

VISA STEEL

Annual Report 2015-16



SPARKING
THE FUTURE

Forward-looking Statements

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

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RAMPING UP OPERATIONS

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

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

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

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

VISA STEEL AT A GLANCE

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

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

Our Capacities

Special Steel business

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

Ferro Alloy Business

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

Coke Business

FACILITY	CAPACITY
Coke Oven Plant	400,000 TPA

Registered office

Bhubaneswar

Corporate Office

Kolkata

Listing

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

Vision

Create long term shareholder value through value addition of natural resources

Core Values

Transparency

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

» Team Work

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

» Passion

We are passionately committed to delivering excellence in performance

» Attitude

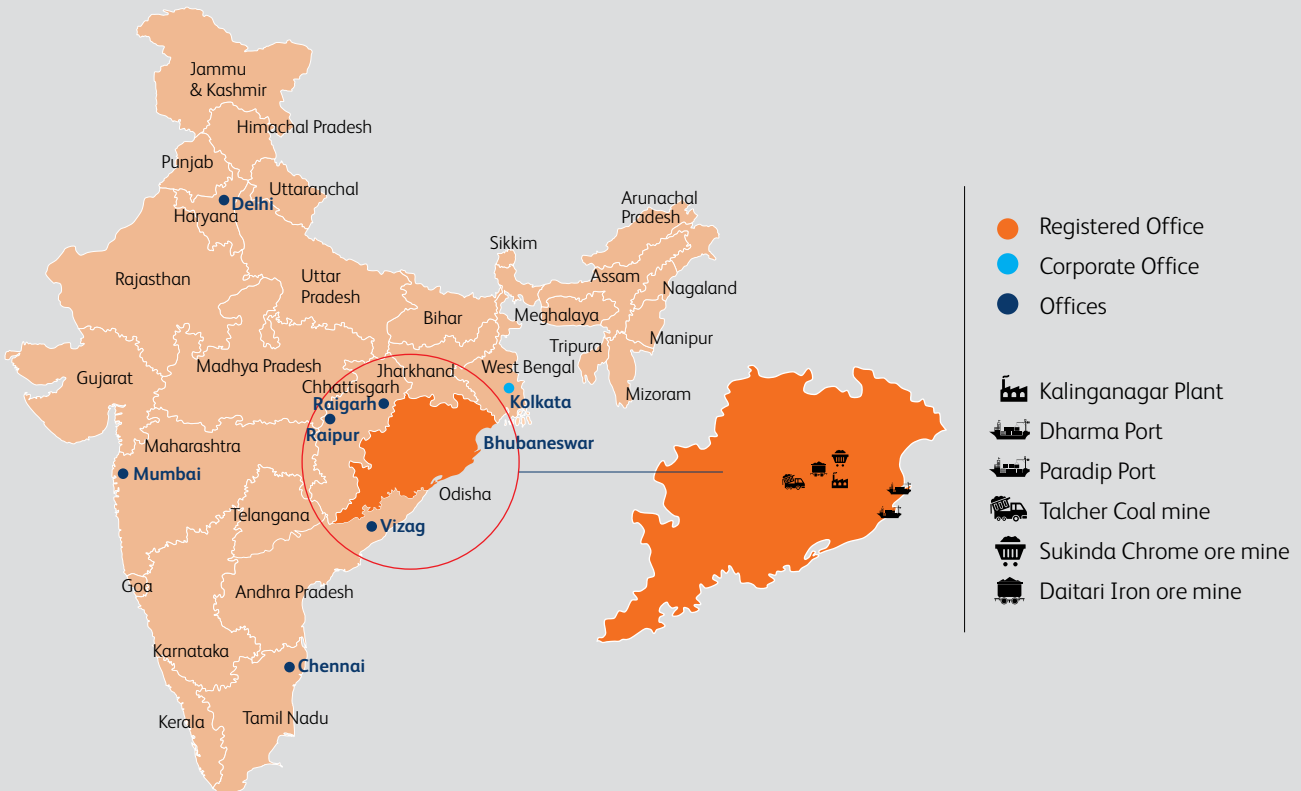
We demonstrate ownership in our attitude to create sustainable value for shareholders

» Governance

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

OUR STRATEGIC LOCATION

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



Iron ore reserves

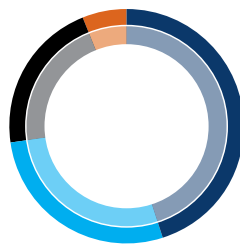
(%)



Odisha 33 Jharkhand 28
Chhattisgarh 18 Karnataka 11
Others 10

Coal reserves

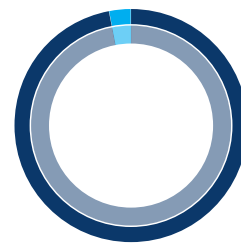
(%)



Jharkhand 45 Odisha 28
Chhattisgarh 21 Others 6

Chrome ore reserves

(%)



Odisha 97 Others 3

STRATEGIC GOALS AND MISSION



INTEGRATE ACROSS VALUE CHAIN WITH CAPTIVE MINES AND POWER

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



LEADERSHIP IN BUSINESS SEGMENT THROUGH MARKET SHARE

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



MAXIMISE SHAREHOLDER VALUE BY MARKET CAP AND ROCE

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



BUILD PARTNERSHIPS WITH CUSTOMERS AND SUPPLIERS

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



FAMILY OF CAPABLE, MOTIVATED AND HAPPY EMPLOYEES

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



STRATEGIC GOALS

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



FINANCIAL AND OPERATIONAL PERFORMANCE

All amount in Rs. Million, unless otherwise stated

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

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

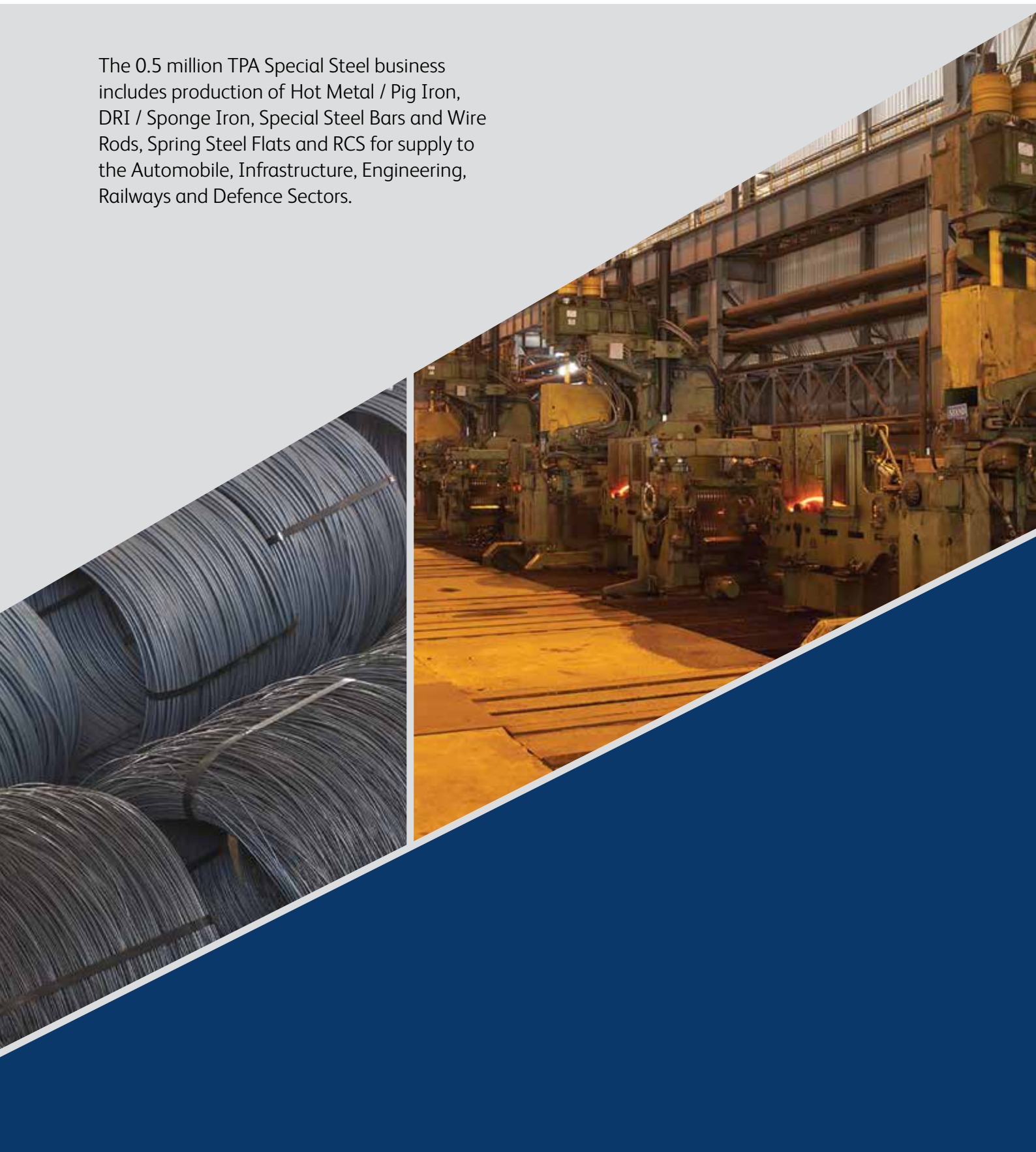


SPECIAL STEEL BUSINESS

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



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



FERRO ALLOYS BUSINESS

120,000 TPA

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

