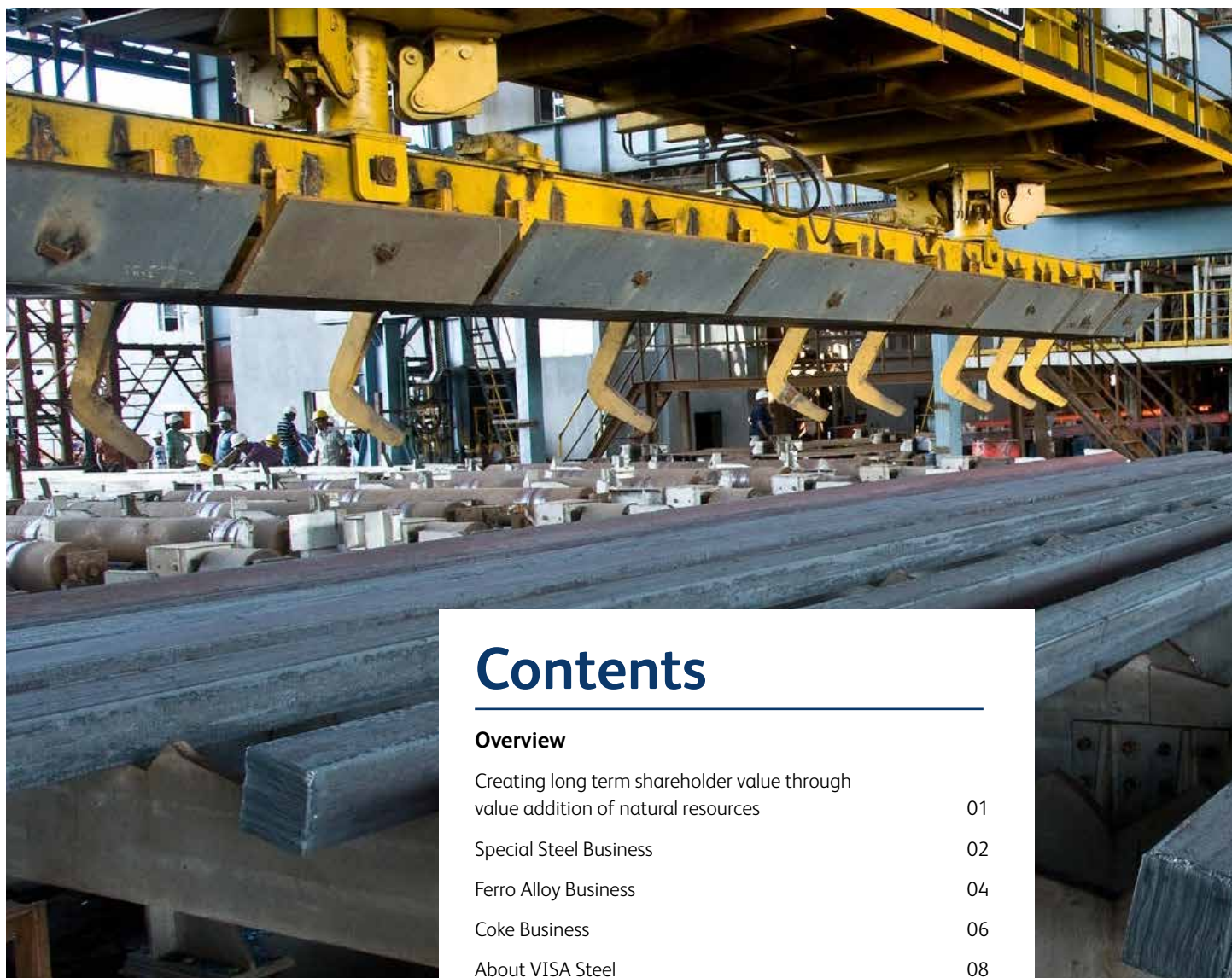


VISA STEEL

Annual Report 2013-14



Contents

Overview

Creating long term shareholder value through value addition of natural resources	01
Special Steel Business	02
Ferro Alloy Business	04
Coke Business	06
About VISA Steel	08
Strategic Goals and Mission	10
Financial and Operational Highlights	12
Chairman's Statement	14
Vice Chairman & Managing Director's Review	16
Board of Directors	18
Corporate Social Responsibility	20

Statutory Reports

Report of the Directors	22
Management Discussion and Analysis	34
Report on Corporate Governance	40

Financial Statements

Standalone	57
Consolidated	99

Forward-looking statements

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

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

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



Creating long term shareholder value through value addition of natural resources

VISA Steel Limited has created a world class facility for production of Special Steel, Ferro Alloys and Coke at Kalinganagar in Odisha.

Kalinganagar is one of the upcoming major Steel hubs in India and is strategically located in the mineral rich State of Odisha, which accounts for 33 % of total Iron Ore reserves, 28 % of coal reserves and 97 % of Chrome Ore reserves in India. VISA Steel's Plant is in close proximity to vital raw material - Iron Ore, Chrome Ore & Coal and deep draft Ports of Paradip & Dhamra. It is considered to be a preferred investment destination with excellent infrastructure - Road, Railway and Port connectivity.

The Company is pursuing Special Steel business, Ferro Alloys & Captive Power business and Coke business at Kalinganagar. In order to facilitate fund raising, the Company plans to unlock value in the Special Steel & Ferro Alloy business through strategic / financial investor as it has done by inducting a strategic investor in Coke business.

Special Steel Business

The 0.5 million TPA Special Steel business includes production of Hot Metal / Pig Iron, DRI / Sponge Iron, Special Steel Blooms / Billets, Bar & Wire Rods and Rebars for supply to the automobile, construction, infrastructure, engineering, railway and defence sectors.





1 million TPA

Expected Capacity Expansion of
Special Steel at Kalinganagar, Odisha

The Company is awaiting grant of Captive Iron Ore Mines in Odisha. The Company plans to set up an Iron Ore Sinter Plant in order to improve productivity of the Blast Furnace and reduce cost of raw material. The Company also plans to set up Producer gas plant to reduce the energy cost in Rolling Mill.

The Company envisages transfer of Special Steel Undertaking with all its assets and liability into VISA Special Steel Limited (a subsidiary of the Company) through a Scheme of Arrangement in order to improve focus and facilitate fund raising through strategic / financial investor. The Company plans to expand its capacity from 0.5 million TPA to 1 million TPA Special Steel at Kalinganagar in Odisha.

Ferro Alloy Business

The Business comprises of 180,000
TPA Ferro Alloy Plant & 75 MW Captive
Power Plant





Out of six Furnaces, four Furnaces are in operation (two Furnaces of VISA Steel Limited and two Furnaces of VISA BAO Limited). The Company is having a 200,000 TPA Chrome Ore Beneficiation and Chrome Ore Grinding Plant at Golagaon. The Company is in the process of merging VISA BAO Limited with itself and in the interim period, the Company is

180,000 TPA

Ferro Alloy Production

operating VISA BAO's Ferro Alloys Plant on dry lease basis.

The 75 MW Captive Power Plant is sufficient to cater majority of the requirement of power for 180,000 TPA Ferro Alloy production. Power is a key cost component in Ferro Alloy business, and low cost & uninterrupted availability of Captive Power for Ferro Alloys production is critical to the cost competitiveness and facilitating stable operations.

VISA Steel is a leading player in the Ferro Alloys industry in India and globally and going forward, it plans to further expand its Ferro Alloys production and Captive Power generation capacities.

Coke Business

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



400,000 TPA

Production Capacity at Coke
Oven Plant



VISA SunCoke has established itself as the best quality Coke manufacturer and enjoys advantage over imported Coke from China. In view of improvement in availability of Iron Ore, domestic demand of Coke from Blast Furnaces is likely to improve. Being a debt free Company VISA SunCoke Limited is set to leverage its operating and technological expertise to serve customers across India with the best quality Coke.

The Company is evaluating the option of growing the Coke business through expansion at Kalinganagar to 800,000 TPA.



About VISA Steel



Vision

“Create long term shareholder value through value addition of natural resources”

Values

Transparency – We are transparent and honest in our profession with all our stakeholders

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

Passion – We are passionately committed to delivering excellence in performance

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

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

Registered office in Bhubaneswar, **Corporate Office** in Kolkata and manufacturing facilities at Kalinganagar and Golagaon in Odisha.

Shares listed in the BSE Limited and the National Stock Exchange of India Limited.