reported Standalone Revenues of ₹ 8,153.24 million. The standalone EBITDA was ₹ (74.99) million.

Highlights (Standalone)

	(₹ in million)	
	2018-19	2017-18
Revenue from Operations	8,153.24	8,632.64
Other Income	153.19	198.30
Total Income	8,306.43	8,830.94
Expenditure		
Raw Materials consumed	5,047.55	4,948.22
(Increase) / decrease in stock	164.27	(2.81)
Excise Duty	-	45.47
Employee Cost	347.65	318.56
Other Expenses	2,821.95	3,178.28
EBITDA	(74.99)	343.22
Finance Cost	131.23	126.69
Depreciation	455.40	492.46
Profit/(Loss) before Tax	(661.62)	(275.93)
Tax Expenses	-	-
Profit/(Loss) after Tax	(661.62)	(275.93)
Other Comprehensive Income	(1.18)	1.95
Total Comprehensive Income for the period	(662.80)	(273.98)

Sales & Other Income: Sales Revenue has decreased marginally due to lower sale volume of Ferro Chrome.

Expenditure: The raw material expenditure has increased due to high price of Chrome Ore.

Finance Cost: Your Company did not provide majority part of the finance cost as per details mentioned in Note 18D 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 without even considering its adverse affect 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.

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

The total number of employees in your Company, including those inducted as trainees in your Company, as on 31 March 2019 was 477.

CORPORATE SOCIAL RESPONSIBILITY

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

HEALTH AND SAFETY

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

KEY FINANCIAL RATIO

	2018-19	2017-18
Debtors Turnover	28.54	14.47
Inventory Turnover	11.92	11.92
Interest Coverage ratio	(4.04)	(1.18)
Current Ratio	0.36	0.46
Debt Equity Ratio	11.41	7.78
Operating Profit Margin	(0.06)	(0.02)
Net Profit Margin	(0.08)	(0.03)
Return on Networth	(0.55)	(0.15)

During the year under the review the Debtors Turnover improved and Inventory Turnover remained the same. The margin and financial ratios have been adversely affected due to 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 cutback by Lenders in excess of EBITDA, high energy costs and electricity duty/compensation cess, high road transport rates etc.

OUTLOOK

The Government Policies are aimed to attract investment and encourage manufacturing India which is expected to increase consumption of Steel, Stainless Steel and Ferro Alloys going forward. The Policy will promote the indigenous industry to eliminate Steel imports in the country by 2030. However, the uncertainty in supply of Chrome Ore after 31 March 2020 when mining leases of non-captive mines will expire, high energy, logistics and finance costs 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 negotiations.

CORPORATE GOVERNANCE

OUR PHILOSOPHY

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

I. BOARD OF DIRECTORS

The Principal responsibility of the Board is to oversee the Management of the Company and in doing so serve the best interest of the Company and its stakeholders. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

● 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

● Composition of the Board as on 31 March 2019

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 2019, the Board comprised of eight members, out of which eight members, four members are Independent Directors including one Woman Director, one member is Nominee Director and three members are Executive Directors.

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

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

Details of each directors as on 31 March 2019 are provided here in below:

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 ²
Mr. Vishambhar Saran 00121501	Promoter Executive Chairman	4	Yes	7	Nil	Member - 1 Chairman - 0
Mr. Vishal Agarwal 00121539	Promoter Vice Chairman & Managing Director	4	Yes	7	Nil	Member - 2 Chairman - 1
Mr. Pratip Chaudhuri 00915201	Independent Non-Executive	4	No	9	CESC Limited– Independent Director Qess Corp Limited– Independent Director Spencer’s Retail Limited – Independent Director Cosmo Films Limited– Independent Director	Member - 7 Chairman - 5

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 ²
Ms. Rupanjana De 01560140	Independent Non-Executive	4	Yes	6	Assam Carbon Products Limited – Independent Director	Member - 4 Chairperson -0
Mr. Sheo Raj Rai 07902184	Independent Non-Executive	4	No	0	Nil	Member - 1 Chairman -0
Mr. Dhanesh Ranjan ³ 03047512	Independent Non-Executive	2	NA	0	Nil	Member - 0 Chairman -0
Mr. Manas Kumar Nag ⁴ 02058292	Nominee Director	4	No	1	Jai Balaji Industries Limited – Nominee Director	Member - 0 Chairman -0
Mr. Manoj Kumar 06823891	Executive Director	3	Yes	2	Nil	Member – 0 Chairman – 0

Note:

- This excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013.
- 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.
- Mr. Dhanesh Ranjan (DIN 03047512) has been appointed as an Additional Director (Non-Executive, Independent Director) on the Board of Directors of the Company w.e.f 30 September 2018.
- Mr. Manas Kumar Nag is the nominee director of State Bank of India (Lender), has since expired on 31 March 2019.

During the year under review, 4 (Four) Board Meetings were held on the following dates: 2 May 2018; 6 August 2018; 29 October 2018 and 22 January 2019.

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/familiarization-programme.pdf>.

B. Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2018-19			
			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	₹ 17.46 Mn	See note (b)	See note (c)	NA
Mr. Vishal Agarwal	See Note (a)	Vice Chairman & Managing Director	₹ 18.40 Mn	See note (b)	See note (c)	NA
Mr. Manoj Kumar	See Note (a)	Whole time Director designated as Director (Kalinganagar)	₹ 7.65 Mn	See note (b)	See note (c)	NA

Details of Remuneration paid to Board of Directors

Name of the Director	Sitting Fees paid ¹ (₹)	Total payments paid / payable in 2018-19 (₹)
Mr. Pratip Chaudhuri	360,000	360,000
Mr. Kishore Kumar Mehrotra	80,000	80,000
Mr. Manas Kumar Nag	160,000	160,000
Ms. Rupanjana De	320,000	320,000
Mr. Sheo Raj Rai	280,000	280,000
Mr. Dhanesh Ranjan	80,000	80,000
Total	1,280,000	1,280,000

Note:

- 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.
- No stock options have been granted during the year to any of the Directors.
- During the financial year 2018-19, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company apart from the above.
- 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 2018-19, the Company paid only sitting fees to the Non-Executive Directors.

- (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 2019:

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

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

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

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.

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

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

During the financial year 2018-19, the Committee met 4 (Four) times on - 2 May 2018; 6 August 2018; 29 October 2018 and 22 January 2019. 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	3
Mr. Sheo Raj Rai	4	4
Mr. Pratip Chaudhuri	4	4
Mr. Kishore Kumar Mehrotra*	4	1

Note:

* Mr. Kishore Kumar Mehrotra (DIN 02894025) ceased to be the Director of the Company w.e.f. 11 July 2018. The committee was suitably reconstituted and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f 26 July 2018 as the Chairperson & Member of the Audit Committee.

The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on 29 September 2018.

● 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 2019:

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

Mr. Kishore Kumar Mehrotra (DIN 02894025) ceased to be the Director of the Company w.e.f. 11 July 2018. The committee was suitably reconstituted and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f 26 July 2018 as the Member of the Stakeholders Relationship Committee.

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 2019, 95% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the Stock Exchanges in the 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 2018-19, the Committee met 4 (Four) times on - 2 May 2018; 6 August 2018; 29 October 2018 and 22 January 2019. The details of attendance by the Committee members are as given under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Kishore Kumar Mehrotra	4	1
Mr. Vishal Agarwal	4	4
Mr. Pratip Chaudhari	4	4
Ms. Rupanjana De	4	3

Mr. Sudhir Kumar Banthiya, 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 Directors as on 31 March 2019:

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 2018-19, the Committee met 1 (One) time on 6 August 2018. The details of attendance by the Committee members are as given under:

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

Mr. Kishore Kumar Mehrotra (DIN 02894025) ceased to be the Director of the Company w.e.f. 11 July 2018. The committee was suitably reconstituted and Ms. Rupanjana De (DIN 01560140) was appointed w.e.f. 26 July 2018 as the Member of the Nomination & Remuneration Committee.

● **Performance evaluation criteria**

The Company has in place a Remuneration Policy adopted in terms of the provisions of the Companies Act, 2013. The Board of Directors carried out an annual evaluation of its own performance and that of its Committees and individual Directors including the criteria of independence of the Independent Directors, in line with the Policy, requirements of the Companies Act, 2013 and SEBI (LODR). The Remuneration Policy of the Company is available at www.visasteel.com and salient features forms part of the Boards' 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 2019:

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

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

Note:

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

During the financial year 2018-19, 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.

Mr. Kishore Kumar Mehrotra (DIN 02894025) ceased to be the Director of the Company w.e.f. 11 July 2018. The committee was suitably reconstituted and Mr. Manoj Kumar (DIN 06823891) was appointed w.e.f 26 July 2018 as the Member of the Corporate Social Responsibility Committee.

● 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 2019:

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

During the financial year 2018-19, the Committee did not meet.

III. SUBSIDIARY COMPANIES

The Company has 4 (Four) subsidiaries including step down subsidiaries, as on 31 March 2019:

Kalinganagar Special Steel Private Limited
VISA Ferro Chrome Limited
VISA Special Steel Limited
Kalinganagar Chrome Private Limited

Note:

Ghotaringa Minerals Limited (GML), a subsidiary of the Company, was admitted in NCLT, Kolkata vide order dated 16 February 2018 and further on 31 August 2018 the NCLT had ordered for liquidation and on 22 February 2019 for dissolution of GML.

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
2017-2018	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	29 September 2018	12.00 PM	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.
2016 - 2017	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	14 December 2017	12.00 PM	1. To increase the remuneration payable to Mr. Manoj Kumar (DIN: 06823891) as the Wholetime Director designated as Director (Kalinganagar). 2. To approve Related Party Transaction.
2015 - 2016	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 009	28 December 2016	11.00 AM	1. To appoint Mr. Vishambhar Saran (DIN 00121501) as the Whole time Director designated as Chairman. 2. To appoint Mr. Vishal Agarwal (DIN 00121539) as the Vice Chairman & Managing Director. 3. To approve Related Party Transaction.

Postal Ballot

- **Whether resolutions were put through postal ballot last year:** No
- **Person who conducted the postal ballot exercise:** NA
- **Procedure of postal Ballot:** Remote E- voting & Physical Ballot.
- **Whether any Special Resolution is proposed to be conducted through postal ballot:** No

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

Date : 23 December 2019

Time : 1200 Hours

Venue : IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751009

b) Financial Year: April to March.**c) Dividend Payment date:** The Company did not declare any dividend during the FY 2018 - 19.**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 2019-20.

e) Market price data –

	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
		(₹)		(₹)
Apr-18	16.00	12.10	16.00	12.50
May-18	14.28	13.01	13.85	13.05
Jun-18	11.00	10.06	10.65	10.00
Jul-18	10.40	9.45	10.35	9.40
Aug-18	15.45	14.40	15.05	14.25
Sep-18	13.94	13.15	13.85	13.05
Oct-18	10.70	10.12	10.90	10.10
Nov-18	10.44	10.00	10.50	9.70
Dec-18	9.35	8.70	9.40	8.60
Jan-19	9.64	8.91	9.40	8.65
Feb-19	7.74	7.31	7.90	7.40
Mar-19	9.40	8.00	9.00	7.85

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

Financial Year	NSE CNX NIFTY		BSE SENSEX	
	Change in VSL share price	Change in Nifty	Change in VSL share price	Change in SENSEX
2018-19	-46.02%	14.50%	-43.66%	17.08%

g) In case the securities are suspended from trading, the directors report shall explain the reason thereof: Not Applicable**h) Registrar to an issue and share transfer agents:**

Karvy Fintech Private Limited

Unit: VISA Steel Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Tel: + 91 40 67162222,

Fax: + 91 40 23001153

Email: einward.ris@karvy.com

Website: www.karvy.com

i) Share Transfer system

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

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

j) Distribution of shareholding

	2019				2018			
	No. of equity shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holders	No. of shares held	% of share-holders	
1 – 500	14368	80.46	2386215	2.06	14,695	81.14	2,443,515	2.11
501 – 1000	1973	11.05	1529867	1.32	1,981	10.94	1,532,189	1.32
1001 – 2000	869	4.8664	1300532	1.1232	845	4.67	1,259,709	1.09
2001 – 3000	220	1.232	574013	0.4957	203	1.12	530,694	0.46
3001 – 4000	101	0.5656	367060	0.317	89	0.49	324,319	0.28
4001 – 5000	105	0.588	503185	0.4346	92	0.51	442,050	0.38
5001 – 10000	134	0.7504	1022104	0.8827	116	0.64	894,648	0.77
10001 and above	87	0.4872	108106524	93.3647	89	0.49	108,362,376	93.59
Total	17857	100.00	115,789,500	100.00	18,110	100.00	115,789,500	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 2019.

- 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
- 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 2019.
- b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**
Not Applicable
- c) Details of establishment of vigil mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee:**
The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against 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.

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 non mandatory requirements:**
The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- e) Web link where policy for determining material subsidiaries is disclosed**
<http://www.visasteel.com>
- f) Web link where policy on dealing with related party transactions**
<http://www.visasteel.com>
- 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:** Not Applicable
- 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. 45 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

m) Management

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

n) 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.

o) 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
-	-

- 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
-	-

- 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
-	-

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

p) 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 2019.

For VISA Steel Limited

Vishal Agarwal

Vice Chairman & Managing Director
(DIN 00121539)

Date: 16 May 2019
Place: Kolkata

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 2018-19 forms integral part of this Annual Report. Refer page no. 50 for details.

REPORTING OF INTERNAL AUDITOR

The Internal Auditor report directly to the Audit Committee.

CEO / CFO Certification to the Board

The Board of Directors
VISA Steel Limited
Kolkata 700 027

18 October 2019

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 Ranjan Kumar Jindal 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 their 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; and
 - (iii) there have been no instances of significant fraud of which we have become aware.

Sd/-
Vishal Agarwal
Vice Chairman & Managing Director

Sd/-
Ranjan Kumar Jindal
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To the Members of Visa Steel Limited.

1. We have examined the compliance of conditions of Corporate Governance by Visa Steel Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2019.
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

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Dated: May 16, 2019

Certificate of Non-Disqualification of Directors

To
The Members
VISA Steel Limited

Based on our verification of the books, papers, registers, forms, returns, disclosures received from the Directors and other records maintained by VISA Steel Limited, having its Registered office at Campus 11, Ekamra Kanan, Nayapalli, Bhubaneswar – 751015, Odisha (“the Company”) and also the information provided by the Company, its officers, agents and authorised representatives 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the verification of the portal www.mca.gov.in, including Directors Identification Number (DIN) status at the portal, we hereby certify that during the Financial Year ended on March 31, 2019, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority.

It is the responsibility of the management of the Company for ensuring the eligibility for the appointment/ continuity of every director on the board of the Company. Our responsibility is to express an opinion on these based on our verification.

Thanking you,

Yours faithfully,

Raj Kumar Banthia

(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 15 May 2019

Place: Kolkata

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. This report supersedes our earlier report dated May 16, 2019 addressed to the Members of VISA Steel Limited.

QUALIFIED OPINION

2. We have audited the standalone financial statements of VISA Steel Limited ("the Company") post transfer of its Special Steel undertaking into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, which comprise the standalone balance sheet as at March 31, 2019 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 the matter referred to in paragraph 3 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 March 31, 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

3. We draw attention to Note 18D 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 March 31, 2019 is ₹ 4,477.44 million (including ₹ 1459.69 million for FY 2016-17, ₹ 1,552.29 million for FY 2017-18, and ₹ 1,465.46 million for FY 2018-19 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 year ended March 31, 2019 would have been ₹ 1,596.69 million instead of the reported amount of ₹ 131.23 million. Total expenses for the year ended March 31, 2019 would have been ₹ 10,433.51 million instead of the reported amount of ₹ 8968.05 million. Net loss after tax for the year ended March 31, 2019 would have been ₹ 2,127.08 million instead of the reported amount of ₹ 661.62 million. Total Comprehensive

Income for the year ended March 31, 2019 would have been ₹ (2,128.26) million instead of the reported amount of ₹ (662.80) million, other equity would have been ₹ (4,428.80) million against reported ₹ 48.64 million, other current financial liability would have been ₹ 13,552.10 million instead of reported amount of ₹ 9,074.66 million and Loss per share for the year ended March 31, 2019 would have been ₹ 18.37 instead of the reported amount of ₹ 5.71.

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

4. 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

5. We draw attention to Note - 38 to the standalone financial statements regarding the preparation of the statement on going concern basis, for the reason stated therein. Consequently the assets and liabilities are being carried at their book value and the management is of the view that no impairment of its non-current assets is required. The Company has accumulated losses and has also incurred losses during the year ended March 31, 2019. 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 after providing unprovided interest. Further the State Bank of India (financial creditor) has filed an application at National Company Law Tribunal for initiation of Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code and the matter is sub-judice. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is critically dependent upon the resolution of the debt of the Company, the Company's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future.

EMPHASIS OF MATTER

6. We draw your attention to the following matters:

- (a) **Refer Note – 36 to the standalone financial Statement for revision to the financial statement-** pursuant to the Scheme of Arrangement (“the scheme”) approved by the National Company Law Tribunal vide its order dated July 8, 2019 all the assets and liabilities of the Special Steel undertaking of VISA Steel Limited (“transferor Company”) has been transferred to and vested in the Visa Special Steel Limited, a wholly owned step down subsidiary (transferee Company) at their respective book values on a going concern basis from April 1, 2013 being the appointed date. Effective date of the scheme is July 13, 2019 being the date on which certified copy of the order sanctioning the said scheme is filed with Registrar of Companies, Odisha.

The financial statements of the Company for the year ended March 31, 2019 were earlier approved by the Board of Directors at their meeting held on May 16, 2019 and were audited by us and our report dated May 16, 2019, addressed to the Members of the Company, expressed a qualified opinion on those financial statements. These financial statements were not issued to the shareholder for their approval. Consequent to the Company obtaining the required order and approvals, the aforesaid financial statements are revised by the Company to give effect to the said Scheme. Further the figures for the previous years have also been restated and the cumulative impact of the scheme has been given on April 1, 2017. We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the Statements (as amended) are restricted solely to the aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 16, 2019 (being the date on which the Statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).

- (b) The erstwhile auditor has audited the financial statement of the Company for the years ending on March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and have issued unmodified opinion for the year March 31, 2016 and have issued a qualified opinion for the year ended March 31, 2014, March 31, 2015, March 31, 2017. The above audited financial statement have been relied by us for giving impact of the scheme effective April 1, 2013.

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

7. 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, Business Responsibility Report, Corporate Governance Report, Shareholder’s Information, but does not include the standalone financial statements and our auditors’ report thereon.

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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS

8. 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
<p>A. Related Party Transactions</p> <p>Refer to Note 48 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 48 Related Party Transactions. Transactions with other related party for revenue generation is 71 % 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.</p>	<p>We addressed the Key Audit Matter as follows :-</p> <ol style="list-style-type: none"> 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. <p>Conclusion :</p> <p>Our audit procedures did not lead to any reservations regarding the related party transactions and its disclosure.</p>
<p>B. Valuation of Inventories</p> <p>Refer to Note 9 to the financial statements. As described in the accounting policies in note 2.2.7 to the financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> 1. Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk 2. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. 3. Verifying for a sample of individual products that costs have been correctly recorded. 4. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. 5. Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. 6. Recomputing provisions recorded to verify that they are in line with the Company policy. <p>Our Observation:</p> <p>Based on the audit procedures performed we are satisfied that the valuation of inventory is appropriate.</p>

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

9. 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, profit/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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements post transfer of its Special Steel undertaking into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, 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.

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.

INDEPENDENT AUDITORS' REPORT

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.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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 3 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 3 above, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 36A 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No.302049E

(Pradeep Kumar Singhi)

Partner

Membership No. 050773

UDIN:19050773AAAAAE9635

Place: Kolkata

Date: October 18, 2019

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 post Demerger of its Special Steel division into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, as of and for the year ended March 31, 2019.

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. The Company has granted unsecured loan to Ghotaringa Minerals Limited covered in the register maintained under Section 189 of the Act. During the year, Ghotaringa Minerals Limited is dissolved vide NCLT Order dated February 22, 2019. Accordingly the aforesaid loan alongwith unpaid interest both totaling of ₹ 4.39 Million has been written off by the Company and is prejudicial to the Company's interest. The Company has not granted any other secured / unsecured loans to firms / Limited Liability Partnerships / other parties covered in the register maintained under Section 189 of the Act..
- 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 and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including, employees' state insurance, sales tax, 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 March 31, 2019 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	0.00	Jul-17	28-Aug-17	Not yet Paid
Goods & Service tax, 2017	Interest	2.80	Aug-17	20-Sep-17	Not yet Paid
Goods & Service tax, 2017	Interest	5.21	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	0.24	Aug-18	20-Sep-18	Not yet Paid
Goods & Service tax, 2017	Interest	0.14	Sep-18	25-Oct-18	Not yet Paid
Goods & Service tax, 2017	Tax Payable	2.53	Aug-18	20-Sep-18	Not yet Paid
Goods & Service tax, 2017	Tax Payable	1.78	Sep-18	25-Oct-18	Not yet Paid
Total		18.78			

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 post Demerger of its Special Steel division into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, as of and for the year ended March 31, 2019.

The above table excludes the undisputed cases pertaining to the Special Steel undertaking transfer into VISA Special Steel Limited pursuant to the Scheme as sanctioned by Hon'ble Odisha High Court dated July 8, 2019, which are still being pursued in the Company's name.

(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 March 31, 2019 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
Income Tax Act, 1961	Income Tax	5.49	Assessment Year 2003-04	Hon'ble high court of Kolkata
Income Tax Act, 1961	Income Tax	45.07	Assessment Year 2004-05	Income Tax Appellate Tribunal, Kolkata
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 Commisioner of Commercial Taxes, Vijayawada
Odisha Value Added Tax Act, 2005	Entry Tax	8.11	Financial Year 2004-05 & 2012-13	High Court of Odisha
Odisha Value Added Tax Act, 2005	Odisha VAT	0.02	Financial Year 2013-14 & 2014-15	Additional Commisioner of Commercial Taxes, Cuttack

The above table excludes the disputed cases pertaining to the Special Steel division demerged into VISA Special Steel Limited pursuant to the Scheme as sanctioned by Hon'ble Odisha High Court dated July 8, 2019, which are still being pursued in the Company's name.

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 ₹ 13,425.28 Million for the period as set out below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Name of Lender	Nature of Dues	Amount of Default (₹ in Millions)		
		Less than 12 months	More than 12 Months	Total
Asset Care and Reconstruction Enterprise limited	Principal & Interest	514.04	1,619.97	2,134.01
Andhra Bank	Principal & Interest	93.26	333.18	426.44
Bank of India	Principal & Interest	53.68	124.26	177.94
Canara Bank	Principal & Interest	55.12	193.07	248.19
Corporation Bank	Principal & Interest	5.56	13.42	18.99
Edelweiss Asset Reconstruction Company Limited	Principal & Interest	24.39	62.96	87.35
Exim Bank	Principal & Interest	107.59	369.08	476.67
HUDCO	Principal & Interest	196.32	525.91	722.22

Name of Lender	Nature of Dues	Amount of Default (₹ in Millions)		
		Less than 12 months	More than 12 Months	Total
Oriental Bank of Commerce	Principal & Interest	397.98	1,360.71	1,758.69
Punjab & Sind Bank	Principal & Interest	66.61	194.60	261.21
Punjab National Bank	Principal & Interest	583.17	1,653.59	2,236.76
Small Industries Development Bank of India	Principal & Interest	6.81	90.61	97.42
State Bank of India	Principal & Interest	548.38	1,939.18	2,487.56
Syndicate Bank	Principal & Interest	221.31	741.17	962.48
Union Bank of India	Principal & Interest	223.49	654.11	877.61
Vijaya Bank	Principal & Interest	114.22	337.52	451.73
Total		3,211.92	10,213.36	13,425.28

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

The above table excludes the loans and borrowings pertaining to the Special Steel division demerged into VISA Special Steel Limited pursuant to the Scheme as sanctioned by Hon'ble Odisha High Court dated July 8, 2019, which are still being pursued in the Company's name.

- 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 noncash 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

Place: Kolkata
Date: October 18, 2019

Membership No. 050773
UDIN:19050773AAAAAE9635

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 post Demerger of its Special Steel division into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, for the year ended March 31, 2019.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to financial statements of VISA Steel Limited ("the Company") post transfer of its Special Steel division into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, as of March 31, 2019, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 financial statements as at March 31, 2019:

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

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

QUALIFIED OPINION

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 post transfer of its Special Steel undertaking into VISA Special Steel Limited based on National Company Law Tribunal Order dated July 8, 2019, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and the Statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information. Resultant impact of this material weakness has been appropriately considered in our audit of the March 2019 standalone financial statements of VISA Steel Limited post transfer and this report affect our report dated October 18, 2019, which expressed a qualified opinion on those financial statements.
12. We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the Standalone financial Statements (as amended) are restricted solely to the matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 16, 2019 (being the date on which the Statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).

For Singhi & Co.

Chartered Accountants
Firm's Registration No.302049E

(Pradeep Kumar Singhi)

Partner

Membership No. 050773

UDIN:19050773AAAAAE9635

Place: Kolkata

Date: October 18, 2019

BALANCE SHEET

as at 31 March 2019

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2019	As at 31 March 2018
I.	ASSETS			
	Non-current Assets			
	Property, Plant and Equipment	3 A	10,908.58	11,380.96
	Capital Work-in-Progress	3 C	2,971.37	2,963.93
	Intangible Assets	3 B	1.64	2.04
	Financial Assets			
	(i) Investments	4	42.93	51.83
	(ii) Loans	5	77.05	102.42
	(iii) Other Financial Assets	6	-	18.13
	Deferred Tax Assets (Net)	7	-	-
	Other Non Current Assets	8	2.79	20.89
	Total Non-Current Assets		14,004.36	14,540.20
	Current Assets			
	Inventories	9	634.45	725.66
	Financial Assets			
	(i) Trade Receivables	10	175.54	392.47
	(ii) Cash and Cash Equivalents	11	8.50	166.45
	(iii) Other Bank Balances [other than (ii) above]	12	36.58	28.83
	(iv) Loans	13	24.74	194.39
	(v) Others Financial Assets	14	4.42	7.05
	Current Tax Assets (Net)	15	114.49	108.65
	Other Current Assets	16	3,811.52	3,886.04
	Total Current Assets		4,810.24	5,509.54
	Total Assets		18,814.60	20,049.74
II.	EQUITY AND LIABILITIES			
	Equity			
	Equity Share Capital	17 A	1,157.90	1,157.90
	Other Equity	17 B	48.64	711.44
			1,206.54	1,869.34
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	18	4,332.44	6,055.52
	Provision	19	26.15	23.91
	Total Non Current Liabilities		4,358.59	6,079.43
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	20	2,944.47	3,203.75
	(ii) Trade Payables	21		
	- total outstanding dues of micro and small enterprise		-	26.82
	- total outstanding dues of creditors other than micro and small enterprise		697.14	360.48
	(iii) Other Financial Liabilities	22	9,074.66	7,883.99
	Other Current Liabilities	23	521.85	620.59
	Provisions	24	11.35	5.34
	Total Current Liabilities		13,249.47	12,100.97
	Total Equity and Liabilities		18,814.60	20,049.74

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

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

Pradeep Kumar Singhi
Partner
Membership Number-50773

Place: Kolkata
Date:18 October 2019

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

STATEMENT OF PROFIT & LOSS

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Continuing Operations				
I	Revenue from Operations	25	8,153.24	8,632.64
II	Other Income	26	153.19	198.30
III	Total Income		8,306.43	8,830.94
IV Expenses				
	Cost of Materials Consumed	27	5,047.55	4,948.22
	Purchase of Stock-in -Trade		-	-
	Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	28	164.27	(2.81)
	Excise Duty		-	45.47
	Employee Benefit Expense	29	347.65	318.56
	Finance Cost	30	131.23	126.69
	Depreciation and Amortization Expense	31	455.40	492.46
	Other Expenses	32	2,821.95	3,178.28
	Total Expenses		8,968.05	9,106.87
V	Profit/(Loss) before Exceptional Items and Tax		(661.62)	(275.93)
VI	Exceptional items		-	-
VII	Profit/(Loss) before Tax		(661.62)	(275.93)
VIII	Tax Expenses			
	1)Current Tax		-	-
	2)Deferred Tax		-	-
IX	Profit (Loss) for the period from Continuing Operations		(661.62)	(275.93)
X	Profit/(loss) for the period		(661.62)	(275.93)
XI	Other comprehensive income	33		
	(i) Items that will not be reclassified to profit or loss		(1.18)	1.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XII	Total Comprehensive Income for the period		(662.80)	(273.98)
XIII	Earnings/(Loss) per Equity Share			
	1) Basic	34	(5.71)	(2.45)
	2) Diluted		(5.71)	(2.45)

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

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

Pradeep Kumar Singhi
Partner
Membership Number-50773

Place: Kolkata
Date:18 October 2019

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Ranjan Jindal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as at 1 April 2017	Change in Share Capital during 2017-18	Balance as on 31 March 2018	Change in Share Capital during 2018-19	Balance as on 31 March 2019
Equity Share Capital	17A	1,100.00	57.90	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 2017	17B	4,601.53	1,645.00	110.24	(5,371.35)	985.42
Profit/(Loss) for the year			-	-	(275.93)	(275.93)
Other Comprehensive Income					1.95	1.95
Balance as at 31 March 2018		4,601.53	1,645.00	110.24	(5,645.33)	711.44
Profit/(Loss) for the year		-	-	-	(661.62)	(661.62)
Other Comprehensive Income		-	-	-	(1.18)	(1.18)
Balance as at 31 March 2019		4,601.53	1,645.00	110.24	(6,308.13)	48.64

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

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

Pradeep Kumar Singhi
Partner
Membership Number-50773

Place: Kolkata
Date:18 October 2019

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Sudhir Kumar Banthiya
Company Secretary

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

For and on behalf of the Board of Directors

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Ranjan Jindal
Chief Financial Officer

CASH FLOW STATEMENT

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash Flow from Operating Activities		
Profit / (Loss) before tax for the period	(661.62)	(275.93)
Adjustments for :		
Depreciation and amortization expense	455.40	492.46
Finance Cost	131.23	126.69
Interest Income	(21.54)	(68.52)
Income from Shared Services	(128.83)	(128.49)
Liabilities no longer required written back	(46.14)	(111.80)
Processing Charges	-	1.01
Loss on retirement of Assets	0.40	1.36
Allowance for doubtful debts, advances etc. no longer required written back	0.54	(13.53)
Loss on Fair Value of Investment	8.90	156.81
(Gain)/Loss on sale of Property, Plant and Equipment	(0.42)	(0.02)
Unrealised Forex Loss / (Gain) [Net]	1.45	(3.59)
Operating Profit/ (Loss) before changes in operating assets and liabilities	(260.63)	176.45
Adjustments for changes in operating assets and liabilities		
(Increase) in trade and other receivables	485.80	385.56
(Increase) in Inventories	91.23	(23.54)
Increase/(Decrease) in trade and other payables	239.99	(94.82)
Cash (used in) Operations	556.39	443.65
Direct Taxes (paid)/ refund	(5.84)	(11.86)
Net Cash (used in) Operating Activities	550.55	431.79
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	26.59	(14.35)
Sale of property, plant and equipment	1.41	-
Release of Margin Money Account	10.18	(23.19)
Income from Shared Services	128.83	128.49
Interest received	28.51	76.48
Net Cash from Investing Activities	195.52	167.43
C. Cash Flow from Financing Activities		
Repayment of Non- current Borrowings	(512.38)	(424.63)
Proceeds from current Borrowings (net)	(259.29)	(3.62)
Decrease in Earmarked Accounts	(0.20)	(0.39)
Finance Cost paid	(132.15)	(126.69)
Net Cash from / (used in) Financing Activities	(904.02)	(555.33)
Net increase in Cash and cash equivalent (A+B+C)	(157.95)	43.89

CASH FLOW STATEMENT

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
D. Cash and cash equivalents		
Net Increase in Cash and Cash Equivalents	(157.95)	43.89
Cash and cash equivalents at the Beginning	166.45	122.56
Cash and cash equivalents at the end of the year	8.50	166.45
	8.50	166.45
(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
Balance with Banks in		
Current Account	8.25	165.97
Cash on hand	0.25	0.48
Cash and cash equivalents as at 31 March (Refer Note 11)	8.50	166.45

(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) Refer Note 50

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

Item	Balance as on 1 April 2018	Cash Flow	Non cash changes		Balance as on 31 March 2019
			Classification	Fair Value Adjustment	
Long term borrowings including current maturity	13,218.19	(497.00)	-	0.93	12,722.12
Short term Borrowings	3,203.75	(259.28)	-	-	2,944.47
Lease Liability	215.75	(15.41)	-	-	200.34
Others (specify)	-	-	-	-	-
Total Liability from financing Activities	16,637.69	(771.69)	-	0.93	15,866.93

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
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Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date:18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

1 CORPORATE INFORMATION

VISA Steel Limited (“VSL” or “the Company”) is engaged in the manufacturing of High Carbon Ferro Chrome with captive power plant incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing facilities at Kalinganagar in Odisha and branch offices across India. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). These financial statements have been prepared after giving effect to the Scheme of Arrangement sanctioned by National Company Law Tribunal, Cuttack bench pursuant to which the Special Steel Undertaking of the Company stands transferred to and vested in VISA Special Steel Limited with appointed date of 1 April 2013. The Scheme is operative from 13 July 2019.

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 2018.

- IND AS 115, Revenue from Contracts with customers
- Amendment to IND AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign currency transactions and Advance consideration to IND AS 21, The Effects of change in Foreign Currency Rate
- Amendment to IND AS 12, Income Taxes
- Amendment to IND AS 40, Investment Property
- Amendment to IND AS 28, Investment in Associate and Joint Ventures and IND AS 112, Disclosure of Interest in Other Entities.

The Company had to change its accounting policies following the adoption of IND AS 115. Most of the other amendments listed above did not have any impact on the amounts recognized 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
- share-based payments

2.1.3 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months from 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 from 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.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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 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 46 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.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

Trade and other payables

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

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.2.1.3 Derivatives

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

2.2.1.4 Offsetting of financial instrument

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

2.2.1.5 Investments in subsidiaries and joint venture

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

2.2.2 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs

and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income/expenses.

Depreciation methods, estimated useful lives and residual values

Depreciation including amortization where applicable is provided on pro-rata basis under Straight Line Method (SLM) over the estimated useful lives of the assets as specified in Schedule II to the Companies Act, 2013 ('the Act'), which 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 amortized over the period of lease i.e., 6 to 10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.
- Furnace refractories are depreciated over useful life of 5-6 years based on technical assessment carried out by the Company
- Leasehold land is amortized over the period of lease.

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

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

Residual value: The residual values are not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period.

2.2.3 Intangible assets

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Amortization

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

2.2.4 Impairment of non financial assets

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

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

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

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

2.2.5 Leases

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

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

As a lessee

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

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards incidental to legal ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

the inception of the lease as the Company's net investment in the lease. Lease payment receivable is treated by the lessor as repayment of principal and finance income to reimburse and reward the lessor for its investment and services. Initial direct costs incurred in negotiating and arranging a lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.2.6 Capital work-in-progress

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

2.2.7 Inventories

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

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 recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted modified retrospective approach and would apply Ind AS 115 only retrospectively to the current period.

Revenue is recognized 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 primary geographical market and major products lines.

Revenue from related party is recognized based on transaction price which is at arm's length.

Use of significant judgments in revenue recognition

- The Company contracts with customers to transfer different products to a customer. The Company identifies distinct obligations in transferring the product in the contract. Identification of distinct obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price is the amount fixed in the contract. There is no variable portion in the transaction price. The transaction price is a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

- The Company uses judgment to determine an appropriate standalone selling price for a product. The Company allocates the transaction price to each product on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Company exercises judgment in determining whether the transfer of product is satisfied at a point in time or after a period of time. The Company considers indicators such as who controls the goods as it is out for delivery, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.2.10 Income Tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and

tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

2.2.11 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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 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 41 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 – 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 capitalization, 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,

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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.
- c. Environmental liabilities and Asset Retirement Obligation (ARO) – Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.
- d. 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 optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.
- e. Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- f. 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
- g. Expected Credit Loss Model – The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Company 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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

h. Significant judgments when applying Ind AS 115 – 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. The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer/dealer. The Company makes estimates related to customer performance and sales volume to determine the total amounts earned and incentive to be recorded as deductions. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of control to the customer, acceptance of delivery by the customer, etc.

2.4 Standards issued but not yet effective up to the date of issuance of the Company's Financial Statement are disclosed below

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new Ind AS and amendments to existing Ind ASs which the Company has not applied as they are effective from 01 April 2019. The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. Ind AS 116: Leases – Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right

to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization charge for the right-to-use asset, and b) interest accrued on lease liability. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the Comparatives.

The Company is currently evaluating the impact this standard will have on its financial statements

- b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments – Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the Company needs to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plans to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.
- c. Amendment to Ind AS 12: Income taxes – Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. Accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.

- d. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.
- e. Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment
- f. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements - The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. These amendments are currently not applicable to the Company.
- g. IND AS 109 Prepayment Features with Negative Compensation -The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

NOTES TO 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 2018	As at 31 March 2019	As at 1 April 2018	For the year during the year	Disposal/ adjustments during the year	As at 31 March 2019	As at 31 March 2018
Owned							
Land- Freehold	15.63	15.63	-	-	-	15.63	15.63
Land- Leasehold	278.30	278.30	12.94	3.66	-	261.70	265.36
Factory Buildings	1,969.72	1,969.72	189.86	67.04	-	2,569.90	1,779.86
Buildings	854.07	854.07	56.33	20.71	-	777.03	797.74
Road	374.31	374.31	331.76	10.70	-	342.46	31.85
Plant & Machinery	9,354.61	9,379.60	1,061.71	364.31	0.02	1,426.00	7,953.60
Computers	4.50	5.54	2.58	0.95	0.00	3.53	2.01
Office Equipment	3.94	3.81	2.66	0.21	-	2.87	1.28
Furniture & Fixtures	26.41	26.35	16.69	4.57	0.09	21.17	5.18
Vehicles	38.22	34.69	16.83	4.31	2.69	18.45	16.24
Capital Spares	4.91	4.91	0.93	0.07	-	1.00	3.91
Under Finance Lease							
Plant & Machinery- Finance Lease	237.28	237.28	88.65	20.96	-	109.61	148.63
Total	13,161.90	13,184.21	1,780.94	497.49	2.80	2,275.63	11,380.96
17-18	13,093.97	13,161.90	1,295.75	571.83	86.64	1,780.94	11,380.96

3B INTANGIBLE ASSETS

Particulars	Gross Carrying Amount		Accumulated Depreciation / Amortisation			Net Carrying Amount	
	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018	For the year during the year	Disposal/ adjustments during the year	As at 31 March 2019	As at 31 March 2018
Computer Software - acquired	8.46	8.46	6.42	0.40	-	6.82	1.64
Total	8.46	8.46	6.42	0.40	-	6.82	2.04
17-18	7.32	8.46	5.58	0.84	-	6.42	1.75

3C CAPITAL WORK-IN-PROGRESS (CONSISTING OF PLANT & MACHINERY, BUILDING ETC.)

Particulars	Gross Carrying Amount		Net Carrying Amount	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Opening	2,963.93	3,023.11	2,963.93	3,023.11
Addition	28.83	171.09	28.83	171.09
Transferred to Property, Plant & Equipment/ Adjustments	(21.39)	(230.27)	(21.39)	(230.27)
Closing	2,971.37	2,963.93	2,971.37	2,963.93

3D LEASED ASSETS

The lease term in respect of Plant & Machinery considered under finance lease is for the entire life of the assets which is 15 years based on its useful life. Future minimum lease obligation payable on leasehold plant & machinery during next one year ₹ 37.48 Million (as on 31 March 2018: ₹ 37.48 Million) later than one year but not later than five years ₹ 149.92 Million (as on 31 March 2018: ₹ 149.92 Million) and later than five years ₹ 110.71 Million (as on 31 March 2018: ₹ 148.19 Million).

3E The Property, plant and equipment including land have been hypothecated/mortgaged to secure borrowings of the Company. See Note 44 for details.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
4 NON-CURRENT INVESTMENTS		
Unquoted		
Investments in Equity Instruments (fully paid up)		
Investment in Subsidiaries (At cost)		
Ghotaringa Minerals Limited *	-	8.90
Nil (31 March 2018 : 890,000) Equity Shares of ₹ 10/- each, fully paid up [Including beneficial interest in 44,500 Equity Shares of ₹ 10/- each, fully paid up]		
Kalinganagar Chrome Private Limited	0.60	0.60
60,000 (31 March 2018 : 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 2018 : 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 2018 : 1,000,000) Equity Shares of ₹ 10/- each, fully paid up		
Investment-Others (At fair value through Profit and Loss)		
VISA Coke Limited #	31.63	31.63
1,054,476 (31 March 2018 : 1,054,476) Equity Shares of ₹ 10/- each fully paid up [Including beneficial interest in 5 Equity Shares of ₹ 10/- each, fully paid up]		
Aggregate amount of unquoted investments	42.93	51.83

* Refer Note 42

@ For charges created in respect of shareholding in VISA Urban Infra Limited, refer Note 18.B (i) (e).

Investment is stated at Fair Value

Particulars	As at 31 March 2019	As at 31 March 2018
5 NON-CURRENT - LOANS		
Unsecured, considered good		
Security Deposits with Others/ Related Party		
Security Deposits - Others	77.05	99.92
Loans to related parties		
Loan to Subsidiary : Ghotaringa Minerals Limited (interest bearing)*	-	2.50
	77.05	102.42

* Refer Note 42

Particulars	As at 31 March 2019	As at 31 March 2018
6 NON-CURRENT - OTHER FINANCIAL ASSETS		
Fixed deposits with banks having original maturity of more than 12 months (Pledged with bank against guarantees given by bank)	-	18.13
	-	18.13

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
7 DEFERRED TAX ASSETS (NET)		
The balance comprises temporary differences attributable to:		
Deferred Tax Assets (A)		
Investments in Joint Ventures	1.57	1.46
Inventories	0.10	0.10
Allowance for Doubtful Trade Receivables	1.58	3.85
Allowance for Doubtful Advances	2.48	3.94
Lease Payables	64.05	70.01
Provisions for Employee Benefits	13.11	10.22
Interest Accrued	630.89	625.32
Current Maturities of Finance Lease Obligations	5.95	5.38
Statutory liabilities	142.94	149.05
Other financial liabilities	4.20	6.74
Unabsorbed Depreciation & Business Loss Carried Forward	1,648.93	1,638.06
	2,515.80	2,514.13
Set off of Deferred Tax Liabilities pursuant to set off provisions (B)		
Property, Plant and Equipment and Intangible Assets	(2,515.02)	(2,513.03)
Borrowings	(0.78)	(1.10)
	(2,515.80)	(2,514.13)
Net Deferred Tax Assets (A-B)	-	-

Movements in Deferred Tax Assets during the year ended:

31 March 2019	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred tax liabilities/(assets) in relation to :			
Investments in Joint Ventures	1.46	0.11	1.57
Inventories	0.10	-	0.10
Allowance for Doubtful Trade Receivables	3.85	(2.27)	1.58
Allowance for Doubtful Advances	3.94	(1.46)	2.48
Lease Payable	70.01	(5.96)	64.05
Provisions for Employee Benefits	10.22	2.89	13.11
Interest Accrued	625.32	5.57	630.89
Current Maturities of Finance Lease Obligations	5.38	0.57	5.95
Statutory liabilities	149.05	(6.11)	142.94
Other financial liabilities	6.74	(2.54)	4.20
Unabsorbed Depreciation & Business Loss Carried Forward	1,638.06	10.87	1,648.93
Total Deferred Tax Assets	2,514.13	1.67	2,515.80
Property Plant and Equipment and Intangible Assets	(2,513.03)	(1.99)	(2,515.02)
Security Deposit considered as Advance Rent	-	-	-
Borrowings	(1.10)	0.32	(0.78)
Total Deferred Tax Liabilities	(2,514.13)	(1.67)	(2,515.80)
Net (Charge)/Credit	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Movements in Deferred Tax Assets during the year ended:

31 March 2018	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred tax liabilities/(assets) in relation to :			
Investments in Joint Ventures	1.28	0.18	1.46
Security Deposit	13.17	(13.17)	-
Inventories	1.43	(1.33)	0.10
Allowance for Doubtful Trade Receivables	64.82	(60.97)	3.85
Allowance for Doubtful Advances	6.02	(2.08)	3.94
Lease Payable	71.34	(1.33)	70.01
Security Deposit considered as Advance Rent	144.15	(144.15)	-
Provisions for Employee Benefits	7.94	2.28	10.22
Interest Accrued	572.25	53.07	625.32
Current Maturities of Finance Lease Obligations	4.59	0.79	5.38
Statutory liabilities	76.34	72.71	149.05
Other financial liabilities	6.62	0.12	6.74
Unabsorbed Depreciation & Business Loss Carried Forward	1,561.42	76.64	1,638.06
Total Deferred Tax Assets	2,531.37	(17.24)	2,514.13
Property Plant and Equipment and Intangible Assets	(2,370.51)	(142.52)	(2,513.03)
Security Deposit considered as Advance Rent	(159.48)	159.48	-
Borrowings	(1.38)	0.28	(1.10)
Total Deferred Tax Liabilities	(2,531.37)	17.24	(2,514.13)
Net (Charge)/Credit	-	-	-

Particulars	As at 31 March 2019	As at 31 March 2018
8 OTHER NON CURRENT ASSETS		
Capital Advances		
Considered Good	2.79	20.89
Considered Doubtful	7.11	7.11
Less: Allowances for Doubtful Recovery	(7.11)	(7.11)
	2.79	20.89

Particulars	As at 31 March 2019	As at 31 March 2018
9 INVENTORIES		
(Refer Note 2.2.7)		
Raw Materials [Refer (a) below]	416.89	318.87
Work-in-Progress	14.99	53.85
Finished Goods	80.92	240.21
Stores and Spares	78.72	103.68
By-products	42.93	9.05
	634.45	725.66

(a) Raw Materials includes Goods in Transit ₹ 0.92 Million(31 March 2018 : ₹ 20.62 Million).

(b) The Inventories have been pledged as security for bank loans. See Note 44 for details of security pledged for each class of borrowings.

(c) Inventories have been written off to Net Realisable Value amount to ₹ 5.41 million (31 March 2018 : NIL).These were recognised as an expense during the year and included in "Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress" in Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
10 CURRENT - TRADE RECEIVABLES		
Trade Receivable		
- Secured, considered good	-	-
- Unsecured, considered good	180.04	403.47
- which have significant increase in Credit Risk	-	-
- Unsecured, credit impaired	-	-
	180.04	403.47
Less: Allowances (refer note - b below)	4.50	11.00
	175.54	392.47

(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 represents provision made on account of Expected Credit Loss on Trade Receivable.

Particulars	As at 31 March 2019	As at 31 March 2018
11 CASH AND CASH EQUIVALENTS		
Balance with Banks		
in Current Account	8.25	165.97
Cash on hand	0.25	0.48
	8.50	166.45

Particulars	As at 31 March 2019	As at 31 March 2018
12 OTHER BANK BALANCES [OTHER THAN CASH AND CASH EQUIVALENTS]		
Earmarked Accounts		
Unclaimed Dividend Account	-	0.20
Margin Money with Banks with maturities less than 12 months	36.58	28.63
	36.58	28.83

Particulars	As at 31 March 2019	As at 31 March 2018
13 CURRENT - LOANS		
Unsecured, considered good		
Security Deposits with Enterprise having significant influence		
VISA International Limited	2.50	8.00
Security Deposits with Related Parties		
VISA Minmetal Limited	22.24	186.19
Security Deposits - Others	-	0.20
	24.74	194.39

Particulars	As at 31 March 2019	As at 31 March 2018
14 OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on Deposits	4.42	5.32
Interest Accrued on Loan to Subsidiary Company - Ghotaringa Minerals Limited*	-	1.73
	4.42	7.05

* Refer Note 42

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
15 CURRENT TAX ASSETS (NET)		
Advance Payment of Income Tax ([Net of Provision ₹ 464.80 Million (31 March 2018 : ₹ 464.80 Million)])	114.49	108.65
	114.49	108.65

Particulars	As at 31 March 2019	As at 31 March 2018
16 OTHER CURRENT ASSETS		
Advances other than Capital Advances		
Advances to Key Managerial Personnel	-	55.39
Employee Advance	0.46	5.47
Advances against Supply of Goods and Rendering Services		
Considered Good	82.58	9.41
Considered Doubtful	-	4.18
Less: Allowances for Doubtful Advances	-	(4.18)
Advances to Related Party	0.28	2.14
Others		
Receivable from DGFT and Customs towards Export Incentive		
Considered Good	0.18	1.58
Prepaid Expenses	9.38	11.55
Others Taxes Receivable / Adjustable		
Considered Good	-	178.75
Receivable from Subsidiary (Refer Note 36)	3,718.64	3,621.75
	3,811.52	3,886.04

Particulars	As at 31 March 2019	As at 31 March 2018
17 EQUITY SHARE CAPITAL AND OTHER EQUITY		
A Equity Share Capital		
Authorised		
252,000,000 Equity Shares (31 March 2018 : 252,000,000) of ₹ 10/- each	2,520.00	2,520.00
Issued, Subscribed and Paid-up		
115,789,500 Equity Shares (31 March 2018 : 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 2019		Year Ended 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	115,789,500	1,157.90	110,000,000	1,100.00
Add : Shares issued	-	-	5,789,500	57.90
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.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

Particulars	31 March 2019		31 March 2018	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
VISA Infrastructure Limited	44,387,167	38.34	44,387,167	38.33
CRESTA Fund Limited	-	-	9,912,036	8.56
ERISKA Investment Fund Limited	9,912,036	8.56	-	-
LTS Investment Fund Limited	10,497,122	9.07	10,497,122	9.07
VISA International Limited	23,787,833	20.54	23,787,833	20.54

B Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
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	(6,308.13)	(5,645.33)
Total	48.64	711.44
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	(5,645.33)	(5,371.35)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(661.62)	(275.93)
Add: Remeasurements Gain/ (Loss) of the net defined benefit Plan	(1.18)	1.95
Net deficit	(6,308.13)	(5,645.33)
Balance as at the end of the year	(6,308.13)	(5,645.33)
Total	48.64	711.44

Nature and purpose of Reserves

- Capital Reserve represents amount arisen pursuant to various Scheme of Amalgamation.
- 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.
- General Reserve represents free reserve not held for any specific purpose.

NOTES TO THE FINANCIAL STATEMENTS

18 LONG-TERM BORROWINGS

All amount in ₹ Million, unless otherwise stated

Particulars	Non-current Portion			Current Maturities			Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019
Secured								
Principal Term Loans								
[Refer B(i) & B(iii) and C(i) & C(ii) below]								
From Banks	963.76	1,763.72	2,395.13	1,998.18	3,358.89	3,761.90		
From Other Parties	539.42	687.35	1,132.70	741.81	1,672.12	1,429.16		
Fresh Loans								
[Refer B(i) & B(iii) and C(i) below]								
From Banks	515.43	842.81	1,031.02	845.14	1,546.45	1,687.95		
From Other Parties	115.89	104.22	231.78	105.10	347.67	209.32		
SMCF								
[Refer B(i) & B(iii) and C(i) below]								
From Banks	127.20	226.56	201.46	517.38	328.66	743.94		
From Other Parties	34.83	19.00	70.70	18.98	105.53	37.98		
Corporate Loan								
[Refer B(i) and C(iii) below]								
From Banks	1,323.65	1,766.99	514.45	406.71	1,838.10	2,173.70		
From Other Parties	271.85	59.51	140.05	16.79	411.90	76.30		
Funded Interest Term Loans								
[Refer B(i) & B(iii) and C(iv) below]								
From Banks	169.07	285.43	244.14	183.07	413.21	468.50		
From Other Parties	88.04	99.59	156.33	89.49	244.37	189.08		
Equipment and Vehicle Term Loans								
From Other Parties [Refer B(ii) and C(v) below]	-	-	-	1.09	-	1.09		
Term Loans from Other Parties								
[Refer B(iii) and C(vi) below]								
	4,149.14	5,855.18	6,233.92	5,039.90	10,383.06	10,895.08		
Unsecured								
Loans from Related Parties	-	-	442.50	442.50	442.50	442.50		
[Refer C(vii) below]								
Lease Payable to Related Party	183.30	200.34	17.04	15.41	200.34	215.75		
	4,332.44	6,055.52	6,693.46	5,497.81	11,025.90	11,553.33		
Less : Amount disclosed under the head "Other Current Financial Liabilities"	-	-	(6,693.46)	(5,497.81)	(6,693.46)	(5,497.81)		
[Refer Note 22]								
	4,332.44	6,055.52	-	-	4,332.44	6,055.52		

Loan sold / assigned to ACRE-

During the current financial year, Dena Bank, Indian Overseas Bank and Bank Of Baroda have assigned their Loans given to Company in favour of Assets Care & Reconstruction Enterprise Ltd. (ACRE). Accordingly, in the current financial year the assigned loan has been disclosed as loan from other parties. However, the corresponding figures of the last year has been kept unchanged in the loan schedule

NOTES TO 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 by lenders for plant operations and adjustment of sanctioned facilities with interest / principal repayment falling due over time, which resulted in complete depletion of working capital of the Company. The Company has also informed lenders that it reserves its right to claim losses suffered due to the actions and inactions of lenders arising out of breaches and violations of contractual and other arrangements and such claim amount shall be claimed as a right of set-off against any dues.

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

- i) Principal Term Loans
- ii) Fresh Loan (Loan pursuant to CDR package)
- iii) Funded Interest Term Loans (FITL) (Loan pursuant to CDR package)
- iv) Corporate Loan (Loan pursuant to Debt Restructuring under CLA)
- v) Working Capital Loans [Refer in Note 20]
- vi) Structured Mezzanine Credit Facility [SMCF(Sub debt)]

Due to the aforesaid external factors, the EBITDA margins of the Company since 2011-12 have not been sufficient to service interest / principal repayment and whilst the outstanding principal term loan amount 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. For the purpose of these financial statements, the Company has followed reorganization/reallocation and other terms and conditions of MRA/CLA as set out above.

SBI has filed an application with National Company Law Tribunal, Kolkata Bench(NCLT) for initiating Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC) and the matter is sub-judice. In the meantime lenders including 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 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. Details of Securities (Also refer note 44)

- i. **Principal Term Loan, Term Loan obtained by erstwhile VISA Bao Limited (VBL), Fresh Loan, SMCF (Sub debts), Funded Interest Term Loans (FITL), Corporate Term Loans and Working Capital facilities:**
 - (a) First pari-passu charge by way of hypothecation of all the Company's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Company, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
 - (b) First pari-passu mortgage and charge on the immovable properties of the Company situated at Kalinganagar Industrial Complex, Jajpur, (Odisha), Golagaon, Jajpur, (Odisha), Raigarh, (Chhattisgarh) and office premises of the Company at Bhubaneswar, (Odisha).

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

- (c) Pursuant to CDR, pledge of equity shares of the Company with the CDR Lenders.
- (d) Pledge of Equity Shares equivalent to 51% of the present shareholding in Ghotaringa Minerals Limited(GML) held by the Company. SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019.
- (e) Pledge of entire Equity Shares held by the Company in VISA Urban Infra Limited.
- (f) Lien on all Bank Accounts including the Trust and Retention Account.
- (g) The Lenders of SMCF are having a second pari-passu charge on the hypothecated assets and a second charge on the mortgaged assets of the Company.
- (h) SIDBI (exposure of ₹ 76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

- The Corporate Guarantee of VISA International Limited given pursuant to CDR.
- The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Company given pursuant to CDR.
- The corporate guarantee of Ghotaringa Minerals Limited (GML) given pursuant to CDR. SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019.

ii. Equipment and Vehicle Term Loans

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

iii. Term Loans from Bank and Other Parties

- (a) Term Loan from HUDCO -
Secured loan from other parties includes Term Loan (CDR) of ₹ 484.04 Million, Funded Interest Term Loan (FITL) of ₹100.53 Million and Term Loan (Non CDR) of ₹116.16 Million outstanding to HUDCO. The subsisting charge in respect of the Term Loan became irrelevant and stood satisfied upon the Company entering into Master

Restructuring Agreement (MRA) dated 19 December 2012 with the CDR lenders and the same was substituted by the fresh charge created in favour of the lenders who became parties to the MRA.

HUDCO is disputing the satisfaction of the previous charge and creation of fresh charge by the CDR lenders pursuant to MRA dated 19 December 2012. Both the Company and the State Bank of India, as the Lead Bank has since been calling upon HUDCO to execute a Deed of Accession so that the aforesaid charge substituted in favour of the CDR lenders could also be extended to HUDCO. HUDCO, however, has refused to do so despite specific order passed to the said effect by the Hon'ble High Court of Orissa at Cuttack in Copet No 17 of 2014 (Re: VISA Steel Ltd and VISA Special Steel Ltd) on 13 October 2015. HUDCO has instead filed an application in the said proceeding for recalling the said order and the matter is sub-judice.

C. Terms of Repayment of loans

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

These loans were to be repaid over a period of 10 years in quarterly instalments commencing from March 2013. Further such loans carry interest @ 10.75% p.a. for the first 4 years, @ 11.5% for 5th and 6th year and @ 2% above SBI's Base Rate for subsequent years of restructuring. Above mentioned loan amounting to ₹ 5,537.36 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 2,760.24 Million.

Repayment Schedule :

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

ii Terms of Repayment and outstanding balances of VBL Term Loan

VBL, since amalgamated with the Company, had entered in Joint consortium agreement with Punjab National Bank, Oriental Bank of Commerce, EXIM Bank and Punjab and Sind Bank on 16 January 2012, whereby an amount of ₹ 1,820.00 Million was sanctioned at (PNB BR + 2.5% + Term Premium i.e. 0.5%) with annual reset. The outstanding amount as on the balance sheet date is ₹ 1,763.01 Million to be repaid as per the repayment schedule given below with already due amount of ₹ 1,088.51 Million.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Repayment Schedule :

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

Subsequently, pursuant to CDR LOA dated 31st December 2014 loan of ₹ 175.00 Million was sanctioned at SBI BR+2.5% for setting up ferro chrome furnace. Out of the aforesaid sanction amount, ₹ 61.21 Million is outstanding with already due amount of ₹ 23.62 Million.

Repayment Schedule :

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

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

In line of aforementioned CLA, Corporate Term Loan amounting ₹ 2,250.00 Million, bearing an interest rate at 2.50% p.a. above the SBI's Base Rate, was sanctioned. Outstanding balance of such loan as at the balance sheet date is ₹ 2,250.00 Million to be repaid as per the below repayment schedule with already due amount of ₹ 423.50 Million.

Repayment Schedule

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

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

In terms of the CDR Package, the aggregate amount of interest accrued and due on the principal amounts of TL, and Additional Term Loan for the period 1 March 2012 to 28 Feb 2014 had been converted into Funded Interest Term Loans (FITL) which were repayable in quarterly instalments commencing from September 2014 and ending in December 2021. During the Financial Year 2012-13, Company had prepaid instalments due till the second month of second quarter of FY 2016-17. FITL carry interest @ 10.00% p.a. throughout the tenure of facility. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below. Above mentioned loan amounting to ₹ 657.58 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 272.13 Million.

Repayment Schedule :

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

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

Other Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
Daimler Financial Services Limited	-	1.09	48 Equal Monthly instalments over the period of loan.	10.25%
Total	-	1.09		

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

Bank and Other Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
HUDCO	116.16	116.16	Seventeen quarterly instalments of ₹ 6.69 Million each from Balance sheet date.	HUDCO Benchmark rate + 1% p.a.
Total	116.16	116.16		

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

vii. Terms of Repayment of Loans from Related Parties :

Other Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
VISA Infrastructure Limited	442.50	442.50	upon or before expiry of 3 years from the date of disbursement	8% p.a.
Total	442.50	442.50		

In view of proposed debt resolution, the rate of interest, terms of repayment and other terms and condition of debts may undergo changes.

- D** The debts of the Company which were restructured pursuant to the MRA dated 19 December 2012 having cut-off date of 1 March 2012 have been categorised as Non-Performing Assets (NPA). State Bank of India, the lead Bank has classified the debts of the Company as NPA with effect from 11 July 2012.

The Company stopped providing further interest in its books effective 1 April 2016. The amount of such interest not provided for in the financial year ended 31 March 2019 is estimated at ₹ 1,465.46 million and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 4,477.44 million.

Particulars	As at 31 March 2019	As at 31 March 2018
19 NON CURRENT PROVISIONS		
Provision for Employee Benefits	26.15	23.91
	26.15	23.91

Particulars	As at 31 March 2019	As at 31 March 2018
20 CURRENT - BORROWINGS		
Secured		
Loans Repayable on Demand		
(i) Short Term Loan - Others	-	120.00
(ii) Working Capital Loans		
From Banks [Refer Note 18.B (i)]	2,205.23	2,378.42
From Other Parties [Refer Note 18.B (i)]	492.89	319.69
(iii) Other Working Capital Loan		
From Other Parties [Refer (a) below]	66.31	67.46
Unsecured		
Sales Bill Discounting	180.04	318.18
	2,944.47	3,203.75

- (a) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of ₹ 76.40 Million (31 March 2018 : ₹ 76.40 Million). Also refer Note 18.B (i) for details of security.

During the current financial year, Indian Overseas Bank, Dena Bank and Bank of Baroda have assigned their Loans given to Company in favour of Assets Care & Reconstruction Enterprise Ltd. (ACRE). Accordingly, in the current financial year the assigned loan has been disclosed as loan from other parties. However, the corresponding figures of the last year has been kept unchanged in the loan schedule.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at	As at
	31 March 2019	31 March 2018
21 CURRENT - TRADE PAYABLES		
Dues to Related Party [Refer Note 48]	365.58	85.39
Dues to Micro and Small Enterprises	-	26.82
Dues to other than Micro and Small Enterprises	331.56	275.09
	697.14	387.30

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

Particulars	31 March 2019		31 March 2018	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of the accounting year : - Principal	-	-	26.82	-
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-	0.65
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23.	-	-	-	-

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

Particulars	As at	As at
	31 March 2019	31 March 2018
22 OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long-Term Debt [Refer Note 18]	6,233.92	5,039.90
Current Maturities of Finance Lease Obligations [Refer Note 18]	17.04	15.41
Loan Repayable to Related Party [Refer Note 18]	442.50	442.50
Interest Accrued	1,896.56	1,880.61
Unclaimed/Unpaid Dividends	-	0.20
Employee Related Liabilities	77.48	83.15
Other Liabilities	305.50	278.94
Capital Creditors	101.66	143.28
	9,074.66	7,883.99

Particulars	As at	As at
	31 March 2019	31 March 2018
23 OTHER CURRENT LIABILITIES		
Advances from Customers	-	97.85
Contract Liability	40.89	-
Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc.)	480.96	522.74
	521.85	620.59

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
24 CURRENT-PROVISIONS		
Provision for Employee Benefits	11.35	5.34
	11.35	5.34

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
25 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods [#]	7,950.91	8,278.43
Traded Goods	-	-
Total	7,950.91	8,278.43

[#]Sale of Manufactured Goods for the year ended 31 March 2018 includes Excise Duty

(b) Other Operating Revenues		
Scrap Sales	55.81	16.03
Export Incentives	0.79	-
Other Revenue	100.13	212.85
Liabilities no longer required written back	46.14	111.80
Allowances for Doubtful Debts, Advances etc. no longer required written back	(0.54)	13.53
Total	202.33	354.21
	8,153.24	8,632.64

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 March 2019
Receivables, which are included in 'Trade and other receivables'	180.04
Contract assets	-
Contract liabilities	40.89

(d) Other Information

- Transaction price allocated to the remaining performance obligations- NIL
- The amount of revenue recognised in the current period that was included in the opening contract liability balance. - NIL
- 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
- Performance obligations- The Company satisfy the performance obligation on shipment/delivery as per terms of contract.
- Significant payment terms- The contract does not have any financing component and variable consideration.

(e) Disaggregation of Revenue : Revenue from manufactured goods represents revenue from Sale of Ferro Chrome Products.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
26 OTHER INCOME		
(a) Interest Income		
On Bank Deposits (Margin Money)	3.18	3.56
On Others	18.36	64.96
(b) Other Non-Operating Income		
Insurance Claim Received	2.14	0.50
Gain on Sale of Property, Plant and Equipment	0.42	0.02
Income from Shared Services	128.83	128.49
Rental and Other Non Operating Income	0.26	0.77
	153.19	198.30

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
27 COST OF MATERIALS CONSUMED		
Chrome Ore	3,182.45	3,227.83
Coal and Coke	1,641.48	1,423.76
Others	223.62	296.63
	5,047.55	4,948.22

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	240.21	151.16
By-Products	9.05	40.87
Work-in-Progress	53.85	123.40
	303.11	315.43
Less : Closing Stock		
Finished Goods	80.92	240.21
By-Products	42.93	9.05
Work-in-Progress	14.99	53.85
	138.84	303.11
Increase/(Decrease) in Excise Duty on Stock	-	(15.13)
(Increase)/ Decrease in Stock	164.27	(2.81)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
29 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages (refer note a below)	329.43	301.86
Contribution to Provident and Other Funds	16.06	16.01
Staff Welfare Expenses	2.16	0.69
	347.65	318.56

(a) The advances kept in trust with the Key Managerial Personnels have been charged off in accordance with the MCA notification dated 12 September 2018.

(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 ₹ 12.49 Million (31 March 2018 : ₹ 11.95 Million) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

(II) Post Employment defined benefit plan - Gratuity (funded)

The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LICI) make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days, as per provisions of Gratuity Act depending upon the tenure of service subject to a maximum limit of ₹ 2.00 Million. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.2.11, based on which, the Company makes contributions to the Gratuity Fund.

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2017	18.41	18.11	0.30
Current Service cost	0.15	-	0.15
Interest cost/Income	1.35	-	1.35
Past Service Cost	1.78	-	1.78
Investment Income	-	1.33	(1.33)
Total amount recognised in profit or loss	3.28	1.33	1.95
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(0.70)	-	(0.70)
- Experience Variance (i.e. Actual Experience vs assumptions)	2.52	-	2.52
- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.13)	0.13
Total amount recognised in Other Comprehensive Income	1.82	(0.13)	1.95
Contributions by employer	-	0.28	(0.28)
Benefits paid	(2.52)	(2.52)	-
1 April 2018	20.99	17.07	3.92
Current Service cost	11.31	-	11.31
Interest Cost/Income	1.62	-	1.62
Past Service Cost	-	-	-
Investment Income	-	1.30	(1.30)
Total amount recognised in profit or loss	12.93	1.30	11.63
Remeasurements (Gains)/Losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	0.24	-	0.24
- Experience Variance (i.e. Actual Experience vs assumptions)	0.25	-	0.25
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.69)	0.69
Total amount recognised in Other Comprehensive Income	0.49	(0.69)	1.18
Contributions by employer	-	-	-
Benefits paid	(8.92)	(8.92)	-
31 March 2019	25.49	8.76	16.73

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

	As at 31 March 2019	As at 31 March 2018
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	25.49	20.99
Fair Value of Plan Assets at the end of the year	8.76	17.07
Net Asset /(Liability) recognised in the Balance Sheet	16.73	3.92

(V) Principal Actuarial Assumption Used:

	As at 31 March 2019	As at 31 March 2018
Discount Rates	7.60%	7.70%
Expected Salary Increase Rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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 LIC 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 2019	As at 31 March 2018
Insurer Managed Funds	100%	100%

(VII) Category of Plan Assets

	As at 31 March 2019	As at 31 March 2018
Fund with LIC	8.76	17.07
Total	8.76	17.07

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 2019					
Defined Benefit Obligation	3.79	5.56	8.52	46.03	63.90
As at 31 March 2018					
Defined Benefit Obligation	3.34	4.09	8.45	37.75	53.63

(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 2019		As at 31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	28.16	23.22	23.18	19.12
Salary Growth Rate (-/+1%)	23.19	28.17	19.10	23.18
Attrition Rate(-/+50%)	24.85	26.08	20.41	21.51
Mortality Rate(-/+10%)	25.39	25.60	20.90	21.08

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

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(IX) The Company expects to contribute ₹ 19.92 Millions (previous year ₹ 6.56 Millions) to its gratuity fund in 2019-20

Risk Exposure

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

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

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

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000). An upward revision of maximum gratuity limit will result in gratuity plan obligation.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
30 FINANCE COST		
Interest Expenses	118.95	108.91
Other Borrowing Costs - LC Discounting Charges and Other Processing Charges	12.28	17.78
	131.23	126.69

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
31 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation Expense on Property, Plant and Equipment (Refer Note a below)	455.00	491.62
Amortisation Expense on Intangible Assets	0.40	0.84
	455.40	492.46

Note:

a) Depreciation amount is reduced by ₹ 42.49 Million (Previous Year: ₹ 80.21 Million) towards allocation of depreciation of common facilities to VSSL.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
32 OTHER EXPENSES		
Consumption of Stores and Spare Parts	440.64	472.52
Power and Fuel	1,636.07	1,590.21
Rent	1.93	0.30
Lease Rent for Production Facility	-	0.27
Repairs to Buildings	13.30	35.03
Repairs to Machinery	54.77	35.59
Insurance Expenses	4.09	-
Rates and Taxes, Excluding Taxes on Income	258.65	238.62
Material Handling Expenses	91.11	112.62
Freight and Selling Expenses	168.62	183.17
Loss on Exchange Fluctuation (net)	0.05	12.98
Miscellaneous Expenses [Refer Note 45]	152.72	496.97
	2,821.95	3,178.28

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
33 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurements of the Defined Benefit Plans	(1.18)	1.95
	(1.18)	1.95

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
34 EARNING / (LOSS) PER EQUITY SHARE		
(I) Basic		
a. (Loss) / Profit After Tax	(661.62)	(275.93)
b. (i) Number of Equity Shares at the Beginning of the Year	115,789,500	110,000,000
(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	112,522,001
(iv) Face Value of each Equity Share (₹)	10.00	10.00
c. Basic Earning / (Loss) per Share [a / (b(iii))] (₹)	(5.71)	(2.45)
(II) Diluted		
a. Dilutive Potential Equity Shares		
b. Weighted Average number of Equity Shares for computing Dilutive Earning / (Loss) per Share	115,789,500	112,522,001
c. Diluted Earning / (Loss) per Share [same as (I)(c) above] (₹)	(5.71)	(2.45)

Particulars	As at 31 March 2019	As at 31 March 2018
35A 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	4,354.29	4,237.04
(iii) Other Matters	409.75	407.60
(b) Other money for which the Company is Contingently Liable :		
(i) Disputed Income Tax matters under Appeal	83.59	89.48
(ii) Disputed Sales Tax matters under Appeal	1.14	13.55
(iii) Disputed Entry Tax matters under Appeal	9.57	5.46
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	-	-
(v) Disputed Excise Duty matters under Appeal	10.96	10.96
(vi) Disputed Service Tax matters under Appeal	54.63	47.57

(c) In respect of the contingent liabilities mentioned in Note 36A(a) and 36A(b) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Particulars	As at 31 March 2019	As at 31 March 2018
35B CAPITAL COMMITMENT		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance of ₹ 0.33 Million, (31 March 2018 : ₹ 12.87 Million)]	40.46	172.78

36 TRANSFER OF SPECIAL STEEL UNDERTAKING

The Scheme of Arrangement ("the Scheme") between the Company and VISA Special Steel Limited ("VSSL") and their respective Shareholders and Creditors under Sections 391 to 394 and other applicable provisions of the Companies Act 1956 for the transfer of Special Steel undertaking of the Company to VSSL has been sanctioned by the Hon'ble National Company Law Tribunal, Cuttack Bench

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

vide its order dated 8 July 2019, consequent to which the Special Steel undertaking including assets, investments and properties, debts and liabilities stands transferred to and vested in VSSL at nil consideration as a going concern with appointed date of 1 April 2013.

The Special Steel undertaking has good potential to grow and such transfer will provide an opportunity to explore the business potential to the fullest and will facilitate in inducting investors and bring greater focus to Special Steel business and operations.

The Scheme is operative from 13 July 2019, the date on which certified copy of the order sanctioning the scheme was filed with the Registrar of Companies, Cuttack. The Scheme was pending with NCLT as on 16 May 2019, the date on which Company's financial statements were approved by the Board of Directors. The financial statements were then not issued to the shareholders for their approval. Meanwhile, ROC Cuttack has granted extension upto 31 December 2019 for holding the AGM of the Company. Consequent to the Scheme being sanctioned, these financial statements have been revised/ restated to give effect to the Scheme as at 1 April 2017 for the cumulative period from 1 April 2013 to 31 March 2017 amounting to ₹ 7,223.48 Million which has been adjusted with retained earnings, and the subsequent years ending on 31 March 2018 and 31 March 2019.

Consequent to the transfer of Special Steel Undertaking, the following revenue and profit/(Loss) pertaining to VSSL does not form part of these revised financial statements:

Sl. No.	Particulars	₹ in Millions	
		Year Ended	Year Ended
		31-Mar-19	31-Mar-18
1	Income from Operations (Net)	6,194.75	7,983.13
2	Profit/(Loss) before tax	(955.04)	(1,180.28)
3	Profit/(Loss) after tax	(955.04)	(1,180.28)

The following assets and liabilities stand transferred to and vested in VSSL from 1 April 2013:

Particulars	VSSL
Property, Plant & Equipment	16,668.90
Current Assets, Loans and Advances	1,621.30
Total Assets	18,290.20
Secured Borrowings	14,814.10
Current Liabilities and Provisions	3,476.10
Total Liabilities	18,290.20

The Company has allocated the various heads of income and expenditure on actual basis wherever applicable and in other cases, appropriate basis has been applied as suitable.

The Company has allocated its borrowings based on the Common Loan Agreement dated 28 March 2015 among the Lenders and the Company and VSSL. The assets and other liabilities have been bifurcated on actual basis wherever applicable and in other cases appropriate basis has been applied as suitable.

37 BUSINESS RE-ORGANISATION/RE-STRUCTURING PLAN

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

38 The Company has incurred net loss during the year ended 31 March 2019 which has adversely impacted 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 including high prices of raw material during e - auction. It is expected that the overall financial health of the Company would improve after debt resolution and improvement in working capital. Accordingly, the Company has prepared the financial statements on the basis of going concern assumption.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

39 OPERATING LEASES

The Company has entered into operating lease arrangement up to the tenure of 3 years which is cancellable lease. There is no obligation for renewal of the lease agreement and is renewable by mutual consent.

With respect to all operating lease	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease payments recognised in the statement of Profit and Loss during the year	1.93	0.30

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

Loans and advances in the nature of loans to subsidiaries and associates	For the year ended 31 March 2019	For the year ended 31 March 2018
Loan to subsidiary : Ghotaringa Minerals Limited	-	2.50
Maximum amount outstanding at any time during the year	2.50	2.50

(B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013 regarding loans given and investment made are mentioned in respective Notes of Non Current Investment [Refer Note 4], Loans -non current [Refer Note 5]. The Company has not given any Guarantees.

41 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2019

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.

42 DISSOLUTION OF SUBSIDIARY COMPANY

SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019. Consequently Company's Investment of ₹ 8.90 Million, Loan of ₹ 2.50 Million and Interest of ₹ 1.89 Million has been written off during the year.

43 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

Particulars	31 March 2019			31 March 2018		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial Assets						
Investments*	11.30		31.63	20.20		31.63
Trade Receivables	175.54			392.47		
Cash and Cash Equivalents	8.50			166.45		
Other Bank Balances	36.58			28.83		
Loans	101.79			296.81		
Others Financial Assets	4.42			25.18		
Total Financial Assets	338.13	-	31.63	929.94	-	31.63
Financial Liabilities						
Non Current Borrowings	4,332.44			6,055.52		
Current Borrowings	2,944.47			3,203.75		
Other financial liability	9,074.66			7,883.99		
Trade Payables	697.14			387.30		
Total Financial Liabilities	17,048.71	-	-	17,530.56	-	-

*Excludes investment measured at deemed cost/cost.

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

b) Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets and Liabilities measured at fair value as at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments		31.63		31.63
Derivative Asset				
Total Financial Assets	-	31.63	-	31.63
Financial Liabilities				
Foreign exchange forward contracts (USD)		-		
Total Financial Liabilities	-	-	-	-

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

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

(ii) Non-current financial assets and liabilities measured at amortised cost have same fair value as at 31 March 2019 and 31 March 2018.

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. Derivative assets has been fair valued based on Mark to Market valuation provided by Banks.

Changes in level 2 and level 3 fair values are analysed at each reporting period

44 ASSETS PLEDGED AS SECURITY (REFER NOTE 18 B)

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

Particulars	As at 31 March 2019	As at 31 March 2018
Current Assets		
Financial assets	249.78	789.19
Non-financial assets		
Inventories	634.45	725.66
Total current assets pledged as security(A)	884.23	1,514.85
Non-current Assets		
Property, Plant and Equipment	10,780.91	11,232.34
Capital Work-in-progress	2,971.37	2,963.93
Intangible Assets	1.64	2.04
Certain Investments	10.00	14.54
Total non-currents assets pledged as security (B)	13,763.92	14,212.85
Total assets pledged as security (A+B)	14,648.15	15,727.70

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at	As at
	31 March 2019	31 March 2018
45 MISCELLANEOUS EXPENSES INCLUDES PAYMENT TO AUDITORS		
As Auditors :		
Audit Fees	0.88	0.88
Tax Audit Fees	0.10	0.10
Other Services	0.48	1.24
Re-imbusement of expenses	-	-
	1.46	2.22

46 FINANCIAL RISK MANAGEMENT

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

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

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

(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 relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analysed individually, and an expected loss shall be directly deducted from debt securities.

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

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(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 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	8.50	166.45
Other Bank balances	36.58	28.83
Loans and other receivables	106.21	321.99
Trade receivable (net)	175.54	392.47
	326.83	909.74

(ii) Impairment losses on financial assets

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

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables (measured under life time excepted credit loss model)		
Loss Allowance at the beginning of the year	11.00	196.04
Add: Loss Allowance provided during the year	3.07	36.18
Less: Write Off	-	165.25
Less: Loss Allowance reversed during the year	9.57	55.97
Loss Allowance at the end of the year	4.50	11.00

The aging of trade accounts and notes receivable as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Not due		
Over due less than 3 month	180.04	401.35
3 months - 12 months	-	2.11
over 12 months	-	-
	180.04	403.46

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

(B) Liquidity Risk

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

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

(i) Financing arrangements

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

Particulars	As at 31 March 2019	As at 31 March 2018
Expiring beyond one year	103.14	103.14
	103.14	103.14

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(ii) Maturities of financial liabilities

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

As at 31 March 2019	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	697.14	-	-	-	697.14
Non Current Borrowings @	-	-	4,332.44	-	4,332.44
Current Borrowings @	2,944.47	-	-	-	2,944.47
Other financial liabilities @	7,804.15	1,270.51	-	-	9,074.66
	11,445.76	1,270.51	4,332.44	-	17,048.71

As at 31 March 2018	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade accounts and notes payable	387.30	-	-	-	387.30
Non Current Borrowings @	-	-	6,055.52	-	6,055.52
Current Borrowings @	3,203.75	-	-	-	3,203.75
Other financial liabilities @	6,089.90	1,794.09	-	-	7,883.99
	9,680.95	1,794.09	6,055.52	-	17,530.56

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

(C) Market Risk

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

(i) Interest rate risk

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

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

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate financial liabilities	12,669.95	13,441.26
Variable rate financial assets	-	-

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

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

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

As of 31 March 2019 and 31 March 2018, 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 2019 and 31 March 2018 were as follows:

Particulars	Impact on profit before tax	
	As at 31 March 2019	As at 31 March 2018
Interest rates - increase by 100 basis points [Refer (a) below]	126.70	134.41
Interest rates - decrease by 100 basis points [Refer (a) below]	(126.70)	(134.41)

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

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(ii) Foreign currency risk

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

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

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

- a) The Company has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
Financial Assets				
Trade receivables	-	-	0.01	-
Capital Advance	-	-	-	-
Advance to supplier	-	-	-	-
Net exposure to foreign currency risk (assets)	-	-	0.01	-
Financial Liabilities				
Trade payables	0.06	-	0.06	-
Capital Creditor	-	-	-	-
Net exposure to foreign currency risk (liabilities)	0.06	-	0.06	-

Net Forex Exposure

Particulars	As at	As at
	31 March 2019	31 March 2018
USD	(0.06)	(0.05)
EUR	-	-

- b) As of 31 March 2019 and 31 March 2018, 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 2019 and 31 March 2018 were as follows:

Particulars	Impact on profit before tax	
	As at 31 March 2019	As at 31 March 2018
USD		
10% increase	(0.40)	(0.32)
10% decrease	0.40	0.32
EUR		
10% increase	-	-
10% decrease	-	-

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

47 CAPITAL MANAGEMENT

a) Risk Management

The fundamental goal of capital management are to:

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

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

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

However in view of certain adverse factors and challenges being faced by the Company over past few years as explained in Note 38, the net worth of the Company has been adversely impacted. It is expected that the overall financial health of the Company would improve after debt resolution and availability of the working capital. The Company has not declared any dividend since financial year 2011-12.

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

Particulars	31 March 2019	31 March 2018
Net Debt	15,866.93	16,637.69
Total equity	1,206.54	1,869.34
Net debt to equity ratio	13.15	8.90

b) Loan Covenants

The Company has been under financial stress since 2011-12 due to various external factors beyond the control of the Company and the EBITDA margins of the Company since 2011-12 have not been sufficient to service interest / principal repayment. 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. (Also refer note 18A).

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

(a) Related Parties	Names of the Related Parties
(i) Where Control Exists	
Subsidiaries	Ghotaringa Minerals Limited- upto 22 February 2019 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
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman) Mr. Vishal Agarwal (Vice Chairman & Managing Director) Mr. Manoj Kumar (Director-Kalinganagar) Mr. Pratip Chaudhuri (Non-executive Director) Mr. Manas Kumar Nag (Nominee Director) deceased on 31 March 2019 Mr. Kishore Kumar Mehrotra (Non-executive Director) up to 10 July 2018 Ms. Rupanjana De (Non-executive Director) Mr. Sheo Raj Rai (Non-executive Director) Mr. Dhanesh Ranjan (Non-executive Director) w.e.f 30 September 2018
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 Trading (Shanghai) Co. Limited

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(b) Details of Transactions with Related Parties

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

Nature of Transactions	Name of the Related Parties	31 March 2019	31 March 2018
Purchase of Goods	VISA Coke Limited	829.18	423.25
	VISA Minmetal Limited	1,973.11	1,774.08
Purchase of Export Incentive Licences	VISA Minmetal Limited	-	5.43
Sale of Goods	VISA Resources India Limited	-	260.36
	VISA Minmetal Limited	5,597.90	6,302.05
Sale of Export Incentive Licences	VISA Coke Limited	-	14.30
	VISA Minmetal Limited	2.19	-
Rent Paid	VISA International Limited	-	0.56
	VISA Infrastructure Limited	-	28.45
	VISA Minmetal Limited	0.60	-
Hire Charges Paid	VISA Resources India Limited	7.38	6.82
Shared Service Fees Received	VISA Coke Limited	156.32	145.59
Finance Cost	VISA Infrastructure Limited	35.40	37.20
	VISA Coke Limited	-	23.58
Interest Income	VISA Infrastructure Limited	-	41.46
Lease Rental Paid	VISA Coke Limited	37.48	37.48
Remuneration to KMP	Mr. Vishambhar Saran	17.46	17.46
	Mr. Vishal Agarwal	18.40	18.18
	Mr. Manoj Kumar	7.65	8.58
Sitting Fees	Mr. Pratip Chaudhuri (Independent Director)	0.36	0.27
	Mr. Manas Kumar Nag (Nominee Director)	0.16	0.16
	Mr. Kishore Kumar Mehrotra (Independent Director)	0.08	0.37
	Ms. Ramya Hariharan (Independent Director)	-	0.01
	Ms. Rupanjana De (Independent Director)	0.32	0.16
	Mr. Dhanesh Ranjan (Independent Director)	0.08	-
	Mr. Sheo Raj Rai (Independent Director)	0.28	0.20
Reimbursement of Expenses (Net)	VISA Coke Limited	-	5.33
	VISA Infrastructure Limited	-	0.64
	VISA Minmetal Limited	0.31	2.67
	VISA Resources India Limited	1.72	-
Recovery of Expenses (Net)	VISA Resources India Limited	-	2.27
	VISA Coke Limited	1.60	-
Security Deposit Given	VISA Minmetal Limited	-	186.19
Unsecured Loan Repaid	VISA Infrastructure Limited	-	138.90
Receipt of Security Deposit Given (Net)	VISA Minmetal Limited	163.95	-
	VISA International Limited	5.50	-
	VISA Infrastructure Limited	-	195.00
Investment/Loan/Interest accrued on Loan Written off (Refer Note 42)	Ghotaringa Minerals Limited	13.29	-
Transactions Pursuant to transfer of Special Steel Undertaking (Refer Note 36)	VISA Special Steel Limited	96.89	609.43

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Nature of Transaction	31 March 2019					31 March 2018				
	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Rent Charges	-	-	-	-	0.60	-	29.01	-	-	0.50
Hire Charges	-	-	-	-	7.38	-	-	-	-	6.82
Purchase of Goods	-	-	-	-	2,802.29	423.25	-	-	-	1,774.08
Sale of Goods	-	-	-	-	5,597.90	-	-	-	-	6,562.41
Income From Shared Services	-	-	-	-	156.32	145.59	-	-	-	-
Purchase of FPS Licenses	-	-	-	-	-	-	-	-	-	5.43
Sale of Export Incentive Licences	-	-	-	-	2.19	14.30	-	-	-	-
Interest Income	-	-	-	-	-	0.28	41.46	-	-	-
Finance Cost	-	35.40	-	-	-	23.58	37.20	-	-	-
Lease Rental	-	-	-	-	37.48	37.48	-	-	-	-
Re-imbursement of Expenses (Net)	-	-	-	-	0.76	5.33	0.72	-	-	2.67
Recovery of Expenses (Net)	0.02	0.05	-	-	0.34	0.01	-	-	-	2.34
Unsecured Loan Repaid	-	-	-	-	-	-	138.90	-	-	-
Receipt of Security Deposit Given (Net)	-	5.50	-	-	163.95	-	195.00	-	-	-
Security Deposit Given	-	-	-	-	-	-	-	-	-	186.19
Remuneration	-	-	43.50	4.63	-	-	-	44.21	4.33	-
Sitting Fees	-	-	1.28	-	-	-	-	1.17	-	-
Investment/Loan/Interest accrued on Loan Written off (Refer Note 42)	13.29	-	-	-	-	-	-	-	-	-
Transactions Pursuant to transfer of Special Steel Undertaking (Refer Note 36)	96.89	-	-	-	-	609.43	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2019

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	3,718.92	-	-	-	-
Payable	-	-	3.44	1.13	365.58
Unsecured Loan	-	442.50	-	-	-
Security Deposit Receivable	-	2.50	-	-	22.24

Details of Balances with Related Parties as at 31 March 2018

Balance	Subsidiary Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	3,626.40	-	51.05	-	-
Payable	-	6.28	2.65	0.73	81.47
Unsecured Loan	-	442.50	-	-	-
Security Deposit Receivable	-	8.00	-	-	186.19

(e) Details of compensation paid to KMP

KMP Compensation	VISHAMBHAR SARAN		VISHAL AGARWAL		MANOJ KUMAR	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Short-Term Employee Benefits	15.12	15.11	16.18	15.95	7.48	8.36
Post-Employment Benefits	2.34	2.34	2.22	2.22	0.17	0.22
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	17.46	17.45	18.40	18.17	7.65	8.58

(f) To ensure uninterrupted supply of essential goods and critical raw material for plant operations, the Company has settled its receivable from one related party with payable to another related party on various dates during the year.

49 i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated. ii) Balances of banks/ financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Company are pending before Hon'ble Orissa High Court and the Company is contesting the same.

50 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:18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of VISA Steel Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. This report supersedes our earlier report dated May 16, 2019 addressed to the Members of VISA Steel Limited.

QUALIFIED OPINION

2. 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 48 to the attached consolidated financial statements), comprising the consolidated balance sheet as at March 31, 2019, 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 3 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 March 31, 2019, 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

3. We draw your attention to Note 18D 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 March 31, 2019 is ₹ 11,382.78 million (including ₹ 3,840.96 million for FY 2016-17, ₹ 3,874.55 million for FY 2017-18, and ₹ 3,667.27 million for the year ended March 31, 2019 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 year ended March 31, 2019 would have been ₹ 3,853.91 million instead of the reported amount of ₹ 186.64 million. Total expenses for the year ended March 31, 2019 would have been ₹ 19,610.84 million instead of the reported amount of ₹ 15,943.57 million. Net loss after tax for the year ended March 31, 2019 would have been ₹ 5,283.61 million instead of the reported amount of ₹ 1,616.34 million. Total Comprehensive Income for the year ended March 31, 2019 would have been ₹ (5,284.79) million instead of the reported amount of ₹ (1,617.52) million, other equity would have been ₹ (22,093.17) million against reported ₹ (10,710.40) million, other current financial liability would have been ₹ 33,627.41 million instead of reported amount of ₹ 22,244.63 million and Loss per share for the year ended March 31, 2019 would have been ₹ 45.63 instead of the reported amount of ₹ 13.96.

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

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

4. We draw your attention to Note 38 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 has accumulated losses and has also incurred losses during the year ended March 31, 2019. As on date, the Parent Company and one of its subsidiary'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) has filed an application at National Company Law Tribunal for initiation of Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code and the matter is sub-judice. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as going concern. However, the assets and liabilities are still being carried at their book value and no impairment of its non-current assets has been done. 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 Parent Company and one of its subsidiary which is under process, the Parent Company and one of its subsidiary's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future.

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

INDEPENDENT AUDITORS' REPORT

EMPHASIS OF MATTER

5. We draw your attention to the following matters

a) Refer Note – 50 to the consolidated financial Statement for revision to the consolidated financial statement

pursuant to the Scheme of Arrangement (“the scheme”) approved by the National Company Law Tribunal vide its order dated July 8, 2019, all the assets and liabilities of the special steel undertaking of VISA Steel Limited (“Transferor Company”) has been transferred to and vested in VISA Special Steel Limited, a wholly owned step down subsidiary (“Transferee Company”) at their respective book values on a going concern basis from April 1, 2013 being the appointed date. Effective date of the scheme is July 13, 2019 being the date on which certified copy of the order sanctioning the said scheme is filed with Registrar of Companies, Odisha.

The consolidated financial statements of the Company for the year ended March 31, 2019 were earlier approved by the Board of Directors at their meeting held on May 16, 2019 and were audited by us and our report dated May 16, 2019, addressed to the Members of the Company, expressed a qualified opinion on those financial statements. These financial statements were not issued to the shareholder for their approval. . Consequent to the sanctioning of the scheme, the Parent Company and Group has revised / restated the standalone / consolidated financial statements to give effect of the scheme and have been approved by the Board of Directors on October 18, 2019. We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the Statements (as amended) are restricted solely to the aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 16, 2019 (being the date on which the Statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).

b) The erstwhile auditor has audited the consolidated financial statement of the Company for the years ending on March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and have issued unmodified opinion for the year March 31, 2016 and have issued a qualified opinion for the year ended March 31, 2014, March 31, 2015, March 31, 2017. The above audited consolidated financial statement have been relied by us for giving impact of the scheme effective April 1, 2013.

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, Business Responsibility Report, Corporate Governance Report, Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Key Audit Matters as reported by Principal Auditors in their Independent Audit Report

The key audit matter	How the matter was addressed in our audit
Related Party Transactions	
Refer to Note No. 48 to the standalone 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. 48 Related Party Transactions. Transactions with other related party for revenue generation is 71% 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.	<p>We addressed the Key Audit Matter as follows :-</p> <ol style="list-style-type: none"> 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. <p>Our audit procedures did not lead to any reservations regarding the related party transactions and its disclosure.</p>
Valuation of Inventories	
Refer to Note No. 9 to the financial statements. As described in the accounting policies in note 2.2.7 to the financial statements, inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.	<p>How our audit addressed the key audit matter:</p> <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> 1. Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk 2. Verifying the effectiveness of key inventory controls operating over inventories, including sample based physical verification. 3. Verifying for a sample of individual products that costs have been correctly recorded. 4. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision. 5. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. 6. Recomputing provisions recorded to verify that they are in line with the Company policy. <p>Our Observation:</p> <p>Based on the audit procedures performed we are satisfied that the valuation of inventory is appropriate.</p>

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.

INDEPENDENT AUDITORS' REPORT

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 information of such entities. 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 two subsidiaries whose financial statements / financial information reflect total assets of ₹ 1.78 million and net assets of ₹ 1.43 million as at March 31, 2019, total revenue of ₹ NIL total comprehensive income of ₹ (0.03) million (comprising loss and other comprehensive income) and net cash outflow of ₹ 0.02 million for the year ended on that date are considered in the statement. The consolidated financial statement also include the Group's share of net loss of ₹ (0.12) million for the year ended March 31, 2019, in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit 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 and the financial statements / financial information certified by the Management.

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 3 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 3 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 March 31, 2019 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 March 31, 2019 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 March 31, 2019 on the consolidated financial position of the Group and its joint venture. Refer Note 37A to the consolidated financial statements.
 - ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Parent Company or its subsidiary companies, joint venture incorporated in India during the year ended March 31, 2019.

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

(Pradeep Kumar Singhi)

Partner

Membership No. 050773

UDIN : 19050773AAAAAF4266

Place: Kolkata
Date: October 18, 2019

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 March 31, 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the VISA Steel Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to 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 Board of Directors of the Parent company and its subsidiary companies and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with

reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial

controls with reference to 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 financial statements of the Company as at March 31, 2019:

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 financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non-recognition of interest expense as indicated in Note 18D to the consolidated financial statements.

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

QUALIFIED OPINION

10. In our opinion, the 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 system over financial reporting and except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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 financial statements in so far as it relates to two 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 March 31, 2019, 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 March 2019 consolidated financial statements and this report affect our report dated October 18, 2019, which expressed a qualified opinion on those financial statements.
13. We further report that, our audit procedures on the subsequent events in so far as it relates to the revision to the consolidated financial Statements (as amended) are restricted solely to the matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 16, 2019 (being the date on which the Statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).

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

Pradeep Kumar Singhi

Partner

Membership No. 50773

UDIN : 19050773AAAAAF4266

Place: Kolkata
Date: October 18, 2019.

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	As at 31 March 2019	As at 31 March 2018
I.	ASSETS			
	Non-current Assets			
	Property, Plant and Equipment	3A	28,039.95	29,331.20
	Capital Work-in-Progress	3C	2,971.36	2,994.85
	Intangible Assets	3B	1.74	2.14
	Financial Assets			
	(i) Investments	4	31.63	31.63
	(ii) Investments accounted for using the Equity Method	43 (c)	10.19	10.31
	(iii) Loans	5	77.71	116.13
	(iv) Other Financial Assets	6	-	18.13
	Deferred Tax Assets (Net)	7	-	-
	Other Non Current Assets	8	4.56	27.66
	Total Non-Current Assets		31,137.14	32,532.05
	Current Assets			
	Inventories	9	1,020.79	1,214.97
	Financial Assets			
	(i) Trade Receivables	10	332.21	665.82
	(ii) Cash and Cash Equivalents	11	8.80	166.82
	(iii) Other Bank Balances [other than (ii) above]	12	36.58	29.78
	(iv) Loans	13	24.74	194.39
	(v) Others Financial Assets	14	4.42	5.32
	Current Tax Assets (Net)	15	125.01	118.69
	Other Current Assets	16	307.95	602.12
	Total Current Assets		1,860.50	2,997.91
	Total Assets		32,997.64	35,529.96
II.	EQUITY AND LIABILITIES			
	Equity			
	Equity Share Capital	17 A	1,157.90	1,157.90
	Other Equity	17 B	(10,710.40)	(9,091.38)
	Equity attributable to owners of VISA Steel Limited		(9,552.50)	(7,933.48)
	Non-Controlling Interest	47 (b)	-	0.95
			(9,552.50)	(7,932.53)
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	18	10,302.82	14,759.94
	Provision	19	40.36	43.09
	Total Non Current Liabilities		10,343.18	14,803.03
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	20	7,861.95	8,223.67
	(ii) Trade Payables	21		
	- total outstanding dues of micro and small enterprise		15.69	26.82
	- total outstanding dues of creditors other than micro and small enterprise		1,117.98	1,197.20
	(iii) Other Financial Liabilities	22	22,244.63	18,300.52
	Other Current Liabilities	23	949.19	901.65
	Current Tax Liabilities (net)	24	-	0.01
	Provisions	25	17.52	9.59
	Total Current Liabilities		32,206.96	28,659.46
	Total Equity and Liabilities		32,997.64	35,529.96

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

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

Pradeep Kumar Singhi
Partner
Membership Number-50773

Place: Kolkata
Date: 18 October 2019

ANNUAL REPORT 2018-19

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Sudhir Kumar Banthiya
Company Secretary

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Ranjan Jindal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Sl. No.	Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Continuing Operations				
I	Revenue from Operations	26	14,167.59	20,997.72
II	Other Income	27	159.76	552.76
III	Total Income		14,327.35	21,550.48
IV	Expenses			
	Cost of Materials Consumed	28	10,326.69	14,386.25
	Purchases of Stock-In-Trade	29	14.35	21.97
	Changes in Inventories of Finished Goods, Stock-In -Trade and Work-In-Progress	30	219.13	737.01
	Excise Duty		-	329.49
	Employee Benefit Expense	31	674.52	834.90
	Finance Costs	32	186.64	339.06
	Depreciation and Amortization Expense	33	1,333.96	1,505.84
	Other Expenses	34	3,188.28	4,293.01
	Total Expenses		15,943.57	22,447.53
	Profit before Exceptional Items, Share of Net Profit of Investment accounted using Equity Method and Tax		(1,616.22)	(897.05)
	Share of Net Profit of Joint Venture accounted using Equity Method and Tax	47 (c)	(0.12)	0.12
V	Profit/(Loss) before Exceptional Items and Tax		(1,616.34)	(896.93)
VI	Exceptional items		-	-
VII	Profit/(Loss) before Tax		(1,616.34)	(896.93)
VIII	Tax Expenses			
	1)Current Tax		-	-
	2)Deferred Tax		-	-
IX	Profit (Loss) for the period from Continuing Operations		(1,616.34)	(896.93)
X	Profit/(loss) for the period		(1,616.34)	(896.93)
XI	Other comprehensive income	35		
	A(i) Items that will not be reclassified to profit or loss		(1.18)	2.47
	A(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XII	Total Comprehensive Income for the period		(1,617.52)	(894.46)
XIII	Profit/(loss) for the year is attributable to:			
	Owners of the Company		(1,616.34)	(875.41)
	Non-Controlling Interest		-	(21.52)
XIV	Other comprehensive income is attributable to:			
	Owners of the Company		(1.18)	2.22
	Non-Controlling Interest		-	0.25
XV	Total Comprehensive Income for the period attributable to:			
	Owners of the Company		(1,617.52)	(873.19)
	Non-controlling Interest		-	(21.27)
XVI	Earnings/(Loss) per Equity Share			
	1) Basic	36	(13.96)	(7.97)
	2) Diluted		(13.96)	(7.97)

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

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

Pradeep Kumar Singhi
Partner
Membership Number-50773

Place: Kolkata
Date:18 October 2019

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

For and on behalf of the Board of Directors

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

A EQUITY SHARE CAPITAL

Particulars	Note	Balance as at 1 April 2017	Change in Share Capital during 2017-18	Balance as on 31 March 2018	Change in Share Capital during 2018-19	Balance as on 31 March 2019
Equity Share Capital	17A	1,100.00	57.90	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 2017		4,612.65	2,552.80	60.33	(14,536.17)	(7,310.39)	580.62	(6,729.77)
Profit/(Loss) for the year		-	-	-	(875.41)	(875.41)	(21.52)	(896.93)
Recognition/derecognition			(907.80)			(907.80)	(558.40)	(1,466.20)
Other Comprehensive Income for the year					2.22	2.22	0.25	2.47
Balance as at 31 March 2018	17B	4,612.65	1,645.00	60.33	(15,409.36)	(9,091.38)	0.95	(9,090.43)
Profit/(Loss) for the year		-	-	-	(1,616.34)	(1,616.34)	-	(1,616.34)
Recognition/derecognition		-	-	-	(1.50)	(1.50)	(0.95)	(2.45)
Other Comprehensive Income for the year		-	-	-	(1.18)	(1.18)	-	(1.18)
Balance as at 31 March 2019		4,612.65	1,645.00	60.33	(17,028.38)	(10,710.40)	-	(10,710.40)

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:18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash Flow from Operating Activities		
Profit/(Loss) before Tax for the period	(1,616.34)	(896.93)
Adjusted for :		
Depreciation and Amortization Expense	1,333.96	1,505.84
Finance Costs	186.64	339.06
Interest Income	(27.61)	(107.00)
Changes in Investment in Joint Venture	0.12	(0.12)
Income from Shared Services	(128.83)	-
Liabilities no longer required written back	(52.93)	(329.02)
Processing Charges	-	2.59
Loss on retirement of Assets	0.40	1.35
Allowance for Doubtful Debts, Advances etc. no longer required written back	(1.48)	(55.56)
Loss on Fair Value of Investment	8.90	
(Gain)/Loss on sale of Property, Plant and Equipment	(0.42)	(0.02)
Unrealised Forex Loss / (Gain) [Net]	1.45	(3.35)
Profit on Loss of Control of Subsidiary	(0.50)	(442.96)
Operating Profit/ (Loss) before changes in Operating Assets and Liabilities	(296.64)	13.88
Adjustments for Changes in Operating Assets and Liabilities		
(Increase) in Trade and Other Receivables	846.40	407.20
(Increase)/Decrease in Inventories	194.17	1,486.59
Increase/(Decrease) in Trade and Other Payables	77.71	(383.40)
Cash used from/ (used in) Operations	821.64	1,524.27
Direct Taxes (paid)/ refund	(6.32)	(12.44)
Net Cash used from/ (used in) Operating Activities	815.32	1,511.83
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(9.76)	(205.49)
Sale of Property, Plant and Equipment	1.44	-
Release of Margin Money Account	10.18	223.63
Income from Shared Services	128.83	-
Interest Received	28.51	122.00
Net Cash from/ (used in) Investing Activities	159.20	140.14
C. Cash Flow from Financing Activities		
Repayment of Non-Current Borrowings	(581.57)	(723.79)
Proceeds/ (Repayment) of Current Borrowings (net)	(361.73)	(461.11)
Decrease in Earmarked Accounts	(0.20)	(0.39)
Finance Costs Paid	(188.99)	(341.70)
Net Cash used from Financing Activities	(1,132.49)	(1,526.99)
Net increase in Cash and Cash Equivalents (A+B+C)	(157.97)	124.98
Cash and Cash Equivalents		
Net Increase in Cash and Cash Equivalents	(157.97)	124.98
Cash and Cash Equivalents at the beginning of the year	166.82	154.82
Derecognition of Cash and Cash Equivalents of the GML/VISA Coke Limited	(0.05)	(112.98)
Cash and cash equivalents at the end of the year	8.80	166.82

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
Balance with Banks in		
Current Account	8.55	166.34
Cheque in Hand	-	-
Cash on Hand	0.25	0.48
Cash and Cash Equivalents as at 31 March (Refer Note 11)	8.80	166.82

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

(c) Refer Note 51

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

Item	Balance as on 1 April 2018	Cash Flow	Non cash changes			Balance as on 31 March 2019
			Derogation/ recognition on loss of control of Subsidiary	Classification	Fair Value Adjustment	
Long Term Borrowings including Current Maturity	32,212.32	(566.14)	-	-	2.36	31,648.54
Short Term Borrowings	8,223.67	(361.72)	-	-	-	7,861.95
Lease Liability	215.76	(15.42)	-	-	-	200.34
Others (specify)	-	-	-	-	-	-
Total Liability from Financing Activities	40,651.75	(943.28)	-	-	2.36	39,710.83

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: 18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

1 CORPORATE INFORMATION

VISA Steel Group is consisting of VISA Steel Limited ('VSL' or 'the Parent Company') and its subsidiaries (together referred to as "Group"). The Group is engaged in the manufacturing and dealing in Iron and Steel products like Pig Iron, Sponge Iron, Special Steel, High Carbon Ferro Chrome with captive power plant, Coke etc. in Odisha. Incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar and Corporate Office in Kolkata with manufacturing units in Kalinganagar and branch offices across India. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). For details on the subsidiaries, refer Note-48. These financial statements have been prepared after giving effect to the Scheme of Arrangement sanctioned by National Company Law Tribunal, Cuttack bench pursuant to which the Special Steel Undertaking of the Parent Company stands transferred to and vested in VISA Special Steel Limited with appointed date of 1 April 2013. The Scheme is operative from 13 July 2019.

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, 2018.

- IND AS 115, Revenue from Contracts with customers
- Amendment to IND AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign currency transactions and Advance consideration to IND AS 21, The Effects of change in Foreign Currency Rate
- Amendment to IND AS 12, Income Taxes
- Amendment to IND AS 40, Investment Property
- Amendment to IND AS 28, Investment in Associate and Joint Ventures and IND AS 112, Disclosure of Interest in Other Entities.

The Group had to change its accounting policies following the adoption of IND AS 115. Most of the other amendments listed above did not have any impact on the amounts recognized 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 Consolidated Financial Statements have been prepared on the historical cost convention and on accrual basis except for the following:

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

2.1.3 Principles of consolidation and equity accounting Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. 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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

of changes in equity and consolidated balance sheet respectively.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.2.4.

(ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with

the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.1.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset 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.
- The Group classifies all other liabilities as non-current.

The Company classifies all other liabilities as non-current.

2.2 Summary of significant accounting policies

2.2.1 Financial instruments

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

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 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 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. 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. 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 45 details how the Group determines whether there has been a significant increase in credit risk.

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

iii) Derecognition of financial assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

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 hedge relationships as defined by Ind-AS 109.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as Fair Value Through Profit or Loss, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/loss are not subsequently transferred to statement of profit or loss. However, the Group may transfer the cumulative gain or loss 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 recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other payables

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

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 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

2.2.1.3 Derivatives

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

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives is recognised as income or expense through profit or loss.

2.2.1.4 Offsetting of financial instrument

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

2.2.2 Property, plant and equipment

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

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

Depreciation method, estimated useful lives and residual values

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

Assets of the Group

- Leasehold assets (Buildings and Plant and Machinery) which are jointly held are amortized over the period of lease i.e., 6 to 10 years, being lower than the useful lives specified in Schedule II to the Act for similar assets.
- Furnace refractories are depreciated over useful life of 5-6 years based on technical assessment done by the Group
- Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

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

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

Residual value: The residual value are not more than 5% of the original cost of the assets. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period

2.2.3 Intangible assets

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

Amortization

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

2.2.4 Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

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

2.2.5 Leases

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

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

As a lessee

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

Finance leases are capitalised at the inception date at fair value of the leased property or, if lower, at the present value

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

2.2.6 Inventories

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

2.2.7 Capital work-in-progress

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

2.2.8 Provisions and Contingent Liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. However contingent liabilities are not considered. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.2.9 Revenue from Operations

The Group derives revenue primarily from sale of High Carbon Ferro Chrome and Steel products like Sponge Iron, Pig Iron, Special Steel.

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 recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted modified retrospective approach and would apply Ind AS 115 only retrospectively to the current period.

Revenue is recognized 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 recognized based on transaction price which is at arm's length.

Use of significant judgements in revenue recognition

- The Group contracts with customers to transfer different products to a customer. The Group identifies distinct obligations in transferring the product in the contract. Identification of distinct obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price is the amount fixed in the contract. There is no variable portion in the transaction price. The transaction price is a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.
- The Group uses judgement to determine an appropriate standalone selling price for a product. The Group allocates the transaction price to each product on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- The Group exercises judgement in determining whether the transfer of product is satisfied at a point in time or after a period of time. The Group considers indicators such as who controls the goods as it is out for delivery,

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.2.10 Income Tax

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

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

2.2.11 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund.

Defined benefit plan

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

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.

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 40 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 – 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 capitalization, 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

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.
- c. **Environmental liabilities and Asset Retirement Obligation (ARO)** – Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.
- d. **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 optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- e. **Classification of leases** – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- f. **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
- g. **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
- h. **Significant judgments when applying Ind AS 115** – 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.

The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer/dealer. The Group makes estimates related to customer performance and sales volume to determine the total amounts earned and incentive to be recorded as deductions. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of control to the customer, acceptance of delivery by the customer, etc.

2.4 Standards issued but not yet effective up to the date of issuance of the Company's Financial Statement are disclosed below

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new Ind and amendments to existing Ind ASs which the Group has not applied as they are effective from 01 April, 2019. The Group will adopt new standard and amendment to existing standards with effect from April 1, 2019.

- a. Ind AS 116: Leases – Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information). Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will

continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the Comparatives.

The Group is currently evaluating the impact this standard will have on its financial statements.

- b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments – Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the Group needs to determine the probability of the relevant tax authority accepting each tax treatment, or the Group of tax treatments, that the companies have used or plans to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.
- c. Amendment to Ind AS 12: Income taxes – Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. Accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.
- d. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Group does not have any impact on account of this amendment.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

All amount in ₹ Million, unless otherwise stated

- e. Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any significant impact from this amendment
- f. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements - The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. These amendment are currently not applicable to the Group.
- g. IND AS 109 Prepayment Features with Negative Compensation -The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

NOTES TO CONSOLIDATED 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 2018	Additions during the year	Disposal/ Adjustments during the year	As at 1 April 2018	For the year ended 31 March 2019	On Disposals /Adjustments during the Year	As at 31 March 2019	As at 31 March 2018
Owned								
Land- Freehold	15.63	-	-	-	-	-	-	15.63
Land- Leasehold	313.42	-	-	14.81	4.13	-	18.94	294.48
Factory Buildings	5,837.13	-	-	563.65	191.64	-	755.29	5,081.84
Buildings	869.25	-	-	57.84	21.22	-	79.06	790.19
Road	411.32	-	-	365.36	11.54	-	376.90	34.42
Plant and Machinery	25,860.34	42.14	0.03	3,166.52	1,073.52	0.02	4,240.02	21,662.43
Computers	7.45	1.05	0.01	5.34	0.95	0.00	6.29	2.20
Office Equipment	4.50	0.04	0.15	3.01	0.32	-	3.33	1.06
Furniture and Fixtures	26.46	0.31	0.32	16.71	4.58	0.09	21.20	5.25
Vehicles	38.22	0.22	3.75	16.83	4.31	2.69	18.45	16.24
Capital Spares	10.65	-	-	1.73	0.38	-	2.11	8.54
Under Finance Lease								
Plant & Machinery- Finance Lease	237.28	-	-	88.65	20.96	-	109.61	127.67
Total	33,631.65	43.76	4.26	4,300.45	1,333.55	2.80	5,631.20	28,039.95
Total 2017-18	34,659.01	284.39	95.05	2,986.27	1,753.17	93.71	4,300.45	29,331.20

3B INTANGIBLE ASSETS

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount	
	As at 1 April 2018	Additions during the year	Disposal/ Adjustments during the year	As at 1 April 2018	For the year ended 31 March 2019	On Disposals /Adjustments during the Year	As at 31 March 2019	As at 31 March 2018
Computer Software acquired	8.57	-	-	6.43	0.40	-	6.83	1.74
Total	8.57	-	-	6.43	0.40	-	6.83	2.14
Total 2017-18	7.51	1.14	-	5.59	0.84	-	6.43	2.14

3C CAPITAL WORK-IN-PROGRESS (CONSISTING OF PLANT & MACHINERY, BUILDING ETC.)

Particulars	Gross Carrying Amount		Accumulated Depreciation / Amortisation		Net Carrying Amount	
	As at 31 March 2019	Additions during the year	As at 31 March 2019	For the year ended 31 March 2019	As at 31 March 2019	As at 31 March 2018
Opening	2,994.85	-	2,994.85	-	2,994.85	3,059.16
Addition	30.49	-	30.49	-	30.49	192.85
Transferred to Property, Plant & Equipment	(37.74)	-	(37.74)	-	(37.74)	(257.16)
GML derecognition	(16.24)	-	(16.24)	-	(16.24)	-
Closing	2,971.36	-	2,971.36	-	2,971.36	2,994.85

3D LEASED ASSETS

The lease term in respect of Plant & Machinery considered under finance lease is for the entire life of the assets which is 15 years based on its useful life. Future minimum lease obligation payable on leasehold plant & machinery during next one year ₹ 37.48 Million (as on 31 March 2018: ₹ 37.48 Million) later than one year but not later than five years ₹ 149.92 Million (as on 31 March 2018: ₹ 149.92 Million) and later than five years ₹ 110.71 Million (as on 31 March 2018: ₹ 148.19 Million).

3E The Property, plant and equipment inclusive of land have been hypothecated/mortgaged to secure borrowings of the Parent Company and VSSL. See Note no. 44 for details.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
4 NON-CURRENT INVESTMENTS		
Unquoted		
Investment-Others (At fair value through Profit and Loss)		
VISA Coke Limited	31.63	31.63
1,054,476 (31 March 2018 : 1,054,476) Equity Shares of ₹10/- each fully paid up [Including beneficial interest in 5 Equity Shares of ₹10/- each, fully paid up]		
Aggregate amount of unquoted investments	31.63	31.63
Particulars	As at 31 March 2019	As at 31 March 2018
5 NON-CURRENT - LOANS		
Unsecured, Considered Good		
Security Deposits with Others/ Related Party		
Security Deposits - Others	77.71	116.13
	77.71	116.13
Particulars	As at 31 March 2019	As at 31 March 2018
6 NON-CURRENT -OTHER FINANCIAL ASSETS		
Fixed deposits with banks having original maturity of more than 12 months (Pledged with bank against guarantees given by bank)	-	18.13
	-	18.13
Particulars	As at 31 March 2019	As at 31 March 2018
7 DEFERRED TAX ASSETS (NET)		
The balance comprises temporary differences attributable to:		
Deferred Tax Assets (A)		
Investments in Joint Ventures	1.57	1.46
Inventories	3.72	3.72
Allowance for Doubtful Trade Receivables	17.12	21.17
Allowance for Doubtful Advances	33.70	39.04
Lease Payables	64.05	70.01
Provisions for Employee Benefits	20.23	18.41
Interest Accrued	1,433.08	1,433.11
Current Maturities of Finance Lease Obligations	5.95	5.38
Statutory Liabilities	263.46	231.39
Other Financial Liabilities	5.39	9.43
Unabsorbed Depreciation	1,475.88	1,340.73
Business Loss Carried Forward	2,341.26	2,326.64
	5,665.42	5,500.49
Set off of Deferred Tax Liabilities pursuant to set off provisions (B)		
Property Plant and Equipment and Intangible Assets	(5,663.39)	(5,497.64)
Borrowings	(2.03)	(2.85)
	(5,665.42)	(5,500.49)
Net Deferred Tax Assets (A-B)	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Movements in Deferred Tax Assets during the year ended:

31 March 2019	Openin Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Liabilities/(Assets) in relation to :			
Investments in Joint Ventures	1.46	0.11	1.57
Inventories	3.72	0.00	3.72
Trade Receivables	21.17	(4.05)	17.12
Allowance for Doubtful Advances	39.04	(5.34)	33.70
Lease Payable	70.01	(5.96)	64.05
Provisions for Employee Benefits	18.41	1.82	20.23
Interest Accrued	1,433.11	(0.03)	1,433.08
Current Maturities of Finance Lease Obligations	5.38	0.57	5.95
Statutory Liabilities	231.39	32.07	263.46
Other Financial Liabilities	9.43	(4.04)	5.39
Unabsorbed Depreciation	1,340.73	135.15	1,475.88
Business Loss Carried Forward	2,326.64	14.62	2,341.26
Total Deferred Tax Assets	5,500.49	164.93	5,665.42
Property Plant and Equipment and Intangible Assets	(5,497.64)	(165.75)	(5,663.39)
Borrowings	(2.85)	0.82	(2.03)
Total Deferred Tax Liabilities	(5,500.49)	(164.93)	(5,665.42)
Net (Charge)/Credit	-	-	-

Movements in Deferred Tax Assets during the year ended:

31 March 2018	Opening Balance	Recognised in Profit/(Loss)	Closing Balance
Deferred Tax Liabilities/(Assets) in relation to :			
Investments in Joint Ventures	1.28	0.18	1.46
Security Deposits	13.17	(13.17)	-
Inventories	3.26	0.46	3.72
Trade Receivables	118.65	(97.48)	21.17
Allowance for Doubtful Advances	53.80	(14.76)	39.04
Disallowances allowable for Tax purpose on payment	2.51	(2.51)	-
Lease Payable	71.34	(1.33)	70.01
Security Deposit considered as Advance Rent	144.15	(144.15)	-
Provisions for Employee Benefits	14.37	4.04	18.41
Interest Accrued	1,296.41	136.70	1,433.11
Current Maturities of Finance Lease Obligations	4.59	0.79	5.38
Statutory Liabilities	102.13	129.26	231.39
Other Financial Liabilities	8.20	1.23	9.43
Unabsorbed Depreciation	1,157.23	183.50	1,340.73
Business Loss Carried Forward	1,499.18	827.46	2,326.64
Total Deferred Tax Assets	4,490.27	1,010.22	5,500.49
Property Plant and Equipment and Intangible Assets	(4,254.69)	(1,242.95)	(5,497.64)
Security Deposit considered as Advance Rent	(159.48)	159.48	-
Borrowings	(3.56)	0.71	(2.85)
Arising out of Temporary Difference in Depreciable Assets	(72.54)	72.54	-
Total Deferred Tax Liabilities	(4,490.27)	(1,010.22)	(5,500.49)
Net (Charge)/Credit	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
8 OTHER NON-CURRENT ASSET		
Capital Advances		
Considered Good	4.56	27.19
Considered Doubtful	46.98	51.09
Less: Allowance for Doubtful Recovery	(46.98)	(51.09)
Advance to Related Parties	-	0.47
	4.56	27.66

Particulars	As at 31 March 2019	As at 31 March 2018
9 INVENTORIES		
(Refer Note 2.2.6)		
Raw Materials [Refer (a) below]	591.77	522.30
Work-In-Progress	14.99	53.85
Finished Goods	137.55	296.88
Stores and Spares	223.57	268.09
By-Products	52.91	73.85
	1,020.79	1,214.97

- (a) Raw Materials includes Goods in Transit ₹ 5.35 Million(31 March 2018 : ₹ 47.29 Million).
- (b) The Inventories have been pledged as security for bank loans. See Note no. 44.
- (c) Inventories have been written off to Net Realisable Value amount to ₹ 10.81 million (31 March 2018 : ₹ 2.86 million).These were recognised as an expense during the year and included in “Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress” in Statement of Profit and Loss.

Particulars	As at 31 March 2019	As at 31 March 2018
10 CURRENT - TRADE RECEIVABLES		
Trade Receivable		
- Secured, considered good	-	-
- Unsecured, considered good	341.74	685.63
- which have significant increase in Credit Risk	-	-
- Unsecured, credit impaired	39.45	40.78
	381.19	726.41
Less: Allowances (refer note - b below)	48.98	60.59
	332.21	665.82

- (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 ₹ 9.53 Millions (Previous Year ₹ 19.81 Millions) made on account of Expected Credit Loss on Trade Receivable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
11 CASH AND CASH EQUIVALENTS		
Balance with Banks		
in Current Account	8.55	166.34
Cheque in Hand	-	-
Cash on Hand	0.25	0.48
	8.80	166.82
12 OTHER BANK BALANCES [OTHER THAN CASH & CASH EQUIVALENTS]		
Earmarked Accounts		
Unclaimed Dividend Account	-	0.20
Margin Money with Banks with maturities less than 12 months	36.58	29.58
	36.58	29.78
13 CURRENT - LOANS		
Unsecured, Considered Good		
Security Deposits with Enterprise having significant influence		
VISA International Limited	2.50	8.00
Security Deposits with Related Parties		
VISA Minmetal Limited	22.24	186.19
Security Deposits - Others	-	0.20
	24.74	194.39
14 OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on Deposits	4.42	5.32
	4.42	5.32
15 CURRENT TAX ASSETS (NET)		
Advance Payment of Income Tax ([Net of Provision ₹ 464.80 Million (31 March 2018 : ₹ 464.80 Million)])	125.01	118.69
	125.01	118.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
16 OTHER CURRENT ASSETS		
Advances other than Capital Advances		
Advances to Key Managerial Personnel	-	55.39
Employee Advance	1.91	5.60
Advances against Supply of Goods and Rendering Services		
Considered Good	115.60	293.80
Considered Doubtful	49.46	60.64
Less: Allowances for Doubtful Advances	(49.46)	(60.64)
Others		
Receivable from DGFT and Customs towards Export Incentive		
Considered Good	0.18	1.58
Prepaid Expenses	13.20	14.85
Others Taxes Receivable / Adjustable		
Considered Good	177.06	230.90
	307.95	602.12

Particulars	As at 31 March 2019	As at 31 March 2018
17 EQUITY SHARE CAPITAL AND OTHER EQUITY		
A Equity Share Capital		
Authorised		
252,000,000 Equity Shares (31 March 2018 : 252,000,000) of ₹10/- each	2,520.00	2,520.00
Issued, Subscribed and Paid-up		
115,789,500 Equity Shares (31 March 2018 : 115,789,500) of ₹ 10/- each fully paid up	1,157.90	1,157.90

(a)	Year Ended 31 March 2019		Year Ended 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Movements in Equity Share Capital				
Balance as at the beginning of the year	115,789,500	1,157.90	110,000,000	1,100.00
Add : Shares issued	-	-	5,789,500	57.90
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

Particulars	31 March 2019		31 March 2018	
	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
CRESTA Fund Limited	-	-	9,912,036	8.56
ERISKA Investment Fund Limited	9,912,036	8.56	-	-
LTS Investment Fund Limited	10,497,122	9.07	10,497,122	9.07
VISA International Limited	23,787,833	20.54	23,787,833	20.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

B Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
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	(17,028.38)	(15,409.36)
Total	(10,710.40)	(9,091.38)
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 Reserve [Refer (b) below]		
Balance at the Beginning of the Year	1,645.00	2,552.80
Derogation of Security Premium of VISA Coke Limited	-	907.80
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
Balance at the End of the Year	60.33	60.33
Retained Earnings		
Balance at the Beginning of the Year	(15,409.36)	(14,536.17)
Add : Net (Loss) / Profit after Tax transferred from Statement of Profit and Loss	(1,616.34)	(875.41)
Add : Adjustment of Extinguishment of Controlling Interest in GML	(1.50)	-
Add: Remeasurements of the Net Defined Benefit Plans	(1.18)	2.22
Net deficit	(17,028.38)	(15,409.36)
Balance at the End of the Year	(17,028.38)	(15,409.36)
Total	(10,710.40)	(9,091.38)

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18 LONG-TERM BORROWINGS

All amount in ₹ Million, unless otherwise stated

Particular	Non-current Portion		Current Maturities		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured						
Principal Term Loans						
[Refer B(i) & B(iii) and C(i), C(ii) & C(viii) below]						
From Banks	2,319.12	4,175.80	5,025.85	4,205.51	7,344.97	8,381.31
From Other Parties	1,218.28	1,354.35	2,364.07	1,362.41	3,582.35	2,716.76
Fresh Loans						
[Refer B(i) & B(iii) and C(i) & C(viii) below]						
From Banks	1,543.65	2,524.07	3,087.76	2,531.05	4,631.41	5,055.12
From Other Parties	347.33	312.39	698.03	314.76	1,045.36	627.15
SMCF						
[Refer B(i) & B(iii) and C(i) below]						
From Banks	393.92	691.55	666.90	958.16	1,060.82	1,649.71
From Other Parties	104.40	56.94	211.89	56.90	316.29	113.84
Corporate Loan], Corporate Loan 2 and Sinter Loan						
[Refer B(i) and C(ii) & C(iii) below]						
From Banks	2,503.25	3,239.89	1,123.18	826.54	3,626.43	4,066.43
From Other Parties	497.87	248.49	262.23	71.61	760.10	320.10
Working Capital Term Loans						
[Refer B(i) and C(v) below]						
From Banks	-	153.28	1,096.24	1,042.57	1,096.24	1,195.85
From Other Parties	-	18.71	247.79	129.48	247.79	148.19
Funded Interest Term Loans						
[Refer B(i) & B(iii) and C(v) below]						
From Banks	854.73	1,448.87	1,248.60	944.19	2,103.33	2,393.06
From Other Parties	336.96	335.25	579.28	291.26	916.24	626.51
Equipment and Vehicle Term Loans						
From Other Parties [Refer B(ii) and C(vii) below]	-	-	-	1.09	-	1.09
Term Loans from Other Parties						
[Refer B(iii) and C(viii) below]						
	10,119.51	14,559.59	16,727.98	12,851.69	26,847.49	27,411.28
Unsecured						
Loans from Related Parties	-	-	442.50	442.50	442.50	442.50
[Refer C(ix) below]						
Lease Payable to Related Party	183.30	200.35	17.04	15.41	200.34	215.76
	10,302.81	14,759.94	17,187.52	13,309.60	27,490.34	28,069.54
[Less : Amount disclosed under the head Other Current Financial Liabilities" [Refer Note 22]	-	-	(17,187.52)	(13,309.60)	(17,187.52)	(13,309.60)
	10,302.81	14,759.94	-	-	10,302.82	14,759.94

Loan sold/assigned to ACRE-

During the current financial year, Dena Bank, Indian Overseas Bank and Bank Of Baroda have assigned their Loans given to the Parent Company and VSSL in favour of Assets Care & Reconstruction Enterprise Ltd. (ACRE). Accordingly, in current financial year the assigned loan has been disclosed as loan from other parties. However, the corresponding figures of the last year has been kept unchanged in the loan schedule.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

A. Debt Restructuring

In respect of Group

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 Iron Ore Mine, which has deprived the Group of assured supply of consistent quality iron ore at a reasonable cost, (ii) de-allocation of Coal Block by Ministry of Coal and Hon'ble Supreme Court judgement dated 24 September 2014, which has deprived the Group of assured supply of consistent quality coal at a reasonable cost, (iii) non-availability of Iron Ore & Chrome Ore at viable prices due to closure of Mines following the investigations by Shah Commission which commenced sometime in 2011 and the Hon'ble Supreme Court judgment dated 16 May 2014, (iv) dumping of Steel products by overseas manufacturers resulting in sharp drop in prices, (v) high cost of logistics for transportation of raw materials as these rates are fixed by Associations at rates much above the Government notified rates, (vi) non-disbursement of sanctioned loans by lenders for plant operations and setting up Sinter plant and adjustment of sanctioned facilities with interest / principal repayment falling due over time, which resulted in complete depletion of working capital of the 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.

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

- i) Principal Term Loans
- ii) Fresh Loan (Loan pursuant to CDR package)
- iii) Working Capital Term Loans (WCTL) (Loan pursuant to CDR package)
- iv) Funded Interest Term Loans (FITL) (Loan pursuant to CDR package)
- v) Corporate Loan (Loan pursuant to Debt Restructuring under CLA)
- vi) Working Capital Loans [indicated in Note 20]
- vii) Structured Mezzanine Credit Facility [SMCF(Sub debt)]

Due to the aforesaid external factors, the EBITDA margins of the 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 ₹ 10,078.72 Million as on 31 March 2011, during the period April 2011 to March 2016, the lenders have charged approx. ₹ 23,151.44 Million on account of interest/ repayment whereas EBITDA during this period was only approx. ₹ 990.78 Million. This has resulted in ballooning of liabilities of the Parent Company and VSSL towards its lenders, which are far in excess of hard cost of investments in the project for which the principal term loan had been taken from the lenders. For the purpose of these financial statements, the Group has followed reorganization/reallocation and other terms and conditions of MRA/CLA as set out above.

SBI has filed an application with National Company Law Tribunal, Kolkata Bench(NCLT) for initiating Corporate Insolvency Resolution Process(CIRP) under Insolvency and Bankruptcy Code (IBC) and the matter is sub judice. In the meantime some lenders 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 operation creditors. Due to the application filed by SBI in NCLT, there is panic among operational creditors whose financial support is necessary for plant operations, without which there is risk of plant closure, agitation and law and order problems from workers.

B. Details of Securities (Also refer note 44)

- i. **Principal Term Loan, VBL Term Loan, Fresh Loan, SMCF (Sub debts), Working Capital Term Loans(WCTL), Funded Interest Term Loans (FITL), Corporate Term Loans (I & II), Fresh Term Loan (For Sinter Plant) and Working Capital facilities:**
 - (a) First pari-passu charge by way of hypothecation of all the Group's current assets and fixed assets (excluding land) including movable and immovable plant and machinery, machinery spares, tools and accessories, vehicles and other moveable assets both present and future ("Hypothecated Assets") of the Parent Company and VSSL, save and except specific assets charged to Banks, Financial Institutions and Non Banking Financial Companies (NBFC).
 - (b) First pari-passu mortgage and charge on the immovable properties of the Parent Company and VSSL situated at Kalinganagar Industrial Complex, Jajpur (Odisha), Golagaon, Jajpur (Odisha), Raigarh (Chhattisgarh) and office premises of the Parent Company at Bhubaneswar (Odisha).
 - (c) Pursuant to CDR, pledge of equity shares of the Parent Company with the CDR Lenders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

- (d) Pledge of Equity Shares equivalent to 51% of the present shareholding in Ghotaringa Minerals Limited held by the Parent Company. The corporate guarantee of Ghotaringa Minerals Limited (GML) given pursuant to CDR. SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019.
- (e) Pledge of entire equity shares held by the Parent Company in VISA Urban Infra Limited
- (f) Lien on all Bank Accounts including the Trust and Retention Account.
- (g) The Lenders of SMCF are having a second pari-passu charge on the hypothecated assets and a second charge on the mortgaged assets of the Parent Company.
- (h) SIDBI (exposure of ₹ 76.40 Million as on 1 March 2012 for bill discounting facility relating to working capital finance) has a second charge on fixed assets.

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

- The Corporate Guarantee of VISA International Limited given pursuant to CDR.
- The personal guarantee of Mr. Vishambhar Saran, Chairman and Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Parent Company given pursuant to CDR.

ii. Equipment and Vehicle Term Loans

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

iii. Term Loans from Bank and Other Parties

(a) Term Loan from HUDCO -

Secured loan from other parties includes Term Loan (CDR) of ₹ 484.04 Million, Funded Interest Term Loan (FITL) of ₹ 100.53 Million and Term Loan (Non CDR) of ₹ 116.16 Million due and outstanding to HUDCO. The subsisting charge in respect of the Term Loan (CDR) and FITL became irrelevant and stood satisfied upon the Parent Company entering into Master Restructuring Agreement (MRA) dated 19 December 2012 with the CDR lenders and the same was substituted by the fresh charge created in favour of the lenders who became parties to the MRA.

HUDCO is disputing the satisfaction of the previous charge and creation of fresh charge by the CDR lenders pursuant to MRA dated 19 December 2012. The Parent Company and the State Bank of India, as the Lead Bank has since been calling upon HUDCO to execute a Deed of Accession so that

the aforesaid charge substituted in favour of the CDR lenders could also be extended to HUDCO. HUDCO, however, has refused to do so despite specific order passed to the said effect by the Hon'ble High Court of Orissa at Cuttack in Copet No 17 of 2014 (Re: VISA Steel Ltd and VISA Special Steel Ltd) on 13 October 2015. HUDCO has instead filed an application in the said proceeding for recalling the said order and the matter is sub-judice and pending before NCLT, Cuttack.

C. Terms of Repayment of loans

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

Upon implementation of CDR Package during the Financial Year 2012-13, then existing Restructured Term Loan of ₹ 12,355.48 Million and Additional Term Loan of ₹ 6,100.00 Million sanctioned as per CDR package, were to be repaid over a period of 10 years in quarterly instalments commencing from March 2013. Further such loans carry interest @ 10.75% p.a. for the first 4 years, @ 11.5% for 5th and 6th year and @ 2% above SBI's Base Rate for subsequent years of restructuring. Above mentioned loan amounting to ₹ 16,162.77 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 7,749.42 Million.

Repayment Schedule :

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

ii. Terms of Repayment and outstanding balances of VBL Term Loan

VBL, since amalgamated with the Parent Company, had entered an agreement with Punjab National Bank, Oriental Bank of Commerce, EXIM Bank and Punjab and Sind Bank on 16 January 2012, whereby an amount of ₹ 1,820.00 Million was sanctioned at (PNB BR + 2.5% + Term Premium i.e. 0.5%) with annual reset. The outstanding amount as on the balance sheet date is ₹ 1,763.01 Million to be repaid as per the repayment schedule given below with already due amount of ₹ 1,088.51 Million.

Repayment Schedule :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Subsequently, pursuant to CDR LOA dated 31st December 2014 loan of ₹ 175.00 Million was sanctioned at SBI BR+2.5% for setting up ferro chrome furnace. Out of the aforesaid sanction amount, ₹ 61.21 Million is outstanding with already due amount of ₹ 23.62 Million and the said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

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

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

In line of aforementioned CLA, Corporate Term Loan amounting ₹ 4,500 Million, bearing an interest rate at 2.50% p.a. above the SBI's Base Rate, was sanctioned. Outstanding balance of such loan as at the balance sheet date is ₹ 4,359.43 Million to be repaid as per the below repayment schedule with already due amount of ₹ 888.40 Million.

Repayment Schedule

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

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

Fresh Term Loan (For Sinter Plant) of ₹ 650 Million was sanctioned vide the CLA, bearing an interest rate at 2.50% p.a. above the SBI's Base Rate. Outstanding balance of such loan as at balance sheet is ₹ 27.10 Million repayable as per the below mentioned schedule with already due amount of ₹ 9.76 Million . The said outstanding amount was adjusted by the lenders towards interest and instalment.

Repayment Schedule :

Year	Percentage of TL (originally restructured) due for Repayment (%)
2019-20	12.00 %
2020-21	20.00 %
2021-22	32.00 %

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

Upon implementation of CDR package during the Financial Year 2012-13, then overdrawn cash credit accounts of the Parent Company amounting to ₹ 1,720.00 Million had been carved out into a separate Working Capital Term Loans, which were to be repaid over a period of 8 years in quarterly instalments commencing from March 2013. Further such loans carry the interest rate of 0.50% above the SBI's Base Rate. Above mentioned loan amounting to ₹ 1,344.03 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with the already due amount of ₹ 1,172.04 Million.

Repayment Schedule :

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

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

I In terms of the CDR Package, the aggregate amount of interest accrued and due on the principal amounts of TL, WCTL and Additional Term Loan for the period 1 March 2012 to 28 Feb 2014 had been converted into Funded Interest Term Loans (FITL) which were repayable in quarterly instalments commencing from September 2014 and ending in December 2021. During the Financial Year 2012-13, the Parent Company had prepaid instalments due till the second month of second quarter of FY 2016-17. FITL carry interest @ 10.00% p.a. throughout the tenure of facility. Loan outstanding as on balance sheet date are to be repaid as per the repayment schedule given below. Above mentioned loan amounting to ₹ 3,019.57 Million outstanding as on balance sheet date are to be repaid as per the repayment schedule given below with already due amount of ₹ 1,233.17 Million.

Repayment Schedule

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

Other Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
Daimler Financial Services Limited	-	1.09	48 Equal Monthly instalments over the period of loan.	10.25 %
Total	-	1.09		

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

Other Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
HUDCO	116.16	116.16	Seventeen quarterly instalments of ₹ 6.69 Million each from Balance sheet date.	HUDCO Benchmark rate + 1% p.a.
Total	412.91	412.91		

ix. Terms of Repayment of Loans from Related Parties :

Related Parties	As at 31 March 2019	As at 31 March 2018	Terms of Repayment	Interest rate
VISA Infrastructure Limited	442.50	442.50	upon or before expiry of 3 years from the date of disbursement	8% p.a.
Total	442.50	442.50		

In view of proposed debt resolution, the rate of interest, terms of repayment and other terms and condition of debts may undergo changes.

- D** The debts of the Parent Company and VSSL which were restructured pursuant to the MRA dated 19 December 2012 having cut-off date of 1 March 2012 could not be fully serviced and have since been categorised as Non-Performing Assets (NPA). State Bank of India, the lead bank has classified the debts of the Parent Company and VSSL as NPA with effect from 11 July 2012.

The Parent Company and VSSL stopped providing further interest in its books effective 1 April 2016. The amount of such interest not provided for in the financial year ended 31 March 2019 is estimated at ₹ 3,667.27 million and the cumulative amount of such unprovided interest as on the said date is estimated at ₹ 11,382.78 million.

Particulars	As at 31 March 2019	As at 31 March 2018
19 NON CURRENT PROVISIONS		
Provision for Employee Benefits	40.36	43.09
	40.36	43.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
20 CURRENT - BORROWINGS		
Secured		
Loans Repayable on Demand		
(i) Short Term Loan - Others	-	120.00
(ii) Working Capital Loans		
From Banks [Refer Note 18.B (i)]	6,184.95	6,669.59
From Other Parties [Refer Note 18.B (i)]	1,371.43	886.80
(iii) Other Working Capital Loan		
From Other Parties [Refer (a) below]	66.31	67.46
Unsecured		
Sales Bill Discounting	239.26	479.82
	7,861.95	8,223.67

(a) Short term borrowing from Small Industries Development Bank of India (SIDBI) is the amount outstanding as on Balance Sheet date against the limit of ₹ 76.40 Million (31 March 2018 : ₹ 76.40 Million). Also refer Note 18.B (i) for details of security.

During the current financial year, Indian Overseas Bank, Dena Bank and Bank Of Baroda have assigned their Loans given to the Parent Company and VSSL in favour of Assets Care & Reconstruction Enterprise Ltd. (ACRE). Accordingly, in current financial year the assigned loan has been disclosed as loan from other parties. However, the corresponding figures of the last year has been kept unchanged in the loan schedule.

Particulars	As at 31 March 2019	As at 31 March 2018
21 CURRENT - TRADE PAYABLES		
Dues to Related Party [Refer Note 47]	599.04	342.80
Dues to Micro and Small Enterprises	15.69	26.82
Dues to other than Micro and Small Enterprises	518.94	854.40
	1,133.67	1,224.02

Particulars	As at 31 March 2019	As at 31 March 2018
22 OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long-Term Debt [Refer Note 18]	16,727.98	12,851.70
Current Maturities of Finance Lease Obligations [Refer Note 18]	17.04	15.41
Loan Repayable to Related Party [Refer Note 18]	442.50	442.50
Interest Accrued	4,358.54	4,358.54
Unclaimed/Unpaid Dividends	-	0.20
Employee Related Liabilities	95.61	111.82
Other Liabilities	427.18	288.28
Capital Creditors	175.78	232.07
	22,244.63	18,300.52

Particulars	As at 31 March 2019	As at 31 March 2018
23 OTHER CURRENT LIABILITIES		
Advances from Customers	-	135.88
Contract Liability	118.39	-
Statutory Liabilities (includes Goods and Service Tax, Excise Duty, Tax Deducted at Source, Provident Fund, Employee State Insurance etc.)	830.80	765.77
	949.19	901.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
24 CURRENT TAX LIABILITIES (NET)		
Current Tax Liabilities (Net)	-	0.01
	-	0.01

Particulars	As at 31 March 2019	As at 31 March 2018
25 PROVISIONS		
Provision for Employee Benefits	17.52	9.59
	17.52	9.59

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
26 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods (including Excise Duty) [#]	14,015.86	20,310.02
Traded Goods	24.91	271.02
Total	14,040.77	20,581.04

[#]Sale of Manufactured Goods for the year ended 31 March 2018 includes Excise Duty

(b) Other Operating Revenues		
Scrap Sales	71.63	32.10
Export Incentives	0.78	-
Liabilities no longer required written back	52.93	329.02
Allowances for Doubtful Debts, Advances etc. no longer required written back	1.48	55.56
Total	126.82	416.68
	14,167.59	20,997.72

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
27 OTHER INCOME		
(a) Interest Income		
On Bank Deposits (Margin Money)	3.18	17.34
On Others	24.43	89.67
(b) Other non-operating income		
Profit on Loss of Control of Subsidiary	0.50	442.96
Insurance Claim Received	2.14	2.00
Gain on Sale of Property Plant and Equipment	0.42	0.02
Income from Shared Services	128.83	-
Other Non Operating Income	0.26	0.77
	159.76	552.76

(c) Disaggregation of revenue -Refer Note 40 for disaggregated Revenue information

(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 2019
Receivables, which are included in 'Trade and other receivables'	381.19
Contract assets	-
Contract liabilities	118.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(e) Other Information

- Transaction price allocated to the remaining performance obligations- NIL
- The amount of revenue recognised in the current period that was included in the opening contract liability balance. - NIL
- 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
- Performance obligations- The Company satisfy the performance obligation on shipment/delivery as per terms of contract.
- Significant payment terms- The contract does not have any financing component and variable consideration.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
28 COST OF MATERIALS CONSUMED		
Chrome Ore	3,182.45	3,227.83
Iron Ore	2,749.99	2,186.09
Coal and Coke	4,150.72	8,496.21
Others	243.53	476.12
	10,326.69	14,386.25

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
29 PURCHASE OF STOCK-IN-TRADE		
Coal and Coke	-	19.29
Others	14.35	2.68
	14.35	21.97

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	296.88	970.22
Stock-In-Trade	-	0.29
By-Products	73.85	216.17
Work-in-Progress	53.85	190.20
	424.58	1,376.88
Less : Closing Stock		
Finished Goods	137.55	296.88
Stock-In-Trade	-	-
By-Products	52.91	73.85
Work-in-Progress	14.99	53.85
	205.45	424.58
Increase in Excise Duty on Stock as on 1 April 2017	-	(93.00)
Less : Stock adjustment on loss of Control of Subsidiary Company	-	122.29
(Increase)/Decrease in Stock	219.13	737.01

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
31 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	638.44	787.50
Contribution to Provident and Other Funds	31.79	41.80
Staff Welfare Expenses	4.29	5.60
	674.52	834.90

(a) The advances kept in trust with the Key Managerial Personnels have been charged off in accordance with the MCA notification dated 12 September 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(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 ₹ 24.59 Million (31 March 2018 : ₹ 31.07 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 makes contributions to the Gratuity Fund.

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

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

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2017	45.33	24.70	20.63
Current Service cost	6.88	-	6.88
Interest cost/Income	3.33	-	3.33
Past Service Cost	1.78	-	1.78
Investment Income	-	1.82	(1.82)
Total amount recognised in Profit or Loss	11.99	1.82	10.17
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	(1.96)	-	(1.96)
- Experience Variance (i.e. Actual Experience vs assumptions)	(0.61)	-	(0.61)
- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.10)	0.10
Total amount recognised in Other Comprehensive Income	(2.57)	(0.10)	(2.47)
Contributions by employer	-	-	-
Fund Transferred	-	1.19	(1.19)
Benefits paid	(2.66)	(2.64)	(0.02)
Derecognition on loss of control of VSCL	(7.36)	(7.90)	0.54
1 April 2018	44.73	17.07	27.66
Current Service cost	5.07	-	5.07
Interest cost/Income	3.44	-	3.44
Past Service Cost	-	-	-
Investment Income	-	1.31	(1.31)
Total amount recognised in profit or loss	8.51	1.31	7.20
Remeasurements (gains)/losses			-
- Change in Demographic assumptions	-	-	-
- Change in Financial assumptions	0.46	-	0.46
- Experience Variance (i.e. Actual Experience vs assumptions)	0.04	-	0.04
- Return on plan asset, excluding amount recognised in net interest expense	-	(0.68)	0.68
Total amount recognised in Other Comprehensive Income	0.50	(0.68)	1.18
Contributions by employer	-	-	-
Fund Transferred	-	-	-
Benefits paid	(8.92)	(8.92)	-
31 March 2019	44.82	8.78	36.04

NOTES TO 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 2019	As at 31 March 2018
RECONCILIATION OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION AND THE FAIR VALUE OF PLAN ASSETS:		
Present Value of funded obligation at the end of the year	44.82	44.73
Fair Value of Plan Assets at the end of the year	8.78	17.07
Net Asset /(Liability) recognised in the Balance Sheet	36.04	27.66

(V) Principal Actuarial Assumption Used:

	As at 31 March 2019	As at 31 March 2018
Discount Rates	7.60%	7.70%
Expected Salary Increase Rates	5.00%	5.00%
Attrition Rate	2% depending on age	2% depending on age
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

The Group ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Group's ALM objective is to match asset with gratuity obligation. The Group actively monitor how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Group has not changed the process used to manage its risk from previous period. The Group does not use derivatives to manage its risk. The gratuity scheme is funded with LIC 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 2019	As at 31 March 2018
Insurer Managed Funds	100%	100%

(VII) Category of Plan Assets

	As at 31 March 2019	As at 31 March 2018
Fund with LIC	8.78	17.07
Total	8.78	17.07

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflow) 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 2019					
Defined Benefit Obligation	4.47	10.05	16.54	85.86	116.92
As at 31 March 2018					
Defined Benefit Obligation	4.62	9.80	17.00	91.85	123.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(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 2019		As at 31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	49.81	40.58	49.89	40.38
Salary Growth Rate (-/+1%)	40.44	49.91	40.23	49.99
Attrition Rate(-/+50%)	43.65	45.89	43.44	45.91
Mortality Rate(-/+10%)	44.64	45.02	44.52	44.96

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

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

(IX) The Group expects to contribute ₹ 41.99 Millions (previous year ₹ 34.59 Millions) to its gratuity fund in 2019-20

Risk Exposure

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

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

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

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

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

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).and Upward revision of maximum gratuity limit will result in gratuity plan obligation.

In respect of the Subsidiary Companies, Kalinganagar Special Steel Private Limited, Kalinganagar Chrome Private Limited, VISA Ferro Chrome Limited and VISA Special Steel Limited and the Joint Venture Company VISA Urban Infra Limited. There being no employees, employee benefit regulations e.g. Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc. are not applicable.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
32 FINANCE COSTS		
Interest Expenses	165.41	259.60
Other Borrowing Costs - LC Discounting Charges and Other Processing Charges	21.23	79.46
	186.64	339.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant and Equipment	1,333.56	1,505.00
Amortization Expense on Intangible Assets	0.40	0.84
	1,333.96	1,505.84

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
34 OTHER EXPENSES		
Consumption of Stores and Spare Parts	568.80	1,027.03
Power and Fuel	1,576.02	1,563.87
Rent	5.11	51.18
Lease Rent for Production Facility	-	0.27
Repairs to Buildings	21.50	43.04
Repairs to Machinery	81.61	152.37
Insurance Expenses	9.89	14.15
Rates and Taxes, excluding taxes on income	266.48	339.28
Material Handling Expenses	162.20	201.39
Freight and Selling Expenses	222.62	363.59
Loss on Exchange Fluctuation (net)	0.10	47.72
Miscellaneous Expenses	273.95	489.12
	3,188.28	4,293.01

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
35 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurements of the Defined Benefit Plans	(1.18)	2.47
	(1.18)	2.47

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
36 EARNING / (LOSS) PER EQUITY SHARE		
(I) Basic		
a. Profit/(Loss) after Tax and Minority Interest	(1,616.34)	(896.93)
b. (i) Number of Equity Shares at the beginning of the year	115,789,500	110,000,000
(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	112,522,001
(iv) Face Value of each Equity Share (₹)	10.00	10.00
c. Basic Earning / (Loss) per Share [a / (b(iii))] (₹)	(13.96)	(7.97)
(II) Diluted		
a. Dilutive Potential Equity Shares	-	-
b. Weighted Average number of Equity Shares for computing Dilutive earning / (Loss) per Share	115,789,500	112,522,001
c. Diluted Earning / (Loss) per Share [same as (I)(c) above] (₹)	(13.96)	(7.97)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Particulars	As at 31 March 2019	As at 31 March 2018
37A CONTINGENT LIABILITIES		
(a) Claims against the Group not acknowledged as debts :		
(i) Sales / Customers and related matters	191.90	191.90
(ii) Purchases / Vendors and related matters	5,027.36	4,871.25
(iii) Other matters	414.25	399.35
(b) Other money for which the Group is contingently liable:		
(i) Disputed Income Tax matters under Appeal	83.59	56.16
(ii) Disputed Sales Tax matters under Appeal	128.89	169.81
(iii) Disputed Entry Tax matters under Appeal	9.57	5.46
(iv) Disputed Customs Duty matter on Imported Goods under Appeal	61.34	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 37A(a) and 37A(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.

Particulars	As at 31 March 2019	As at 31 March 2018
37B COMMITMENTS:		
CAPITAL COMMITMENTS		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance of ₹ 0.33 Million, (31 March 2018 : ₹ 12.87 Million)]	40.46	172.78

38 The Group has incurred net loss during the year ended 31 March 2019 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 including high prices of raw material during e-auction. It is expected that the overall financial health of the Group would improve after debt resolution and improvement in working capital. Accordingly, the Group has prepared the financial statements on the basis of going concern assumption.

39 OPERATING LEASES

The Group has entered into operating lease arrangement upto the tenure of 3 years which is cancellable lease. There is no obligation for renewal of the lease agreement and is renewable by mutual consent.

With respect to all operating lease	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease payments recognised in the statement of Profit and Loss during the year	5.11	51.18

40 SEGMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

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 three reportable business segments viz. "Special Steel", "Ferro Alloys" and "Coke".

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

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

Special Steel	Bar and Wire Rods , Billets and Blooms , Pig Iron and Sponge Iron and other Allied Products
Ferro Alloys	Ferro Chrome and Captive Power

Segment assets, liabilities, revenue and expenses are measured in the same way as in the standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets. Sale between Segments are carried out at arm's length and are eliminated on consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(a) Summarised Segment information

Primary Business Segment	As at 31 March 2019				As at 31 March 2018			
	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments
External Revenue from Operations	6,114.48	8,053.11	-	14,167.59	7,895.73	8,419.79	4,682.20	20,997.72
Inter Segment Revenue from Operations	80.27	100.13	-	180.40	87.40	212.84	1,903.81	2,204.05
Segment Revenues	6,194.75	8,153.24	-	14,347.99	7,983.13	8,632.63	6,586.01	23,201.77
Other Income	-	-	-	-	-	-	16.26	16.26
Segment Results	(879.77)	(549.93)	-	(1,429.70)	(1,159.82)	166.47	181.94	(811.41)

(b) Specified amounts included in Segment Results

Primary Business Segment	As at 31 March 2019				As at 31 March 2018			
	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments
Depreciation & Amortisation	878.56	455.40	-	1,333.96	916.31	492.42	97.11	1,505.84
Net Foreign Exchange loss / (gain)	0.05	0.05	-	0.10	5.04	12.98	29.70	47.72

(c) Reconciliation of Segment Results with Profit after tax

Primary Business Segment	As at 31 March 2019				As at 31 March 2018			
	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments	Special Steel	Ferro Alloys	Coke*	Total of Reportable Segments
Segment Results	(879.77)	(549.93)	-	(1,429.70)	(1,159.82)	166.47	181.94	(811.41)
Corporate-Unallocated / Others (Net)	-	-	-	-	-	-	-	253.54
Less: Finance Costs	55.41	131.23	-	186.64	-	-	-	339.06
Profit/(Loss) after tax as per Financial Statements	(935.18)	(681.16)	-	(1,616.34)	(1,159.82)	166.47	181.94	(896.93)

(d) Other information

Reconciliation of Reportable Segments with the Financial Statements

Primary Business Segment	As at 31 March 2019				As at 31 March 2018			
	Special Steel	Ferro Alloys	Coke*	Total	Special Steel	Ferro Alloys	Coke*	Total
Segment Assets	17,933.91	15,063.73	-	32,997.64	19,558.43	10,814.06	-	30,372.49
Corporate Unallocated (net)	-	-	-	-	-	-	-	5,157.47
Total Assets	17,933.91	15,063.73	-	32,997.64	19,558.43	10,814.06	-	35,529.96
Segment Liabilities	1,157.99	1,920.57	-	3,078.56	734.72	521.35	-	1,256.07
Corporate Unallocated (net)	-	-	-	39,471.58	-	-	-	42,206.43
Total liabilities #	1,157.99	1,920.57	-	42,550.14	734.72	521.35	-	43,462.50

Excluding Shareholder's Funds

* VISA Coke Limited ceased to be a subsidiary of the Parent Company w.e.f 30 March 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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 2019			31 March 2018		
	India	Outside India	Total	India	Outside India	Total
Revenue External*	13,769.70	397.89	14,167.59	20,685.84	311.88	20,997.72
Total Segment Assets	32,997.64	-	32,997.64	35,495.75	34.21	35,529.96

* Represent INR export to Bhutan

(e) The Group recognises Revenue at a Point in Time. Contract with customers are of Short term duration and all Sales are direct to customers.

41 INVESTMENT IN GHOTARINGA MINERALS LIMITED

SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019. Consequently the Parent Company's Investment of ₹ 8.90 Million, Loan of ₹ 2.50 Million and Interest of ₹ 1.89 Million has been written off during the year.

(a) Gain/(loss) on loss of control of subsidiary	Amount in ₹ Million
Investment	8.90
Net Assets Derecognised [Refer Note (b) below]	(9.35)
Non-Controlling Interest	0.95
Gain on dissolution	0.50

(b) Assets and Liabilities of Subsidiary derecognised on Loss of Control

Assets	Amount in ₹ Million
Non- Current Assets	
Capital Work-In-Progress	12.94
Other Non Current Assets	0.47
	13.41
Current Assets	
- Cash and cash equivalents	0.05
- Other bank balances	0.95
	1.00
Total Assets	14.41
Liabilities	
Current Liabilities	
Financial Liabilities	
- Borrowings	2.50
- Other Current Liabilities	0.03
- Other Financial Liabilities	2.52
Current Tax Liabilities	0.01
	5.06
Net Assets	9.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

42 FAIR VALUE MEASUREMENTS

a) Financial instruments by category

Particulars	31 March 2019			31 March 2018		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial Assets						
Investments*	-		31.63	-		31.63
Trade Receivables	332.21			665.82		
Cash and Cash Equivalents	8.80			166.82		
Other Bank Balances	36.58			29.78		
Loans	102.45			310.52		
Others Financial Assets	4.42			23.45		
Total Financial Assets	484.46	-	31.63	1,196.39	-	31.63
Financial Liabilities						
Non Current Borrowings	10,302.82			14,759.94		
Current Borrowings	7,861.95			8,223.67		
Other financial liability	22,244.63			18,300.52		
Trade Payables	1,133.67			1,224.02		
Foreign exchange forward contracts (USD)	-			-		
Total Financial Liabilities	41,543.07	-	-	42,508.15	-	-

*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 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	-	31.63	-	31.63
Total Financial Assets	-	31.63	-	31.63
Financial Liabilities				
Foreign exchange forward contracts (USD)	-	-	-	-
Total Financial Liabilities	-	-	-	-

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

Notes

- (i) Current financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (ii) Non-current financial assets and liabilities measured at amortized cost have same fair value as at 31 March 2019 and 31 March 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

c) Valuation techniques

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

Investment has been fair valued based on valuation carried out by independent valuer as on 31 March 2019. Derivative assets has been fair valued based on Mark to Market valuation provided by Banks.

Changes in level 2 and level 3 fair values are analyzed at each reporting period

43 INTEREST IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business

Name of the entity	Place of business/Country of Incorporation	Principal Activities	Ownership Interest held by the Group		Ownership Interest held by non-controlling interests	
			31.03.2019	31.03.2018	31.03.2019	31.03.2018
Kalinganagar Special Steel Private Limited	India	Dealing in Steel Products	100.00%	100.00%	-	-
Kalinganagar Chrome Private Limited	India	Dealing in Chrome Products	100.00%	100.00%	-	-
Ghotaringa Minerals Limited*	India	Developing a chrome ore deposit	0.00%	89.00%	0.00%	11.00%

*SBI had filed an application to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code in GML which was admitted on 16 February 2018 and liquidated on 31 August 2018 and dissolution order has been passed by National Company Law Tribunal, Kolkata dated 22 February 2019. Consequently Parent Company's Investment of ₹ 8.90 Million, Loan of ₹ 2.50 Million and Interest of ₹ 1.89 Million has been written off during the year.

(b) Non-Controlling Interest

Set out below is summarized financial information for each subsidiary that has non -controlling interest. The amount is disclosed for each subsidiary are before inter-company eliminations.

(i) Summarized Balance Sheet	Ghotaringa Minerals Limited	
	31.03.2019	31.03.2018
Current Assets	-	0.99
Current Liabilities	-	0.83
Net Current Asset	-	0.16
Non Current Asset	-	13.50
Non Current Liabilities	-	4.23
Net Non Current Assets	-	9.27
Net Assets	-	9.43
Accumulated NCI before elimination	-	1.04
Add/(Less) Inter company elimination	-	(0.09)
Accumulated NCI	-	0.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(ii) Summarized Statement of Profit and Loss	VISA Coke Limited*		Ghotaringa Minerals Limited	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue	-	6,582.21	-	-
Profit/(Loss) for the year	-	(55.34)	-	(0.58)
Other Comprehensive Income	-	0.52	-	-
Total Comprehensive Income	-	(54.82)	-	(0.58)
Profit attributable to NCI	-	(26.86)	-	(0.06)

(iii) Summarized Cash Flows	Ghotaringa Minerals Limited	
	31.03.2019	31.03.2018
Cash flow from operating activities	-	(0.01)
Cash flow from investing activities	-	0.06
Cash flow from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	-	0.05

* VISA Coke Limited ceased to be subsidiary since wef. 31 March 2018, the P&L numbers till 30 March 2018 has only been disclosed.

(c) Interest in Joint Venture

Set out below is the joint venture of the Group as at 31 March 2019 which, in the opinion of the directors, are material to the Group. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Group. The Country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal Activities	Place of Business	% of ownership interest	Relationship	Accounting Method	Carrying Amount as on 31.03.2019	Carrying Amount as on 31.03.2018
VISA Urban Infra Limited	setting up and operating a "Star Hotel and Convention Centre"	India	26%	Joint Venture	Equity Method	10.19	10.31

(d) Summarized financial information for joint venture

The table below provide summarized financial information for the joint venture that is material to the Group.

Summarized Balance Sheet	VISA Urban Infra Limited	
	31.03.2019	31.03.2018
Current Assets		
Cash and cash equivalents	0.67	0.06
Other Assets	10.94	12.96
Total Current Assets	11.61	13.02
Total Non Current Assets	98.20	97.16
Current Liabilities		
Financial Liabilities	0.04	0.04
Other Liabilities	0.09	0.01
Total Current Liabilities	0.13	0.05
Non Current Liabilities		
Financial Liabilities	71.23	71.23
Other Liabilities	-	-
Total Non Current Liabilities	71.23	71.23
Net Assets	38.45	38.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

Reconciliation to Carrying Amounts

Particulars	VISA Urban Infra Limited	
	31.03.2019	31.03.2018
Opening Net Assets	38.90	38.42
Profit/(Loss) for the year	(0.45)	0.48
Closing Net Assets	38.45	38.90
Group's share in %	26%	26%
Group's share in ₹	10.00	10.12
Inter company elimination	0.19	0.19
Carrying Amount	10.19	10.31

Summarized Statement of Profit and Loss

Particulars	VISA Urban Infra Limited	
	31.03.2019	31.03.2018
Revenue	-	-
Interest income	0.28	0.81
Depreciation and amortization expense	-	-
Interest Expense	0.00	0.00
Other Expenses	0.73	0.12
Income tax Expense	-	0.22
Profit from continuing operation	(0.45)	0.47
Profit from Discontinuing operation	-	-
Profit for the year	(0.45)	0.47
Other Comprehensive income	-	-
Total Comprehensive income	(0.45)	0.47
Group Share	(0.12)	0.12

44 ASSETS PLEDGED AS SECURITY

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Current Assets		
Financial assets	406.75	1,062.12
Non-financial assets		
Inventories	1,020.79	1,214.97
Total current assets pledged as security(A)	1,427.54	2,277.09
Non-current Assets		
Property, Plant and Equipment	27,912.28	29,182.57
Capital Work-in-progress	2,971.36	2,994.85
Intangible Assets	1.74	2.14
Investment	10.19	10.31
Total non-currents assets pledged as security (B)	30,895.57	32,189.87
Total assets pledged as security (A+B)	32,323.11	34,466.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

45 FINANCIAL RISK MANAGEMENT

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

The 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.

(A) Credit Risk

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

The Group implements a credit risk management policy under which the Group only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of parties, financial condition, historical

experience, and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Group 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 analyzed individually, and an expected loss shall be directly deducted from debt securities.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(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 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	8.80	166.82
Other Bank balances	36.58	29.78
Loans and other receivables	106.87	333.97
Trade receivable (net)	332.21	665.82
	484.46	1,196.39

(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 2019	As at 31 March 2018
Loss Allowance at the beginning of the year	60.59	358.86
Add: Loss Allowance provided during the year	6.50	36.96
Less: Write Off	1.33	262.22
Less: Loss Allowance reversed during the year	16.78	73.01
Loss Allowance at the end of the year	48.98	60.59

The aging of trade accounts and notes receivable as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Not due	-	-
Over due less than 3 month	324.71	682.32
3 months - 12 months	17.03	3.31
over 12 months	39.44	40.78
	381.18	726.41

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

(B) Liquidity Risk

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

However, in views of various unfavourable factors as set out in Note 39, the Group has been experiencing stressed liquidity condition. In order to overcome such situation, the Group has been taking measures to ensure that the Group's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Group's operations.

(i) Financing arrangements

The Group's undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2019	As at 31 March 2018
Expiring beyond one year	846.67	846.67
	846.67	846.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(ii) Maturities of financial liabilities

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

As at 31 March 2019	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade Payables	1,133.67	-	-	-	1,133.67
Non Current Borrowings	-	-	10,302.81	-	10,302.81
Current Borrowings @	7,861.94	-	-	-	7,861.94
Other financial liabilities	18,916.73	3,327.90	-	-	22,244.63
	27,912.34	3,327.90	10,302.81	-	41,543.05

As at 31 March 2018	Less than 3 month	more than 3 and upto 12 months	more than 1 year and upto 5 years	> 5 Years	Total
Trade Payables	1,224.02	-	-	-	1,224.02
Non Current Borrowings @	-	-	14,759.94	-	14,759.94
Current Borrowings @	8,223.67	-	-	-	8,223.67
Other financial liabilities @	14,474.46	3,826.06	-	-	18,300.52
	23,922.15	3,826.06	14,759.94	-	42,508.14

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

(C) Market Risk

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

(i) Interest rate risk

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

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

a) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate financial liabilities	31,689.88	32,615.38
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.

NOTES TO CONSOLIDATED 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 2019 and 31 March 2018, 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 2019 and 31 March 2018 were as follows:

Particulars	Impact on profit before tax	
	As at 31 March 2019	As at 31 March 2018
Interest rates - increase by 100 basis points [Refer (a) below]	316.90	326.15
Interest rates - decrease by 100 basis points [Refer (a) below]	(316.90)	(326.15)

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

(ii) Foreign currency risk

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

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

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

a) The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2019 and 31 March 2018 are as follows:

Particulars	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
Financial Assets				
Trade receivables	-	-	0.01	-
Capital Advance	-	-	-	0.01
Advance to supplier	-	-	0.01	-
Net exposure to foreign currency risk (assets)	-	-	0.02	0.01
Financial Liabilities				
Trade payables	0.06	-	0.22	0.00
Capital Creditor	-	0.07	0.10	0.22
Net exposure to foreign currency risk (liabilities)	0.06	0.07	0.32	0.22

Net Forex Exposure

Particulars	As at	As at
	31 March 2019	31 March 2018
USD	(0.06)	(0.30)
EUR	(0.07)	(0.21)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

- b) As of 31 March 2019 and 31 March 2018, 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 2019 and 31 March 2018 were as follows:

Particulars	Impact on profit before tax	
	As at 31 March 2019	As at 31 March 2018
USD		
10% increase	(0.40)	(1.95)
10% decrease	0.40	1.95
EUR		
10% increase	(0.56)	(1.68)
10% decrease	0.56	1.68

46 CAPITAL MANAGEMENT

a) Risk Management

The fundamental goal of capital management are to:

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

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

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

However in view of certain adverse factors and challenges being faced by the Group over past few years as explained in Note 38, 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.

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

	31 March 2019	31 March 2018
Net Debt	39,710.82	40,651.75
Total equity	(9,552.50)	(7,932.53)
Net debt to equity ratio	(4.16)	(5.12)

b) Loan Covenants

The Group has been under financial stress since 2011-12 due to various 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 ₹ 10,078.72 Million as on 31 March 2011. During the period April 2011 to March 2016, the lenders have charged approx. ₹ 23,151.44 Million on account of interest/ repayment whereas EBITDA in this period was only approx. ₹ 990.78 Million. This has resulted in ballooning of liabilities of the Parent Company and VSSL towards its lenders, which are far in excess of hard cost of investments in the project for which the principal term loan had been taken from the lenders. For the purpose of these financial statements, the Parent Company and VSSL has followed reorganization/reallocation and other terms and conditions of MRA/CLA as set out above. (Also refer note 18A).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

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

(a) Related Parties	Names of the Related Parties
(i) Others	
Joint Venture Company	VISA Urban Infra Limited
Enterprise having significant influence	VISA Infrastructure Limited VISA International Limited
Key Managerial Personnel	Mr. Vishambhar Saran (Chairman) Mr. Vishal Agarwal (Vice Chairman & Managing Director) Mr. Manoj Kumar (Director-Kalinganagar) Mr. Pratip Chaudhuri (Non-executive Director) Mr. Manas Kumar Nag (Nominee Director) deceased on 31 March 2019 Mr. Kishore Kumar Mehrotra (Non-executive Director) up to 10 July 2018 Ms. Rupanjana De (Non-executive Director) Mr. Sheo Raj Rai (Non-executive Director) Mr. Dhanesh Ranjan (Non-executive Director) w.e.f 30 September 2018
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 Trading (Shanghai) Co. Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(b) Details of Transactions with Related Parties

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

Nature of Transactions	Name of the Related Parties	31 March 2019	31 March 2018
Purchase of Goods	VISA Coke Limited	1,078.63	-
	VISA Minmetal Limited	4,227.07	5,366.06
	VISA Resources pte Limited	-	1,063.23
	VISA Commodities AG	-	60.06
Purchase of Export Incentive Licences	VISA Minmetal Limited	-	5.43
Sale of Goods	VISA Resources India Limited	-	260.36
	VISA Minmetal Limited	5,597.90	7,363.53
Sale of Export Incentive Licences	VISA Minmetal Limited	2.19	-
Rent Paid	VISA International Limited	-	1.13
	VISA Infrastructure Limited	-	29.31
	VISA Minmetal Limited	1.55	-
Hire Charges-Paid	VISA Resources India Limited	13.07	12.86
Shared Service Fees Received	VISA Coke Limited	156.32	-
Cargo Handling Charges-Paid	VISA Minmetal Limited	-	4.77
Finance Cost	VISA Infrastructure Limited	35.40	37.20
	VISA Coke Limited	6.72	-
Interest Income	VISA Infrastructure Limited	-	41.46
Lease Rental-Paid	VISA Coke Limited	37.48	-
Remuneration to KMP	Mr. Vishambhar Saran	17.46	17.46
	Mr. Vishal Agarwal	18.40	18.18
	Mr. Manoj Kumar	7.65	8.58
	Mr. Pratip Chaudhuri (Independent Director)	0.36	0.27
Sitting Fees	Mr. Manas Kumar Nag (Independent Director)	0.16	0.16
	Mr. Kishore Kumar Mehrotra (Independent Director)	0.08	0.37
	Ms. Rupanjana De (Independent Director)	0.32	0.16
	Mr. Dhanesh Ranjan (Independent Director)	0.08	-
	Mr. Sheo Raj Rai (Independent Director)	0.28	0.20
	Mr. Sheo Raj Rai (Independent Director)	0.28	0.20
Reimbursement of Expenses (Net)	VISA Infrastructure Limited	-	2.06
	VISA Minmetal Limited	0.99	29.22
	VISA Resources pte Limited	-	9.07
	VISA Bulk shipping pte Limited	-	0.17
	VISA Commodities AG	-	0.36
Recovery of Expenses (Net)	VISA Resources India Limited	2.62	6.60
	VISA Coke Limited	3.29	-
Unsecured Loan Repaid	VISA Infrastructure Limited	-	138.90
Security Deposit Given	VISA Minmetal Limited	-	186.19
Receipt of Security Deposit Given (Net)	VISA Minmetal Limited	163.95	-
	VISA International Limited	5.50	-
	VISA Infrastructure Limited	-	195.00
Share of Profit of Joint Venture	VISA Urban Infra Limited	(0.12)	0.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

All amount in ₹ Million, unless otherwise stated

(c) Details of Transactions with Related Parties

Nature of Transaction	31 March 2019					31 March 2018				
	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Joint Venture Company	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party
Rent Charges	-	-	-	-	1.55	-	30.44	-	-	1.00
Hire Charges	-	-	-	-	13.07	-	-	-	-	12.86
Purchase of Goods	-	-	-	-	5,305.70	-	-	-	-	6,489.36
Sale of Goods	-	-	-	-	5,597.90	-	-	-	-	7,623.89
Income From Shared Services	-	-	-	-	156.32	-	-	-	-	-
Sale of Export Incentive Licences	-	-	-	-	2.19	-	-	-	-	-
Cargo Handling Charges	-	-	-	-	-	-	-	-	-	4.77
Purchase of FPS Licences	-	-	-	-	-	-	-	-	-	5.43
Interest Income	-	-	-	-	-	-	41.46	-	-	-
Finance Cost	-	35.40	-	-	6.72	-	37.20	-	-	-
Lease Rental	-	-	-	-	37.48	-	-	-	-	-
Re-imbursment of Expenses (Net)	-	-	-	-	1.79	-	2.22	-	-	38.82
Recovery of Expenses (Net)	-	0.05	-	-	6.72	-	-	-	-	6.73
Unsecured Loan Repaid	-	-	-	-	-	-	138.90	-	-	-
Repayment of Security Deposit Given (Net)	-	5.50	-	-	163.95	-	195.00	-	-	-
Security Deposit Given	-	-	-	-	-	-	-	-	-	186.19
Remuneration	-	-	43.50	4.63	-	-	-	44.21	4.33	-
Sitting Fees	-	-	1.28	-	-	-	-	1.17	-	-
Share of Profit of Joint Venture	(0.12)	-	-	-	-	0.12	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

(d) Details of Balances with Related Parties as at 31 March 2019

Balance	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	-	-	-	-
Payable	-	3.44	1.13	599.04
Long Term Borrowing	442.50	-	-	-
Security Deposit Receivable	2.50	-	-	22.24

Details of Balances with Related Parties as at 31 March 2018

Balance	Enterprise having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Receivable	-	51.05	-	-
Payable	6.28	2.65	0.73	338.88
Long Term Borrowing	442.50	-	-	-
Security Deposit Receivable	8.00	-	-	186.19

(e) Details of compensation paid to KMP

KMP Compensation	VISHAMBHAR SARAN		VISHAL AGARWAL		MANOJ KUMAR	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Short-Term Employee Benefits	15.12	15.11	16.18	15.95	7.48	8.36
Post-Employment Benefits	2.34	2.34	2.22	2.22	0.17	0.22
Long-Term Employee Benefits	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Employee Share Based Payments	-	-	-	-	-	-
Total Compensation	17.46	17.45	18.40	18.17	7.65	8.58

(f) To ensure uninterrupted supply of essential goods and critical raw material for plant operations, the Parent Company and VSSL has settled its receivable from one related party with payable to another related party on various dates during the year.

48 (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]	2018-19							
		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	(2,513.68)	26.31 %	(681.05)	42.14 %	(1.18)	100.00 %	(682.23)	42.18 %
Subsidiaries									
2	Ghotaringa Minerals Limited	-	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %
3	VISA Coke Limited	-	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %
4	Kalinganagar Special Steel Limited	0.05	0.00 %	(0.01)	0.00 %	-	0.00 %	(0.01)	0.00 %
5	VISA Ferro Chrome Limited*	(0.01)	0.00 %	(0.01)	0.00 %	-	0.00 %	(0.01)	0.00 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

		2018-19							
SL No	Name of the Entity [Refer Note (a) below]	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
6	VISA Special Steel Limited*	(7,039.26)	73.69%	(935.14)	57.85%	-	0.00%	(935.14)	57.81%
7	Kalinganagar Chrome Private Limited	0.21	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%
	Minority Interest in Subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Joint Venture									
8	VISA Urban Infra Limited	0.19	0.00%	(0.12)	0.01%	-	0.00%	(0.12)	0.01%
		(9,552.50)	100.00%	(1,616.34)	100%	(1.18)	100.00%	(1,617.52)	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 determining the Profit for the Year in the Consolidated Statement of Profit and Loss

(c)* Represents Step down Subsidiary

48 (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.

		2017-18							
SL No	Name of the Entity [Refer Note (a) below]	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	(1,765.79)	22.26%	202.13	-23.09%	1.95	87.84%	204.08	-23.37%
Subsidiaries									
2	Ghotaranga Minerals Limited	13.82	-0.17%	(0.58)	0.07%		0.00%	(0.58)	0.07%
3	VISA Coke Limited	-	0.00%	(43.70)	4.99%	0.52	23.42%	(43.18)	4.95%
4	Kalinganagar Special Steel Limited	0.06	0.00%	(0.01)	0.00%		0.00%	(0.01)	0.00%
5	VISA Ferro Chrome Limited*	(0.01)	0.00%	(0.02)	0.00%		0.00%	(0.02)	0.00%
6	VISA Special Steel Limited*	(6,181.14)	77.90%	(1,054.86)	120.50%		0.00%	(1,054.86)	120.80%
7	Kalinganagar Chrome Private Limited	0.22	0.00%	(0.01)	0.00%		0.00%	(0.01)	0.00%
	Minority Interest in Subsidiaries	(0.95)	0.01%	21.52	-2.46%	(0.25)	-11.26%	21.27	-2.44%
Joint Venture									
8	VISA Urban Infra Limited	0.31	0.00%	0.12	-0.01%	-	0.00%	0.12	-0.01%
		(7,933.48)	100%	(875.41)	100.00%	2.22	100.00%	(873.19)	100.00%

(a) All entities specified above have been incorporated in India.

(b) The Net Asset position / Net Profit of the Entity considered above is after considering elimination if any, for determining the Profit for the Year in the Consolidated Statement of Profit and Loss

(c) * Represents Step down Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All amount in ₹ Million, unless otherwise stated

49 i) Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated and also the current liabilities and advances will not have claims more than at which they are stated. ii) Balances of banks/ financial institutions are subject to confirmation. iii) Some winding up petitions filed against the Parent Company and VSSL are pending before Hon'ble Orissa High Court and the Parent Company and VSSL are contesting the same.

50. TRANSFER OF SPECIAL STEEL UNDERTAKING

The Scheme of Arrangement ("the Scheme") between the parent Company and VISA Special Steel Limited ("VSSL") and their respective Shareholders and Creditors under Sections 391 to 394 and other applicable provisions of the Companies Act 1956 for the transfer of Special Steel undertaking of the parent Company to VSSL has been sanctioned by the Hon'ble National Company Law Tribunal, Cuttack Bench vide its order dated 8 July 2019, consequent to which the Special Steel undertaking including assets, investments and properties, debts and liabilities stands transferred to and vested in VSSL at nil consideration as a going concern with appointed date of 1 April 2013. The Scheme is operative from 13 July 2019, the date on which certified copy of the order sanctioning the scheme was filed with the Registrar of Companies, Cuttack. The Scheme was pending with NCLT as on 16 May 2019, the date on which Group's financial statements were approved by the Board of Directors. The financial statements were then not issued to the shareholders for their approval. Meanwhile, ROC Cuttack has granted extension upto 31 December 2019 for holding the AGM of the Company till 31 December 2019. Consequent to the sanctioning of the Scheme, the parent Company and the Group has revised/ restated the standalone/Consolidated financial statements to give effect to the Scheme which have been approved by the Board of Directors on 18 October 2019. There is no material impact of the Scheme on these Consolidated financial statements.

51 PREVIOUS YEAR FIGURES

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

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

For and on behalf of the Board of Directors

Pradeep Kumar Singhi
Partner
Membership Number-50773

Vishal Agarwal
Vice Chairman & Managing Director
DIN 00121539

Manoj Kumar
Director (Kalinganagar)
DIN 06823891

Place: Kolkata
Date: 18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

(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 2019

PART - A - Subsidiary Company

Name of the Subsidiary	(Amount in Million.)	
	Kalinganagar Special Steel Private Limited	Kalinganagar Chrome Private Limited
Financial Year Ending on	31 March 2019	31 March 2019
Reporting Currency	INR	INR
Share Capital	0.70	0.60
Reserves & Surplus	(10,759.13)	(0.09)
Total Assets	17,933.92	0.52
Total Liabilities	28,692.35	0.01
Details of Investment (Except in case of Subsidiaries)	-	-
Turnover (including Other Income)	-	-
Profit/(Loss) Before Taxation	(955.04)	(0.01)
Provision for Taxation	-	-
Profit/(Loss) after Taxation	(955.04)	(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.

Pursuant to order of Hon'ble NCLT dated 22 February 2019, Ghotaringa Minerals Ltd. is dissolved.

PART - B - Joint Venture

Name of the Joint Ventures	VISA Urban Infra Limited
Latest Audited Balance Sheet Date	31 March 2019
Number of Shares held as on 31 March 2019	1.00
Amount of Investment in Joint Ventures as on 31 March 2018	10.00
Extent of Shareholding % as on 31 March 2018	26%
Description of how there is a significant influence	By virtue of Share Holding
Reason why Joint ventures is not consolidated	Not Applicable
Net worth attributable to Shareholding	10.00
Profit/(Loss) for the year (Consolidated)	(0.45)
a) considered in Consolidation	(0.12)
b) Not Considered in Consolidation	(0.33)

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: 18 October 2019

Sudhir Kumar Banthiya
Company Secretary

Ranjan Jindal
Chief Financial Officer

**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019,
[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) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover / Total income	81,532.50	81,532.50
	2	Total Expenditure	89,680.67	104,335.31
	3	Net Profit/(Loss)	(6,616.26)	(21,270.90)
	4	Earnings Per Share	(5.71)	(18.37)
	5	Total Assets	188,145.97	188,145.97
	6	Total Liabilities	176,080.80	220,855.18
	7	Net Worth	12,065.17	(32,709.21)
	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		Sd/- Vishal Agarwal	
	- CFO		Sd/- Ranjan Jindal	
	- Audit Committee Chairperson		Sd/- Rupanjana De	
	- Statutory Auditor		Sd/-For Singhi & Co. Firm Registration Number:302049E Chartered Accountants Pradeep Kumar Singhi Partner Membership Number 50773	
	Place: Kolkata Date: 18 October 2019			

Annexure – A

Sl. No	Details of Audit Qualification (s)			Management's Views
1	<p>Auditors in their Standalone Audit Report has stated that:</p> <p>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, 2019 is Rs.44,774.38 lakh (including Rs.14,596.89 lakh for FY 2016-17, Rs.15,522.85 lakh for FY 2017-18, Rs.3,513.67 lakh and Rs.14,654.64 for the quarter and year ended March 31, 2019 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.</p> <p>Had the aforesaid interest expense been recognized, finance cost for the quarter and year ended March 31, 2019 would have been Rs.3,587.95 lakh and Rs.15,966.89 lakh instead of the reported amount of Rs.74.28 lakh and Rs.1,312.25 lakh respectively. Total expenses for the quarter and year ended March 31, 2019 would have been Rs.22,796.10 lakh and Rs.104,335.31 lakh instead of the reported amount of Rs.19,282.43 lakh and Rs.89,680.67 lakh. Net loss after tax for the quarter and year ended March 31, 2019 would have been Rs.5,372.53 lakh and Rs.21,270.90 lakh instead of the reported amount of Rs.1,858.86 lakh and Rs.6,616.26 lakh. Total Comprehensive Income for the quarter and year ended March 31, 2019 would have been Rs.(5,384.33) lakh and Rs.(21,282.70) lakh instead of the reported amount of Rs.(1,870.66) lakh and Rs.(6,628.06) lakh, other equity would have been Rs.(44,288.17) lakh against reported Rs. 486.22 lakh, other current financial liability would have been Rs.135,520.93 lakh instead of reported amount of Rs.90,746.55 lakhs and Loss per share for the quarter and year ended March 31, 2019 would have been Rs.4.64 and Rs.18.37 instead of the reported amount of Rs.1.61 and Rs.5.71.</p> <p>The above reported interest has been calculated using Simple Interest rate.</p>			<p>The majority of lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non-Performing Asset. The amount of interest expenses not provided for is estimated at Rs. 3,513.67 Lakhs for the quarter ended 31 March 2019 and the accumulated interest not provided as on 31 March 2019 is estimated at Rs. 44,774.38 Lakhs. The statutory auditors have qualified their Audit Report in respect of this matter.</p>
<p>Sd/- Vishal Agarwal Managing Director</p>	<p>Sd/- Ranjan Jindal Chief Financial Officer</p>	<p>Sd/- Rupanjana De Chairperson, Committee</p> <p style="text-align: right;">Audit</p>	<p>For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants</p> <p>Sd/- Pradeep Kumar Singhi Partner Membership Number 50773</p>	

**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019,
[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) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover / Total income	141,675.91	141,675.91
	2	Total Expenditure	159,435.66	196,108.34
	3	Net Profit/(Loss)	(16,163.32)	(52,836.00)
	4	Earnings Per Share	(13.96)	(45.63)
	5	Total Assets	329,976.48	329,976.48
	6	Total Liabilities	425,501.52	539,329.30
	7	Net Worth	(95,525.04)	(209,352.82)
	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		Sd/- Vishal Agarwal	
	- CFO		Sd/- Ranjan Jindal	
	- Audit Committee Chairperson		Sd/- Rupanjana De	
	- Statutory Auditor		Sd/- For Singhi & Co. Firm Registration Number:302049E Chartered Accountants Pradeep Kumar Singhi Partner Membership Number 50773	
	Place: Kolkata Date: 18 October 2019			

Annexure – A

Sl. No	Details of Audit Qualification (s)			Management's Views
1	<p>Auditors in their Consolidated Audit Report has stated that:</p> <p>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, 2019 is Rs.113,827.78 lakh (including Rs.38,409.60 lakh for FY 2016-17, Rs.38,745.50 lakh for FY 2017-18, and Rs.36,672.68 lakh for the year ended March 31, 2019 respectively) which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'.</p> <p>Had the aforesaid interest expense been recognized, finance cost for the year ended March 31, 2019 would have been Rs.38,539.03 lakh instead of the reported amount of Rs.1,866.35 lakh. Total expenses for the year ended March 31, 2019 would have been Rs.196,108.34 lakh instead of the reported amount of Rs.159,435.66 lakh. Net loss after tax for the year ended March 31, 2019 would have been Rs.52,836 lakh instead of the reported amount of Rs.16,163.32 lakh. Total Comprehensive Income for the year ended March 31, 2019 would have been Rs.(52,847.80) lakh instead of the reported amount of Rs.(16,175.12) lakh, other equity would have been Rs.(220,931.77) lakh against reported Rs.(107,103.99), other current financial liability would have been Rs.336,274.06 lakh instead of reported amount of Rs.222,446.28 lakh and Loss per share for the year ended March 31, 2019 would have been Rs.45.63 instead of the reported amount of Rs.13.96</p> <p>The above reported interest has been calculated using Simple Interest rate.</p>			<p>The majority of lenders of the Company and VSSL have stopped charging interest on debts, since the dues from the Company and VSSL have been categorised as Non-Performing Asset. The amount of interest expenses not provided for the year ended 31 March 2019 is estimated at Rs. 36,672.68 Lakhs and the accumulated interest not provided as on 31 March 2019 is estimated at Rs. 1,13,827.78 Lakhs. The statutory auditors have qualified their Audit Report in respect of this matter.</p>
<p>Sd/- Vishal Agarwal Managing Director</p>	<p>Sd/- Ranjan Jindal Chief Financial Officer</p>	<p>Sd/- Rupanjana De Chairperson, Audit Committee</p>	<p>For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants</p> <p>Sd/- Pradeep Kumar Singhi Partner Membership Number 50773</p>	

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. Ranjan Kumar Jindal

COMPANY SECRETARY

CS Sudhir Kumar Banthiya

STATUTORY AUDITORS

M/s Singhi & Co.

INTERNAL AUDITORS

M/s L. B. Jha & Co.

SECRETARIAL AUDITORS

M/s MKB & Associates

COST AUDITORS

DGM & Associates

BANKERS & FINANCIAL INSTITUTIONS

Andhra Bank
Asset Care & Reconstruction Enterprise Ltd.
Bank of India
Canara Bank
Corporation Bank
Edelweiss Asset Reconstruction Company Limited
Export Import Bank of India
HUDCO
Oriental Bank of Commerce
Punjab National Bank
Punjab & Sind Bank
State Bank of India
Syndicate Bank
Union Bank of India

REGISTRARS

Karvy Fintech 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

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 Third Annual General Meeting of the Members of VISA Steel Limited will be held on Monday, 23 December 2019 at 1200 hours at IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751009 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Consolidated Audited Financial Statement for the Financial Year ended 31 March 2019, together with the Report of the 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 appoint Mr. Dhanesh Ranjan (DIN 03047512) as a Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, Mr. Dhanesh Ranjan (DIN 03047512), who was appointed as an Additional Director (Non-Executive, Independent) of the Company w.e.f. 30 September 2018 and holds office up to the date of this Annual General Meeting of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and shall hold office for a period of 3 years from 30 September 2018.

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.”

4. To ratify the remuneration of the Cost Auditors for the Financial Year ending 31 March 2020 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 ₹ 40,000/- (Rupees Forty 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 2019-20.

5. To approve related party transactions 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 Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and as approved by the Audit Committee and Board of Directors of the Company, consent and approval of the Members of the Company be and is hereby accorded to one or more contract(s) / arrangement(s) / transaction(s) / agreement(s) entered into or to be entered into from time to time by the Company with its related parties, up to the maximum amounts and other terms and conditions as detailed in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, including delegation of powers, in the best interest of the Company.”

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

“RESOLVED THAT in continuation to Special Resolution passed in the 20th Annual General Meeting of the members of the

Company, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (the Act), if any (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Rules made thereunder read with Schedule V to the Act, and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and in terms with the enabling provisions of the Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Vishal Agarwal (DIN : 00121539) as the Vice-Chairman & Managing Director of the Company for the remaining tenure of 2 (Two) years w.e.f. 25 June 2020 of his existing appointment period as per the details mentioned in the explanatory statement to this notice.

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 his

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.”

By Order of the Board of Directors
For VISA Steel Limited

Place: Kolkata
Date: 18 October 2019

Sudhir Kumar Banthiya
Company Secretary
F8460

Registered Office:
11 Ekamra Kanan, Nayapalli
Bhubaneswar 751 015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY/PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.

MEMBERS ARE REQUESTED TO NOTE THAT A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

PROXIES SHALL BE MADE AVAILABLE FOR INSPECTION DURING TWENTY FOUR HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING.

2. Members / proxies should bring the Attendance Slips along with their copy of Annual Report to the meeting.
3. Corporate Shareholders / Trust / Societies are requested to send a duly certified copy of the Board / Managing Committee Resolution/ Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **16 December 2019 to 23 December 2019** (both days inclusive).

6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out details relating to Special Business at the meeting is annexed hereto.

7. The requirement to place the matter relating to the appointment of statutory auditors for ratification by members at every Annual General Meeting (AGM) is omitted by provision of Companies (Amendment) Act, 2017 vide notification dated 7 May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, resolution for ratification of the appointment of statutory auditors has not been proposed at this AGM.

8. Disclosure pursuant to Section 196 (4) of the Companies Act, 2013 and Regulation 36(3) SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 (Listing Regulations), and Secretarial Standard 2, brief profile of the Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting is annexed to this Notice.

9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days except Saturdays, till the date of meeting.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained by the Company under Section 170 of the Companies Act, 2013, and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.

10. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and all its Subsidiaries for consideration and adoption by the Members of the Company.

11. The Annual Report for the financial year 2018-19 is being sent to all Members in electronic mode whose email ids are registered with the Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 are being sent in the permitted mode.
12. The Notice of the 23rd AGM of the Company inter-alia indicating the process and manner of remote e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent in permitted mode.
13. Members may also note that the Notice of the 23rd AGM and the Annual Report for 2018-19 will be available on the Company's website, www.visasteel.com. The physical copies of all the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at cs@visasteel.com.
14. In terms of Schedule I of the Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), National Electronic Fund Transfer (NEFT), Direct Credit (DC), Real Time Gross Settlement (RTGS) etc. for making payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form should send a request updating their bank details, to the Company's Registrar, Karvy Fintech Private Limited.
15. Pursuant to section 72 of the Companies Act 2013 members holding shares in physical form are advised to file nomination in prescribed Form SH-13 with the Company's Registrar Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar.
17. Members holding shares in electronic mode are advised to contact their respective Depository Participants for registering the nomination and also register / update their e-mail address with their respective depository participants for receiving all communications from the Company electronically. Members holding shares in physical mode are advised to

register the nomination in respect of their shareholding in the Company by submitting the Nomination Form (SH—13) and are requested to register / update their e-mail address with the Company/ Karvy for receiving all communications from the Company electronically.

18. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f 1 April 2019. Accordingly, the Company/Karvy has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

19. The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Directors Report in respect of the Unclaimed and Unpaid Dividends and transfer of dividends / shares to Investor Education and Protection Fund.
20. Voting through Electronic means
 - a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 and No. CIR/CFD/DIL/8/2013 dated 21 May 2013, the Company is pleased to provide to its members e-voting facility to exercise their right to vote on resolutions proposed to be passed.
 - b. The Company has appointed Karvy Fintech Private Limited (Karvy) as the Agency for the purpose of facilitating the e-voting.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
 - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.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) xxxx 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 Karvy for e-voting, you can use your existing User ID and password for casting your 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 "EVENT" i.e., 'Name of the Company'
- 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 Scrutinizer at email: csdraut@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The physical ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting, but will not be entitled to cast their votes once again.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

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.karvy.com> (Karvy Website) or contact Mr. Suresh D Babu, (Unit: VISA Steel Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 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. The remote e-voting period commences on 20 December 2019 (0900 Hours) and ends on 22 December 2019 (1700 Hours). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 16 December 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 16 December 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., 16 December 2019 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.karvy.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 Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
21. The Board of Directors of the Company has appointed CS Debendra Raut, Practicing Company Secretary (Membership No- A16626/CP-5232) of M/s D.Raut & Associates, Company Secretaries, as Scrutinizer to scrutinize the Ballot Form and
- remote e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed as the Scrutinizer and will be available for the said purpose. The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company. The Scrutinizer shall submit the consolidated scrutinizer's report, not later than 48 hours of conclusion of the Meeting, to the Chairman or any other person authorised by the Board.
22. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.visasteel.com and also be displayed on the Notice board of the Company at its registered office and on the website of Karvy immediately after the results are declared. The results shall simultaneously be communicated to the Stock Exchanges.
- 23. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
24. The Route map of the venue of Annual General Meeting is annexed at the end of this Notice. Prominent Landmark is also marked therein for reference.

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

ITEM NO. 3

Based on the recommendation of Nomination & Remuneration Committee, Mr. Dhanesh Ranjan (DIN 03047512) was appointed as an Additional Director (Non-Executive, Independent) on the Board of the Company w.e.f. 30 September 2018. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and the Rules made thereunder, Mr. Ranjan holds office as such up to the date of this Annual General Meeting.

In terms of provisions of Section 149 and 152 of the Act, an Independent Director of a Company can be appointed for a term of upto 5 (Five) consecutive years and shall not be liable to retire by rotation. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members. Accordingly, it is proposed to appoint Mr. Ranjan as an Independent Director of the Company to hold office for a period of 3 years i.e. up to 29 September, 2021 who shall not be liable to retire by rotation.

Mr. Ranjan has given the requisite declaration pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 149(7) of the Act, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and is not disqualified from being appointed as Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Ranjan, proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the

Management. His brief profile, including nature of his expertise and other disclosures as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2, are provided in Annexure - A of this Notice.

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of the Members of the Company.

Except Mr. Dhanesh Ranjan, being appointee, 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. 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 2020, at a remuneration of ₹ 40,000 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 March 31, 2020 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

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) read with Rules made thereunder and as

per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment for the time being in force), all Related Party Transactions beyond the prescribed threshold limit require shareholders approval.

In terms of the above, approval of the Members is sought on the transaction(s), which are material in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore, the Board has proposed the same to be placed before the shareholders for their approval as a Special Resolution.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

Sl. No	Name of the related party	Name of the Director or KMP who is related	Nature of Relationship	Particulars & Nature of the Contract/ Arrangement	Period of the Contract / Arrangement	Manner of price determination	Estimated Monetary Annual Value in ₹ (crore)
1	VISA Coke Limited	Mr. Vishal Agarwal	Enterprises over which KMP or Relatives of KMP exercise significant influence	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions	1 April 2019 to 31 March 2020	Arm's length pricing as agreed in Audit Committee Meeting	300
2	VISA Minmetal Limited	Mr. Vishambhar Saran	Enterprises over which KMP or Relatives of KMP exercise significant influence	Sale and purchase of manufactured goods, trading of raw materials & finished goods, scraps and capital goods, hire or lease of property / Plant & machinery, rent charges, freight, Commissions, Finance charges/ Interests, Shared services charges, reimbursements or any other transactions	1 April 2019 to 31 March 2020	Arm's length pricing as agreed in Audit Committee Meeting	1250

The aforesaid proposed contract(s) / transaction(s) / arrangement(s) have been approved by the Audit Committee and recommended by the Board of Directors of the Company to the members for their approval.

Except Mr. Vishambhar Saran, Wholetime Director designated as Chairman and Mr. Vishal Agarwal, Vice Chairman & Managing Director of the Company and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding.

ITEM NO. 6

The Members of the Company had, at their meeting held on 28 December 2016 reappointed Mr. Vishal Agarwal as the Vice Chairman & Managing Director of the Company for a period of 5(Five) years with effect from 25 June 2017 and remuneration payable for a period of 3 (Three) years, which was approved by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 18 October 2019 has approved continuation of existing remuneration to Mr. Agarwal for the remaining tenure of 2 (Two) years w.e.f. 25 June 2020 of his existing appointment, as per the applicable provisions of the Companies Act, 2013 read with rules made thereunder and Schedule V to the said Act. The detailed terms and conditions 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 are as mentioned below.

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**

Free furnished residential accommodation or House Rent Allowance upto 50% of salary in lieu thereof. Expenditure incurred on gas, water, electricity, caretaker staff etc. will be borne by the Company, subject to Income Tax Rules.

Medical Reimbursement

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

Club Fees

Reimbursement of Membership fees for three Clubs in India and / or abroad including admission and life membership fee.

Contribution to Provident Fund and Superannuation / Annuity Fund

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

Gratuity

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

Leave Pay

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

Convenyance

A Company maintained Car will be provided for the use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities

The Company shall provide Telephone, and other communication facilities at the residence of Mr. 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.

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.

The information as required under the provisions of Schedule V of the Companies Act, 2013 (the Act) and also under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished below:

- I. General Information: As mentioned below.
- II. Information about Mr. Vishal Agarwal

(1) Background details: Mr. Agarwal holds a Bachelors Degree from London School of Economics and a Masters

Degree from Oxford University. He was born in Faizabad, Uttar Pradesh and completed his schooling from Mayo College, Ajmer and Cheltenham College, UK. He has over 21 years of rich experience in the Iron & Steel industry with hands on experience of setting up greenfield projects and international trading business. During 1997 to 2004, Mr. Agarwal developed the international trading business for the VISA Group in minerals and metals including Chrome Ore, Iron Ore, Manganese Ore, Alumina, Ferro Alloys etc. Since 2004, he has built the Special Steel, Ferro Chrome and Coke business from scratch. His leadership enabled Strategic Joint Venture partnerships with global Companies including Baosteel, China and SunCoke Energy, USA.

He is a Committee Member of Indian Chamber of Commerce (ICC). His Sporting activities include Golf, Tennis & Swimming. Mr. Agarwal is also actively involved in promoting CSR activities in the areas of education and healthcare in Odisha through the VISA Trust.

(2) Past Remuneration: Mr. Agarwal, has withdrawn ₹ 18.40 million (including retirement benefits) for FY 2018-19.

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

(4) Job profile and his suitability: Mr. Vishal Agarwal as Vice Chairman & Managing Director is responsible for the entire operations of the plant of the Company and is accountable to the Board of Directors. Considering his past track record, qualifications, vast experience and his achievements in the same business, Mr. Agarwal is best suited for the assignment as Vice Chairman & Managing Director of the Company.

(5) Remuneration proposed: The Company is seeking approval for continuation of remuneration for the remaining period of his tenure with effect from 25 June 2020. There is no change in the remuneration paid and proposed to be paid to him. The details of remuneration proposed to be paid are provided in the explanatory statement above.

(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 mentioned below.

The Companies in which Mr. Agarwal is a Director and his Committee positions is given in Annexure - A of this Notice.

The Board accordingly 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, Manager and other key managerial personnel of the Company including their relatives are interested, financially or otherwise in the resolution, except to the extent of their shareholding, if any.

GENERAL INFORMATION ABOUT THE COMPANY

(1) NATURE OF INDUSTRY:

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.

(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 INDICATOR

Particulars	₹ in million except EPS)	
	Standalone	
	2018-19	2017-18
Total Income	8306.43	8830.94
Profit before tax	(661.62)	(275.93)
Profit after tax	(661.62)	(275.93)
Earnings Per Share (EPS)	(5.71)	(2.45)

(5) FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY

As on 31 March 2019, the total share holding of Foreign Institutional Investors (including Foreign Corporate Bodies) is 26.95% and Non-Resident Indians is 0.30%, of the total paid up capital of the Company.

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 cutback by Lenders in excess of EBITDA, high energy costs and electricity duty/compensation cess, high road transport rates etc. Due to high cutback, the dues to operational creditors and statutory dues have increased.

(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 including specific consumption per unit of product. 2. Cost reduction by optimising production. 3. The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating & energy efficiencies and increasing overall productivity.

(3) EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS:

The Company has taken appropriate steps to ensure improvement in profitability in future which is subject to improvement in economic scenario and market condition. The performance of the Company has been adversely affected due to various external factors. It would therefore, be inappropriate to quantify in measurable terms the likely increase in productivity and profits, which has taken place as a result of the steps taken by the Company.

All disclosures as required shall be given in the Corporate Governance Report which forms part of Board's Report.

ANNEXURE A

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 are as follows:

Name of the Director	Mr. Vishal Agarwal	Mr. Dhanesh Ranjan
DIN	00121539	03047512
Date of birth / Age	14 September 1974, 45 Y	30 September 1953, 66 Y
Date of first appointment	10 September 1996	30 September 2018
Qualifications	Bachelor's degree in Economics from the London School of Economics and a Master's degree in Economics for Development from Oxford University	Master's Degree in Economics from Ranchi University and Diploma in Maritime Law from Lloyd's Maritime Academy, London
Nationality	Indian	Indian
Date of Appointment	25 June 2017	30 September 2018
Experience	He has over 21 years of rich experience in the Iron & Steel industry with hands on experience of setting up greenfield projects and international trading business. During 1997 to 2004, Mr. Agarwal developed the international trading business for the VISA Group in minerals and metals including Chrome Ore, Iron Ore, Manganese Ore, Alumina, Ferro Alloys etc. Since 2004, he has built the Special Steel, Ferro Chrome and Coke business from scratch. His leadership enabled Strategic Joint Venture partnerships with global Companies including Baosteel, China and SunCoke Energy, USA.	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.
Terms and Conditions of Appointment/fixation of remuneration	Appointed as Vice Chairman & Managing Director for a period of 5 (Five) years w.e.f 25 June 2017. Details as set out in resolution & explanatory statement to Item no. 6 of this Notice.	Appointment as Independent Director is for a term of Three (3) years commencing from 30 September 2019 as set out in resolution at Item no. 3 of this Notice.
Remuneration sought to be paid	As detailed in Item No. 6	Nil except sitting fees for attending the Meeting of Board of Directors and its Committees
Remuneration last drawn	As detailed in Item No. 6	Nil
Date of First Appointment on the Board	10 September 1996	30 September 2018
Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager and other KMP of the Company	Mr. Vishal Agarwal, Vice-Chairman & Managing Director is son of Mr. Vishambhar Saran. Except as stated above, Mr. Saran is not related with other Directors, Manager and other KMP of the Company.	Not related to any Director / Key Managerial Personnel
The number of Meetings of the Board attended during the F.Y. 2018-19	4 (Four)	2 (Two)
Names of entities in which the person also holds the Directorship and the Membership of Committees of the Board	VISA Natural Resources Limited VISA Special Steel Limited VISA Coke Limited VISA Industries Limited VISA Urban Infra Limited VISA Ferro Chrome Limited Indian Chamber of Commerce Calcutta	Nil
Committee Membership/ Chairmanship of other Company	VISA Coke Limited Audit Committee -Chairman Nomination & Remuneration Committee – Chairman Corporate Social Responsibility - Chairman	Nil

ROUTE MAP



