VISA STEEL

VISA Steel Limited

Annual Report 2007-08

www.visasteel.com

concept, content and design at Atherstone(ic@atherstonegroup.com)

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 achievement of results is 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 bear 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.

contents

VISA Steel at a Glance 03
Highlights 04
Integrating the value chain. The next step. 06
Chairman's Statement 18
Managing Director's Review 20
Profiles of the Board of Directors 22
Management Profiles 24
Corporate Social Responsibility 26
Report of the Directors 28
Management Discussion and Analysis 40
Report on Corporate Governance 48
Auditors' Report 63
Financial Statements 66
Corporate Information 124

VISA STEEL LIMITED

REGISTERED OFFICE
BHUBANESWAR
VISA House,
11, Ekamra Kanan, Nayapalli,
Bhubaneswar – 751 015.
Tel: +91 674 2552479
Fax: +91 674 2554662
visabbsr@visasteel.com

CORPORATE OFFICE
KOLKATA
Brooke House, 2nd Floor,
9, Shakespeare Sarani,
Kolkata – 700 071.
Tel: +91 33 30519000
Fax: +91 33 30519001
investors@visasteel.com

AUDITORS
Lovelock & Lewes

INTERNAL AUDITORS
L. B. Jha & Co.

SOLICITORS
Khaitan & Co.

BANKERS
Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank
Dena Bank
ICICI Bank
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Hyderabad
State Bank of Travancore
Syndicate Bank
UCO Bank
Union Bank of India
Vijaya Bank

REGISTRARS
Karvy Computershare Private Limited

PLANT OFFICES
KALINGANAGAR PLANT SITE
Kalinganagar Industrial Complex,
PO: Jakhapura,
Dist: Jajpur,
Orissa – 755 019.
Tel: +91 6726 242441
Fax: +91 6726 242442

GOLAGAON PLANT SITE
Village Golagaon (Near Duburi),
PO: Pankapal,
Dist: Jajpur,
Orissa.
Tel: +91 6726 245470
Fax: +91 6726 245561

VISION

Emerge as a low cost producer of special and stainless steel

VISA STEEL AT A GLANCE

VISA Steel is part of the VISA Group; a conglomerate with decade-long experience in global minerals and metals industry. VISA Steel is in the process setting up a 0.5 MTPA integrated Steel Plant – as Phase I of the 1.5 MTPA integrated Special and Stainless Steel project in Orissa.

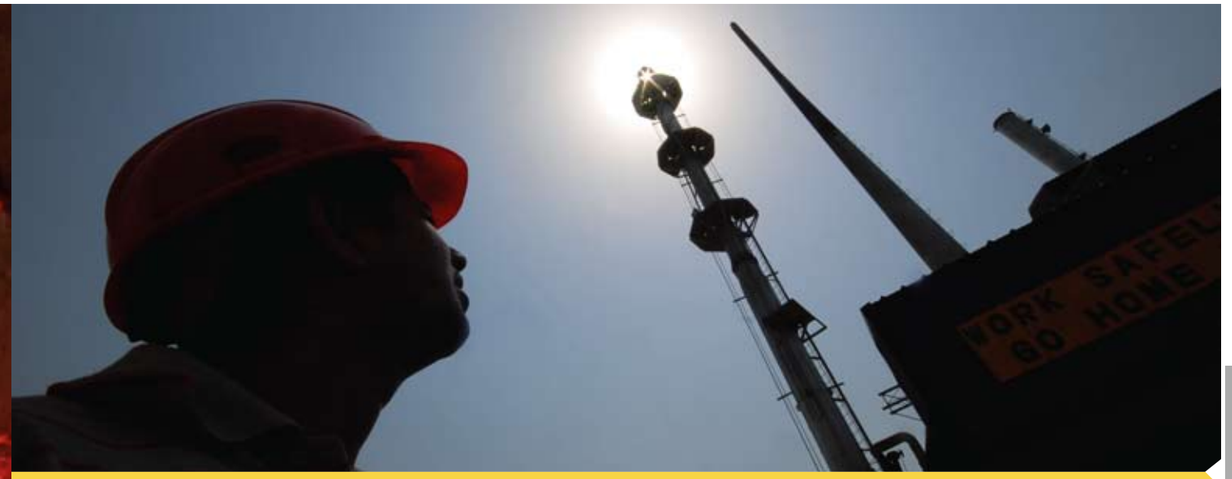
VISA Steel has production facilities in Kalinganagar and Golagaon, located in the eastern Indian state of Orissa.

THE INTEGRATED SPECIAL AND STAINLESS STEEL PLANT AT THE KALINGANAGAR INDUSTRIAL COMPLEX INCLUDES THE FOLLOWING FACILITIES:

- 225,000 TPA Pig Iron Plant
- 400,000 TPA Coke Oven Plant
- 50,000 TPA Ferro Chrome Plant
- 300,000 TPA Sponge Iron Plant
- 75 MW Power Plant
- 500,000 TPA Steel Melt Shop
- 500,000 TPA Bar & Wire Rod Mill

VISA STEEL'S GOLAGAON OPERATIONS INCLUDE:

- 100,000 TPA Chrome Ore Beneficiation Plant (COBP)
- 100,000 TPA Chrome Ore Grinding Plant (COGP)



BACKWARD INTEGRATION

TO ENHANCE ITS COMPETITIVENESS, VISA STEEL IS INTEGRATING ITS OPERATIONS BACKWARDS INTO THE MINING OF IRON ORE, CHROME ORE AND COAL.

SPECIFIC INITIATIVES TOWARDS THIS END INCLUDES:

- Developing chrome ore deposits in Orissa through its subsidiary, Ghotaringa Minerals Limited.
- The Company also procures additional chrome ore from IDCOL and OMC.
- VISA Steel has a long term agreement for procuring iron ore supplies from OMC and Sesa Goa.
- The Company has also been jointly allocated the Patrapada Coal Block at Talcher, Orissa.

VISA Steel also has active plans to set up integrated Steel Plants in other mineral rich states such as Chhattisgarh and Jharkhand.

LOCATIONAL AND LOGISTIC ADVANTAGES

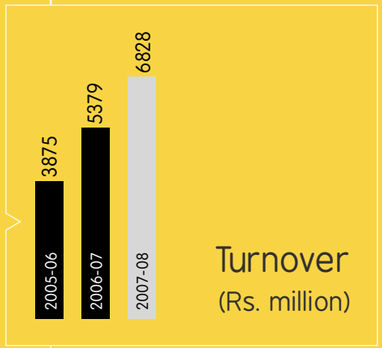
Access to raw materials:

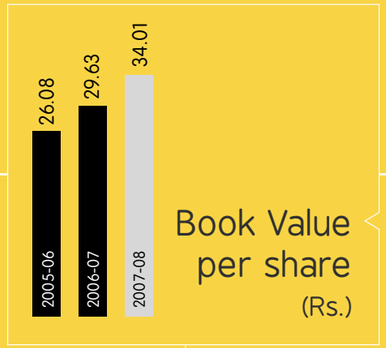
- Talcher Coalfields are situated 110 kms away.
- The Daitari iron ore mines are located 30 kms away while the Keonjhar and Barbil mines are 100 to 150 kms away.
- The Sukinda chrome ore mines are 35 kms away.

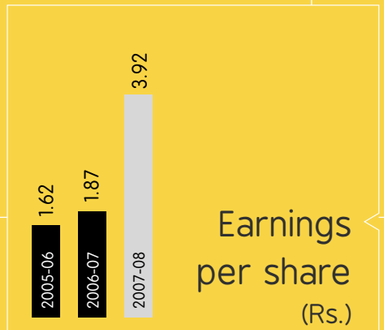
Access to infrastructure:

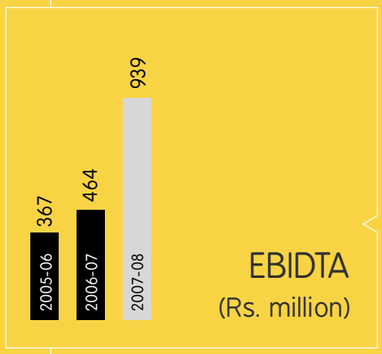
- The Paradip port is located within 120 kms away from the Plant.
- The Banspani – Jakhapura railway line is being developed.

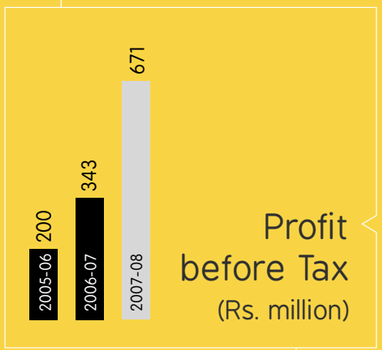
FINANCIAL HIGHLIGHTS

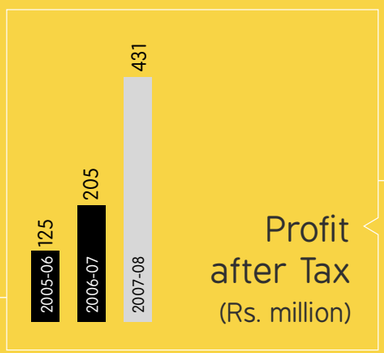


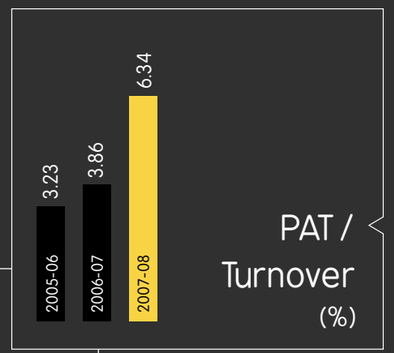


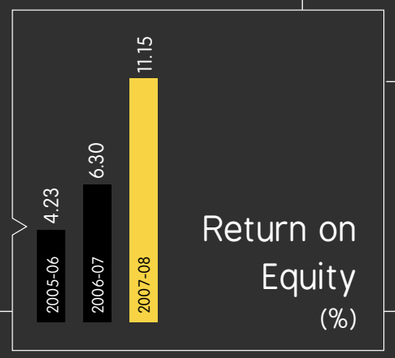


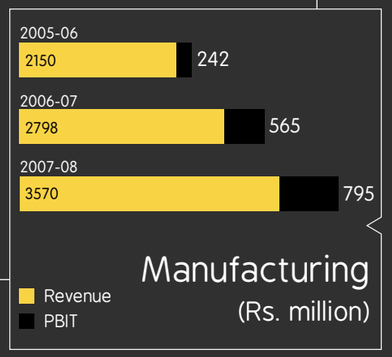












2007-08 CORPORATE HIGHLIGHTS

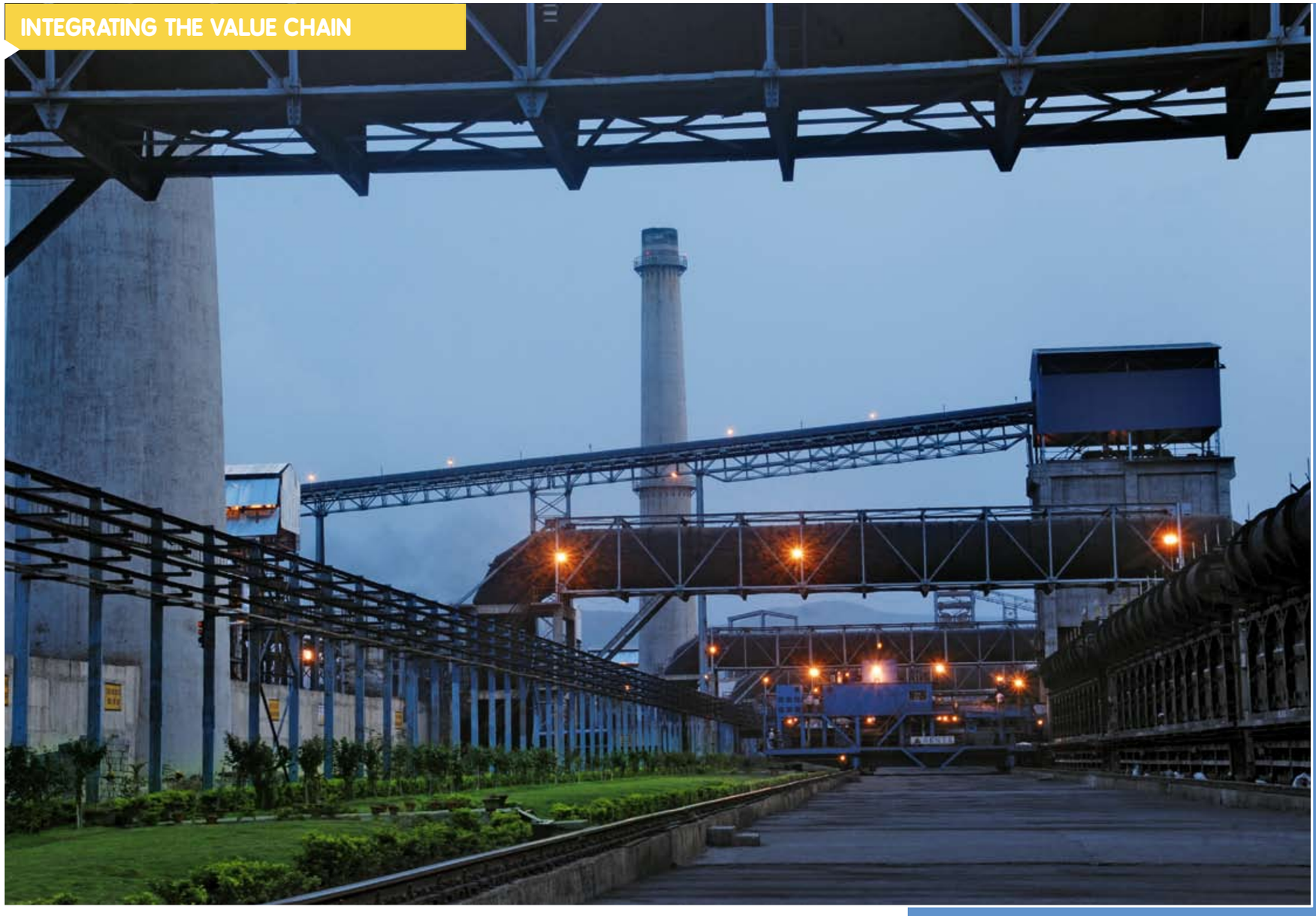
- August 2007: Entered into a joint venture with Baosteel, the largest steel manufacturer in China, for setting up a 100,000 TPA Ferro Chrome Plant.
- November 2007: Commissioned the 50,000 TPA ferro chrome plant
- February 2008: VISA BAO Limited incorporated
- March 2008: 2nd Pusher car commissioned in the Coke Oven Plant

INTEGRATING THE VALUE CHAIN

THE NEXT STEP

From the mining of ores to the supply of value added varieties of steel, VISA Steel's business is based on a progressive monetising of facilities through marketing intermediates. Each of these intermediates is, by itself, strong products in a dynamic and supply-starved market. Along the way, opportunities that are adjunct to the steel production value chain, among them the co-generation of power from waste heat and the supply of value added products, are also captured.

At VISA Steel, integration is therefore an act that yields multiple returns. Besides augmenting operating metrics, it ensures a self sufficiency in raw material and intermediates. It also allows facilities to be fully tested and de-bottlenecked in readiness for the final production at superior levels of capacity utilisation. Integrating the value chain, acts as a value protector by insulating against supply side interruptions and price fluctuations. For VISA Steel, value chain integration is the way forward in realizing the vision of becoming a dominant special and stainless steel player in India.



VISA Steel took steps to install a new pusher car with plate system and shut down the Blast Furnace for refractory relining, which shall restart from second quarter of 2008-09. The new pusher car has already been commissioned in March 2008 and coke production has reached 90% capacity utilisation levels during April 2008. De-bottlenecking these facilities led to the creation of multiple revenue streams from which the Company will derive full benefits in the coming year.

Taking tactical steps to increase efficiency will strengthen VISA Steel's backend production of vital inputs.

WITH THE PRODUCTION ASSETS IN PLACE

IMPROVING EFFICIENCY WAS THE NEXT STEP

The production efficiency is vital once the manufacturing assets are in place. A series of difficulties arose requiring the need to de-bottleneck facilities and improve efficiency. Both the Blast Furnace and Coke Oven experienced technical difficulties. The Blast Furnace experienced problems due to quality of water and power trippages affecting the refractory lining of the furnace. Additionally, the Coke Oven had problems due to its pusher car equipment with coal box getting deformed. These issues resulted in the below par production of coke and pig iron during 2007-08.

DE-BOTTLENECKING THE COKE OVEN AND THE BLAST FURNACE LED TO THE CREATION OF MULTIPLE REVENUE STREAMS FROM WHICH THE COMPANY WILL DERIVE FULL BENEFITS IN THE COMING YEAR.

WITH COMMITMENTS TO STAKEHOLDERS MADE

STEADILY **COMMISSIONING CAPACITIES** WAS THE NEXT STEP

VISA Steel has, in setting up its Integrated Steel Plant, faced serious political disturbances in addition to a major contractor resource crunch, which together have delayed the commissioning of key facilities. These, however, have not deterred the Company from keeping its commitments and facilities have been steadily coming on stream. In addition to the Ferro Chrome Plant, a 50 MW Captive Power Plant and 300,000 TPA DRI Plant are soon to be commissioned. Further, the Steel Melt Shop, Rolling Mills and additional 25 MW Power Plant are expected to generate revenues and profits from financial year 2010 -11 onwards.

The steel industry is on an upswing, driven by higher input prices. Steel prices will continue to remain firm due to high coking coal and iron ore prices. With pig iron, sponge iron, ferro chrome and coke prices at all time record high levels, VISA Steel will benefit significantly given that their capacities are coming on stream at the best possible time.

VISA Steel's superior management of its IPO proceeds have also benefited the Company in terms of the financing and upkeep of key facilities.

Resolute in its commitment, VISA Steel's prudent fund management supports a steady commissioning of facilities through challenging situations.

IN ADDITION TO THE FERRO CHROME PLANT, A 50 MW CAPTIVE POWER PLANT AND A 300,000 TPA DRI PLANT ARE SOON TO BE COMMISSIONED.

WITH CHINA EMERGING AS A STAINLESS STEEL HUB

A **STRATEGIC ALLIANCE** WITH BAOSTEEL WAS THE NEXT STEP

India is a major exporter of chrome ore and chrome concentrates to China with over 1 million TPA exports over last 4 years. The Government of India encourages value addition of ore within India by imposing export tax on exports of chrome ore and concentrates. Over time, India shall emerge as a large exporter of ferro chrome instead of chrome ore.

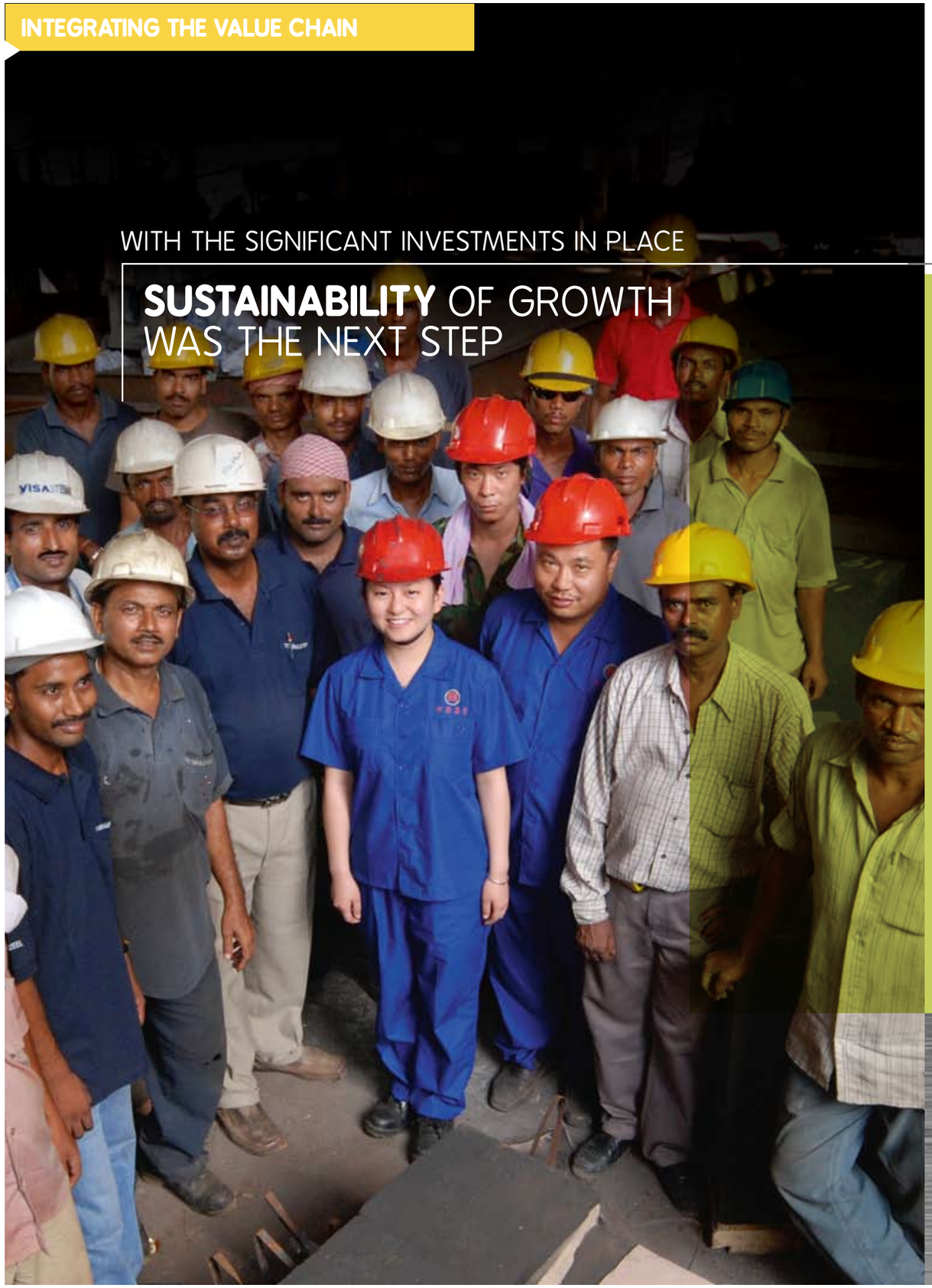
China accounts for 25% of world's stainless production thereby emerging as a large buyer of chrome ore and ferro chrome. Baosteel, one of the largest stainless steel producers in China has been a buyer of VISA Comtrade's chrome ore for several years. VISA Steel signed a joint venture agreement with Baosteel Resources Co. Ltd. and VISA Comtrade AG to seize the opportunity in value addition of chrome ore into ferro chrome. The Joint Venture Company, VISA BAO Limited, will set up a 100,000 TPA Ferro Chrome Plant in Orissa having a capex of Rs. 2,600 million and a debt equity ratio of 65:35.

VISA Steel, Baosteel and VISA Comtrade AG each respectively hold 51%, 35% and 14% stake in VISA BAO Limited. The ground work for this project is set to begin by October 2008. On commissioning, VISA Steel and VISA BAO put together will be one of the largest Ferro Chrome producers in India. A majority of the total ferro chrome production will be sold to Baosteel.

Baosteel's immense market credibility and the advantage of having a ready customer for enhanced production will help improve VISA Steel's profit margins.

The union between Baosteel and VISA Steel will offer advantages of scale and de-risked investment.

ON COMMISSIONING, VISA STEEL AND VISA BAO PUT TOGETHER WILL BE ONE OF THE LARGEST FERRO CHROME PRODUCERS IN INDIA.



WITH THE SIGNIFICANT INVESTMENTS IN PLACE

SUSTAINABILITY OF GROWTH WAS THE NEXT STEP

While project implementation integrates the value chain, it is transparent corporate governance that ensures sustainability of the growth. At VISA Steel, the commitment to create shareholder value manifests itself through investments in environmentally sound and sustainable manufacturing practices. The 50 MW Waste Heat Power Plant within the Kalinganagar premises will not only reduce the dependence on grid power but also minimize its carbon impact. Additionally, the installation of Electro Static Precipitators (ESPs) in key capacities helps filter emissions and minimise environmental impact.

VISA Steel imbibes exemplary people practices creating an environment which is conducive to personal growth.

The Company offers a performance-oriented structure, and empowers employees to prove their worth. The end result of our people oriented practices is lower attrition and high morale.

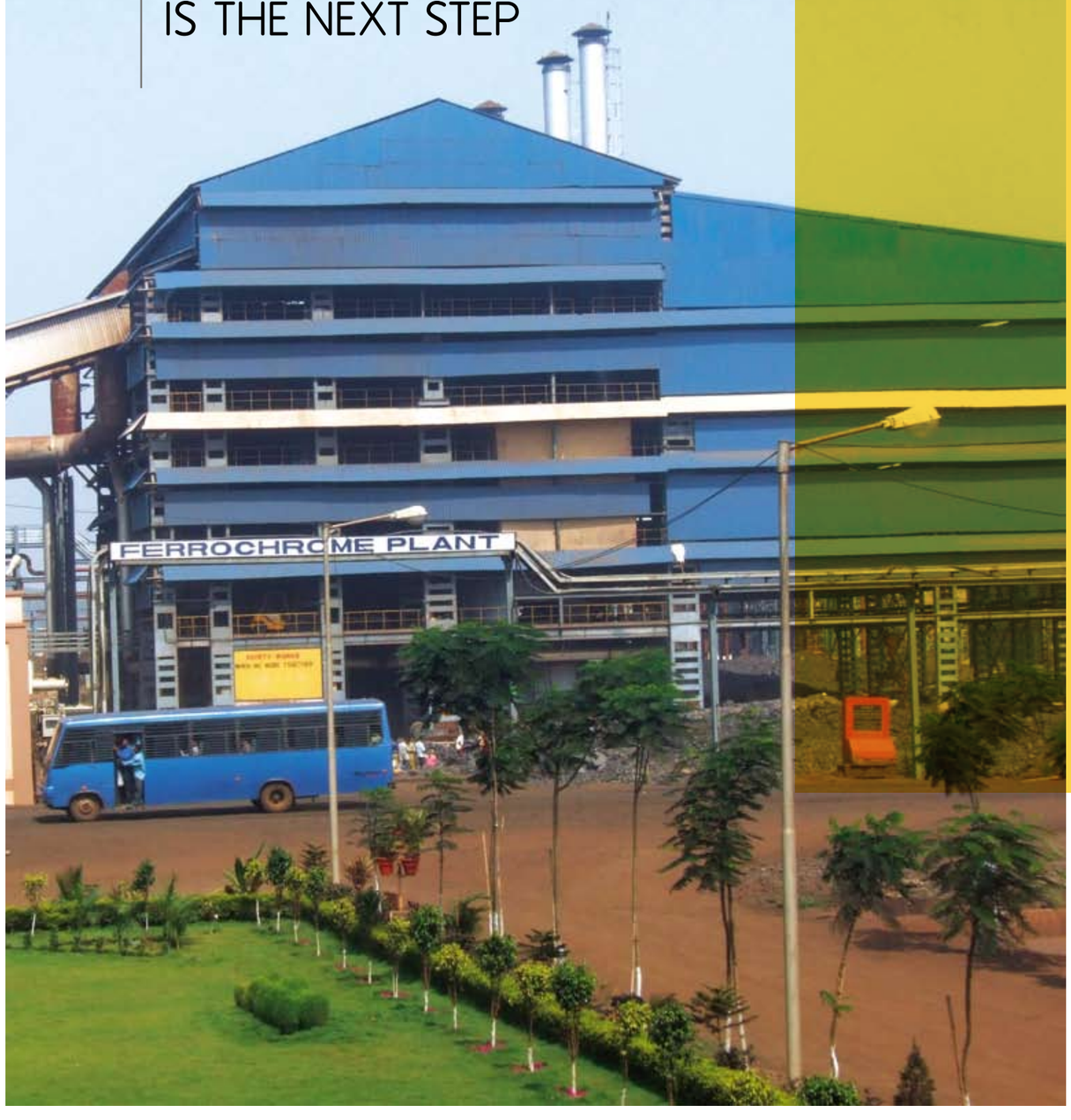
As a socially responsible Company, VISA Steel undertakes several measures for the betterment of the society it operates in. The Company has built temples, dug bore wells and planted trees.

When sustainability is viewed as an impact on employees, stakeholders, environment and society, benefits will naturally be incorporated in every interaction.

AS A SOCIALLY RESPONSIBLE COMPANY, VISA STEEL UNDERTAKES SEVERAL MEASURES FOR THE BETTERMENT OF THE SOCIETY IT OPERATES IN.

WITH FERRO CHROME PRODUCTION IN PLACE

CAPTIVE POWER SUPPLY IS THE NEXT STEP



FERRO CHROME PRODUCTION IS A POWER-INTENSIVE PROCESS, AS IS THE ENTIRE STEEL MANUFACTURING CHAIN. VISA STEEL IS IN THE PROCESS OF SETTING UP A 75 MW CAPTIVE POWER PLANT, IN TWO PHASES.

During the year 2007-08, VISA Steel commissioned its 50,000 TPA Ferro Chrome Plant. The plant is equipped with two electric submerged arc furnaces of 16.5 MVA each. These state-of-the-art machines produce High Carbon Ferro Chrome. VISA Steel has actualised its strategy of "getting the metallics in place". The Ferro Chrome Plant has enabled the Company enter the league of major manufacturers of this critical alloy. This is a key element in the integration of the steel value chain. Moreover, VISA Steel's proximity to the Sukinda Valley chrome ore reserves reduces logistics costs and allows for a steady supply of raw material. Production of Ferro Chrome during the year was 18,014 onnes.

Ferro chrome production is a power-intensive process, as is the entire steel manufacturing chain. VISA Steel is in the process of setting up a 75 MW captive power plant, in two phases. The first phase of this project is the commissioning of a 50 MW Power Plant by utilising waste heat generated by the Coke Oven, Blast Furnace and DRI Plant, further capturing value. An additional 25 MW Power Plant using coal and char shall follow. VISA Steel has also commissioned the 220 kv power transmission line to facilitate stable supply of power at the Kalinganagar facility.

With a current power requirement of around 35 MW, these steps will offer the twin benefits of assured power supply and steady cash flow by using captive power. The Company will bolster its profit margins by leveraging a substantial cost saving compared to existing costs.

The Captive Power Plant will help VISA Steel in the years ahead to establish itself as a low cost producer of Ferro Chrome.

CHAIRMAN'S STATEMENT

VISHAMBHAR SARAN

> "We shall continue to grow rapidly in the coming years in the Iron and Steel Sector in order to deliver sustainable growth and create value for our shareholders."

Dear Shareholders,

On behalf of the Board, I am pleased to report that the Company has significantly exceeded expectations and registered a robust financial performance in 2007-08 against a challenging economic environment with rising inflation, rising interest rates, volatile exchange rates and rising input costs.

During the financial year 2007-08, we have commissioned the Ferro Chrome Plant and achieved significant growth in our Coke Oven operations. We also entered into a Joint Venture with Baosteel of China for setting up a Ferro Chrome Plant in India.

VISA Steel shall continue to create value by establishing global scale capacities and delivering sustainable growth while reinforcing our commitment to achieve the best standards of safety, corporate social responsibility, corporate governance and maintaining effective communication with all our stakeholders.

ANNUAL RESULTS

For the year ended 31 March 2008, VISA Steel recorded a revenue growth of 27% to Rs. 6,828.1 million from Rs. 5,379.3 million in the previous year and EBIDTA growth of 103% to Rs. 939.3 million from Rs. 463.6 million in the previous year. The PBT grew by 96% to Rs. 671.4 million from Rs. 343.1 million and PAT grew by 110% to Rs. 431.5 million in financial year 2007-08 from Rs. 205.2 million during the previous financial year.

The growth in revenue and profits have been driven by volume growth and better realisations from the Coke and Ferro Chrome businesses. The Company was able to deliver a commendable performance which reflects on its knowledge and understanding of the business.

We plan to establish a globally competitive and world-class integrated facility of special and stainless steel making in Orissa, with captive power generation and backward linkage of mines for vital raw materials. As the commissioning of the Sponge Iron Plant, Captive Power Plant and Special and Stainless Steel Plant unfold, our performance will be boosted and we shall be poised to emerge as one of the most exciting and valuable companies in the Indian and Global Special and Stainless Steel Sector.

THE INDUSTRY

The Indian economy is growing at a GDP growth rate of more than 9% per annum and considering the multiplier effect, it is expected that demand for Steel will grow at a CAGR of over 10% during the next 15 to 20 years. Demand in the domestic steel industry has been fuelled by the infrastructure, construction, automobile and consumer goods sector. India has turned into a net importer of Steel during 2007-08 and this offers tremendous opportunities for growth in Steel making capacities in India.

The imposition of export tax of 15% on Primary Steel products with export tax on Iron Ore being negligible is an anomaly and the policy of the Government of India needs to be corrected to discourage exports of natural / primary raw materials and to promote value addition of raw materials within the country. The increase in export tax of Chrome Ore and Chrome Concentrates from Rs. 2,000 per MT to Rs. 3,000 per MT should help in improving availability of Chrome Ore for the Ferro Chrome industry in India. However, the proper solution lies in completely banning export of these items.

There has been a sharp increase of over 200% in Coking Coal prices due to floods in Australia affecting supplies and in Iron Ore prices due to growing demand from the Chinese Steel Industry. This raw material cost push has resulted in higher steel prices.

Further, the increase in export tax on Chinese Coke from 15% to 25% along with closure of a few Coking Coal mines in China has resulted in sharp increase in prices of Coke. It is also expected that Ferro Chrome prices shall remain firm due to the power crisis in South Africa affecting supplies and growing demand for Ferro Chrome from the Chinese Stainless Steel Plants.

LEVERAGING OPPORTUNITIES

This throws open several opportunities for the Indian Iron and Steel sector and with early mover advantages in the Coke and Ferro Chrome businesses, VISA Steel is in a very favourable position to derive significant benefits. Orissa is blessed with abundance of natural resources and the Company plans to integrate backwards into mining of coal, iron ore and chrome ore to have better control on raw material costs.

Our Plant at Kalinganagar offers excellent locational and logistical advantages through close proximity to key raw material sources and infrastructure which contribute in optimising costs and in ease of operations and reflects foresight in locational planning. Additionally, the Company employs cutting edge technology and its domestic and international vendors are of the highest repute and provide the best quality equipment. The consultants and contractors being engaged are also among the best in the industry.

During the year, VISA Steel executed a Joint Venture Agreement with Baosteel Resources Co. Ltd., China and VISA Comtrade AG, Switzerland to set up a 100,000 TPA Ferro Chrome Plant in Orissa. VISA BAO Limited (VBL) has been incorporated on 1 February 2008 to give effect to this Joint Venture. VBL is a subsidiary of VISA Steel holding 51% of VBL's paid-up share capital with the balance 35% being held by Baosteel Resources and 14% by VISA Comtrade.

OUTLOOK

We shall continue to grow rapidly in the coming years in the Iron and Steel Sector in order to deliver sustainable growth and create value for our shareholders.

The Company thrives on its human capital and I would like to congratulate and commend the efforts, thoughts, commitment and passion put in by our team. I would like to express my gratitude to all members of the Board of the Company for their precious contribution. I would also like to convey my grateful thanks to all the stakeholders for their confidence and faith and the regulatory authorities for their valued support.

Warm Regards.

Vishambhar Saran

MANAGING DIRECTOR'S REVIEW

> "Our priority is to be a responsible and respected Corporate Citizen and continue to place significant emphasis on Health, Safety & Environment."

VISHAL AGARWAL

The financial year 2007-08 was another year of exciting growth with improved performance of our Coke Oven operations, commissioning of Ferro Chrome Plant and progress in execution of new projects. We shall continue to focus our efforts to maintain high quality growth and maximise shareholder value.

We have taken initiatives to improve internal control systems and optimise and enhance realisations for our saleable products. We have further improved our HR practices and as a responsible corporate citizen, we continue to give top priority to Health, Safety and Environment.

GROWTH IN COKE OVEN PLANT OPERATIONS AND COMMISSIONING OF NEW PUSHER CAR

During the financial year 2007-08, we have achieved 196% growth in our Coke production to 176,422 MT from 59,643 MT during the previous financial year. We have commissioned the new pusher car which shall further improve capacity utilisation during 2008-09.

COMMISSIONING OF FERRO CHROME PLANT

During the year, the Company commissioned a 50,000 TPA Ferro Chrome Plant in November 2007. The Ferro Chrome production was 18,014 during 2007-08 and the full year benefit shall come from 2008-09 onwards.

SPONGE IRON AND POWER PROJECTS NEARING COMPLETION

The 300,000 TPA Sponge Iron Plant and 50 MW Waste Heat Recovery Captive Power Plant projects are on the verge of completion. These projects will start generating revenues from second quarter of the financial year 2008-09 onwards.

RAPID PROGRESS IN PROJECT EXECUTION AND INFRASTRUCTURE DEVELOPMENT

The construction of 0.5 million TPA Special & Stainless Steel Plant, 0.5 million TPA Bar & Wire Rod Mill and an additional 25 MW Power Plant is progressing rapidly. We continue to thrive on the best domestic and international equipment suppliers for our projects such as SMS Demag for EAF and LRF, Concast Caster, SMS Meer for Bar & Wire Rod Mill and Turbines from BHEL. We also continue to use the best contractors such as GDC and Bridge & Roof for our civil and fabrication work and Areva & ABB for our electrical work to ensure high standards of quality.

During the year under review, we have commissioned the 220 KV power line and water pipeline. We have also made significant progress in developing roads and drainage and in constructing modern GT Hostel cum guest house, administration building and colony.

EFFORTS TO IMPROVE CONTROL SYSTEMS

The efforts to streamline our SAP systems have resulted in us receiving the 'Best Implementation Award' from SAP India. The scope of our internal audit has also been expanded in order to further improve our internal control systems and ensure transparency in management.

RAW MATERIALS COSTS AND MINING LEASES

The sourcing of vital raw materials such as Iron Ore and Chrome Ore is mainly from OMC whereas Coking Coal is imported from Australia, primarily through long term contracts.

We have also made progress towards backward integration into mining of Iron Ore, Chrome Ore and Coal in order to reduce our raw material costs.

IMPROVEMENT IN MARKET REALISATION FOR OUR PRODUCTS

Our realisation for Coke and Ferro Chrome has improved significantly during the year due to high international prices. Coke prices are firm due to increase in export tax on Coke exports from China from 15% to 25% and closure of a few Coking Coal mines in China. Ferro Chrome prices have also been very firm on the back of growing demand from the Stainless Steel Plants in China and supply shortage due to the power crisis in South Africa.

HUMAN RESOURCE INITIATIVES

We have a young and passionate team whom we continue to nurture and develop through training in technical and managerial skills at our Learning Centre and on the job training on the shop floor. The Company continues to induct fresh engineers & MBAs through campus recruitment and provide opportunity for development and encourage them to grow with the Company. We have a very transparent performance appraisal system to decide upon increments and promotions. We also have an annual Social Calendar with activities for improving team building and better family bonding.

CORPORATE SOCIAL RESPONSIBILITIES

Our priority is to be a responsible and respected Corporate Citizen and continue to place significant emphasis on Health, Safety & Environment. We have provided better safety devices at critical locations under proper supervision to achieve the highest standards of safety. We have directed our community development initiatives in the areas of education, health care, rural development and sports & culture.

I would like to take this opportunity to express my sincere gratitude to our team of professionals for their commitment, dedication and hard work which has been the key to our growth.

Vishal Agarwal

PROFILE OF THE BOARD OF DIRECTORS

01

03

05

07

09

11

02

04

06

08

10

01 VISHAMBHAR SARAN, Chairman

Mr. Saran has an enriched experience of over 38 years in the iron & steel industry, with over 25 years with Tata Steel in the areas of development & operations of mines, mineral beneficiation plants and ferro alloy plants, port operations and international trading of raw materials for the iron & steel industry.
A mining engineer from BHU, he rose to the level of Director (Raw Materials) in Tata Steel before taking over as Chairman of the VISA Group in 1994. In a short span of time, he built the VISA Group into a minerals and metals conglomerate with a strong global presence in seven countries, namely, Australia, China, India, Indonesia, Singapore, Switzerland and U.K. He is the Chairman of the International Trade Committee of the CII-Eastern Region Council and the Vice President of the Indian Chamber of Commerce.

02 MAYA SHANKER VERMA, Chairman, Finance & Banking and Selection Committees

Mr. Verma is a career banker with a multi-level and wide ranging experience of over 45 years, encompassing an understanding of the commercial, developmental and investment banking as well as asset management and capital market operations.
A Master of Arts and Certified Associate of the Indian Institute of Bankers, Mr. Verma has held senior-most and critical positions in India's financial system and regulatory regimes like Chairman, State Bank of India, IDBI Bank and Telecom Regulatory Authority of India.

03 ARVIND PANDE, Chairman, Share Transfer & Investor Grievance & Remuneration Committees

Mr. Pande has over 40 years of experience in the Indian Administrative Services and the corporate public sector. He was also Joint Secretary to the Prime Minister for his expertise in Economics, Science and Technology. As Director of the Department of Economic Affairs in the Ministry of Finance, Government of India, he has been involved with many World Bank aided projects.
A Bachelor of Science and Master of Arts in Economics from Cambridge University, Mr. Pande is the former Chairman of the Steel Authority of India Limited and brings to the Company his in-depth knowledge of the iron & steel industry.

04 DEBI PRASAD BAGCHI, Chairman, Audit Committee

Mr. Bagchi brings to the Board his deep knowledge of the administrative services and the state of Orissa, especially in the steel & mining sector. He has held prestigious positions of authority like Additional Secretary, Commerce - Government of India, Secretary, Ministry of Small Scale Industry - Government of India, Chief Secretary - Government of Orissa, etc.
A Master of Arts in Economics and an M.Phil in Public Administration, Mr. Bagchi was also the Chairman cum Managing Director of Orissa Lift Irrigation Corporation and Managing Director of Orissa Mining Corporation Limited.

05 PRADIP KUMAR KHAITAN

Mr. Khaitan is a legal luminary and has extensive experience in the fields of commercial & corporate laws, tax laws, arbitration, foreign collaborations, mergers & acquisitions and corporate restructuring.
Mr. Khaitan is a Bachelor of Commerce, an LL.B and an Attorney-at-Law (Bells Chamber, Gold Medalist). He is the Senior Partner of Khaitan & Co., a leading Indian law firm and also member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration

06 SHANTI NARAIN

Mr. Narain brings with him his expertise in strategic management of transport systems, especially the Railways in the areas of planning, marketing, monitoring and control of operational & commercial activities and development of transport infrastructure.
He holds a Masters degree in Science (Mathematics) and had been the Member (Traffic) Railway Board for 4 years till February 2001. He is a member of several committees set up by the Government of India and professional societies.

07 SAROJ AGARWAL

Mrs. Agarwal laid the foundation of the VISA Group during the mid-eighties. She guides the organisation along its growth chart while upholding its values and spirit.
A Bachelor of Arts from BHU, she takes active part in philanthropic activities and contributes to the community through the VISA Charitable Trust where she is a trustee.
She is currently the Managing Director of VISA International Limited.

08 VIKAS AGARWAL

Mr. Agarwal is responsible for developing and nurturing the global coal and coke business of the VISA Group and has been instrumental in securing investments in the Group's coking coal mining venture in Australia.
He holds a Masters degree in Manufacturing Engineering from Trinity College, Cambridge University and is currently the Managing Director of VISA Power Limited and VISA Coal Pty Ltd.

09 VIVEK AGARWAL

Mr. Agarwal is Managing Director of VISA Comtrade Asia Ltd and is responsible for developing the minerals, metals and shipping business of the VISA Group and has been instrumental in the Group's joint venture with Baosteel.
Mr. Agarwal has worked as Senior Consultant with Booz Allen Hamilton, London, a global strategy consulting firm for 2 years till 2004, before joining the VISA Group. He holds a Masters degree in Manufacturing Engineering from Trinity College, Cambridge University.

10 VISHAL AGARWAL, Managing Director

Mr. Agarwal has in-depth experience of commissioning of greenfield projects of the Company by successfully establishing the plants at Golagaon and Kalinganagar.
As Managing Director of the Company, he is responsible for overall management of operations and implementation of projects and is the driving force behind many of the Company's strategic and human resource initiatives. He is also actively involved in various philanthropic activities in the backward districts of Orissa and West Bengal.
He is a Bachelor in Economics from London School of Economics and also holds a Masters degree in Economics for development from Oxford University.

11 BASUDEO PRASAD MODI, Deputy Managing Director

Mr. Modi has over 35 years of enriching experience in the field of operations and projects. He holds a degree in Business Management and a Diploma in Industrial Engineering and is a Council Member of the Indian Institute of Metals. Prior to joining the Company as Deputy Managing Director, he was Managing Director of Neelachal Ispat Nigam Ltd. Mr. Modi is responsible for overall operations in Kalinganagar, Orissa.

MANAGEMENT PROFILES

KRISHNA MURARI LAI, Executive Director (Raw Materials)
Mr. Lal, former CGM, Southern Eastern Coalfields Ltd. at Gevra (the largest coal mine in Asia) brings his extensive industry experience to the procurement of raw materials and the development of captive mines for iron ore, chrome ore and steam coal for the Company.

VINOD KUMAR, President (Projects)
Mr. Kumar has over 30 years of experience in project execution, operation and maintenance of DRI, SMS & Rolling Mill. He is responsible for the implementation of the DRI, SMS & Rolling Mill projects at Kalinganagar.

MANOJ KUMAR DIGGA, Chief Financial Officer
Mr. Digga has been a core member of the Group's Finance and Accounts team since 1995 and is responsible for the Company's financial strategy. He oversees the finance and accounting functions. He has also played a vital role in mobilising funds for the expansion projects of VISA Steel.

RANJAN MISHRA, Vice President (Ferro Chrome)
Mr. Mishra, a metallurgical engineer, has about 20 years of experience in operations of ferro chrome plants and in procurement of raw materials, which includes working with the ferro chrome plant of Tata Steel at Bamnipal. He is currently responsible for setting up operations of the Ferro Chrome Plant at Kalinganagar.

MANOJ KUMAR, Vice President (Purchase)
A mechanical engineer, Mr. Kumar possesses rich experience in the domestic and international procurements for the iron and steel industry, having honed it in Tata Steel and Jindal Steel & Power before joining the Company. Currently, he heads the procurement function of the Company's projects and operations.

P. R. BOSE, Vice President (Coke Oven)
Mr. Bose is Bachelor of Science in the field of chemical engineering and brings with him over 30 years of rich experience. He was previously associated with SISCOL as General Manager and is responsible for the operations of the coke oven plant.

K. BHASKAR RAO, Vice President (Blast Furnace)
Mr. Rao holds a degree in metallurgy from the Indian Institute of Metals and has over 24 years expertise in commissioning & operation of Foundry, DRI, Blast Furnace and has implemented ISO & TPM in various plants in his previous assignment with Mid West Iron & Steel. He is currently responsible for the overall Blast Furnace operations.

MANISH JAISWAL, Vice President (Marketing)
A mechanical engineer, Mr. Jaiswal is currently in charge of marketing pig iron, coke and ferro chrome. His rich sectoral experience and knowledge enables him to market the product in a very effective manner.

BHAWNA AGARWAL, Vice President (Corporate Communications)
A Master's Degree holder in Economics, Mrs. Agarwal has been spearheading the Corporate Communication strategy of the Company. She is responsible for creating and managing the internal and external communication process and extends this to corporate brand building. She was previously associated with one of India's leading newspapers, Dainik Bhaskar.

K. K. SINGH, Vice President (Raw Materials)
Mr. Singh, a graduate in chemical engineering, holds a post graduate diploma in Mineral Engineering from ISM, Dhanbad and a masters in Business Administration. He brings with him 31 years of experience in the field of Marketing, Business Development & Project Management. He is currently responsible for procurement of raw materials coordination and development of captive mines for the Company.

ASHOK AGARWAL, Vice President (Commercial)
Mr. Agarwal has more than 25 years of experience in marketing and commercial matters. Prior to his joining VISA Steel, he worked and gained experience for over 20 years in Sales and Marketing and Commercial matters in Tata Steel. He is currently responsible for overseeing the commercial aspects of the Company's operations at Kalinganagar.

MANINATH SAHOO, Vice President (Finance and Accounts)
Mr. Sahoo was working as Division Head of Accounts Department of Ferro Alloys and Mineral Division; profits centre of Tata Steel Ltd. and brings with him over 27 years of rich experience. He is looking after the finance and accounts of the Company.

CORPORATE SOCIAL RESPONSIBILITY

COMMITTED TO ENHANCING PROSPERITY, VISA STEEL, AS A RESPONSIBLE CORPORATE, FOCUSES ON SPREADING THE WEALTH CREATED THROUGH ITS OPERATIONS TO ITS EXTERNAL COMMUNITY. DEVELOPMENT OF SURROUNDING REGIONS, THEREFORE, PLAYS AN INTEGRAL ROLE IN VISA'S SOCIAL ACTIVITIES.

EDUCATION

- Established two premier education 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 needy girls at the Smt. Sarala Devi Saraswati Balika Inter College in the Tilhar district of Shahjahanpur, Uttar Pradesh.
- Provided facilities such as libraries and science labs to enhance computer literacy.

HEALTHCARE

- Set up medical check-up camps in the backward areas of Orissa and West Bengal.
- Contributed to the construction of a blood bank in Jajpur, Orissa.
- Offered advice on treatment of common diseases and hygiene; also provided free medicines and medical facilities.

RURAL DEVELOPMENT

- Installed bore-wells for providing clean drinking water in the backward areas.
- Provided employment according to the rehabilitation policy of the Government.
- Constructed the boundary wall of the local school in Jajpur, Orissa.
- Contributed towards renovation of various temples in Orissa.

ENVIRONMENT

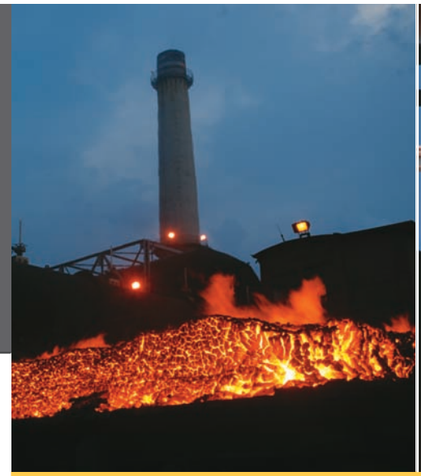
- Launched water harvesting initiatives to protect ground water levels.
- Planted 43,000 trees planted in and around the plant through a plantation drive.

SPORTS AND CULTURE

- Actively promotes contemporary Indian art through exhibitions and organises painting competitions to promote talented young artists
- Sponsors and organizes an annual ladies golf tournament at the Tollygunge Club in Kolkata.

ADDITIONALLY, VISA STRENGTHENED ITS EMPLOYEE RELATIONS STRATEGIES TO ENSURE A SAFE ENVIRONMENT CONDUCIVE TO PERSONAL AND PROFESSIONAL GROWTH. AS SUCH, THE COMPANY IMPLEMENTS SAFETY TRAINING SESSIONS FOR THE BENEFIT OF BOTH EMPLOYEES AND CONTRACT LABOUR. POSTERS EXHORTING THE INCORPORATION OF SAFETY MEASURE AND DAILY INSPECTION OF WORKERS ALSO FEATURE AMONG THE COMPANY'S PROACTIVE INITIATIVES.

REPORT OF THE DIRECTORS



Dear Shareholders,

Your Directors are pleased to present the Twelfth Annual Report together with the audited accounts of the Company for the year ended 31 March 2008.

FINANCIAL RESULTS **(Rs. Million)**

PARTICULARS	2007-08	2006-07
Net Revenue	6,807.65	5,311.80
Other Income	20.40	67.48
Total Income	6,828.05	5,379.28
Profit before interest, depreciation & tax	939.28	463.64
Interest (Net)	85.34	22.92
Depreciation	182.59	97.67
Profit before Taxation	671.35	343.05
Taxation – Current	84.00	39.00
– Deferred	151.27	93.84
– Fringe Benefit Tax	4.60	5.00
Profit after Tax	431.48	205.21
Balance brought forward	329.98	124.77
Appropriation - Proposed Dividend	110.00	-
- Corporate Tax on Dividend	18.69	-
Balance Carried to Balance Sheet	632.77	329.98

OPERATIONS

During the year under review, your Company has exceeded expectations and recorded a robust financial performance with revenue growth of 27% to Rs. 6,828.1 million, PBT growth of 96% to Rs. 671.4 million and PAT growth of 110% to Rs. 431.5 million.

The Coke production grew by 196% to 176,422 MT in 2007-08 from 59,643 MT in the previous financial year. The new pusher car has been commissioned which shall further improve capacity utilisation.

In 2007-08, your Company achieved Hot Metal production from the Blast Furnace of 67,330 MT from 181,086 MT in the previous financial year due to shutdown for refractory lining, disruption in iron ore supplies and power trippages. The 220 KV power line has been commissioned and the relining of Furnace is nearing completion.

Your Company commissioned 50,000 TPA Ferro Chrome Plant in November 2007 and produced 18,014 MT of Ferro Chrome during the year. The full year benefit shall come from 2008-09 onwards.

The project work of 300,000 TPA Sponge Iron Plant and the 2x25 MW Waste Heat Recovery Captive Power Plant is in the final stages of completion and shall generate revenues from second quarter of 2008-09 onwards.

The project work for 0.5 million TPA Special and Stainless Steel Plant, 0.5 million TPA Bar & Wire Rod Mill and an additional 25 MW Power Plant is progressing satisfactorily. Whilst there have been some delays due to shortage of manpower from contractors, law and order problems and delay in equipment deliveries, we have been able to make rapid progress compared to our peers.

A detailed analysis of your Company's operations, segment-wise performance, project review, risk management, strategic initiatives and financial review & analysis, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented under a separate section titled "Management Discussion & Analysis Report" forming part of the Annual Report.

DIVIDEND

In view of the performance and keeping in view the fund requirements of your Company for its expansion plans, your Directors

> Our priority is to be a responsible and respected Corporate Citizen and continue to place significant emphasis on Health, Safety & Environment.

recommend a dividend of 10% for the year ended 31 March 2008, i.e., Rs. 1 per equity share in respect of 11,00,00,000 fully paid up equity shares of Rs. 10 each. The total outlay on account of dividend payment will be Rs. 110 million excluding Rs. 18.69 million on account of dividend distribution tax.

JOINT VENTURES

During the year, your Company executed a Joint Venture Agreement with Baosteel Resources Co. Ltd., China and VISA Comtrade AG, Switzerland to set up a 100,000 TPA Ferro Chrome Plant in Orissa. This Joint Venture is being set up through a separate company titled "VISA BAO Limited" (VBL), which has been incorporated with the Registrar of Companies, Orissa. VBL is a subsidiary of your Company. 51% of VBL's paid-up share capital is held by your Company, 35% by Baosteel Resources and balance 14% by VISA Comtrade AG.

Your Company had been jointly allotted a coal block in Orissa together with 7 other companies. A Joint Venture company which will primarily be engaged in mining and development of the Patrapada coal block, by the name of "Patrapada Coal Mining Company Private Limited," has been formed by 7 of the allotees.

SUBSIDIARIES

Your Company has two subsidiaries namely, Ghotaringa Minerals Limited and VISA BAO Limited:

(i) Ghotaringa Minerals Limited (GML) has been incorporated to give effect to the joint venture agreement between your Company and Orissa Industries Limited (ORIND) for carrying out the business of mining of chrome ore and /or other minerals. GML is currently carrying out drilling & prospecting work over an area allotted to ORIND in Dhenkanal, Orissa.

Your Company's investment in GML will enable the Company to directly procure chrome ore, mined by GML, for its Chrome Ore Beneficiation Plant, Chrome Ore Grinding Plant and the Ferro Chrome Plant. The audited accounts of GML for the year ended 31 March 2008 are attached as required under Section 212 of the Companies Act, 1956.

(ii) VISA BAO Limited (VBL) has been incorporated to give effect to the Joint Venture between your Company, Baosteel Resources Co. Ltd., China and VISA Comtrade AG, Switzerland to set up a 100,000 TPA Ferro Chrome Plant in Orissa.

PROMOTER GROUP COMPANIES

The names of Promoters and companies comprising the "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, have been disclosed in the Annual Report for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

DIRECTORS

At the meeting held on 4 December 2007, the Board of Directors had approved the re-appointment of Mr. Vishambhar Saran as Whole-time Director, designated as Chairman for a period of 3 years with effect from 15 December 2007, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Mr. Saran's re-appointment is subject to the approval of the Members and the said re-appointment together with the remuneration and terms & conditions are proposed in the notice for the forthcoming Annual General Meeting for your approval.

At the meeting held on 31 March 2008, the Board of Directors had approved appointment of Mr. Basudeo Prasad Modi as Additional Director and subsequently as Deputy Managing Director for a period of 3 years with effect from 1 April 2008, pursuant to the provisions of Sections 260, 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Your Company has received a notice from a Member of the Company proposing the appointment of Mr. Modi as Director under Section 257 of the Companies Act, 1956 and Mr. Modi's appointment as Director and Deputy Managing Director together with the remuneration and terms & conditions are proposed in the notice for the forthcoming Annual General Meeting for your approval.

At the meeting held on 28 May 2008, the Board of Directors had approved re-appointment of Mr. Vishal Agarwal as Managing Director for a period of 3 years with effect from 25 June 2008, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Mr. Agarwal's re-appointment is subject to the approval of the Members and the said re-appointment together with the remuneration and terms & conditions are proposed in the notice for the forthcoming Annual General Meeting for your approval.

In terms of Article 158 of the Articles of Association of the Company, Mr. Maya Shanker Verma, Mr. Vikas Agarwal and Mr. Vivek Agarwal retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state:

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

b. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. That the Directors had prepared the annual accounts on a going concern basis.

Your Company's internal auditors, M/s. L.B. Jha & Co., Chartered Accountants, have conducted periodic audits to provide reasonable assurance that established policies and procedures are being followed.

> “Employee growth seamlessly aligned with organisational growth through empowerment and by offering a challenging workplace, aimed towards the realisation of organisational goals.”

CEO / CFO CERTIFICATION

A Certificate from the Managing Director and the Chief Financial Officer, pursuant to Clause 49(V) of the Listing Agreement had been tabled at the Board Meeting held on 28 May 2008 and is also annexed to this Report.

AUDITORS

The Auditors of the Company, M/s. Lovelock & Lewes, Chartered Accountants, Kolkata, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re - appointment.

QUALIFICATION TO AUDITORS' REPORT

The Auditors' qualification under Paragraph 4 of their report read along with the notes to Item no. 9 of Schedule 17 is self explanatory and does not require any further comments from the Directors.

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure I forming part of this Report.

HUMAN RESOURCES

Your Company places emphasis on recruitment, training & development of human resources, which assumes utmost significance in achievement of corporate objectives. Your 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 set up an HR training centre at its plant for knowledge-sharing and imparting need based training to its employees.

The information required under Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended are set out in Annexure II to this report.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement with Stock Exchanges, Consolidated Financial Statements, conforming to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, are attached as a part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges.
A Report on Corporate Governance & Shareholder Information together with the Auditors' Certificate thereon is annexed as part of the Annual Report.

Your Company had also adopted a “Code of Conduct” for its Directors and Senior Management, as required under Clause 49 of the Listing agreement and all Directors and Senior Managers have affirmed compliance with the Code for 2007-08. A certificate, signed by the Managing Director, affirming compliance of Directors & Senior Management, forms part of the Report on Corporate Governance.

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance, support and guidance provided by banks, financial institutions, customers, suppliers, regulatory & government authorities, project & other business associates and stakeholders. Your Directors also thank the employees of the Company for their contribution and commitment towards your Company performance and growth during the period under review.

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

For and on behalf of the Board

Kolkata
28 May 2008

Vishambhar Saran
Chairman

> Installation of 25 MW Power Plant based on CFBC Boiler to utilise the waste char and coal fines generated from Sponge Iron Plant.

ANNEXURE I TO THE REPORT OF THE DIRECTORS

Statement of particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. Conservation of Energy

(a) Energy Conservation Measures Taken:

1. 20 kVAR capacitor bank installed in Ferro Chrome Plant to improve the power factor from 0.85 to 0.96.

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

1. 2 x 25 MW Power Plant based on Waste Heat recovery boilers for utilising the waste heat generated from Blast Furnace, Non-recovery Coke Ovens and Sponge Iron Plant.

2. Installation of 25 MW Power Plant based on CFBC Boiler to utilise the waste char and coal fines generated from Sponge Iron Plant.

(c) Impact of Measures in (a) and (b) above have resulted in :

i) Saving in electrical energy.

ii) Effective utilisation of reactive power.

(d) Total Energy Consumption and Energy Consumption per Unit of Production (as per Form "A" below)

FORM A

	2007 - 08	2006 - 07
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit	94,755,610	33,830,760
Total Amount - (Rs. Million)	313.49	107.05
Rate / unit - (Rs.)	3.31	3.16
(b) Own Generation		
(i) Through Diesel Generator		
Unit	78480	71256
Units per ltr. of diesel oil	2.72	2.90
Cost/unit	9.46	6.95
(ii) Through Steam Turbine / Generator		
Unit	NIL	NIL
Units per ltr. of fuel oil/gas	NIL	NIL
Cost/units	NIL	NIL

FORM A

			2007 - 08	2006 - 07
2.	Coal (Hard & Soft coking coal used at Coke Oven plant)			
	Quantity (tonnes)		271677	80675
	Total cost - (Rs. Million)		1730.35	465.39
	Average Rate		6369.15	5768.72
3.	Furnace Oil			
	Quantity (K. ltrs.)		NIL	NIL
	Total amount - (Rs. Million)		NIL	NIL
	Average Rate		NIL	NIL
4.	Others – Coke			
	Quantity (tonnes)		70877	133270
	Total cost - (Rs. Million)		683.03	1081.22
	Rate. / Tonne - (Rs.)		9636.85	8113.00
B.	**Consumption per unit of production**			
	Products			
1.	Production of Pig Iron, including by-products	MT	67670.00	181086.79
	Electricity	Kwh	130.00	186.82
	Furnace Oil	Ltr	NIL	NIL
	Coal	Kg.	NIL	NIL
	Coke	Kg.	891.65	735.94
2.	Production of Coke including by-products	MT	176530.00	59642.98
	Electricity	Kwh	12.00	14.90
	Furnace Oil	Ltr	NIL	NIL
	Coal (Hard & Soft coking coal)	Kg.	1538.99	1352.63
3.	Production of Ferrochrome including by-products	MT	18032.00	NIL
	Electricity	Kwh	3965.25	NIL
	Furnace Oil	Ltr	NIL	NIL
	Coke	Kg.	584.43	NIL
4.	Production of Chrome Concentrate & Chrome powder	MT	6054	13183
	Electricity	Kwh	34.89	21.85
	Furnace Oil	Ltr.	NIL	NIL

> “Modification in cooling system of Blast furnace shall result in increasing the life of the equipments and also marginally improve the yield.”

B. Technology Absorption

FORM B
Research & Development (R&D)

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

   (a) Blending of different varieties of coking coal.

   (b) New design of Pusher car has been installed to improve the efficiency of pushing of coking coal in the coke ovens.

   (c) Modification of water cooling system in Blast Furnace to improve the efficiency of cooling of the furnace.

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

   (a) Cost reduction due to blending of semi-soft coking coal.

   (b) New Pusher car has improved efficiency.

   (c) Modification in cooling system of Blast furnace shall result in increasing the life of the equipments and also marginally improve the yield.

3. Future plan of action:

   (i) Improvement in yield of pig iron by improving mould design.

   (ii) Modification of quenching car to improve efficiency.

   (iii) Installation of mechanised sizing & handling of ferro chrome to improve the productivity.

Technology absorption, adaptation and innovation

a. Imported technology

2005-06	2006-07	2007-08
400,000 TPA Environment friendly Clean type Non-recovery Coke Oven Technology	Electrode handling technology for Ferro-Chrome Plant.	0.5 MTPA Steel Melting Technology consisting of EAF, LRF etc.
		0.5 MTPA Bar & Wire Rod Mill Technology.

b. Year of Import : as given above

c. Has technology been fully absorbed: Coke Oven Technology and Electrode Handling technology has been fully absorbed.

d. The Steel Melting Technology and Bar & Wire Rod Mill Technology are under implementation.

Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports, development of new products and services and export plans.

The Company is making continuous efforts to increase its exports by exploring, creating and developing new markets for its products. In this endeavor the Company has also converted its Chrome Ore Beneficiation Plant located at Golagaon, near Duburi, Dist-Jajpur Road, Orissa from a Domestic Tariff Area (DTA) into an 100% Export Oriented Unit (100% EOU).

b) Total Foreign Exchange used and earned: (Rs. Million)

Particulars	2007 - 08	2006 - 07
Foreign Exchange Earning		
Export Sales	759.12	1082.40
Foreign Exchange Outgo Imports		
• Raw Materials	2,456.94	2285.88
• Finished Goods	2,388.33	1269.64
• Capital Goods	43.57	65.32
Traveling	0.87	2.01
Interest	27.61	41.93
Others	0.11	9.40

Annexure II

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of Directors' Report for the year ended on 31 March 2008

A. Employed throughout the year

Sl. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Age	Last Employment, Designation, Employer
1.	Mr.Vishambhar Saran	Whole-time Director designated as Chairman	13,641,264	Mining Engg.	38	15-12-04	60	Chairman & Managing Director, VISA Energy Resources Limited
2.	Mr.Vishal Agarwal	Managing Director	9,944,705	B.Sc. (Eco), Masters in Eco.	11	11-8-97	33	---
3.	Mr. Krishna Murari Lal	Executive Director (Raw Materials)	2,409,745	B.Sc. (Mining Engg.)	41	10-10-02	65	Chief General Manager, SECL
4.	Mr. Ashok Kumar Lamba *	President	2,945,337	B.E. Electrical, PGM	40	18-04-05	67	Project Incharge, Indian Aluminum Co. Ltd.
5.	Mr. Vinod Kumar	President Projects	3,359,707	B.E. -(Mech.)	31	07-06-06	56	Vice President, Aarti Steel & Power Ltd.
6.	Mr. Manoj Kumar Digga	Chief Financial Officer	2,829,030	M.Com, ACS, ACA	18	24-03-05	39	Group General Manager, VISA International Limited

> New design of Pusher car has been installed to improve the efficiency of pushing of coking coal in the coke ovens.

B. Employed for part of the year

Sl. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Age	Last Employment, Designation, Employer
1.	Mr.Basudeo Prasad Modi	Director Kalinganagar	525,945	B.Sc. (Engg.) (Mech.), PG Diploma in Industrial Engg.	37	01-02-08	61	Managing Director, Neelachal Ispat Nigam Limited
2.	Mr.Surya Bhan Singh **	Executive Director - Kalinganagar	1,753,600.00	B.E. (Metallurgy)	39	01-06-06	60	Director (Operations) Ispat Industries Limited.

Notes:

1. Remuneration includes Salary, House Rent Allowance, Commission, Company's contribution to Provident Fund and Perquisites. Value of perquisites have been calculated on the basis of Income-Tax Act, 1961.
2. Information about qualification and last employment are based on particulars furnished by the employees concerned.
3. None of the employees hold by himself or along with his / her spouse and dependent children, 2% or more of the equity shares of the Company.
4. Mr.Vishambhar Saran is the father of Mr.Vishal Agarwal, Mr.Vikas Agarwal and Mr.Vivek Agarwal, and husband of Mrs. Saroj Agarwal all being Directors of the Company.
5. Nature of employment in all cases is contractual in nature.
   * Mr. Ashok Kumar Lamba has retired w.e.f. 1 April 2008.
   ** Mr.Surya Bhan Singh has resigned w.e.f. 15 September 2007

For and on behalf of the Board

Vishambhar Saran
Chairman

Place: Kolkata
Date: 28 May 2008

CEO / CFO CERTIFICATION TO THE BOARD

The Board of Directors
VISA Steel Limited
Kolkata 700 027

28 May 2008

Pursuant to the provisions of Clause 49 (V) of the Listing Agreement, we, Vishal Agarwal, Managing Director and Manoj Kumar Digga, Chief Financial Officer hereby certify that:

a. we have reviewed the financial statements and the cash flow statement for the year 2007-08 and that to the best of our knowledge and belief:
   - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls.

d. we have indicated to the auditors and the Audit Committee that:
   i. there have been no significant changes in internal control over financial reporting during the year;
   ii. there have been no significant changes in accounting policies during the year; and
   iii. there have been no instances of significant fraud of which we have become aware.

Vishal Agarwal
Managing Director

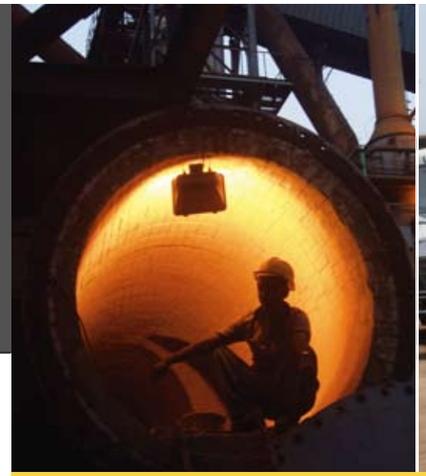
Manoj Kumar Digga
Chief Financial Officer

Persons constituting group coming within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

Bodies Corporate
VISA Minmetal AG
VISA International Limited
VISA Comtrade AG
VISA Comtrade (Asia) Limited, Hongkong
VISA Comtrade (Asia) Limited, Singapore
VISA PLC
VISA Power Limited
VISA Comtrade Limited
VISA Coal Pty Limited
VISA BAO Limited
VISA Aviation Limited
North East Resources Limited
VISA Infrastructure Limited
Ghotaringa Minerals Limited
Khandadhar Minerals Limited

Individual Promoters
Vishambhar Saran
Saroj Agarwal
Vishal Agarwal
Vikas Agarwal
Vivek Agarwal
Vishambhar Saran & Sons (HUF)

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW

Your Company registered a healthy performance during 2007-08 with a 27% growth in revenues to Rs. 6,828.1 million, 103% increase in EBIDTA to Rs. 939.3 million, 96% increase in PBT to Rs. 671.4 million and 110% rise in PAT to Rs. 431.5 million. Your Company's performance was driven primarily by the Coke Oven, Blast Furnace and Ferro Chrome operations and is expected to grow in the coming years with the commissioning of new projects including Sponge Iron, Power and Special & Stainless Steel Plant.

INDUSTRY STRUCTURE AND DEVELOPMENTS

STEEL INDUSTRY OVERVIEW

The global Steel industry is experiencing a long-term growth phase with expected CAGR of 5-6 per cent over the next 5 years aided by a steady world economic growth inspite of US slowdown due to rising share of emerging economies in Global GDP. Global Steel production recorded a production high of 1.34 billion tonnes in 2007 out of which China accounted for over one-third. Further consolidation along the lines of Arcelor Mittal and Tata Corus is expected which will rationalise production with growth in demand.

Steel prices globally have increased drastically due to cost push by increase in raw material prices of Iron Ore and Coking Coal and also rise in demand, especially from China, India, Brazil, Russia and Middle East.

Domestic Steel prices have spurted in line with international prices because of the steep hike in Coking Coal prices due to the Australian flood situation and Iron Ore prices due to Chinese demand. Domestic Pig Iron, Sponge Iron and Steel prices will continue to be firm due to global Steel prices, the domestic demand-supply gap and high raw material prices.

Coke prices have increased drastically as China dominates the global Coke trade and Chinese Government has recently increased export tax to 25%. The Ferro Chrome prices have also been buoyant due to the power crisis in South Africa affecting supplies and strong demand from the Stainless Steel industry in China.

COMPANY OVERVIEW

Your Company has embarked on an expansion plan to realise its vision of becoming one of the largest, low cost Integrated Special and Stainless Steel player by setting up a fully integrated 0.5 million TPA Special and Stainless Steel Plant at Kalinganagar Industrial Complex, Orissa.

Your Company's current saleable products include Pig Iron, Coke, Ferro Chrome, Chrome Concentrates and Sponge Iron and Special & Stainless Steel will be added in due course. Going forward, your Company will consume a part of its products captively in the manufacture of Special and Stainless Steel, once the respective plants are commissioned.

SEGMENT-WISE / PRODUCT-WISE BUSINESS REVIEW

The current business of your Company comprises of manufacturing of Pig Iron, Coke, Ferro Chrome and Chrome Concentrates and trading of Coal and Coke. During the year under review, the share of Manufacturing and Trading segment in Gross Revenue was 52:48 and key financials of each segment is given below:

Rs. Million

Particulars	Manufacturing		Trading	
	2007-08	**2006-07**	**2007-08**	**2006-07**
Revenue	3,570.39	2,797.77	3,257.66	2,581.51
Segment Result (before interest and tax)	794.52	564.90	168.84	(70.88)

MANUFACTURING

The manufacturing facilities of your Company are located in Kalinganagar (Blast Furnace, Coke Oven and Ferro Chrome) and Golagaon (Chrome Ore Beneficiation & Chrome Ore Grinding Plant) in Orissa.

Pig Iron

The Blast Furnace with a total capacity of 225,000 TPA is currently producing Hot Metal which is poured into moulds to produce Pig Iron. Basic grade Pig Iron is sold to various Steel plants in eastern India while foundry grade Pig Iron to major customers in eastern and northern India.

The total hot metal production during 2007-08 was 67,330 MT compared to 181,086 MT of hot metal in 2006-07, due to shutdown for refractory lining, disruption in Iron Ore supplies and power trippages. Meanwhile,

> The Joint Venture Company with Baosteel Resources Co. Ltd., China and VISA Comtrade AG, Switzerland will set up a 100,000 TPA Ferro Chrome Plant in Orissa.

the furnace refractory relining is nearing completion, Iron Ore production of OMC from Daitari has resumed and our 220 KV power line has been commissioned.

The primary raw materials for the Blast Furnace are Iron Ore and Coke. While Iron Ore was sourced from Sesa Goa and OMC, Coke was utlised mainly from the Coke Oven plant.

Pig iron sales contributed to 17% of the total revenues of the Company during the year under review, amounting to Rs. 1185 million.

Coke

The Coke Oven Plant, with a total capacity of 400,000 TPA, operates on the stamp-charging technology which allows blending of Semi-soft Coking Coals with Hard Coking Coals to produce Low Ash Metallurgical Coke.

The total coke production during 2007-08 was 176,422 MT compared to 59,643 MT in 2006-07 thereby registering an increase of 196%. Coking coal, the primary raw material for producing coke, was imported from Australia. Coke was partly consumed in the Blast Furnace and partly sold with total sales contribution amounting to Rs. 1,907 million, equating to 26% of total revenues.

Ferro Chrome

The Ferro Chrome Plant, with a total capacity of 50,000 TPA was commissioned during November 2007 and produced 18,014 MT of Ferro Chrome. The sales contributed 5.5% of total revenues during the year amounting to Rs. 370 million.

Chrome Concentrates and Chrome Ore Powder

The Chrome Ore Beneficiation Plant and the Chrome Ore Grinding Plant, has a capacity of 100,000 TPA each, and produces high grade Chrome concentrates for exports and Chrome Ore powder for sale to Chrome chemical plants in India respectively. Chrome concentrates and Chrome Ore powder sales were negligible compared to the total revenues of the Company. The key raw material, Chrome Ore, was procured from IDCOL, OMC and B.C. Mohanty.

TRADING

The trading segment has performed well due to rise in prices of Coal & Coke. However, going forward, the trading operations will be strategically limited and with the projects of your Company getting commissioned, revenues from trading activities are expected to form a negligible portion of its total revenues.

Coal & Coke

Coal and Coke sales contributed 44% of the total revenues of the Company. These were mainly obtained from South Africa, Indonesia, China and Australia and were supplied to the Iron & Steel, Cement and Power Sectors.

PROJECT OVERVIEW

Sponge Iron Plant – with a total capacity of 300,000 TPA, the plant is equipped with 2 x 500 TPD Coal-based Rotary Kilns with Outokumpu (Lurgi) technology for producing Sponge Iron is under execution.

Waste Heat Recovery Power Plant – with a total capacity of 50 MW (2 x 25 MW TG) power generation from the waste heat gases from the Blast Furnace, Coke Oven and Sponge Iron plants is under execution.

Special and Stainless Steel Plant – is setting up a 70 ton Electric Arc Furnaces (EAF) with AOD, LRF, VD/VOD and a Continuous Casting Machine with a Billet / Bloom Caster to manufacture 0.5 million TPA of Special and Stainless Steel.

Bar and Wire Rod Mill – is setting up a 0.5 million TPA Bar and Wire Rod Mill to be supplied by SMS Meer, Germany.

Power Plant – is setting up additional 25 MW Power Plant based on CFBC Boiler.

Associated manufacturing facilities – is setting up requisite infrastructure facilities, such as water pipelines, roads, railway siding, stockyards, buildings, colony etc.

STRATEGIC INITIATIVES

JOINT VENTURE WITH BAOSTEEL

During the year, your Company executed a Joint Venture Agreement with Baosteel Resources Co. Ltd., China and VISA Comtrade AG, Switzerland to set up a 100,000 TPA Ferro Chrome Plant in Orissa. VISA BAO Limited (VBL) has been incorporated on 1 February 2008 to give effect to this Joint Venture. VBL is a subsidiary of your Company, holding 51% of VBL's paid-up share capital with the balance 35% being held by Baosteel Resources and 14% by VISA Comtrade.

ORISSA PROJECT - LOCATION & LOGISTICS AND RAW MATERIAL LINKAGES

Steel manufacturing is a raw material intensive industry, requiring 4 tonnes of raw materials for every tonne of Steel and to this effect, location and logistics play a major role in the viability of Steel manufacturing units. Your Company's Integrated Special and Stainless Steel Plant is strategically located in the Kalinganagar Industrial Complex, Orissa, to leverage advantages of having Talcher Coalfields 110 kms away, Daitari Iron Ore mines 30 kms away, Keonjhar and Barbil Iron Ore mines are 100 to 150 kms away, Sukinda Chrome Ore mines 35 kms away, and Paradip port 120 kms away.

Your Company has also taken necessary steps for securing its growing raw material requirements and integrating backwards into mining of Iron Ore, Chrome Ore and Coal.

OPPORTUNITIES AND THREATS

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Kalinganagar offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel. Your Company is also well positioned in its conscious adherence to a modular project implementation, thereby enabling ploughing of internal accruals in future projects, thereby reducing costs related to financing.

The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes and duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in implementation of project may lead to opportunity loss in revenue generation and rise in costs.

> “27% revenue growth. 96% PBT growth. 110% PAT growth.”

RISK MANAGEMENT

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organisational goals. A well defined structure has been laid down to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

a) Project implementation – Project status is monitored on a regular basis by the project management team to counter slippages and reviewed on a monthly basis by the executive management. Consultants are present on-site for mitigating contingencies on the implementation front. Necessary coverage has been taken in the form of an extensive Erection All Risk Policy.

b) Foreign Exchange – Your Company deals in sizeable amount of foreign exchange in imports of capital items and raw materials and exports of finished products. Necessary guidance is provided by the forex consultant on mitigating 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. Your Company has appointed a support partner for smoother stabilisation & to derive significant benefits from SAP.

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

FINANCE REVIEW AND ANALYSIS

Your Company reported a revenue of Rs. 6,828.1 million, registering a 27% increase over 2006-07 and Rs. 431.5 million in profits after tax, an increase of 110% over 2006-07. Your Company has posted an EBITDA of Rs. 939.3 million in the year 2007-08, an increase of 103% from the year 2006-07.

HIGHLIGHTS

Rs. Million

	2007-08	2006-07	Change	%
Net Sales / Income from Operations	6,807.65	5,311.80	1495.85	28.16
Other Income	20.40	67.48	(47.08)	(69.77)
Total Income	**6,828.05**	**5,379.28**	**1448.77**	**26.93**
(Increase) / decrease in stock	(871.96)	301.06	(1173.02)	(389.63)
Raw Materials consumed	2,741.53	1,837.96	903.57	49.16
Purchase of Trading Products	2,977.38	2,280.93	696.45	30.53
Employee Cost	140.16	50.61	89.55	176.94
Other expenses	901.66	445.08	456.58	102.58
Operating Profit	**939.28**	**463.64**	**475.64**	**102.59**
Interest (Net)	85.34	22.92	62.42	272.34
Depreciation	182.59	97.67	84.92	86.95
Profit before Tax	**671.35**	**343.05**	**328.30**	**95.70**
Provision for Tax	239.87	137.84	102.03	74.02
Profit after Tax	**431.48**	**205.21**	**226.27**	**110.26**

SALES & OTHER INCOME

Sales were primarily driven by the Coke and Ferro Chrome business on the back of improved volumes and better realisations inspite of lower pig iron volumes. Other Income constitutes mainly income from sale of scrap, DEPB licence, foreign exchange gain, receipt of insurance claim proceeds, etc.

PURCHASE OF TRADED PRODUCTS

Purchase cost of traded goods increased on account of increase in prices, despite decrease in volumes compared to the previous year.

RAW MATERIALS CONSUMED, EMPLOYEE COST AND OTHER EXPENSES

Raw material consumption increased by 49.16% due to production volumes and improved productivity . Employee cost increased due to rise in manpower strength for the expanding facilities. Other expenses increased with more manufacturing facilities.

INTEREST CHARGES

The net interest charges increased substantially during the year due to increased term loan and working capital interest on account of commencement of additional manufacturing facilities and operations and reduced interest income earned on fixed deposits with banks.

DEPRECIATION

Depreciation increased significantly during the year mainly due to commissioning of the Ferro Chrome Plant.

PROFIT AFTER TAX

PAT improved on account of improved performance of the Coke Oven and Ferro Chrome Plants and the captive use of the majority of the coke production facilitated improvement in margins. PAT was adversely impacted by the incidence of deferred tax provisions due to addition of fixed assets.

CASH PROFIT

Cash profit improved substantially by 87%, during the year to Rs. 792.12 million from Rs. 423.7 million in the year 2006-07 on account of improved performance of Coke Oven, Ferro Chrome and trading operations.

BALANCE SHEET ANALYSIS

FIXED ASSETS & INVESTMENTS

Your Company made major commitments during the year on account of capital expenditure for the Sponge Iron Plant and Power Plant, which are reflected as Capital WIP in the Fixed Assets Schedule. Your Company has been jointly allotted the Patrapada coal block in Talcher, Orissa, through a joint venture company, Patrapada Coal Mining Company Private Limited. As reported last year, your Company has a 89 per cent controlling stake in Ghotaringa Minerals Limited, which plans to develop a chrome ore deposit in Orissa and with whom your Company had entered into a long term agreement for securing its Chrome Ore requirements. Your Company has also entered into a Joint Venture Agreement with Baosteel Resources Co. Ltd. and VISA Comtrade AG for setting up a 100,000 TPA Ferro Chrome Plant.

INVENTORIES

Inventory of raw materials went up during the year due to increased Coke Oven & Ferro Chrome operations and also due to bulk purchase of imported coke and coking

> Concerted efforts towards stabilisation of SAP have contributed to tightening of control systems

coal to obtain price advantages. Inventories of finished goods has also increased substantially and comprises mainly Coke and Ferro Chrome, as we expect better realisations during 2008-09. The average inventory turnover increased to 46 days from 31 days in 2006-07.

SUNDRY DEBTORS, LOANS & ADVANCES

Debtors increased from Rs. 413.73 million to Rs. 963.40 million due to increase in the sales volume during the year.

Loans & advances increased mainly on account of advances made to suppliers for raw materials, capital items and statutory deposits.

CASH & BANK BALANCES

Your Company has deployed its cash accruals in fixed deposits with banks at attractive rates of interest. The entire amount of fixed deposits kept with banks out of the IPO proceeds have been utilised in the projects earmarked for the same.

SUNDRY CREDITORS & CURRENT LIABILITIES

Sundry creditors and other current liabilities increased from Rs. 1,824.55 million to Rs. 4,709.03 million mainly due to increase in the inventory of Raw Material and increase in the volume of operations.

KEY RATIOS

Key financial ratios improved during the year due to better operational and financial performance, summary of which is given below:

Particulars	2007-08	2006-07
EBITDA / Turnover (%)	13.80	8.73
Profit After Tax / Turnover (%)	6.34	3.86
EBITDA / Net Interest (no. of times)	11.01	20.23
Debt to Equity	1.83	1.42
Return on average Capital Employed (%)	5.59	3.69
Return on Equity (%)	11.53	6.30
Book Value per share (Rs./share)	34.01	29.63
Earning per share (Rs./share)	3.92	1.87
Market Capitalisation (Rs. Million) as on 31 March	4,873	2,942

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

The growth of your Company and execution of new projects places emphasis on the recruitment process and your Company has been successful in attracting professional talent. An HR Learning Centre has been set up at Kalinganagar, Orissa and employee skills are trained & developed to suit organisational needs. The total number of employees in your Company as on 31 March 2008 was 726.

INTERNAL CONTROL AND SYSTEMS

The internal control systems in your Company commensurates with the size and nature of its operations and periodic audits are conducted in various disciplines to ensure adherence to the same. The Internal Auditors regularly report to the Audit Committee on their observations on the Company's processes, systems and procedures ascertained during the course of their audit. Concerted efforts towards stabilisation of SAP has also contributed to tightening of control systems. Your Company has been able to adapt adequately to this ERP package and is placed to derive significant benefits from the same. Emphasis is placed on adequacy, reliability and accuracy of dissemination of financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.

OUTLOOK

Asia, which has been dominating the steel industry in terms of demand & supply, is expected to witness high demand and capacity addition. The demand-supply gap in inputs is the pivotal force in determining the price levels and profitability in the iron & steel industry and therefore, steel prices are expected to remain firm. Demand in the domestic steel industry will be fuelled by the construction, automobile and consumer durable goods. Your Company is well poised to take advantage of the growth in the iron and steel sector and upon completion and commissioning of its projects, your Company will rank among one of the largest integrated special and stainless steel producers in India.

CAUTIONARY STATEMENT

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

REPORT ON
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE: OUR PHILOSOPHY

Corporate Governance is the spirit with which a company competitively operates in the global environment, where change is the only constant in the prevailing dynamic markets. It is the way in which a company conducts itself and reinforces the perception in the eyes of the stakeholders, domestic and international, given the fact that companies are traversing beyond geographical boundaries. This perception is a reflection of the systems, processes and procedures adopted by the company aimed at optimum utilisation of resources towards achieving efficiency in operations, thereby enhancing shareholder wealth. Corporate Governance is a six pronged adoption of the tenets of (a) transparency (b) ethics (c) empowerment (d) accountability (e) disclosures and (f) equity and fairplay in dealings with the stakeholders.

At VISA Steel Limited (the Company), Corporate Governance practices aim at achievement of corporate goals by the integration of individual and functional targets. These practices address both tangible and intangible objectives and organisation goal-setting in the Company is a means of achieving these objectives. This, thus, translates into judicious empowerment leading to ownership of responsibility and achievement of corporate business goals through transparent decision making and thereby resulting in timely disclosures and dissemination of accurate information to the stakeholders.

COMPLIANCE WITH THE SEBI CODE ON CORPORATE GOVERNANCE

In line with this, we are pleased to inform you that, as on 31 March 2008, the Company is in compliance with all the requirements of Clause 49 of the Listing Agreement. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.

I. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

Board/Committee Position as on 31 March 2008

	Executive / Non-Executive/ Independent[1]	No. of Outside Directorship(s) held			Outside Committee positions held[2]	
		Public	Private	Foreign	Chairman	Member
Mr.Vishambhar Saran	Executive Chairman	6	1	3	--	--
Mr.Maya Shanker Verma	Non-Executive, Independent	4	3	--	3	--
Mr.Arvind Pande	Non-Executive, Independent	6	--	--	1	1
Mr.Debi Prasad Bagchi	Non-Executive, Independent	5	--	--	1	2
Mr.Pradip Kumar Khaitan	Non-Executive, Independent	14	--	1	1	5
Mr.Shanti Narain	Non-Executive, Independent	1	--	--	--	1
Mrs.Saroj Agarwal	Non-Executive	4	--	--	--	--
Mr.Vikas Agarwal	Non-Executive	5	1	4	--	3
Mr.Vivek Agarwal	Non-Executive	5	--	3	--	2
Mr.Vishal Agarwal	Managing Director	7	--	--	1	2

1 Independent director is as defined in Clause 49 of the Listing Agreement

2 For this purpose, only two Committees, viz., the Audit Committee and the Shareholders' / Investors' Grievance Committee have been considered. This excludes Committee positions in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

3 Mr.Basudeo Prasad Modi had been appointed as Additional Director and subsequently as Deputy Managing Director w.e.f. 1 April 2008 at remuneration approved by the Remuneration Committee and the Board of Directors at their respective meetings held on 31 March 2008.

> Corporate Governance is a six pronged adoption of the tenets of transparency, ethics, empowerment, accountability, disclosures and equity, and fairplay in dealings with the stakeholders.

DETAILS OF BOARD MEETING AND ATTENDANCE

Date of Board Meeting	City	No. of Directors Present
18 June 2007	Kolkata	8
30 July 2007	Bhubaneswar	8
31 October 2007	New Delhi	7
4 December 2007	Kolkata	10
30 January 2008	Kolkata	8
31 March 2008	New Delhi	8

DETAILS OF REMUNERATION PAID TO BOARD OF DIRECTORS

A. Non-Executive Directors

Name of the Director	Sitting Fees paid[1]	Commission payable[2]	Total payments paid /payable in 2007-08	No. of Board Meetings		Attended Last AGM[3]
	(Rs.)	(Rs.)	(Rs.)	Held	Attended	
Mr.Maya Shanker Verma	180,000	568,182	748,182	6	6	Yes
Mr.Arvind Pande	60,000	227,273	287,273	6	2	No
Mr.Debi Prasad Bagchi	230,000	852,272	1,082,272	6	6	Yes
Mr.Pradip Kumar Khaitan	90,000	255,682	345,682	6	3	No
Mr.Shanti Narain	200,000	596,591	796,591	6	6	Yes
Mrs.Saroj Agarwal	120,000	---	120,000	6	6	Yes
Mr.Vikas Agarwal	90,000	---	90,000	6	3	Yes
Mr.Vivek Agarwal	190,000	---	190,000	6	5	Yes
Total	**1,160,000**	**2,500,000**	**3,660,000**			

Note:

1 During 2007-08, sitting fees were paid @ Rs.20,000 per Board Meeting and Rs.10,000 per Committee Meeting, i.e. Audit, Share Transfer & Investor Grievance, Finance & Banking, Remuneration and Selection Committees.

2 Commission is paid out of profits of the Company for the relevant financial year, not exceeding 1% of net profits, to Directors (other than Whole-time Directors of the Company and the Group). Commission is calculated based on weightage given to the attendance at Board and Committee meetings.

3 Annual General Meeting was held on 30 July 2007

B. Executive Directors

	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2007-08			
			All elements of remuneration package, i.e. salary, benefits, bonuses, etc. (R s.)	Fixed component & performance linked incentives, alongwith performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr.Vishambhar Saran	See Note (a)	Chairman	13,419,091	See note (b)	See note (c)	See note (d)
Mr.Vishal Agarwal	See Note (a)	Managing Director	10,005,933	See note (b)	See note (c)	See note (d)

a) Mr.Vishambhar Saran is the husband of Mrs.Saroj Agarwal and father of Mr.Vishal Agarwal, Mr.Vikas Agarwal and Mr.Vivek Agarwal. Other than this, none of the other Directors are in any way related to any other Director.

(b) Mr.Vishambhar Saran, Chairman and Mr.Vishal Agarwal, Managing Director are entitled to a performance linked incentive in the form of commission not exceeding Rs.4,050,000 and Rs.2,700,000 respectively for 2007-08, i.e. not exceeding 9 months' basic salary. The Company has internal norms for assessing performance of its Executive Directors which is done by the Board.

(c) The Board of Directors, had, at the meeting held on 4 December 2007 approved the re-appointment of Mr.Vishambhar Saran as Wholetime Director, designated as Chairman, subject to the approval of shareholders of the Company for a period of 3 years effective 15 December 2007. This appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.

The Board of Directors, had, at the meeting held on 28 May 2008 approved the re-appointment of Mr.Vishal Agarwal as Managing Director for a period of 3 years effective 25 June 2008. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.

Mr.Basudeo Prasad Modi has been appointed Deputy Managing Director for a period of 3 years effective 1 April 2008. The appointment may be terminated by either party by giving 1 month's notice in writing and no severance fee is payable.

d) The Company currently does not have any scheme of stock options for its Directors or its employees.

(e) Mr.Vishambhar Saran, Chairman and Mr.Vishal Agarwal, Managing Director were present in all the 6 Board Meetings held during 2007-08 as well as the Annual General Meeting held on 30 July 2007. Mr.Basudeo Prasad Modi attended the meeting of the Board of Directors held on 31 March 2008 as an invitee, at which he was appointed as Deputy Managing Director effective 1 April 2008.

II. BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee comprises 6 directors, all non-executive directors, out of which 4 are independent directors, details given as under:

Mr.Debi Prasad Bagchi, Chairman - Independent Director
Mr.Maya Shanker Verma - Independent Director
Mr.Arvind Pande - Independent Director
Mr.Shanti Narain - Independent Director
Mr.Vikas Agarwal - Non-executive Director
Mr.Vivek Agarwal - Non-executive Director

> At VISA Steel Limited, Corporate Governance practices aim at achievement of corporate goals by the integration of individual and functional targets.

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 Clause 49 of the Listing Agreement and the Committee reviews information as prescribed under Clause 49 at its meetings. 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 year 2007-08, the Committee met four times on 18 June 2007, 30 July 2007, 31 October 2007 and 30 January 2008 and the details of attendance by the Committee members are as given under:

Name of Director	No. of meetings	
	Held	Attended
Mr.Debi Prasad Bagchi	4	4
Mr.Maya Shanker Verma	4	4
Mr.Arvind Pande	4	--
Mr.Shanti Narain	4	4
Mr.Vikas Agarwal	4	2
Mr.Vivek Agarwal	4	4

SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The Share Transfer and Investor Grievance Committee comprises the following Directors:

Mr.Arvind Pande, Chairman	- Independent Director
Mr.Debi Prasad Bagchi	- Independent Director
Mr.Arvind Pande	- Independent Director
Mr.Shanti Narain	- Independent Director
Mr.Vivek Agarwal	- Non-executive Director
Mr.Vishal Agarwal	- Managing Director

The primary function of the Committee is to supervise and ensure efficient transfer of shares, issue of new / duplicate share certificates, dematerialisation & rematerialisation of shares and speedy redressal of investor grievances.

As on 31 March 2008, over 99.77% of the Company's shares are in dematerialised form and the shares are compulsorily traded on the stock exchanges in the dematerialised form.

During the year 2007-08, the Committee met four times on 18 June 2007, 30 July 2007, 31 October 2007 and 30 January 2008 and the details of attendance by the Committee members are as given under:

Name of Director	No. of meetings	
	Held	Attended
Mr.Arvind Pande	4	--
Mr.Debi Prasad Bagchi	4	4
Mr.Shanti Narain	4	4
Mr.Vivek Agarwal	4	4
Mr.Vishal Agarwal	4	4

Details of shareholders' complaints are given in the "Shareholder Information" section of the Annual Report.

The Company Secretary is also the Compliance Officer of the Company.

REMUNERATION COMMITTEE

There is a Remuneration Committee in place with roles, powers and duties, to be determined by the Board from time to time. The Committee recommends appropriate compensation packages for Directors and Executive Officers to retain best available personnel for key positions and provide performance based incentives. At the meeting held on 30 January 2008, the Board of Directors had expanded the scope of the Remuneration Committee to include powers related to issuance of ESOP / ESPS to employees, finalisation & administration of proposed Schemes etc. The Committee comprises the following Directors:

Mr.Arvind Pande, Chairman	- Independent Director
Mr.Debi Prasad Bagchi	- Independent Director
Mr.Pradip Kumar Khaitan	- Independent Director
Mr.Vikas Agarwal	- Non-executive Director
Mr.Vivek Agarwal	- Non-executive Director

Two meetings of the Committee were held on 4 December 2007 and 31 March 2008 and the details of attendance by the Committee members are as given under:

Name of Director	No. of meetings	
	Held	Attended
Mr.Arvind Pande	2	2
Mr.Debi Prasad Bagchi	2	2
Mr.Pradip Kumar Khaitan	2	2
Mr.Vikas Agarwal	2	1
Mr.Vivek Agarwal	2	1

> The Company periodically identifies, assesses and monitors risks associated with project implementation, foreign exchange fluctuation, processes and systems, statutory compliances and HR policies.

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 currently comprises the following Directors:

Mr.Maya Shanker Verma, Chairman	- Independent Director
Mr.Arvind Pande	- Independent Director
Mr.Pradip Kumar Khaitan	- Independent Director
Mr.Vikas Agarwal	- Non-executive Director
Mr.Vishal Agarwal	- Managing Director

A meeting of the Committee was held during 2007-08 on 31 October 2007, which was attended by Mr.Maya Shanker Verma and Mr.Vishal Agarwal.

SELECTION COMMITTEE

In terms of Section 314(1B) of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, for selecting and appointing employees, who are relatives of the Directors and carrying monthly remuneration exceeding Rs.50,000, your Company has a Selection Committee in place. The role of the Committee is also to determine the remuneration and revisions to the same and making periodic recommendations to the Board on their performance. The Committee comprises the following Independent Directors,

Mr.Maya Shankar Verma, Chairman	- Independent Director
Mr.Arvind Pande	- Independent Director
Mr.Debi Prasad Bagchi	- Independent Director
Mr.Pradip Kumar Khaitan	- Independent Director

A meeting of the Selection Committee was held on 30 January 2008 which was attended by Mr.Maya Shankar Verma, Mr.Debi Prasad Bagchi and Mr.Pradip Kumar Khaitan.

III. SUBSIDIARY COMPANIES

The Company has one subsidiary company, M/s.Ghotaringa Minerals Limited. However, as per the provisions of Clause 49 of the Listing Agreement, this Company is not material non-listed subsidiary company and hence the provisions of the clause does not apply.

The Company had entered into a Joint Venture Agreement with Baosteel Resources Co. Ltd. and VISA Comtrade AG on 17 August 2007 for setting up a 100,000 TPA Ferro Chrome Plant in Orissa. The Joint Venture Company, titled "VISA BAO Limited" has been incorporated on 1 February 2008 and has become a subsidiary of VISA Steel Limited w.e.f. 23 May 2008.

IV. DISCLOSURES

RELATED PARTY TRANSACTIONS

Related Party transactions, as specified under Clause 49 of the Listing Agreement is placed before the Audit Committee. A comprehensive list of Related Parties and their transactions as required by AS-18 issued by the Institute of Chartered Accountants of India, forms part of Note 14, Schedule 17 to the Accounts in the Annual Report.

DISCLOSURE OF ACCOUNTING TREATMENT

The accounting treatment in the preparation of financial statements is in line with that prescribed by the Accounting Standards u/s 211(3C) of the Companies Act, 1956.

CODE OF CONDUCT

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 – www.visasteel.com. All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration signed by the Managing Director is given below:

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2007-08."

Kolkata
28 May 2008

Vishal Agarwal
Managing Director

RISK MANAGEMENT

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

DETAILS ON USE OF PROCEEDS FROM PUBLIC ISSUES

As required under Clause 49 of the Listing Agreement, details of use of public issue proceeds are placed before the Audit Committee at its meetings on a quarterly basis.

REMUNERATION OF DIRECTORS

All details of remuneration to Directors have been disclosed above.

The details of the shares held by the non-executive Directors as on 31 March 2008 are as given below:

Name of Director	No. of shares held
Mr.Maya Shanker Verma	1,017
Mr.Arvind Pande	---
Mr.Debi Prasad Bagchi	---
Mr.Shanti Narain	---
Mr.Pradip Kumar Khaitan	---
Mrs. Saroj Agarwal	70,100 *
Mr.Vikas Agarwal	20,100 *
Mr.Vivek Agarwal	20,100 *

* Beneficial interest of these shares vests with VISA International Limited.

> Corporate Governance is the spirit with which a company competitively operates in the global environment and is the way in which a company conducts itself and reinforces the perception in the eyes of the stakeholders.

DETAILS OF DIRECTORS APPOINTED / RE-APPOINTED

Details of Directors being appointed / re-appointed, have been disclosed in the Notice for the AGM, i.e. a brief resume, nature of expertise in specific functional areas, names of directorships and committee memberships and their shareholding in the Company.

MEANS OF COMMUNICATION

- Quarterly results
  Which newspapers normally published in - Business Standard
  - Sambad (Oriya)
  Any website, where displayed - www.visasteel.com
  Whether it displays official news releases - Yes
- Presentation to investors / analysts:
  are they available on the website - Will be made available as and when made
- Whether Shareholder Information Report forms part of the Annual Report - Yes

GENERAL BODY MEETINGS

Current AGM, date, time and venue:

The forthcoming Annual General Meeting will be held on Tuesday, 29 July 2008 at 12.30. p.m. at Jayadev Bhawan, Ashok Nagar, Unit II, Bhubaneswar 751 001.

Location and time, where last three AGMs held:

Year	Location	Date	Time	Whether special resolutions passed
2006-07	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001	30 July 2007	12.30 p.m.	No
2005-06	IDCOL Auditorium, IDCOL House, Ashok Nagar, Near Indira Gandhi Park, Unit – II, Bhubaneswar 751 001	29 July 2006	11.00 a.m.	No
2004-05	11, Ekamra Kanan, Nayapalli, Bhubaneswar 751 015	1 August 2005	10.30 a.m.	Yes

POSTAL BALLOT

- Whether resolutions were put through postal ballot last year : NO
- Details of voting pattern : N.A.
- Person who conducted the postal ballot exercise : N.A.
- Whether any resolution is proposed to be conducted through postal ballot : N.A.
- Procedure for postal ballot : N.A.

- Details of non-compliance by the company, penalties or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

  There are no penalties or strictures imposed on the Company by SEBI or Stock Exchange or any statutory authority on any capital market issue during the last 3 years.

- Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

  Your Company is in compliance with all the mandatory requirements of this clause and with regard to the non-mandatory requirements, your Company already has a Remuneration Committee in place. The Company also issues Investor & Press Releases on a quarterly basis, subsequent to the publication of the financial results, which are sent to the Stock Exchanges and are available on the website of the Company. Other non-mandatory requirements shall be put in place, as and when considered and approved by the Board.

Certificate from the Auditors regarding compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed herewith.

SHAREHOLDERS INFORMATION

> The Company issues Investor & Press Releases on a quarterly basis, subsequent to the publication of the financial results, which are sent to the Stock Exchanges and are available on the website of the Company.

1. Annual General Meeting

Date and Time : 29 July 2008 at 12:30 p.m.

Venue : Jayadev Bhavan,
Ashok Nagar, Unit II,
Bhubaneswar 751 001

2. Financial Year : April to March

3. Financial Calendar (tentative)

Financial reporting and Limited Review for the quarter ending 30 June 2008	End July 2008
Financial reporting and Limited Review for the half year ending 30 September 2008	End October 2008
Financial reporting and Limited Review for the quarter ending 31 December 2008	End January 2009
Financial reporting for the year ending 31 March 2009	Mid May 2009
Annual General Meeting for the year ending 31 March 2009	Mid July 2009

4. Dates of Book Closure : 23 July 2008 to 29 July 2008 (both days inclusive)

5. Dividend Payment Date : Within 3 weeks from the date of Annual General Meeting

6. Registered Office :
VISA House
11, Ekamra Kanan, Nayapalli
Bhubaneswar 751 015
Tel: (0674) 2552 479
Fax: (0674) 2554 661
E-mail: investors@visasteel.com
Website: www.visasteel.com

7. Listing Details :
Equity Shares
Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
Stock Symbol: (532721)

The National Stock Exchange of India Limited
"Exchange Plaza", Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
Stock Symbol: (VISASTEEL)

Note: Listing fees has been paid to the Stock Exchanges for the year 2008-09

8. Stock Price Data:

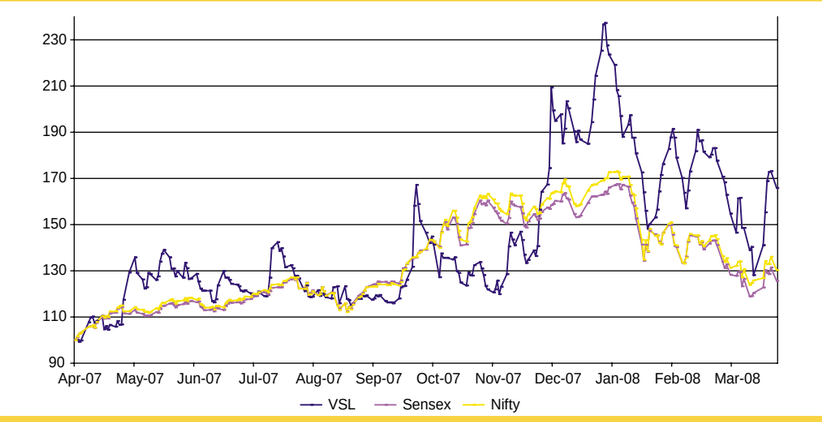
	Bombay Stock Exchange				National Stock Exchange			
	High	Low (Rs.)	Close	No. of Shares Traded (Nos)	High	Low (Rs.)	Close	No. of Shares Traded (Nos)
Apr-07	34.25	25.50	34.25	436,055	34.45	26.00	34.45	665,031
May-07	38.10	31.95	33.85	774,062	38.00	32.00	33.70	1,138,309
Jun-07	35.80	30.75	32.25	316,330	35.60	30.75	32.40	452,511
Jul-07	40.40	31.40	33.00	1054,958	39.90	31.30	32.95	1,285,038
Aug-07	35.45	30.00	32.00	790,958	34.80	29.00	31.80	973,174
Sep-07	48.45	30.50	40.30	9,157,516	48.70	30.65	40.40	14,669,518
Oct-07	41.95	31.50	34.15	3,534,449	41.70	30.10	34.15	5,695,518
Nov-07	45.45	31.80	43.65	12,632,110	45.20	31.25	43.75	17,800,565
Dec-07	60.20	43.05	59.60	16,055,997	60.40	43.20	60.05	22,327,073
Jan-08	65.65	37.60	45.70	3,789,271	66.20	37.55	45.70	5,121,030
Feb-08	52.90	41.25	47.85	1,133,231	53.00	41.50	47.35	1,554,052
Mar-08	48.95	34.00	44.00	2,245,137	49.45	33.70	44.20	2,707,519

9. Stock Code:

	Reuters	Bloomberg
Bombay Stock Exchange	VISA.BO	VISA:IN
National Stock Exchange	VISA.NS	VISA:IN

10. Stock Performance:

Stock Performance (Indexed)



11. Stock performance over the past few years :

(In Percentage)	1 Year	2 Years
VISASTEEL	65.23	(-) 16.60
BSE Sensex	19.68	38.69
NSE Nifty	25.08	39.15

12. Registrars and Transfer Agents : Karvy Computershare Private Limited
(Share transfer and communication regarding share certificates, dividends and change of address)
Unit: VISA Steel Limited
Karvy House, 46 Avenue 4, Street No. 1,
Banjara Hills, Hyderabad 500 034
Tel: + 91 40 2331 2454
Fax: + 91 40 2342 1971
Email: jayaramanvk@karvy.com
Website: www.karvy.com

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

14. Investor services :

Complaints received during the year

Nature of complaints	2007-08		2006-07	
	Received	Cleared	Received	Cleared
Relating to non-Allotment, non-receipt of Refund cheques arising out of the IPO exercise.	9	9	201	216 **
Relating to complaints from SEBI / Stock Exchanges.	--	--	--	--
Total	**9**	**9**	**201**	**216 ****

** There were 15 complaints pending as on 31 March 2006, which were cleared during April 2007.

- Number of pending complaints as on 31 March 2008: NIL.

- Number of pending share transfers as at 31 March 2008: NIL

15. Distribution of shareholding as on 31 March :

	2008				2007			
No. of equity shares held	No. of share-holders	% of share-holders	No. of shares held	% share-holding	No. of share-holders	% of share-holders	No. of shares held	% share-holding
1 – 500	32,332	82.50	5,812,165	5.28	16,257	76.57	3,222,890	2.93
501 – 1000	4,182	10.67	3,131,096	2.85	3401	16.02	2,196,208	2.00
1001 – 2000	1,630	4.16	2,349,904	2.14	1157	5.45	1,484,569	1.35
2001 – 3000	341	0.87	885,926	0.81	141	0.66	364,401	0.33
3001 – 4000	136	0.35	489,290	0.44	48	0.23	172,326	0.16
4001 – 5000	163	0.42	793,850	0.72	56	0.26	265,781	0.24
5001 – 10000	204	0.52	1,573,670	1.43	77	0.36	612,150	0.56
10001 and above	200	0.51	94,964,099	86.33	94	0.44	101,681,675	92.44
Total	**39,188**	**100.00**	**110,000,000**	**100.00**	**21,231**	**100.00**	**110,000,000**	**100.00**

16. Categories of Shareholding as on 31 March :

	2008			2007		
Category	No. of share-holders	No. of shares held	% share-holding	No. of share-holders	No. of shares held	% share-holding
Promoters	8*	80,000,000	72.73	8*	80,000,000	72.73
Persons acting in concert	---	---	---	---	---	---
Mutual Funds	---	---	---	---	---	---
Banks and Financial Institutions	2	301	0.00	1	829	0.00
FIIs	4	8,283,380	7.53	6	17,200,479	15.64
NRIs	612	581,596	0.53	134	133,744	0.12
Bodies Corporate	743	4,827,038	4.39	380	3,462,138	3.15
Indian Public	37,819	16,307,685	14.82	20,702	9,202,810	8.37
Total	39,188	110,000,000	100.00	21,231	110,000,000	100.00

* Includes 6 shareholders, where the beneficial interest of shares lies with VISA International Limited

17. Dematerialisation of shares and liquidity : 99.77% of outstanding equity shares have been dematerialised upto 31 March 2008.

The International Security Identification Number (ISIN) for your Company's shares is **INE286H01012**.

The CIN allotted by the Ministry of Corporate Affairs is **L51109OR1996PLC004601**.

18. Details on use of public funds obtained : The entire amount of the IPO proceeds of in the last three years Rs.1995 million has been utilised in earmarked projects.

19. Plant Locations	:	**Kalinganagar Industrial Complex** P.O. Jakhapura, Dist. Jajpur, Orissa 755 019 Tel: + 91-6726 242441, Fax: + 91-6726 242442 **Village Golagaon** Near Duburi, P.O.Pankapal Dist. Jajpur, Orissa Tel: + 91 6726 245470, Fax. + 91 6726 245561
20. Investor Correspondence	:	The Company Secretary, VISA Steel Limited "Brooke House", 2nd Floor, 9, Shakespeare Sarani, Kolkata 700 071. Tel: + 91 33 3051 9000 Fax: + 91 33 3051 9001 Email: investors@visasteel.com

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of VISA Steel Limited

We have examined the compliance of conditions of Corporate Governance by VISA Steel Limited, for the year ended 31 March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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.

Partha Mitra
Partner
Membership Number 50553
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place: Kolkata
Date: 28 May 2008

AUDITORS' REPORT

TO THE MEMBERS OF VISA STEEL LIMITED

1. We have audited the attached Balance Sheet of VISA Steel Limited, as at 31 March 2008 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in paragraph 3 above, we report that :

   The re-appointment and remuneration amounting to Rs. 4.51 Million for one of the Whole Time Director with effect from 15 December 2007 is subject to the approval of shareholders of the Company (Refer Note 9 Schedule 17).

5 Further to our comments in paragraph 4 above, we report that :

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the 'Act';

   (e) On the basis of written representations received from the directors, as on 31 March 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the 'Act';

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the 'Act' *and subject to our remarks in Paragraph 4 above*, give a true and fair view in conformity with the accounting principles generally accepted in India :

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2008

      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Partha Mitra
Partner
Membership Number 50553
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place : Kolkata
Date : 28 May 2008

ANNEXURE

TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of VISA Steel Limited on the financial statements for the year ended 31 March 2008]

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

   (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

2. (a) The inventory (excluding stocks with third parties and materials in transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the 'Act' have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, are considered to be of special nature as explained by the management of the Company, for which no suitable market prices for similar services are available.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the 'Act' and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the 'Act' for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

VISA Steel Limited

ANNEXURE

TO AUDITORS' REPORT

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales-tax, value added tax and entry tax as at 31 March 2008 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of certain expenses	9.99	Assessment Year 2005-06	The Commissioner of Income Tax Appeals – II, Bhubaneswar, Orissa
Central Sales Tax (Orissa) Rules, 1957	Difference in way bill value and invoice value	0.01	Financial Year 1999-2000	Sales Tax Tribunal, Orissa, Appeal
Central Sales Tax (Orissa) Rules, 1957	Non-submission of 'C' Form	1.70	Financial Year 2003-04	The Assistant Commissioner of Sales Tax (Appeal), Jajpur Range, Jajpur Road, Orissa
Central Sales Tax (Orissa) Rules, 1957	Non-submission of 'C' Form	3.87	Financial Year 2005-06	The Commissioner of Commercial Taxes, Cuttack, Orissa
Orissa Value Added Tax Act, 2005	Reversal of Consignment Sale, Input Tax Credit on Stock	16.90	Financial Year 2005-06	The Commissioner of Commercial Taxes, Cuttack, Orissa
Orissa Entry Tax Act, 1999	Purchase of coal and coke including Freight	43.57	Financial Year 2005-06	The Commissioner of Commercial Taxes, Cuttack, Orissa

10. The Company has no accumulated losses as at 31 March 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the 'Act' during the year.
19. The management has disclosed the end use of money raised by public issues (Refer Note 4 (a) of Schedule 17) and the same has been verified by us.
20. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
21. The other clauses, (iii)(c), (iii)(d), (iii)(e), (iii)(f), (iii)(g) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

Partha Mitra
Partner
Membership Number 50553
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place : Kolkata
Date : 28 May 2008

BALANCE SHEET

AS AT 31 MARCH 2008

Rs. Million

	Schedule	31 March 2008		31 March 2007	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	1,100.00		1,100.00	
Reserves and Surplus	2	2,369.60	3,469.60	2,066.21	3,166.21
Loan Funds					
Secured Loan	3		6,987.73		4,985.85
Deferred Taxation [Refer Note 6 Schedule 17]			349.19		197.92
			10,806.52		**8,349.98**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		4,272.29		2,663.12	
Less : Depreciation		359.02		170.06	
Net Block		3,913.27		2,493.06	
Capital Work in Progress including Advances		6,045.76	9,959.03	3,726.50	6,219.56
Investments	5		8.90		8.90
Current Assets, Loans and Advances					
Inventories	6	2,788.39		1,195.12	
Sundry Debtors	7	963.40		413.73	
Cash and Bank Balances	8	856.97		1,728.30	
Interest Accrued on Deposits		19.46		40.61	
Loans and Advances	9	975.24		464.79	
		5,603.46		3,842.55	
Less : Current Liabilities and Provisions					
Liabilities	10	4,709.03		1,824.55	
Provisions	11	133.94		1.36	
		4,842.97	760.49	1,825.91	2,016.64
Miscellaneous Expenditure	12		78.10		104.88
[To the extent not written off or adjusted]					
			10,806.52		**8,349.98**
Notes on Accounts	17				

The Schedules referred to above form an integral part of the Balance Sheet.

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

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

VISA Steel Limited

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

Rs. Million

	Schedule	31 March 2008		31 March 2007	
INCOME					
Sales	13		6,807.65		5,311.80
Other Income	14		20.40		67.48
			6,828.05		5,379.28
EXPENDITURE					
Materials	15		4,846.95		4,419.95
Expenses	16		1,127.16		518.61
Depreciation			182.59		97.67
			6,156.70		5,036.23
Profit Before Taxation			**671.35**		**343.05**
Provision for Taxation					
Current Tax		84.00		39.00	
Fringe Benefit Tax		4.60		5.00	
Deferred Tax		151.27	239.87	93.84	137.84
Profit after Taxation			**431.48**		**205.21**
Balance brought forward from previous years			329.98		124.77
			761.46		**329.98**
Appropriation					
Proposed Dividend			110.00		-
Income Tax on Proposed Dividend			18.69		-
Balance Carried forward to Balance Sheet			**632.77**		**329.98**
Basic and Diluted Earning Per Share			3.92		1.87
Notes on Accounts	17				

The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

SCHEDULES

TO THE BALANCE SHEET

Rs. Million

	31 March 2008	31 March 2007
1 Share Capital		
Authorised		
160,000,000 Equity Shares of Rs. 10/- each	**1,600.00**	**1,600.00**
Issued and Subscribed		
110,000,000 Equity Shares of Rs. 10/- each fully paid up	**1,100.00**	**1,100.00**
Note :		
(a) Of the above 56,212,167 Equity Shares of Rs. 10/- each are held by VISA Minmetal AG, the Holding Company		
(b) Of the above 8,360,000 Equity Shares of Rs. 10/- each alloted for considertaion other than cash pursuant to a scheme of amalgamation without payment being received in cash.		
2 Reserves & Surplus		
Capital Reserve	0.07	0.07
Share Premium Account	1,645.00	1,645.00
General Reserve		
As per last account	91.16	91.16
Add : Adjustment*	0.60	91.76 - 91.16
Profit and Loss Account	632.77	329.98
	2,369.60	**2,066.21**
[* On account of reduction in obligations relating to employee benefits added to the General Reserves, in terms of the transitional provision of Accounting Standard 15 (Revised 2005) on Employee Benefits (Refer Note 16 Schedule 17)]		
3 Secured Loan		
From Banks		
Cash Credit [Refer Note 3(a) Schedule 17]	108.23	329.19
Term Loan [Refer Note 3(b) Schedule 17]	6,854.43	4,622.97
Vehicle and Other Loan [Refer Note 3(c) Schedule 17]	13.33	33.69
From Others		
Vehicle and Other Loan [Refer Note 3(c) Schedule 17]	11.74	-
	6,987.73	**4,985.85**

SCHEDULES

TO THE BALANCE SHEET

Rs. Million

4 Fixed Assets

Assets	Gross Block (at cost)				Depreciation				Net Block	
	As at 1 April 2007	Addition/ Adjustments	Deletion/ Adjustments	As at 31 March 2008	As at 1 April 2007	Addition/ Adjustments	For the year	Deletion/ Adjustments	As at 31 March 2008	As at 31 March 2007
Tangible										
Land- Freehold	8.51	-	-	8.51	-	-	-	-	-	8.51
Land- Leasehold	142.34	-	-	142.34	4.17	-	1.68	-	5.85	138.17
Buildings	269.93	99.02	-	368.95	13.27	-	10.14	-	23.41	256.66
Plant & Machinery	2,109.50	1,477.26	-	3,586.76	125.30	-	155.36	-	280.66	1,984.20
Furniture & Fixtures	21.97	5.84	-	27.81	6.78	-	5.46	-	12.24	15.19
Vehicles	96.94	26.80	-	123.74	17.94	-	11.80	-	29.74	79.00
Intangible										
Computer Software	13.93	0.25	-	14.18	2.60	-	4.52	-	7.12	11.33
TOTAL	**2,663.12**	**1,609.17**	**-**	**4,272.29**	**170.06**	**-**	**188.96**	**-**	**359.02**	**2,493.06**
2007	**1,586.40**	**1,136.01**	**59.29**	**2,663.12**	**66.70**	**0.29**	**104.90**	**1.83**	**170.06**	**2,493.06**

1. Addition/Adjustment includes Rs. 40.98 Million [2007 - Rs. 44.40 Million], being borrowing cost capitalised on qualifying assets.

2. Depreciation for the year includes Rs. 6.37 Million [2007 - Rs. 7.23 Million], being depreciation during pre-operative period which has been capitalised during the year.

SCHEDULES

TO THE BALANCE SHEET

Rs. Million

	31March 2008	31 March 2007
5 Investments		
Long Term - Trade - Unquoted		
Patrapada Coal Mining Company Private Limited	-	-
100 Equity Shares of Rs. 10/- each, fully paid up		
[Rs. 1000 (2007; Rs. 1000)]		
Subsidiary Company		
Ghotaringa Minerals Limited	8.90	8.90
890,000 Equity Shares of Rs. 10/- each, fully paid up		
(Including beneficial interest in 44,500 Equity Shares of		
Rs. 10/- each, fully paid up)		
	8.90	**8.90**
6 Inventories - At lower of Cost or Net Realisable Value		
Stores & Spares*	118.04	58.59
Raw Materials**	1,484.62	890.58
Finished Goods***	981.65	189.71
By-Products	167.94	41.49
Work-in-Progress	36.14	14.75
	2,788.39	**1,195.12**
* Including Capital items lying in stores	76.54	35.19
** Including materials in Transit	-	196.41
*** Including goods lying with Consignment Agents	5.65	20.74
7 Sundry Debtors - Unsecured		
Debts Outstanding for a period exceeding six months		
Considered Good	138.74	10.38
Considered Doubtful	0.34	52.68
Other debts - Considered Good	824.66	403.35
	963.74	466.41
Less : Provision for Doubful Debts	0.34	52.68
	963.40	**413.73**
8 Cash and Bank Balances		
Cash and Cheques in Hand	1.19	20.86
Balance with Scheduled Banks in :		
Current Account	296.10	82.22
Share Refund Order Account	0.34	0.38
Fixed Deposit Account	559.34	1,624.84
	856.97	**1,728.30**

VISA Steel Limited

SCHEDULES

TO THE BALANCE SHEET

Rs. Million

	31 March 2008	31 March 2007
9 Loans and Advance - Unsecured, Considered Good		
Advance to Subsidiary	-	0.04
Advances Recoverable in Cash or in kind or for value to be received	794.28	370.30
Deposits with		
Customs, Port Trust etc.	6.58	6.56
Others	159.77	77.33
Advance Payment of Income Tax	13.97	10.56
[Net of Provision Rs. 169.32 Million (2007; Rs 85.32 Million)]		
Fringe Benefit Tax	0.64	-
[Net of Provision Rs. 12.60 Million (2007; Rs. Nil)]		
	975.24	**464.79**
Due by Directors	-	-
Maximum Amount due at any time during the year	0.77	1.40
Due by an officer	-	-
Maximum Amount due at any time during the year	0.04	0.07
Due by a Private Company in which a Director is a Director	1.21	0.76
10 Liabilities		
Sundry Creditors	4,478.55	1,762.54
Advance from Customers	35.61	33.09
Other Liabilities	194.53	28.54
Share Refund Order Account	0.34	0.38
	4,709.03	**1,824.55**
11 Provisions		
Leave Encashment	5.25	-
Fringe Benefit Tax	-	1.36
[Net of Advance payment of Tax Rs. Nil (2007 Rs. 6.64 Million)]		
Proposed Dividend	110.00	-
Income Tax on Proposed Dividend	18.69	-
	133.94	**1.36**
12 Miscellaneous Expenditure		
[To the extent not written off or adjusted]		
Share Issue Expenses	78.10	104.88
	78.10	**104.88**

SCHEDULES

TO THE PROFIT & LOSS ACCOUNT

Rs. Million

	31 March 2008		31 March 2007	
13 Sales				
Sales	7,002.18		5,618.11	
Less : Excise Duty on sales	194.53		306.31	
	6,807.65		**5,311.80**	
14 Other Income				
Insurance Claim received	4.02		17.89	
Gain on Exchange Fluctuation (net)	-		4.04	
Miscellaneous Income	16.38		45.55	
	20.40		**67.48**	
15 Materials				
Raw Material Consumed				
Opening Stock	890.58		527.81	
Add : Purchase	3,335.57		2,200.73	
Less : Closing stock	1,484.62	2,741.53	890.58	1,837.96
Purchase of Finished Goods		2,977.38		2,280.93
(Increase)/Decrease in Stock				
Opening Stock				
Finished Goods	189.71		548.30	
By-Products	41.49		12.05	
Work-in-Progress	14.75		1.90	
	245.95		562.25	
Less : Closing Stock				
Finished Goods	981.65		189.71	
By-Products	167.94		41.49	
Work-in-Progress	36.14		14.75	
	1,185.73	(939.78)	245.95	316.30
Increase/(Decrease) in Excise Duty on Stock		67.82		(15.24)
		4,846.95		**4,419.95**

VISA Steel Limited

SCHEDULES

TO THE PROFIT & LOSS ACCOUNT

Rs. Million

	31 March 2008		31 March 2007	
16 Expenses				
Salary, Wages & Bonus	133.41		46.48	
Contribution to Provident & Other Funds	4.77		2.62	
Workmen and Staff welfare expenses	1.98	140.16	1.51	50.61
Power & Fuel		233.69		54.86
Material Handling Expenses		117.55		30.28
Consumption of Stores & Spare Parts		159.00		61.06
Custom & Cess		37.04		7.45
Freight & Selling expenses		60.75		90.33
Insurance		8.59		5.97
Telephone		3.97		2.14
Repairs & Maintenance				
- Building	2.25		0.40	
- Plant & Machinery	14.48		3.72	
- Others	5.71	22.44	1.85	5.97
Rent		23.81		23.01
Rates & Taxes		4.69		1.69
Travelling		7.97		5.98
Interest (net) [Refer Note 5 Schedule 17]		85.34		22.92
Bank and Finance Charges		72.14		41.01
Loss on Exchange Fluctuation (net)		24.14		-
Bad Debts Written off	74.48		-	
Less : Provision for Doubtful Debts written back	52.68	21.80	-	-
Provision for Doubtful Debts		0.34		52.68
Advance Written off		6.19		-
Miscellaneous Expenditure written off		26.78		26.98
Miscellaneous Expenses		70.77		35.67
		1,127.16		**518.61**

17 Notes on Accounts

1. Statement on Significant Accounting Policies

(a) Principal Accounting Policies

The financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently except accounting for post retirement benefits as indicated in note 1 (h) (b) and (c), are set out below. Financial Statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 of India.

(b) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

(c) Fixed Assets

(i) Fixed Assets are stated at their acquisition cost (net of CENVAT credit), where applicable together with any incidental expenses of acquisition/instalation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets. Impairment loss, if any, ascertained as per the Accounting Standard u/s 211(3C) of the Companies Act, 1956.

(ii) Depreciation on fixed assets, other than leasehold land, is provided on Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956. Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

(iii) Computer software has been capitalised as Intangible Assets and are being amortised in equal instalments over its useful lives of three years.

(iv) Profit or loss on disposal of fixed assets is recognised in Profit and Loss Account.

(d) Investments

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

(e) Inventories

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

(f) Sales

Sales represent the invoiced value of goods and services supplied, net of value added tax (VAT)/sales tax but inclusive of excise duty.

(g) Transactions in Foreign Currencies

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Profit and Loss Account.

(h) Employee Benefits

(I) Post Retirement Benefits :

(a) Provident Fund

Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Profit & Loss Account on accrual basis.

(b) Gratuity

The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees. Till last year, the Company used to provide for the annual premium determined by LICI

VISA Steel Limited

SCHEDULES

TO THE ACCOUNTS

in these accounts. In the current year, consequent to the adoption of Accounting Standard 15 (Revised 2005) (AS 15 Revised) on “Employee Benefits”, gratuity liability has been determined as at 31 March 2008 by LICI in accordance with the method stated in the said standard and such liability has been provided for in these accounts. However, consequent to such change there has been no impact on the profit for the previous years and current year as certified by LICI. Annual Premium determined by LICI has been contributed.

(c) Leave Encashment

Leave encashment benefit on retirement has been determined on the basis of actuarial valuation as at 31 March 2008 in accordance with the method stated in AS 15 (Revised) and such liability has been provided for in these accounts. Hitherto, provision for leave encashment was done on accrual basis.

Actuarial gains and losses, where applicable, are recognised in the Profit and Loss Account.

(II) Other Employee Benefits :

Other Employee Benefits are accounted for on accrual basis.

(i) Deferred Tax

Deferred Tax is recognised using the liability method, at the current rate of taxation, on all timing differences to the extent it is probable that a liability or asset will crystallise. Deferred Tax assets are recognised subject to consideration of prudence and are periodically reviewed to reassess realisation thereof.

(j) Borrowing Cost

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit & loss Account.

(k) Miscellaneous Expenditure - To the extent not written off or adjusted

Public issue expenses are being amortized over a period of five years.

Rs. in Million

	31 March 2008	31 March 2007
2. (a) Contingent liability not provided for in respect of :		
(i) Bank Guarantee	65.26	72.26
(ii) Income Tax matter on Appeal	15.65	-
(iii) Sales Tax matter on Appeal	9.05	1.70
(iv) Value Added Tax matter on Appeal	20.37	-
(v) Entry Tax matter on Appeal	47.75	-
(b) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	883.32	1,928.76

(c) Claim against the Company not acknowledged as debt :

(i) Transfield Shipping Inc., Panama, owner of the vessel has filed a civil suit in the Hon’ble Calcutta High Court claiming that under a Charter Party Agreement dated 27 August 2004 with VISA Comtrade (Asia) Limited, the said Transfield Shipping Inc. had allowed the use of their vessel to VISA Comtrade (Asia) Limited for shipment of coal and has alleged that during the lighterage operation at the Cochin port, the vessel was damaged by the lightering vessel due to inadequate fendering on the lightering vessel and it was the duty of the Company and VISA Comtrade (Asia) Limited to ensure that the lightering vessel was well equipped with necessary fendering equipment and the delay caused in the cargo discharge operations was due to the negligence and default of the Company and VISA Comtrade (Asia) Limited and claimed the relief for a decree for US$ 0.30 Million to be expressed in Indian Currency at such rate of exchange and/or on such terms as the Court may deem fit and proper, Interest pendente lite, Interest upon judgment, Receiver and Attachment before judgment, Injunction, Costs and further or other reliefs.

The Company has not accepted the claim as the Company was not a party to the said agreement and hence

cannot be made a party to this suit. The Hon'ble Calcutta High Court passed interim order dated 11 May 2005 and 20 June 2005, restraining the Company and VISA Comtrade (Asia) Limited from withdrawing any amount from a specified bank account number without leaving a balance for a sum of Rs. 12.50 Million which has been set aside by the bank from the cash credit limit of the Company. The suit is currently pending before the Hon'ble Calcutta High Court.

(ii) Applications have been filed by the legal heirs of a deceased employee of the Company and his sister respectively, who died in a road accident while traveling in the Company's vehicle for their personal work, claiming a compensation of Rs. 6.05 Million and interest @ 18% per annum and Rs. 0.55 Million respectively. The Company has contested the claims, which are currently pending before the Motor Accident Claims Tribunal, Bhubaneswar and the Additional District Judge cum 3rd Motor Accident Claims Tribunal, Rourkela respectively.

(d) The Company has obtained licences from the Government of India under EPCG Scheme for import of machineries for its Blast Furnace and Coke Oven Plant at Orissa at a reduced Customs Duty and thereby saved an amount of Rs. 473.73 Million towards duty upto 31 March 2008. As per the requirement under the said Scheme, the Company is required to export amounting to Rs. 1,069.56 Million within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. The Company is confident that the above export obligation will be met during the specified period.

3. (a) The working capital facilities from banks are secured by way of first hypothecation charge ranking pari-passu with other banks on the whole of the current assets, namely, stocks of raw material, stock in process, semi finished & finished goods, stores & spares not relating to plant & machinery (i.e. consumable stores & spares), bills receivable & book debts and all other movables, both present and future, whether installed or not provided that the charge in favour of the banks on the moveable plant & machinery, machinery spares, tools & accessories shall be subject to the charges created and/or to be created thereon in favour of the term lenders to secure the long term borrowing/ loans for capital expenditure. The working capital facilities are also secured by second mortgage charge on the land situated at Kalinganagar Industrial Complex , District Jajpur, Orissa together with building and structures thereon and all plant & machinery attached to the earth or permanently fastened to anything attached to the earth along with corporate guarantee of VISA International Limited and personal guarantee of Managing Director of the Company.

(b) Term Loan from bank is secured by first mortgage charge on the land situated at Kalinganagar Industrial Complex, District Jajpur, Orissa together with hereditaments and premises and building, plant and machineries permanently affixed thereto and other erections thereon both present and future at Plant at Kalinganagar Industrial Complex, District Jajpur, Orissa and second charge on all the current assets of the Company ranking parri-passu with other banks alongwith Corporate Guarantee of VISA International Limited and personal guarantee of Managing Director of the Company.

(c) Vehicle and other loan from banks and financial Institutions are secured by way of hypothecation of vehicles/ machinery taken under the loan arrangement.

4. (a) During the year ended 31 March 2006, the Company had issued 35,000,000 equity shares of Rs. 10/- each by way of public issue of shares at a price of Rs. 57/- per equity share amounting to Rs. 1,995.00 Million to finance a part of the capital expenditure for Brownfield expansion of existing manufacturing activities into an integrated 0.5 million TPA special and stainless steel plant by setting up the Ferro Chrome plant, Sponge Iron plant, Waste Heat Recovery Power plant, Special and Stainless Steel plant, associated infrastructure facilities in addition to the already commissioned Blast Furnace and Coke Oven Plant at Kalinganagar Industrial Complex, and to meet issue expenses. The entire amount has been utilised in the projects earmarked for the same by the year end.

(b) Expenditure related to issue of shares is being amortised over a period of five years from the date of issue, accordingly an amount of Rs. 26.78 Million has been charged to the Profit and Loss Account.

VISA Steel Limited

SCHEDULES

TO THE ACCOUNTS

Rs. Million

Particulars	31 March 2008	31 March 2007
5 Interest (net) comprises		
Interest Charges on :		
Overdraft Facilities	34.43	26.32
Term Loan	147.05	89.17
Vehicle and Other Loan	130.04	73.24
	311.52	188.73
Less : Interest Income [TDS Rs. 37.63 Million (2007: Rs. 31.70 Million)]	(226.18)	(165.81)
	85.34	**22.92**
6 Deferred Tax Provision has been made in the accounts in accordance with the requirements of the Accounting Standard on "Taxes on Income" (AS 22) issued by The Institute of Chartered Accountants of India. The major components of the deferred tax Liabilities/(Assets) based on the tax effects of timing differences are as follows :		
Deferred Tax Liabilities		
Depreciation	342.63	208.39
Public Issue Expenses	8.46	8.44
	351.09	216.83
Deferred Tax Assets		
Others	(1.90)	(18.91)
	349.19	**197.92**
7 Earning Per Share		
Profit After Tax (A)	431.48	205.21
Weighted average number of Rs. 10 equity share outstanding during the year (B)	110,000,000	110,000,000
Basic and Diluted Earning per Share (A/B)	**3.92**	**1.87**

SCHEDULES

TO THE ACCOUNTS

Rs. Million

	MT	31 March 2008	MT	31 March 2007
8 QUANTITATIVE INFORMATION				
a.) The Company manufactures Pig Iron, Coke, Ferrochrome, Chrome Concentrate and Chrome Powder and trades in Coal, Coke and Iron Ore Fines. The relevant particulars are as under :				
i.) Licensed Capacity	N.A.		N.A.	
ii.) Installed Capacity (As certified by the management)				
Pig Iron	225,000		225,000	
Chrome Concentrate	100,000		100,000	
Chrome Powder	100,000		100,000	
Coke	400,000		100,000	
Ferrochrome	50,000		-	
iii.) **Opening Stock**				
Pig Iron	5,613	67.26	14,342	192.38
Chrome Concentrate	7,927	22.46	2,865	8.67
Chrome Powder	474	1.84	982	3.88
Coal & Coke	1,244	3.06	74,152	247.11
Lam Coke	9,164	64.99	-	-
Iron Ore Fines	20,618	30.10	91,556	96.26
		189.71		548.30
iv.) **Production**				
Pig Iron (Note 1)	53,207		162,858	
Chrome Concentrate	5,289		12,688	
Chrome Powder	765		495	
Lam Coke (Note 2)	156,515		50,755	
Ferrochrome (Note 3)	17,681		-	
Note :				
1. Does not include By-products generated	14,123		18,228	
2. Includes used for own consumption	41,492		41,591	
Does not include By-products generated	19,907		8,888	
3. Does not include By-products generated	333		-	
v.) **Purchases**				
Chrome Concentrate			6,580	47.81
Coal & Coke	318,905	2,736.79	497,961	2,038.97
Iron Ore Fines	10,890	22.73	58,012	194.15
Iron Ore	14,095	29.30	-	-
Chrome Ore	19,890	188.56	-	-
		2,977.38		2,280.93
vi.) **Closing Stock ***				
Pig Iron	677	13.36	5,613	67.26
Chrome Concentrate	4,557	9.58	7,927	22.46
Chrome Powder	207	0.80	474	1.84
Coal & Coke	7,536	140.59	1,244	3.06
Lam Coke	16,894	205.16	9,164	64.99
Iron Ore Fines	-	-	20,618	30.10
Ferrochrome	10,168	612.16	-	-
		981.65		189.71
* After adjustment of shortage/excess				

VISA Steel Limited

SCHEDULES

TO THE ACCOUNTS

Rs. Million

	MT	31 March 2008	MT	31 March 2007
vii.) **Sales**				
Pig Iron	57,922	1,176.38	171,587	2,734.73
Chrome Concentrate	8,659	129.38	14,206	113.50
Chrome Powder	1,032	9.30	1,003	6.17
Coal & Coke	311,369	2,987.15	570,869	2,327.55
Iron Ore Fines	13,369	27.14	128,950	230.67
LAM Coke	112,837	1,878.58	-	-
Iron Ore	14,095	45.86	-	-
Chrome Ore	19,860	193.67	-	-
Ferrochrome (Note 4)	5,355	369.58	-	-
By-products		185.14		205.49
		7,002.18		5,618.11
4. Does not include trial run sales	2,420			
b.) Details of Raw Material Consumed				
Chrome Ore	54,409	477.63	22,147	30.89
Iron Ore (Note 5)	116,763	243.35	287,706	554.90
Coke (Note 6)	23,073	261.77	174,861	845.10
Coal	252,945	1,712.73	62,253	357.18
Others		46.05		49.89
		2,741.53		1,837.96
5. Does not include iron ore fines generation	11,230		29,953	
6. Does not include coke fines generation	3,756		13,461	
c.) Consumption of Raw Material	%		%	
Indigenous	27	744.74	47	855.87
Imported	73	1,996.79	53	982.09
	100	2,741.53	100	1,837.96
d.) Stores & Spares Consumed	%		%	
Indigenous	100	159.00	100	61.06
e.) CIF Value of Imports				
Raw Material		2,456.94		2,285.88
Finished Goods		2,388.33		1,269.64
Capital Goods		43.57		65.32
f.) Expenditure in Foreign Currency				
Traveling		0.87		2.01
Interest		27.61		41.93
Others		0.11		9.40
g.) Earning in Foreign Currency				
Export Sales		759.12		1,082.40

SCHEDULES

TO THE ACCOUNTS

Rs. Million

	MT	31 March 2008	MT	31 March 2007
9 Directors Remuneration				
Salaries, Allowances & Bonus		12.56		8.42
Retirement benefits		1.92		2.54
Perquisites		2.20		1.90
Commission		9.25		6.09
		25.93		**18.95**
Profit for the year before taxation as per Profit & Loss Account		671.35		343.05
Add :				
Depreciation	182.59		97.67	
Provision for Doubtful Debts	0.34		52.68	
Directors' Remuneration	25.93	208.86	18.95	169.30
		880.21		512.35
Less :				
Depreciation u/s 350 of the Companies Act, 1956	182.59	182.59	97.67	97.67
		697.62		414.68
Commission to Executive Directors		6.75		4.59
Commission to Non Executive Directors*		2.50		1.50
		9.25		6.09
* Within the overall limit of 1% of Net Profit		6.98		4.15

Note :
Includes Rs. 4.51 Million remuneration of one of the Wholetime Directors whose re-appointment and remuneration with effect from 15 December 2007 are subject to approval of shareholders of the Company.

10 Investment in Joint Venture

Joint Venture	Patrapada Coal Mining Company Private Limited
Country of Incorporation	India
Percentage of Ownership Interest as at 31 March 2008	0.49%

The Company's interests in the joint venture is reported as Long Term Investment in Schedule 5 and stated at cost. During the current year no Profit and Loss Account has been prepared, as there was no revenue transactions. However, the Company's share of each of the assets and liabilities etc. (each without elimination of the effect of transactions between the Company and the joint venture) based solely on the accounts prepared for the internal management reporting purposes to assess the performance of the joint venture related to its interest in the Joint Venture are :

Rs. in Million

	31 March 2008	31 March 2007
Amounts in respect of Joint Venture-Balance Sheet		
Assets		
Capital Work in Progress	0.04	0.03
Current Assets [Rs. 1,364 (2007; Rs. Nil)]	-	-
Liabilities		
Current Liabilities	0.04	0.03

11 The Company had entered into a joint venture agreement with Baosteel Resources Co. Ltd. and VISA Comtrade AG on 17 August 2007 for setting up a 100,000 tpa Ferro Chrome Plant in Orissa. The JV Company, titled "VISA BAO Limited" has been incorporated on 1 February 2008 and has become a subsidiary of VISA Steel Limited w.e.f 23 May 2008. An amount of Rs. 4.71 Million has been paid towards expenses incurred for incorporation of the said Joint Venture during the year, which is included under Loans & Advances in Schedule 9.

VISA Steel Limited

SCHEDULES

TO THE ACCOUNTS

Rs. Million

	31 March 2008	31 March 2007
12 Miscellaneous Expenses include Auditors' Remuneration :		
Audit Fees	0.50	0.50
Tax Audit Fees	0.10	0.10
Other Services	0.40	0.40
Re-imbursement of expenses	0.11	0.24
	1.11	1.24
13 Operating Leases	7.65	7.36
Rent [Including minimum lease payment Rs. Nil (2007: Rs. Nil)] [Operating leases for office premises are entered into for a period of three years and thereafter renewable by mutual consent of both the parties. The operating leases are cancelable by either party by giving three month's notice.]		

14 Related Party Disclosures

Name of the Related Parties :

Holding Company	VISA Minmetal AG
Subsidiary Company	Ghotaringa Minerals Ltd.
Joint Venture Company	Patrapada Coal Mining Company Pvt. Ltd.
Enterprise having significant influence	VISA International Ltd.
Fellow Subsidiaries	VISA Comtrade AG
	VISA Coal Pty. Ltd.
	VISA Comtrade (Asia) Ltd., Hongkong
	VISA Comtrade (Asia) Ltd., Singapore
	VISA Power Limited
	VISA PLC
	VISA Comtrade Ltd.
	North East Resources Limited
Key Managerial Personnel	Mr. Vishambhar Saran
	Mr. Vishal Agarwal
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal
	Mr.Vikas Agarwal
	Mr Vivek Agarwal
	Mrs Bhawna Agarwal
	Mr Ashok Agarwal
Enterprise over which Relatives of Key Managerial Personnel having significant influence	Khandadhar Minerals Limited
	VISA Aviation Limited
	VISA Infrastructure Limited
	Tastebuds Gourmet Foods Pvt. Ltd.

17. Notes on Accounts

Details of Transactions with Related Parties

Rs. Million

Nature of Transaction	31 March 2007							31 March 2008						
	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant Influence	Key Managerial personnel	Relative of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Subsidiary Company	Joint Venture Company	Fellow Subsidiaries	Enterprise having significant Influence	Key Managerial Personnel	Relatives of key Mangerial Personnel	
Rent	-	-	-	0.80	-	-	-	-	-	-	1.50	-	-	-
Purchase of Goods	-	-	3,331.96	-	-	-	-	-	-	4,835.07	-	-	-	-
Sale of Goods	-	-	1,024.50	-	-	-	-	-	-	612.69	-	-	-	-
Material Handling Expenses	-	-	-	-	-	-	-	-	-	98.57	-	-	-	-
Freight and Selling Expenses	-	-	-	-	-	-	-	-	-	26.49	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	1.58	0.51	-	-	-
Purchase of Fixed Assets	-	-	-	1.55	-	-	-	-	-	8.62	-	-	-	-
Sale of Fixed Assets	-	-	5.35	0.82	-	-	-	-	-	-	-	-	-	-
Behalf payment made to others	0.97	-	21.08	6.67	-	0.01	-	0.04	-	0.62	-	-	-	-
Refund of the above	0.92	-	16.25	6.67	-	-	-	0.09	-	0.62	-	-	-	-
Payments made by others	-	-	0.05	2.35	-	-	-	-	-	-	-	-	-	-
Refund of above	-	-	-	2.35	-	-	-	-	-	-	-	-	-	-
Advance Received	-	-	-	-	-	-	0.51	-	-	-	-	-	-	-
Advance given	-	0.76	-	-	-	-	-	-	0.45	-	-	-	-	-
Remuneration	-	-	-	-	17.46	2.37	-	-	-	-	-	23.43	3.76	-
Sitting Fees	-	-	-	-	-	0.15	-	-	-	-	-	-	0.40	-
Outstanding at closing														
Debit	0.04	0.76	-	0.56	-	-	-	-	1.21	-	-	-	-	-
Credit	-	-	1,148.83	-	-	0.01	-	-	-	3,058.66	0.85	-	-	-

17. Notes on Accounts

Details of Transactions with Related Parties (Contd.)

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

Rs. Million

Nature of Transactions	Name of the related Party	31 March 2008	31 March 2007
Rent	VISA International Limited	1.50	0.80
Purchase of Goods	VISA Comtrade AG	4,494.80	3,331.96
Sale of Goods	VISA Comtrade AG	612.69	1,024.50
Material Handling Expenses	VISA Comtrade Limited	98.57	-
Freight and Selling Expenses	VISA Comtrade Limited	26.49	-
Miscellaneous Expenses	VISA Comtrade AG	3.61	-
	VISA Comtrade Limited	2.03	-
	VISA International Limited	0.51	-
Purchase of Fixed Assets	VISA International Limited	-	1.55
	VISA Comtrade (Asia) Ltd. Singapore	8.62	-
Sale of Fixed Assets	VISA Comtrade Limited	-	4.95
	VISA International Limited	-	0.82
Behalf payment made to others	VISA Comtrade AG	-	4.79
	VISA International Limited	-	6.67
	VISA Power Limited	0.62	15.22
Refund of the above	VISA International Limited	-	6.67
	VISA Power Limited	0.62	15.22
	Ghotaringa Minerals Limited	0.09	-
Payments made by others	VISA International Limited	-	2.35
Refund of the above	VISA International Limited	-	2.35
Advance given	Patrapada Coal Mining Company Private Limited	0.45	0.76
Remuneration	Mr. Vishal Agarwal	10.01	7.07
	Mr. Vishambhar Saran	13.42	10.39
Sitting Fees	Mr. Vikas Agarwal	0.09	0.05
	Mr. Vivek Agarwal	0.19	0.04
	Mrs. Saroj Agarwal	0.12	0.06

SCHEDULES

TO THE ACCOUNTS

15 Segment Information

Rs Million

	31 March 2008			31 March 2007		
Business Segment	Manufacturing	Trading	Total	Manufacturing	Trading	Total
Segment Revenue	3,570.39	3,257.66	6,828.05	2,797.77	2,581.51	5,379.28
Segment Results	794.52	168.84	963.36	564.90	(70.88)	494.02
Less : unallocable expenses net off income			206.67			128.05
Less : Interest (net)			85.34			22.92
Profit Before Tax			671.35			343.05
Provision for taxation			239.87			137.84
Profit after Taxation			**431.48**			**205.21**
Segment Assets	13,956.11	640.03	14,596.14	9,039.91	424.61	9,464.53
Add : Unallocated Corporate Assets			1,053.35			711.36
Total Assets			**15,649.49**			**10,175.89**
Segment Liabilities	2,791.36	1,883.65	4,675.01	1,452.73	350.40	1,803.13
Add : Unallocated Liabilities			7,504.88			5,206.55
Total Liabilities			**12,179.89**			**7,009.68**
Capital Expenditure	3,928.42	-	3928.42	3,836.03	-	3,836.03
Depreciation	129.62	-	129.62	72.60	-	72.60
Non Cash Expenses other than Depreciation			55.11			79.66
Geographical Segment	**Domestic**	**Export**	**Total**	**Domestic**	**Export**	**Total**
Segment Revenue	6,068.74	759.12	6,827.86	4,296.32	1,082.40	5,378.72
Segment Assets	12,096.56	3,552.93	15,649.49	10,175.89	-	10,175.89
Capital Expenditure	3,928.42	-	3,928.42	3,836.03	-	3,836.03

Notes :

a) Business Segment: The internal business segmentation and the activities encompassed therein are as follows;

i) Manufacturing: Manufacturing of Chrome Ore based products, Pig Iron, Coke and Ferro Chrome.

ii) Trading: Trading of raw materials for steel industries.

b) Geographical Segment: Segmentation is on the basis of the geographical location of the customers.

c) The segment wise revenue, results and assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole

16 Employee Benefits .

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits with effect from 1 April 2007. The obligations on Employee Benefits as on that date due to the application of the new standard amounting to Rs. 0.60 Million (net of related tax of Rs. 0.30 Million) has been added to the opening balance of the General Reserve in terms of the transitional provision of the said standard. The charge to the Profit & Loss Account is higher by an amount of Rs. 0.06 Million with its consequential effect on the profit before tax for the current year.

The Company maintains a provident fund with Regional Provident Fund Commissioner, contributions are made by the Company to the funds, based on the current salaries. In the provident fund schemes, contribution are also made by the employees. An amount of Rs. 3.57 Million has been charged to the Profit & Loss Account on account of the above defined contribution schemes.

The Company also provides for gratuity benefit to the employees. Annual actuarial valuations are carried out by LICI in compliance with Accounting Standard 15 (Revised 2005) on “Employee Benefits”.

The Company also provides for leave encashment benefit to the employees. Annual actuarial valuations are caried out by independent actuary in compliance with Accounting Standard 15 (Revised 2005) on “Employees Benefits”. Hitherto, provision for leave encashment was done on accrual basis. Had the earlier basis been followed, charge for the current year would have been lower by Rs. 0.06 Million with its consequential effect on the profit for the year. Consequent to such change in accounting policy Rs. 0.60 Million (net of tax) has been added to the opening reserves of the General Reserve, as per the transitional provision of the said standard. Liabilities for leave encashment as at 31 March 2008 would have heen higher by Rs. 0.84 Million. Employees are not required to make any contribution.

VISA Steel Limited

SCHEDULES

TO THE ACCOUNTS

Rs. Million
31 March 2008

	Gratuity	Leave Encashment
Amount recognised in the Balance Sheet are as follows :		
Present value of funded obligation	4.63	5.25
Fair Value of Plan Assets	6.81	-
Present value of un-funded obligation	-	5.25
Net (Asset)/Liability	(2.18)	5.25
Amount recognised in the Profit and Loss Account and charged to Salaries, Wages & Bonus and Contribution to Provident & Other Funds as follows :		
Current Service cost	1.37	2.08
Interest cost	0.22	0.28
Expected Return on Plan Assets	(0.32)	-
Net actuarial loss/(gain) recognised during the year	0.23	1.10
Total	1.50	3.46
Reconciliation of opening and closing balances of the present value of the obligations :		
Opening defined benefit obligation	2.94	1.83
Current Service cost	1.36	2.08
Interest cost	0.22	0.28
Actuarial loss/(gain)	0.23	1.10
Benefits paid	(0.12)	(0.04)
Closing Defined Benefit Obligation	4.63	5.25
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :	-	-
Opening fair value of Plan Assets	2.23	-
Expected Return on Plan Assets	0.31	-
Contributions by employer	4.39	0.04
Benefits paid	(0.12)	(0.04)
Closing Fair Value on Plan Assets	6.81	-
Actual Return on Plan Assets [Plan Assets consist of funds maintained with LICI for gratuity scheme]	0.31	-
Principal Actuarial Assumption Used :		
Discount Rates		8%
Expected Return on Plan Assets		8%
Expected Salary increase rates		5%
Mortality Rates		LIC (1994-96) mortality tables

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

Since this is the first year of adoption of Accounting Standard 15 (revised 2005) on Employee Benefits, only the current year’s figures have been given. The amounts of the present value of the obligations, fair value of the plan assets, surplus or deficit in the plans, experience adjustments arising on plan assets/liabilities etc. for the four annual previous periods are not available and therefore not disclosed.

The contribution expected to be made by the Company for the year ending 31 March 2009 cannot be readily ascertainable and therefore not disclosed.

17 There are no Micro, Small and Medium Enterprises, as required to be disclosed under the “Micro, Small and Medium Enterprise Development Act, 2006” identified by the Company on the basis of information available with the Company.

18 Previous year’s figures have been rearranged/re-grouped wherever necessary.

For and on behalf of the Board of Directors

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

Rs. Million

Sl. No.	Particulars	31 March 2008	31 March 2007
A.	**Cash flow from operating activities :**		
	Net profit before Tax and Extraordinary items	671.35	343.05
	Adjusted for :		
	Depreciation	182.59	97.67
	Interest Expense	311.52	188.73
	Interest Income	(226.18)	(165.81)
	Miscellaneous Expenditure written off	26.78	26.98
	Bad Debts Written Off	74.48	-
	Bad Debt Recovery	-	(7.87)
	Advance Written off	6.19	-
	Provision for Doubtful Debts	0.34	52.68
	Provision for Doubtful debts written back	(52.68)	-
	Liabilities no longer required written back (net)	-	(2.04)
	Unrealised Foreign exchange gain	24.93	(16.50)
	Operating profit before working capital changes	1,019.32	516.89
	Adjustments for changes in working capital :		
	- (Increase)/Decrease in Sundry Debtors	(572.47)	(25.44)
	- (Increase)/Decrease in Loans and Advances	(512.58)	(189.23)
	- (Increase)/Decrease in Inventories	(1,551.93)	(44.17)
	- Increase/(Decrease) in Trade and Other Payables	2,714.81	(418.84)
	Cash generated from operations	1,097.15	(160.79)
	- Taxes Paid	(55.45)	(15.17)
	Net cash from operating activities	**1,041.70**	**(175.96)**
B.	**Cash flow from Investing activities :**		
	Purchase of fixed assets	(1,410.50)	(800.91)
	Capital Work in Progress	(2,360.60)	(2,701.52)
	Proceeds from Sale of fixed assets	-	6.17
	Interest Received	208.77	103.94
	Net cash used in investing activities	**(3,562.33)**	**(3,392.32)**
C.	**Cash flow from financing activities :**		
	Share Issue Expenses	-	(83.00)
	Proceeds from long term borrowings	2,774.25	2,864.10
	Repayment of long term borrowings	(200.81)	(112.26)
	Proceeds from short term borrowings	829.70	623.42
	Repayment of short term borrowings	(1,401.27)	(250.00)
	Interest Paid	(352.57)	(233.05)
	Net cash used in financing activities	**1,649.30**	**2,809.21**
	Net Increase in Cash & Cash Equivalents	(871.33)	(759.07)
	Cash and cash equivalents as at 1 April 2007	1,728.30	2,487.37
	Cash and cash equivalents as at 31 March 2008	**856.97**	**1,728.30**

VISA Steel Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

Notes to Cash Flow Statement

1 Cash and cash equivalents consist of cash in hand and balance with banks and deposits with banks

Rs. Million

Particulars	31 March 2008		31 March 2007	
Cash and Cheques in hands		1.19		20.86
Balance with Schedule Bank in				
Current Account	296.10		82.22	
Share Refund Order Account	0.34		0.38	
Fixed Deposit Account	559.34	855.78	1,624.84	1,707.44
Cash & cash equivalents		**856.97**		**1,728.30**

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

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

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

BALANCE SHEET ABSTRACT

AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	:	4601	State Code	:	15
Balance Sheet Date	:	31 (Date) 03 (Month)	2008 (Year)		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	:	156494888	Total Assets	:	156494888
Sources of Funds					
Paid-up Capital	:	11000000	Reserves & Surplus	:	23695889
Secured Loans	:	6987730	Unsecured Loans	:	NIL
Deferred Taxation	:	3491993			
Application of Funds					
Net Fixed Assets	:	99590277	Investments	:	8901
Net Current Assets	:	7604804	Misc. Expenditure	:	7810 4
Accumulated Losses	:	NIL			

IV. PERFORMANCE OF Company (Amount in Rs. Thousands)

Turnover *	:	68280505	Total Expenditure	:	61566693
Profit Before Tax	:	6713577	Profit After Tax	:	4314885
Earning per share in Rs.	:	3.92	Dividend %	:	10

* includes other income

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF Company (as per monetary terms)

Item Code No.	:	72011000	Product Description	:	Pig Iron
Item Code No.	:	27040030	Product Description	:	Lam Coke
Item Code No.	:	72031000	Product Description	:	By-product Blast Furnace
Item Code No.	:	26100040	Product Description	:	Chrome Concentrate
Item Code No.	:	26180000	Product Description	:	Granulated Slag
Item Code No.	:	72024100	Product Description	:	Ferro Chrome

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

STATEMENT PURSUANT TO SECTION 212 (3)

OF THE COMPANIES ACT, 1956

Ghotaringa Minerals Limited (GML), a company incorporated under the Companies Act, 1956, became subsidiary of the Company with effect from 30 September 2005. As on 31 March 2008, 89% of the issued and subscribed equity share capital of GML was held by the Company alongwith its nominees.

The net aggregate amount of profit/ (loss) of the subsidiary so far as it concerns the members of the Company:

a.	Dealt with in the Company's accounts	
	i) For the financial year of the subsidiary	Rs. 34,317/-
	ii) For the previous financial years of the subsidiary since it became subsidiary of the Company	Rs. 1,02,217/-
b.	Not dealt with in the Company's accounts	
	i) For the financial year of the subsidiary	NIL
	ii) For the previous financial years of the subsidiary since it became subsidiary of the Company	N.A

For and on behalf of the Board

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place: Kolkata
Date: 28 May 2008

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF VISA STEEL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of VISA Steel Limited ('the Company') and its subsidiary ('the Group') as at 31 March 2008, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Consolidated Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that:
   The re-appointment and remuneration amounting to Rs. 4.51 Million for one of the Whole Time Directors of the Holding Company with effect from 15 December 2007 is subject to the approval of shareholders of the Company.

4. We did not audit the financial statements of the subsidiary and joint venture, whose financial statements reflect total assets of Rs. 18.68 Million as at 31 March 2008 and total revenues of Rs. 0.24 Million and total net cash outflow of Rs. 1.43 Million for the year then ended. The financial statements of the subsidiary have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors and in so far as it relates to the amounts included in respect of the joint venture, is based solely on the accounts, which are not audited, prepared by the management of the Company for the internal management reporting purposes to assess the performance of the joint venture.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its Subsidiary and unaudited financial statements of joint venture prepared by the Company included in the Consolidated Financial Statements.

VISA Steel Limited

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF VISA STEEL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

6. On the basis of the information and explanation given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its aforesaid subsidiary and unaudited financial statements of joint venture prepared by the Company as stated in paragraph 3 above and subject to our remarks in paragraph 4 above, in our opinion the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2008;
   (b) in the case of the Consolidated Profit and Loss Account, of the results of operations of the Group for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Partha Mitra
Partner
Membership Number 50553

For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place: Kolkata
Date: 28 May 2008

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2008

Rs. Million

	Schedule	31 March 2008		31 March 2007	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	1,100.00		1,100.00	
Reserves and Surplus	2	2,369.74	3,469.74	2,066.31	3,166.31
Minority Interest			1.08		1.08
Loan Funds					
Secured Loan	3		6,987.74		4,985.85
Deferred Taxation[Refer Note 6 Schedule 16]			349.19		197.92
			10,807.75		**8,351.16**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		4,272.53		2,663.36	
Less : Depreciation		359.02		170.06	
Net Block		3,913.51		2,493.30	
Capital Work in Progress including Advances		6,051.20		3,729.22	
Add : Share of Joint Venture [Refer Note 10 Schedule 16]		0.04	9,964.75	0.03	6,222.55
Current Assets, Loans and Advances					
Inventories	5	2,788.39		1,195.12	
Sundry Debtors	6	963.40		413.73	
Cash and Bank Balances	7	860.95		1,733.71	
Interest Accrued on Deposits		19.47		40.80	
Loans and Advances	8	975.84		466.39	
		5,608.05		3,849.75	
Less : Current Liabilities and Provisions					
Liabilities	9	4,709.21		1,824.66	
Provisions	10	133.94		1.36	
		4,843.15	764.90	1,826.02	2,023.73
Miscellaneous Expenditure	11		78.10		104.88
[To the extent not written off or adjusted]					
			10,807.75		**8,351.16**
Notes on Consolidated Accounts	16				

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

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

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

Rs. Million

	Schedule	31 March 2008		31 March 2007	
INCOME					
Sales	12		6,807.65		5,311.80
Other Income	13		20.40		67.48
			6,828.05		5,379.28
EXPENDITURE					
Materials	14		4,846.95		4,419.95
Expenses	15		1,127.11		518.46
Depreciation			182.59		97.67
			6,156.65		5,036.08
Profit Before Taxation			671.40		343.20
Provision for Taxation					
Current Tax		84.01		39.00	
Fringe Benefit Tax		4.60		5.00	
Deferred Tax		151.27	239.88	93.84	137.84
Profit after Taxation before share of Minority Interest			**431.52**		**205.36**
Minority Interests [Rs. 4,241 (2007; Rs. 16,484)]			-		(0.01)
Net Profit			**431.52**		**205.35**
Add : Balance brought forward from previous years			330.08		124.73
			761.60		**330.08**
Appropriation					
Proposed Dividend			110.00		-
Income Tax on Proposed Dividend			18.69		-
Balance Carried forward to Balance Sheet			**632.91**		**330.08**
Basic and Diluted Earning Per Share			3.92		1.87
Notes on Consolidated Accounts	16				

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account.

This is the Consolidated Profit & Loss Account referred to in our report of even date.

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

SCHEDULES

TO THE CONSOLIDATED BALANCE SHEET

Rs. Million

Particulars	31 March 2008		31 March 2007	
1 Share Capital				
Authorised				
160,000,000 Equity Shares of Rs. 10/- each		**1,600.00**		**1,600.00**
Issued and Subscribed				
110,000,000 Equity Shares of Rs. 10/- each fully paid up		**1,100.00**		**1,100.00**
Note :				
(a) Of the above 56,212,167 Equity Shares of Rs. 10/- each are held by Visa Minmetal AG, the ultimate Holding Company				
(b) Of the above 8,360,000 Equity Shares of Rs. 10/- each alloted for considertaion other than cash pursuant to a scheme of amalgamation without payment being received in cash.				
2 Reserves & Surplus				
Capital Reserve		0.07		0.07
Share Premium Account		1,645.00		1,645.00
General Reserve				
As per last account	91.16		91.16	
Add : Adjustment*	0.60	91.76	-	91.16
Profit and Loss Account		632.91		330.08
		2,369.74		2,066.31
[* On account of reduction in obligations relating to employee benefits added to the General Reserves, in terms of the transitional provision of Accounting Standard 15 (Revised 2005) on Employee Benefits (Refer Note 14 Schedule 16)]				
3 Secured Loan				
From Banks				
Cash Credit [Refer Note 3(a) Schedule 16]		108.23		329.19
Term Loan [Refer Note 3(b) Schedule 16]		6,854.44		4,622.97
Vehicle and Other Loan [Refer Note 3(c) Schedule 16]		13.33		-
From Others				
Vehicle Loan [Refer Note 3(c) Schedule 16]		11.74		33.69
		6,987.74		**4,985.85**

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED BALANCE SHEET

Rs. Million

4 Fixed Assets

Assets	Gross Block (at cost)				Depreciation				Net Block	
	As at 1 April 2007	Addition/ Adjustments	Deletion/ Adjustments	As at 31 March 2008	As at 1 April 2007	For the year	Addition/ Adjustments	As at 31 March 2008	As at 31 March 2008	As at 31 March 2007
Goodwill on Consolidation	0.24	-	-	0.24	-	-	-	-	0.24	0.24
Tangible										
Land- Freehold	8.51	-	-	8.51	-	-	-	-	8.51	8.51
Land- Leasehold	142.34	-	-	142.34	4.17	1.68	-	5.85	136.49	138.17
Buildings	269.93	99.02	-	368.95	13.27	10.14	-	23.41	345.54	256.66
Plant & Machinery	2109.50	1477.26	-	3586.76	125.30	155.36	-	280.66	3306.10	1984.20
Furniture & Fixtures	21.97	5.84	-	27.81	6.78	5.46	-	12.24	15.57	15.19
Vehicles	96.94	26.80	-	123.74	17.94	11.80	-	29.74	94.00	79.00
Intangible										
Computer Software	13.93	0.25	-	14.18	2.60	4.52	-	7.12	7.06	11.33
TOTAL	**2663.36**	**1609.17**	**-**	**4272.53**	**170.06**	**188.96**	**-**	**359.02**	**3913.51**	**2493.30**
2007	**1586.65**	**1136.00**	**59.29**	**2663.36**	**66.71**	**104.89**	**0.29**	**170.06**	**2493.30**	

Notes :

1. Addition/Adjustment includes Rs. 40.98 Million [2007 - Rs. 44.40 Million], being borrowing cost capitalised on qualifying assets of the Holding Company.
2. Depreciation for the year includes Rs. 6.36 Million [2007 - Rs. 7.22 Million], being depreciation during pre-operative period which has been capitalised during the year of the Holding Company.

SCHEDULES

TO THE CONSOLIDATED BALANCE SHEET

Rs. Million

	31 March 2008	31 March 2007
5 Inventories - At lower of Cost or Net Realisable Value		
Stores & Spares*	118.04	58.59
Raw Materials**	1,484.62	890.58
Finished Goods***	981.65	189.71
By-Products	167.94	41.49
Work-in-Progress	36.14	14.75
	2,788.39	**1,195.12**
* Including Capital items lying in stores	76.54	35.19
** Including materials in Transit	-	196.41
*** Including goods lying with Consignment Agents	5.65	2.04
6 Sundry Debtors - Unsecured		
Debts Outstanding for a period exceeding six months		
Considered Good	138.74	10.38
Considered Doubtful	0.34	52.68
Other debts-Considered Good	824.66	403.35
	963.74	466.41
Less : Provision for Doubful Debts	0.34	52.68
	963.40	**413.73**
7 Cash and Bank Balances		
Cash and Cheques in Hand	1.19	20.86
Balance with Scheduled Banks in :		
Current Account	297.08	82.64
Share Refund Order Account	0.34	0.38
Fixed Deposit Account	562.34	1,629.83
	860.95	**1,733.71**
8 Loans and Advance - Unsecured, Considered Good		
Advances Recoverable in Cash or in kind or for value to be received	794.74	371.87
Deposits with		
Customs, Port Trust etc.	6.58	6.56
Others	159.77	77.33
Advance Payment of Income Tax [Net of Provision Rs. 169.33 Million (2007; Rs 85.32 Million)]	14.11	10.63
Fringe Benefit Tax [Net of Provision Rs. 12.60 Million (2007; Rs. Nil)]	0.64	-
Add : Share of Joint Venture [Rs. 1,364 (2007; Rs. Nil)] [Refer Note 10 Schedule 16]	-	-
	975.84	**466.39**

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Rs. Million

	31 March 2008		31 March 2007	
9 Liabilities				
Sundry Creditors	4,478.69		1,759.38	
Advance from Customers	35.61		33.08	
Other Liabilities	194.53		31.79	
Share Refund Order Account	0.34		0.38	
Add : Share of Joint Venture [Refer Note 10 Schedule 16]	0.04		0.03	
	4,709.21		**1,824.66**	
10 Provisions				
Leave Encashment	5.25		-	
Fringe Benefit Tax	-		1.36	
[Net of Advance payment of Tax Rs Nil (2007 Rs 6.64 Million)]				
Proposed Dividend	110.00		-	
Income Tax on Proposed Dividend	18.69		-	
	133.94		**1.36**	
11 Miscellaneous Expenditure				
[To the extent not written off or adjusted]				
Share Issue Expenses	78.10		104.88	
	78.10		**104.88**	
12 Sales				
Sales	7,002.18		5,618.11	
Less : Excise Duty on sales	194.53		306.31	
	6,807.65		**5,311.80**	
13 Other Income				
Insurance Claim received	4.02		17.89	
Gain on Exchange Fluctuation (net)	-		4.04	
Miscellaneous Income	16.38		45.55	
	20.40		**67.48**	
14 Materials				
Raw Material Consumed				
Opening Stock	890.58		527.81	
Add : Purchase	3,335.57		2,200.73	
Less : Closing stock	1,484.62	2,741.53	890.58	1,837.96
Purchase of Finished Goods		2,977.38		2,280.93
(Increase)/Decrease in Stock				
Opening Stock				
Finished Goods	189.71		548.30	
By-Products	41.49		12.05	
Work-in-Progress	14.75		1.90	
	245.95		562.25	
Less : Closing Stock				
Finished Goods	981.65		189.71	
By-Products	167.94		41.49	
Work-in-Progress	36.14		14.75	
	1,185.73	(939.78)	245.95	316.30
Increase/(Decrease) in Excise Duty on Stock		67.82		(15.24)
		4,846.95		**4,419.95**

SCHEDULES

TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. Million

	31 March 2008		31 March 2007	
15 Expenses				
Salary, Wages & Bonus	133.41		46.48	
Contribution to Provident & Other Funds	4.77		2.62	
Workmen and Staff welfare expenses	1.98	140.16	1.51	50.61
Power & Fuel		233.69		54.86
Material Handling Expenses		117.55		30.28
Consumption of Stores & Spare Parts		159.00		61.06
Custom & Cess		37.04		7.45
Freight & Selling expenses		60.80		90.36
Insurance		8.59		5.97
Telephone		3.97		2.14
Repairs & Maintenance				
- Building	2.25		0.40	
- Plant & Machinery	14.48		3.72	
- Others	5.71	22.44	1.85	5.97
Rent		23.81		23.01
Rates & Taxes		4.70		1.69
Travelling		7.99		6.00
Interest (net) [Refer Note 5 Schedule 16]		85.09		22.62
Bank and Finance Charges		72.14		41.01
Loss on Exchange Fluctuation (net)		24.14		-
Bad Debts Written off	74.48		-	
Less : Provision for Doubtful Debts written back	52.68	21.80	-	-
Provision for Doubtful Debts		0.34		52.68
Advance Written off		6.19		-
Miscellaneous Expenditure written off		26.78		26.98
Miscellaneous Expenses		70.89		35.77
		1,127.11		**518.46**

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

16 Notes on Consolidated Accounts

1 Statement on Significant Accounting Policies

(a) Basis of Consolidation

The Consolidated Financial Statements comprises of the financial statements of VISA Steel Limited (the Holding Company) and its subsidiary and joint venture. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures".

The Consolidated financial statements are prepared on the following basis:

(i) The financial statements of the Holding Company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profit or losses thereon have been fully eliminated.

(ii) The financial statements of the subsidiary and joint venture used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

(iii) The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary company is recognised as "Goodwill" and is not being amortised.

(iv) Joint venture have been accounted for using the proportionate consolidation method whereby a venturer's share of each of the assets and liabilities of the jointly controlled entity is accounted for on a prorata basis.

(b) The Subsidiary and Joint Venture considered in the Consolidated Financial Statements are :

	Country of Incorporation	% of Voting power held as at 31.03.08
Subsidiary		
Ghotaringa Minerals Ltd.	India	89% (including Beneficial Interest of 4.45%)
Joint Venture		
Patrapada Coal Mining Company Pvt. Ltd.	India	0.49%

(c) Principal Accounting Policies

The Consolidated Financial Statements have been prepared in accordance with applicable Accounting Standards in India. A summary of Important accounting policies are set out below.

(d) Basis of Accounting

The Consolidated Financial Statements have been prepared under the historical cost convention.

(e) Fixed Assets

(i) Fixed Assets are stated at their purchase cost (net of CENVAT credit), where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets. Impairment loss, if any, ascertained as per the Accounting Standard u/s 211 (3C) of the Companies Act, 1956.

(ii) Depreciation on fixed assets, other than leasehold land, is provided on Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956. Leasehold land is amortized over the period of lease. No depreciation is provided for freehold land.

(iii) Computer software has been capitalised as Intangible Assets and are being amortised in equal instalments over its useful lives of three years.

(iv)Profit or loss on disposal of fixed assets is recognised in Profit and Loss Account.

(f) Inventories

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

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

(g) Sales

Sales represent the invoiced value of goods and services supplied, net of value added tax (VAT)/sales tax but inclusive of excise duty.

(h) Transactions in Foreign Currencies

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Profit and Loss Account.

(i) Employee Benefits

(I) Post Retirement Benefits :

In respect of Holding Company

Provident Fund

Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Profit & Loss Account.

Gratuity

The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees. Till last year, the Holding Company used to provide for the annual premium determined by LICI in these accounts. In the current year, consequent to the adoption of Accounting Standard 15 (Revised 2005) (AS 15 Revised) on “Employee Benefits”, gratuity liability has been determined as at 31 March 2008 by LICI in accordance with the method stated in the said standard and such liability has been provided for in these accounts. However, consequent to such change there has been no impact on the profit for the prrevious years and current year as certified by LICI. Annual Premium determined by LICI has been contributed.

Leave Encashment

Leave encashment benefit on retirement has been determined on the basis of actuarial valuation as at 31 March 2008 in accordance with the method stated in AS 15 (Revised) and such liability has been provided for in these accounts. Hitherto, provision for leave encashment was done on accrual basis.

Actuarial gains and losses, where applicable, are recognised in the Profit and Loss Account.

(II) Other Employee Benefits :

Other Employee Benefits are accounted for on accrual basis.

(j) Deferred Tax

Deferred Tax is recognised using the liability method, at the current rate of taxation, on all timing differences to the extent it is probable that a liability or asset will crystallise. Deferred Tax assets are recognised subject to consideration of prudence and are periodically reviewed to reassess realisation thereof.

(k) Borrowing Cost

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit & loss Account.

(l) Miscellaneous Expenditure - To the extent not written off or adjusted

Public issue expenses in respect of Holding Company are being amortized over a period of five years.

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

2 (a) Contingent liability not provided for in respect of Holding Company :

	31 March 2008	31 March 2007
(i) Bank Guarantee	65.26	72.26
(ii) Income Tax matter on Appeal	15.65	-
(iii) Sales Tax matter on Appeal	9.05	1.70
(iv) Value Added Tax matter on Appeal	20.37	-
(v) Entry Tax matter on Appeal	47.75	-
(b) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for in respect of holding company	883.32	1,928.76

(c) Claim against the Holding Company not acknowledged as debt :

(i) Transfield Shipping Inc., Panama, owner of the vessel has filed a civil suit in the Hon’ble Calcutta High Court claiming that under a Charter Party Agreement dated 27 August 2004 with VISA Comtrade (Asia) Limited, the said Transfield Shipping Inc. had allowed the use of their vessel to VISA Comtrade (Asia) Limited for shipment of coal and has alleged that during the lighterage operation at the Cochin port, the vessel was damaged by the lightering vessel due to inadequate fendering on the lightering vessel and it was the duty of the company and VISA Comtrade (Asia) Limited to ensure that the lightering vessel was well equipped with necessary fendering equipment and the delay caused in the cargo discharge operations was due to the negligence and default of the company and VISA Comtrade (Asia) Limited and claimed the relief for a decree for US$ 0.30 million to be expressed in Indian Currency at such rate of exchange and/or on such terms as the Court may deem fit and proper, Interest pendente lite, Interest upon judgment, Receiver and Attachment before judgment, Injunction, Costs and further or other reliefs.

The Holding Company has not accepted the claim as the Holding Company was not a party to the said agreement and hence cannot be made a party to this suit. The Hon’ble Calcutta High Court passed interim order dated 11 May 2005 and 20 June 2005, restraining the Holding Company and VISA Comtrade (Asia) Limited from withdrawing any amount from a specified bank account number without leaving a balance for a sum of Rs. 12.50 Million, which has been set aside by the bank from the cash credit limit of the company. The suit is currently pending before the Hon’ble Calcutta High Court.

(ii) Applications have been filed by the legal heirs of a deceased employee of the Holding Company and his sister respectively, who died in a road accident while traveling in the Holding Company’s vehicle for their personal work, claiming a compensation of Rs. 6.05 Million and interest @ 18% per annum and Rs. 0.55 Million respectively. The Holding Company has contested the claims, which are currently pending before the Motor Accident Claims Tribunal, Bhubaneswar and the Additional District Judge cum 3rd Motor Accident Claims Tribunal, Rourkela respectively.

(d) The Holding Company has obtained licences from the Government of India under EPCG Scheme for import of machineries for its Blast Furnace and Coke Oven Plant at Orissa at a reduced Customs Duty and thereby saved an amount of Rs. 473.73 Million towards duty upto 31 March 2008. As per the requirement under the said Scheme, the company is required to export amounting to Rs. 1,069.56 Million within the specified periods, failing which, the company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. The Company is confident that the above export obligation will be met during the specified period.

3 (a) In respect of the Holding Company working capital facilities from banks are secured by way of first hypothecation charge ranking pari-passu with other banks on the whole of the current assets, namely, stocks of raw material, stock in process, semi finished & finished goods, stores & spares not relating to plant & machinery (i.e. consumable stores & spares), bills receivable & book debts and all other movables, both present and future, whether installed or not provided that the charge in favour of the banks on the moveable plant & machinery, machinery spares, tools & accessories shall be subject to the charges created and/or to be created thereon in favour of the term lenders to secure the long term borrowing/loans for capital expenditure. The working capital facilities are also secured by second mortgage charge on the land situated at Kalinganagar Industrial Complex , District Jajpur, Orissa together with building and structures thereon and all plant & machinery attached to the earth or permanently fastened to anything attached to the earth along with corporate guarantee of VISA International Limited and personal guarantee of Managing Director.

(b) In respect of the Holding Company Term Loan from bank is secured by first mortgage charge on the land situated

at Kalinganagar Industrial Complex, District Jajpur, Orissa together with hereditaments and premises and building, plant and machineries permanently affixed thereto and other erections thereon both present and future at Plant at Kalinganagar Industrial Complex, Dist – Jajpur, Orissa and second charge on all the current assets of the Company ranking parri passu with other banks alongwith Corporate Guarantee of VISA International Limited and personal guarantee of Managing Director of the holding Company.

(c) In respect of Holding Company Vehicle and other loan from banks and financial Institutions are secured by way of hypothecation of vehicles/machinery taken under the loan arrangement.

4 (a) During the year ended 31 March 2006, the Holding Company had issued 35,000,000 equity shares of Rs. 10/- each by way of public issue of shares at a price of Rs. 57/- per equity share amounting to Rs. 1,995 Million to finance a part of the capital expenditure for Brownfield expansion of existing manufacturing activities into an integrated 0.5 million TPA special and stainless steel plant by setting up the Ferro Chrome plant, Sponge Iron plant, Waste Heat Recovery Power plant, Special and Stainless Steel plant, associated infrastructure facilities in addition to the already commissioned Blast Furnace and Coke Oven Plant at Kalinganagar Industrial Complex, and to meet issue expenses. The entire amount has been utilised in new projects earmarked for the same by the year end.

(b) Expenditure related to issue of shares is being amortised over a period of five years from the date of issue, accordingly an amount of Rs. 26.78 Million has been charged to the Profit and Loss Account.

Rs. Million

		31 March 2008	31 March 2007
5	Interest (net) comprises		
	Interest Charges on :		
	Overdraft Facilities	34.43	26.32
	Term Loan	147.05	89.17
	Other Loan	130.04	73.24
		311.52	188.73
	Less : Interest Income [TDS Rs. 37.70 Million (2007: Rs. 31.78 Million)]	(226.43)	(166.11)
		85.09	**22.62**
6	Deferred Tax Provision has been made in the accounts in accordance with the requirements of the Accounting Standard on "Taxes on Income" (AS 22) issued by The Institute of Chartered Accountants of India. The major components of the deferred tax Liabilities/(Assets) based on the tax effects of timing differences are as follows :		
	Deferred Tax Liabilities		
	Depreciation	342.63	208.39
	Public Issue Expenses	8.46	8.44
		351.09	216.83
	Deferred Tax Assets		
	Others	(1.90)	(18.91)
		349.19	197.92
	In respect of the subsidiary The carry forward loss under the Income Tax Act, 1961, has not been recognised as deferred tax asset in the absence of virtual certainity that sufficient future taxable income will be available against which such deferred tax assets can be realised		
7	Consolidated Earning per Share		
	Consolidated Profit after Tax (A)	431.52	205.35
	Weighted average number of Rs. 10 equity share outstanding during the year (B)	110,000,000	110,000,000
	Basic and Diluted Earning per Share (A/B)	3.92	1.87

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

Rs. Million

		31 March 2008	31 March 2007
8	Directors Remuneration (in respect of Holding Company)		
	Salaries, Allowances & Bonus	12.56	8.42
	Retirement benefits	1.92	2.54
	Perquisites	2.20	1.90
	Commission	9.25	6.09
		25.93	**18.95**
	Note : Includes Rs. 4.51 Million remuneration of one of the Wholetime Directors of the Holding Company whose re-appointment and remuneration with effect from 15 December 2007 are subject to apporval of shareholoders of the Holding Company.		
9	Operating Leases [In respect of Holding Company]	7.65	7.36
	Rent [Including minimum lease payment Rs. Nil (2007: Rs. Nil)]		
	[Operating leases for office premises are entered into as on for a period of three years and thereafter renewable by mutual consent of both the parties. The operating leases are cancelable by either party by giving three month's notice.]		

10 Investment in Joint Venture

Joint Venture	Patrapada Coal Mining Company Pvt. Ltd.
Country of Incorporation	India
Percentage of Ownership Interest as at 31 March 2008	0.49%

During the current year no Profit and Loss Account has been prepared for joint venture, as there was no revenue transactions. However, the Group's share of the assets and liabilities etc. based solely on the accounts prepared for the internal management reporting purposes by the Holding Company to assess the performance of the joint venture related to its interest in the Joint Venture.

11 The Holding Company had entered into a joint venture agreement with Baosteel Resources Co. Ltd. and VISA Comtrade AG on 17 August 2007 for setting up a 100,000 tpa Ferro Chrome Plant in Orissa. The JV Company, titled "VISA BAO Limited" has been incorporated on 1 February 2008 and has become a subsidiary of VISA Steel Limited. w.e.f 23 May 2008. An amount of Rs. 4.71 Million has been paid towards expenses incurred for incorporation of the said Joint Venture during the year, which is included under Loans & Advances in Schedule 8.

12 Related Party Disclosures

Name of the Related Parties :

Ultimate Holding Company	VISA Minmetal AG
Enterprise having significant influence	VISA International Ltd.
Fellow Subsidiaries	VISA Comtrade AG VISA Coal Pty. Ltd. VISA Comtrade (Asia) Ltd., Hongkong VISA Comtrade (Asia) Ltd., Singapore VISA Power Limited VISA PLC VISA Comtrade Limited North East Resources Limited
Key Managerial Personnel	Mr. Vishambhar Saran Mr. Vishal Agarwal
Relatives of Key Managerial Personnel	Mrs. Saroj Agarwal Mr.Vikas Agarwal Mr Vivek Agarwal Mrs Bhawna Agarwal Mr Ashok Agarwal
Enterprise over which Relatives of Key Manegerial Personnel having significant influence	Khandadhar Minerals Limited VISA Aviation Limited VISA Infrastructure Limited Tastebuds Gourmet Foods Pvt. Ltd.

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

16 Notes on Consolidated Accounts

Details of Transactions with Related Parties

Rs. Million

Nature of Transaction	31 March 2007					31 March 2008				
	Fellow Subsidiaries	Enterprise having significant Influence	Key Managerial personnel	Relative of Key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence	Fellow Subsidiaries	Enterprise having significant Influence	Key Managerial Personnel	Relatives of key Managerial Personnel	Enterprise over which Relatives of Key Managerial Personnel having significant influence
Rent	-	0.80	-	-	-	-	1.50	-	-	-
Purchase of Goods	3,331.96	-	-	-	-	4,835.07	-	-	-	-
Sale of Goods	1,024.50	-	-	-	-	612.69	-	-	-	-
Material Handling Expenses	-	-	-	-	-	98.57	-	-	-	-
Freight and Selling Expenses	-	-	-	-	-	26.49	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	1.58	0.51	-	-	-
Purchase of Fixed Assets	-	1.55	-	-	-	8.62	-	-	-	-
Sale of Fixed Assets	5.35	0.82	-	-	-	-	-	-	-	-
Behalf payment made to others	21.08	6.67	-	0.01	-	0.62	-	-	-	-
Refund of the above	16.25	6.67	-	-	-	0.62	-	-	-	-
Payments made by others	0.05	2.35	-	-	-	-	-	-	-	-
Refund of above	-	2.35	-	-	-	-	-	-	-	-
Advance Received	-	-	-	-	0.51	-	-	-	-	-
Remuneration	-	-	17.46	2.37	-	-	-	23.43	3.76	-
Sitting Fees	-	-	-	0.15	-	-	-	-	0.40	-
Outstanding at closing										
Debit	-	0.56	-	-	0.51	-	-	-	-	-
Credit	1,148.83	-	-	0.01	-	3,058.66	0.85	-	-	-

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

16 Notes on Consolidated Accounts

Details of Transactions with Related Parties (Contd.)

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

Rs. Million

Nature of Transactions	Name of the related Party	31 March 2008	31 March 2007
Rent	VISA International Limited	1.50	0.80
Purchase of Goods	VISA Comtrade AG	4,494.80	3,331.96
Sale of Goods	VISA Comtrade AG	612.69	1,024.50
Material Handling Expenses	VISA Comtrade Limited	98.57	-
Freight and Selling Expenses	VISA Comtrade Limited	26.49	-
Miscellaneous Expenses	VISA Comtrade AG	3.61	-
	VISA Comtrade Limited	2.03	-
	VISA International Limited	0.51	-
Purchase of Fixed Assets	VISA International Limited	-	1.55
	VISA Comtrade (Asia) Ltd. Singapore	8.62	-
Sale of Fixed Assets	VISA Comtrade Limited	-	4.95
	VISA International Limited	-	0.82
Behalf payment made to others	VISA Comtrade AG	-	4.79
	VISA International Limited	-	6.67
	VISA Power Limited	0.62	15.22
Refund of the above	VISA International Limited	-	6.67
	VISA Power Limited	0.62	15.22
Payments made by others	VISA International Limited	-	2.35
Refund of the above	VISA International Limited	-	2.35
Sitting Fees	Mr. Vikas Agarwal	0.09	0.05
	Mr. Vivek Agarwal	0.19	0.04
	Mrs. Saroj Agarwal	0.12	0.06
Remuneration	Mr. Vishal Agarwal	10.01	7.07
	Mr. Vishambhar Saran	13.42	10.39

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

13 Segment Information **Rs. Million**

	31 March 2008			31 March 2007		
Business Segment	**Manufacturing**	**Trading**	**Total**	**Manufacturing**	**Trading**	**Total**
Segment Revenue	3,570.39	3,257.66	6,828.05	2,797.77	2,581.51	5,379.28
Segment Results	794.52	168.84	963.36	564.90	(70.88)	494.02
Less : unallocable expenses net off income			206.84			128.20
Less : Interest (net)			85.12			22.62
Profit Before Tax			671.40			343.20
Provision for taxation			239.88			137.84
Profit after Taxation			**431.52**			**205.36**
Segment Assets	13,956.10	640.03	14,596.13	9,039.91	424.62	9,464.53
Add : Unallocated Corporate Assets			1,054.77			712.65
Total Assets			**15,650.90**			**10,177.18**
Segment Liabilities	2,791.36	1,883.65	4,675.01	1,452.73	350.40	1,803.13
Add : Unallocated Liabilities			7,505.08			5,206.66
Total Liabilities			**12,180.09**			**7,009.79**
Capital Expenditure	3,930.90	-	3,930.90	3,836.03	-	3,836.03
Depreciation	129.62	-	129.62	72.60	-	72.60
Non Cash Expenses other than Depreciation			55.10			79.66
Geographical Segment	**Domestic**	**Export**	**Total**	**Domestic**	**Export**	**Total**
Segment Revenue	6,068.74	759.12	6,827.86	4,296.32	1,082.40	5,378.72
Segment Assets	12,097.97	3,552.93	15,650.90	10,177.18	-	10,177.18
Capital Expenditure	3,930.90	-	3,930.90	3,836.03	-	3,836.03

Notes :

a) Business Segment: The internal business segmentation and the activities encompassed therein are as follows;

i) Manufacturing: Manufacturing of Chrome Ore based products, Pig Iron, Coke and Ferro Chrome.

ii) Trading: Trading of raw material for steel industries.

b) Geographical Segment: Segmentation is on the basis of the geographical location of the customers.

c) The segment wise revenue, results and assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the company as a whole

14 Employee Benefits

In respect of Holding Company

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits with effect from 1 April 2007. The obligations on Employee Benefits as on that date due to the application of the new standard amounting to Rs. 0.60 Million (net of related tax of Rs. 0.30 Million) has been added with the opening balance of the General Reserve in terms of the transitional provision of the said standard. The charge to the Profit & Loss Account is higher by an amount of Rs. 0.06 Million with its consequential effect on the profit before tax for the current year.

The Company maintains a provident fund with Regional Provident Fund Commissioner, contributions are made by the Company to the funds, based on the current salaries. In the provident fund schemes, contribution are also made by the employees. An amount of Rs. 3.57 Million has been charged to the Profit & Loss Account on account of the above defined contribution schemes.

VISA Steel Limited

SCHEDULES

TO THE CONSOLIDATED ACCOUNTS

The Company also provides for gratuity benefit to the employees. Annual actuarial valuations are carried out by LICI in compliance with Accounting Standard 15 (Revised 2005) on “Employee Benefits”.

The Company also provides for leave encashment benefit to the employees. Annual actuarial valuations are carried out by independent actuary in compliance with Accounting Standard 15 (Revised 2005) on “Employee Benefits”. Hitherto, provision for leave encashment was done on accrual basis. Had the earlier basis been followed, charge for the current year would have been lower by Rs. 0.06 Million with its consequential effect on the profit for the year. Consequent to such change in accounting policy Rs. 0.60 Million (net of tax) has been added to the opening reserves of the General Reserve, as per the transitional provision of the said standard. Lliabilities for leave encashment as at 31 March 2008 would have been higher by Rs. 0.84 Million. Employees are not required to make any contribution.

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations are carried out by independent actuary/LICI in compliance with Accounting Standard 15 (Revised 2005) on Employee Benefits. Employees are not required to make any contribution.

In respect of Subsidiary Company

The Subsidiary Company did not have any employee during the year and consequently, relevant provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Payment of Gratuity Act, 1972 and Payment of Bonus Act, 1965 are not applicable to the Subsidiary Company.

15 Previous year’s figures have been rearranged/re-grouped wherever necessary.

For and on behalf of the Board of Directors

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

Rs. Million

Sl. No.	Particulars	31 March 2008	31 March 2007
A.	**Cash flow from operating activities :**		
	Net profit before Tax and Extraordinary items	671.40	343.20
	Adjusted for :		
	Depreciation	182.59	97.67
	Interest Expense	311.52	188.73
	Interest Income	(226.43)	(166.11)
	Miscellaneous Expenditure written off	26.78	26.98
	Bad Debts Written Off	74.48	-
	Bad Debts Recovery	-	(7.87)
	Advance Written off	6.19	-
	Provision for Doubtful Debts	0.34	52.68
	Provision for Doubtful debts written back	(52.68)	-
	Liabilities no longer required written back (net)	-	(2.04)
	Unrealised Foreign exchange gain	24.94	(16.50)
	Operating profit before working capital changes	1,019.13	516.74
	Adjustments for changes in working capital :		
	- (Increase)/Decrease in Sundry Debtors	(572.47)	(25.44)
	- (Increase)/Decrease in Loans and Advances	(511.52)	(188.85)
	- (Increase)/Decrease in Inventories	(1,551.93)	(44.17)
	- Increase/(Decrease) in Trade and Other Payables	2,714.87	(418.73)
	Cash generated from operations	1,098.08	(160.45)
	- Taxes Paid	(55.45)	(15.16)
	Net cash from operating activities	1,042.63	(175.61)
B.	**Cash flow from Investing activities :**		
	Purchase of fixed assets	(1,410.50)	(800.91)
	Capital Work in Progress	(2,363.33)	(2,704.26)
	Proceeds from Sale of fixed assets	-	6.17
	Interest Received	209.13	104.01
	Net cash used in investing activities	(3,564.70)	(3,394.99)
C.	**Cash flow from financing activities :**		
	Share Issue Expenses	-	(83.00)
	Proceeds from long term borrowings	2,774.25	2,864.10
	Repayment of long term borrowings	(200.81)	(112.26)
	Proceeds from short term borrowings	829.71	(250.00)
	Repayment of short term borrowings	(1,401.27)	623.41
	Interest Paid	(352.57)	(233.06)
	Net cash used in financing activities	1,649.31	2,809.19
	Net Increase in Cash & Cash Equivalents	(872.76)	(761.41)
	Cash and cash equivalents as at 1 April 2007	1,733.71	2,495.12
	Cash and cash equivalents as at 31 March 2008	860.95	1,733.71

VISA Steel Limited

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2008

Notes to Consolidated Cash Flow Statement

1 Cash and cash equivalents consist of cash in hand and balance with banks and deposits with banks

Rs. Million

	31 March 2008		31 March 2007	
Cash and Cheques in hands		1.19		20.86
Balance with Scheduled Bank in				
Current Account	297.08		82.64	
Share Refund Order Account	0.34		0.38	
Fixed Deposit Account	562.34	859.76	1629.83	1712.85
Cash & cash equivalents		**860.95**		**1733.71**

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

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

For and on behalf of the Board of Directors

Partha Mitra
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Vishambhar Saran
Chairman

Vishal Agarwal
Managing Director

Subhra Giri
Company Secretary

Manoj Kumar Digga
Chief Financial Officer

Place : Kolkata
Date : 28 May 2008

Place : Kolkata
Date : 28 May 2008

DIRECTOR'S REPORT

To the members,

Your Directors take the pleasure in presenting the Fifth Annual Report together with the audited Annual Accounts of the Company for the year ended 31 March 2008.

Financial Results

	(in Rupees) Year ended 2007-08	(in Rupees) Year ended 2006-07
Gross Revenue	-	-
Interest income	2,42,749.00	2,99,165.00
Expenditure	1,96,190.85	1,49,312.05
Profit/(Loss) after Taxation	38,558.15	1,49,852.95
Profit / (Loss) brought forward from previous year	(1,58,819.17)	(3,08,672.12)
Balance carried forward to Balance Sheet	(1,20,261.02)	(158,819.17)

Operations

During the year your Company has earned an amount of Rs. 2,42,749.00 from term deposits made with banks. The net profit of the Company has reduced to Rs. 38,558.15 due to an increase in the capital expenditure on account of exploration and prospecting operations undertaken to ascertain the quality and quantity of Chrome Ore deposit at Ghotaringa site.
The application of the Company for transfer of Prospecting Licence of the Ghotaringa Chrome Ore Lease, spread over an area of 721.207 hectares in village Ghotaringa, Kalada, Kerjodi, Ranjagada RF etc. in Dhenkhanal district, Orissa, from M/s. Orissa Industries Limited is at an advanced stage with the Dept. of Steel & Mines, Govt. of Orissa.

Dividend

As your Company is yet to commence its operations, the Directors do not recommend any dividend for the financial year ended 31st March, 2008.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Ranjan Mishra and Mr. Vishambhar Saran, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

Auditors

The Auditors of the Company M/s. L. B. Jha & Co., Chartered Accountants, GF-1, Gillander House, 8, Netaji Subhas Road, Kolkata 700 001 retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Directors Responsibility Statement

In terms of the provision of Section 217(2AA) of the Companies Act, 1956, your Director state :

i. That in the preparations of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures.
ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

Ghotaringa Minerals Limited

DIRECTOR'S REPORT

iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
iv. That the Directors had prepared the annual accounts on a going concern basis.

Conservation of Energy and Technology Absorption

Since the Company has not commenced operations, requirement relating to disclosure under the Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules 1988 are not applicable to the Company.

Auditors' Report

The comments of the Auditors' Report read with the notes to the accounts in schedules are self-explanatory and do not call for further explanation.

Employees

There were no employees employed during the year and hence furnishing of particulars pursuant to Section 217(2A) does not arise.

Foreign currency

There have been no foreign exchange earnings or outflow during the year under review.

Public Deposit

The Company has not accepted any deposit from the public during the financial year.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for the continued cooperation and support extended by the various Government Authorities, Bankers and all other business associates of the Company. The Directors also convey their appreciation to the members of the Company for their commitment and involvement during the year under review.

For and on behalf of the Board

Place : Kolkata
Date : 27 May 2008

Vishal Agarwal
Director

Krishna Murari Lal
Director

AUDITOR'S REPORT

TO THE MEMBER OF GHOTARINGA MINERALS LIMITED

1. We have audited the attached Balance Sheet of GHOTARINGA MINERALS LIMITED as at 31 March 2008, the related Profit and Loss Account and the Cash Flow for the year ended on that date (hereinafter referred to as "financial statement"), all of which have been signed under the reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
   An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in ANNEXURE, a statement on matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
   4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   4.2 In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;
   4.3 The financial statements dealt with by this report are in agreement with the books of accounts.
   4.4 In our opinion, the financial statements dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the 'Act'.
   4.5 On the basis of written representations received from the Directors, as on 31st March, 2008 and taken as record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of Section 274(1) of the 'Act'.
   4.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the 'Act', and also give, respectively, a true and fair view in conformity with the accounting principles generally accepted in India.
   (a) In the case of Balance Sheet of the state of affairs of the Company as at 31 March 2008;
   (b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
   (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For L. B. Jha & Co.
Chartered Accountants
(T. Mandal)
Partner
Membership No.50070

Place: Kolkata
Date : 27 May 2008

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of our report of even date)

1. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the 'Act'.
   (b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the 'Act'.
2. In our opinion and according to the information and explanations given to us, there are no such contracts or arrangements, particulars of which are needed to be entered in the register maintained under Section 301 of the 'Act'.
3. The Company has not accepted any deposit from public within the meaning of Section 58A of the Act and the rules framed there under.
4. The company did not have any outstanding dues to any financial institution, bank or debenture holders during the year.
5. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
6. In our opinion, and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institution during the year.
7. The Company has not obtained any term loans.
8. The Company has not raised any funds on short-term basis.
9. The Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the 'Act'.
10. The Company is generally regular in depositing undisputed statutory dues relating to Income-tax, Wealth Tax, Cess and any other statutory dues as applicable to the Company with the appropriate authorities.
11. During the course of our examination of books and records of the Company, carried 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
12. The other clauses (i), (ii), (iv), (vii) to (x) , (xiii), (xiv), (xix), (xx) of paragraph 4 of the aforesaid Order are not presently applicable to the Company for the current year, since in our opinion there are no matter which arises to be reported in consequence to non-commencement of the Company's operations.

For L. B. Jha & Co.
Chartered Accountants
(T. Mandal)
Partner
Membership No.50070

Place: Kolkata
Date : 27 May 2008

BALANCE SHEET

AS AT 31 MARCH, 2008

(Amount in Rs.)

	Schedule	As at 31 March 2008	As at 31 March 2007
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	10,000,000.00	10,000,000.00
TOTAL		**10,000,000.00**	**10,000,000.00**
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Capital Work In Progress (Note 1 on Schedule 7)		5,422,499.00	3,806,500.00
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	2	3,983,082.98	5,415,733.83
Other Current Assets	3	11,975.00	200,922.00
Loans and Advances	4	612,206.00	547,247.00
		4,607,263.98	6,163,902.83
LESS : CURRENT LIABILITIES AND PROVISIONS	5	150,024.00	129,222.00
NET CURRENT ASSETS		4,457,239.98	6,034,680.83
PROFIT AND LOSS ACCOUNT		120,261.02	158,819.17
TOTAL		**10,000,000.00**	**10,000,000.00**
Significant Accounting Policy and Notes to Accounts	7		

The Schedules referred to above and attached thereto form an intregral part of this Balance Sheet.

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

For L.B.JHA & CO.
Chartered Accountants
T. Mandal
Partner
Membership No. 50070

Place : Kolkata
Date : 27 May 2008

On behalf of the Board

Vishal Agarwal Director
Krishna Murari Lal Director

Manoj Kumar Digga
Director & Company Secretary

PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31 MARCH, 2008

(Amount in Rs.)

	Schedule	For the year ended 31 March 2008	For the year ended 31 March 2007
INCOME			
Interest on Term Deposits (Gross) (TDS Rs 64959; p.y Rs 78100)		242,749.00	299,165.00
Total		242,749.00	299,165.00
EXPENDITURE			
Expenses	6	196,190.85	149,312.05
PROFIT BEFORE TAXATION		46,558.15	149,852.95
Provision for taxation (Current tax-MAT)		8,000.00	-
PROFIT AFTER TAXATION		38,558.15	149,852.95
Balance brought forward from previous year		(158,819.17)	(308,672.12)
Balance carried over to Balnce Sheet		(120,261.02)	(158,819.17)
Earnings per share : (Note 8 on Schedule 7) Basic & Diluted		0.04	0.15
Significant Accounting Policy and Notes to Accounts	7		

The Schedules referred to above and attached thereto form an intregal part of this Profit and Loss Account.

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

For L.B.JHA & CO.
Chartered Accountants
T. Mandal
Partner
Membership No. 50070

Place : Kolkata
Date : 27 May 2008

On behalf of the Board

Vishal Agarwal Director
Krishna Murari Lal Director

Manoj Kumar Digga
Director & Company Secretary

SCHEDULES

TO THE BALANCE SHEET

(Rs.)

	As at 31 March 2008	As at 31 March 2007
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED :		
10,00,000 Equity Shares of Rs.10 each	10,000,000.00	10,000,000.00
ISSUED, SUBSCRIBED AND PAID UP :		
10,00,000 Equity Shares of Rs.10 each (Notes below)	10,000,000.00	10,000,000.00
	10,000,000.00	10,000,000.00
NOTES :		
(1) Of above 1,10,000 Equity shares of Rs.10 each were allotted for consideration other than cash pursuant to the terms of a Joint Venture Agreement for using a Prospecting Licence.		
(2) 8,90,000 Equity Shares of Rs 10 each are held by VISA Steel Limited (immediate holding company) and its nominees.		
SCHEDULE : 2		
CASH AND BANK BALANCES		
Cash in hand	-	-
Balances with Scheduled Bank :		
- in Current Account	983,082.98	415,733.83
- in Term deposits	3,000,000.00	5,000,000.00
	3,983,082.98	5,415,733.83
SCHEDULE : 3		
OTHER CURRENT ASSETS		
Interest on term deposits accrued from ICICI bank	11,975.00	200,922.00
	11,975.00	200,922.00
SCHEDULE : 4		
LOANS AND ADVANCES		
Due from a Company in which a director is a director (Note 2 Schedule 7) (Maximum amount due at anytime during the year Rs 469147, py Rs 469147)	469,147.00	469,147.00
Income Tax Deducted at Source	143,059.00	78,100.00
	612,206.00	547,247.00
SCHEDULE : 5		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors (Note 3 on Schedule 7)	142,024.00	129,222.00
PROVISIONS		
Provision for taxation	8,000.00	-
	150,024.00	129,222.0

Ghotaringa Minerals Limited

SCHEDULES

TO THE PROFIT AND LOSS ACCOUNT

(Rs.)

	2007-08	2006-07
SCHEDULE : 6		
EXPENSES		
Legal Expenses	2,250.00	750.00
Filing Fees	4,500.00	1,560.00
Auditor's Remuneration (Note 6 on Schedule 7)	14,045.00	13,468.00
Directors' Sitting Fees (Note 7 on Schedule 7)	105,000.00	51,000.00
Other Expenses	1,208.65	5,185.05
Preliminary expenses written off	-	-
Business Promotion Expenses	44,430.00	30,000.00
Car Hire Charges	10,191.00	15,539.00
Printing Stationery	-	7,270.00
Travelling Expenses	14,566.20	24,540.00
Debits Written Off	-	-
	196,190.85	149,312.05

SCHEDULE : 7

A. SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 (the 'Act') to the extent applicable.

b. **Use of estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

c. **Revenue recognition**

The revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sales of goods is recognized upon passage of title to the customer, which generally coincides with their delivery.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

d. **Retirement Benefits**

The Company has not started its operation and rules relating to retirement benefits have not yet become applicable to its employees. Hence, no provision has been made for the retirement benefits under AS 15.

e. **Fixed Assets**

Fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation. Cost includes pre-operative expenses and all expenses related to acquisition and installation of the concerned assets. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

f. **Depreciation**

Depreciation on fixed assets is provided on written down value method as per rates prescribed in Schedule – XIV of the Companies Act, 1956 on pro-rata basis.

g. **Impairment of assets**

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of the recoverable amount.

h. **Foreign Exchange Transaction**

i. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transaction.

ii. Monetary Foreign currency assets/liabilities at the end of the year are re-aligned at the exchange rate prevailing at the year end and the difference on re-alignment is recognised in the Profit & Loss account.

i. **Provision and Contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

j. **Taxation**

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax :

As per AS -22 issued by ICAI, the Company has not credited any Deferred Tax assets as availability of future taxable profit to realize deferred tax assets cannot be estimated with virtual certainty. Since Deferred Tax Assets exceeds Deferred Tax Liabilities, no provision has been made for Deferred Tax Liabilities.

k. **Earnings per share**

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the period. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

B. NOTES ON ACCOUNTS

1. Capital Work In Progress includes Rs. 4322499/- towards cost of prospecting, core drilling, logging and sampling at the Mines area in Gotharinga village for transferring the prospecting Lease into a Mining Lease and of Rs 11,00,000 for cost of transfer of Prospecting License held by Orissa Industries Ltd in the said Gotharinga village.
2. Advances include Rs. 469147/- paid to Orissa Industries Limited (ORIND) , a company in which a director of the Company is also a director against acquisition of prospective lease.
3. Sundry Creditors do not include any balance payable to Small Scale Industrial Undertaking.
4. The Company has carried forward loss under the Income Tax Act, 1961. As the availability of future taxable income is not ascertainable by the company with virtual certainty, deferred tax asset in respect of such carried forward loss has not been recognized as per Accounting Standard (AS-22), ' Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

Ghotaringa Minerals Limited

SCHEDULES

TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

5. The Company did not have any employee during the year and consequently, relevant provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Payment of Gratuity Act, 1972 And Payment of Bonus Act, 1965 are not applicable to the Company.

		2007-08 Rs.	2006-07 Rs.
6.	Auditor's Remuneration includes amounts paid / payable to Auditor :		
	Audit fees	12,500.00	12,000.00
	Out of Pocket expense	1,545.00	1,468.00
		14,045.00	13,468.00
7.	Directors' Remuneration		
	Directors' sitting fees	1,05,000.00	51,000.00
8.	Earnings per share		
	Profit after tax (Rs.)	38,558	1,49.853
	No. of equity shares (No.)	10,00,000	10,00,000
	Basic Earning per share (Rs.)	0.039	0.15
	Diluted earning per share	0.039	0.15

9. Related party disclosures (as indicated by the management from relevant documentation)

a) Where control Exists

Related party	Relationship
VISA Steel Ltd.	Holding Company
Orissa Industries Limited (ORIND)	Director of ORIND is shareholder of Company

b) Managerial personnel

Mr. Vishambhar Saran	Chairman
Mr. Vishal Agarwal	Director
Mr. Jugal Kishore Jhunjhunwala	Director
Mr. Krishna Murari Lal	Director
Mr. Ranjan Mishra	Director
Mr. Manoj Kumar Digga	Director

c) Transaction with related parties

Name of Related party	Nature of transaction	March 2008	March 2007
Orissa Industries Limited	Closing Balance of advances	4.69,147	4,69,147

10. The previous year's figures have been regrouped/ re-arranged wherever necessary.

11. Information pursuant to Part IV of Schedule VI to the Companies Act,1956.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2008

(Amount in Rs.)

		Year ended 31 March 2008	Year ended 31 March 2007
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before Tax and extraordinary items		46558.15	149852.95
Operating profit/(loss) before working capital changes		46558.15	149852.95
Adjustments for changes in working capital :			
(Increase)/Decrease in Other Current Assets		188947.00	(152057.00)
(Increase)/Decrease in Loans and Advances		(64959.00)	1351500.00
Increase/(Decrease) in Current liabilities and Provisions		12802.00	117804.00
(Excluding provision for taxation)			
Increase in Provision for taxation			
Net Cash Flow from Operating Activities	A	183348.15	1467099.95
CASH FLOW FROM INVESTING ACTIVITIES			
Expenditure on Capital Work-in-Progress		(1615999.00)	(3806500.00)
Net Cash Flow from Investing activities	B	(1615999.00)	(2706500.00)
CASH FLOW FROM FINANCING ACTIVITIES			
Increse in share Capital		–	–
Net Cash Flow from financing activities	C	NIL	NIL
Net increase/decrease in cash and cash equivalents (A+B+C)		(1432650.85)	(2339400.05)
Opening Balance of cash and cash equivalents		5415733.83	7755133.88
Closing Balance of cash and cash equivalents		3983082.98	5415733.83

Notes :

(1) The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31 March 2008 and the related Profit and Loss Account for the year ended on that date.

(2) The above cash Flow Statement has been prepared under 'indirect Method' as set out in Accounting Standard (AS-3) on " Cash Flow Statement",issued by the Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the company.

(3) Figures in Parenthesis represents outflows.
Previous year's figures have been re-grouped, whereever necessary, to conform to current year's presentations.

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

For L.B.JHA & CO.
Chartered Accountants
T. Mandal
Partner
Membership No. 50070

On behalf of the Board

Vishal Agarwal Director
Krishna Murari Lal Director

Manoj Kumar Digga
Director & Company Secretary

Place : Kolkata
Date : 27 May 2008

Ghotaringa Minerals Limited

BALANCE SHEET ABSTRACT

AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. : 7 3 4 8 State Code : 1 5

Balance Sheet Date : 3 1 (Date) 0 3 (Month) 2 0 0 8 (Year)

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue : NIL Right Issue : NIL

Bonus Issue : NIL Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities : 10000 Total Assets : 10000

Sources of Funds

Paid-up Capital : 10000 Reserves & Surplus : (-)120

Secured Loans : NIL Unsecured Loans : NIL

Deferred Taxation : NIL

Application of Funds

Net Fixed Assets : 5422 Investments : NIL

Net Current Assets : 4457 Misc. Expenditure : NIL

Accumulated Losses : NIL

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover * : 243 Total Expenditure : 196

Profit/Loss Before Tax : 46 Profit/Loss After Tax : 38

Earning per share in Rs. : 0.04 Dividend % : NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code) : NA

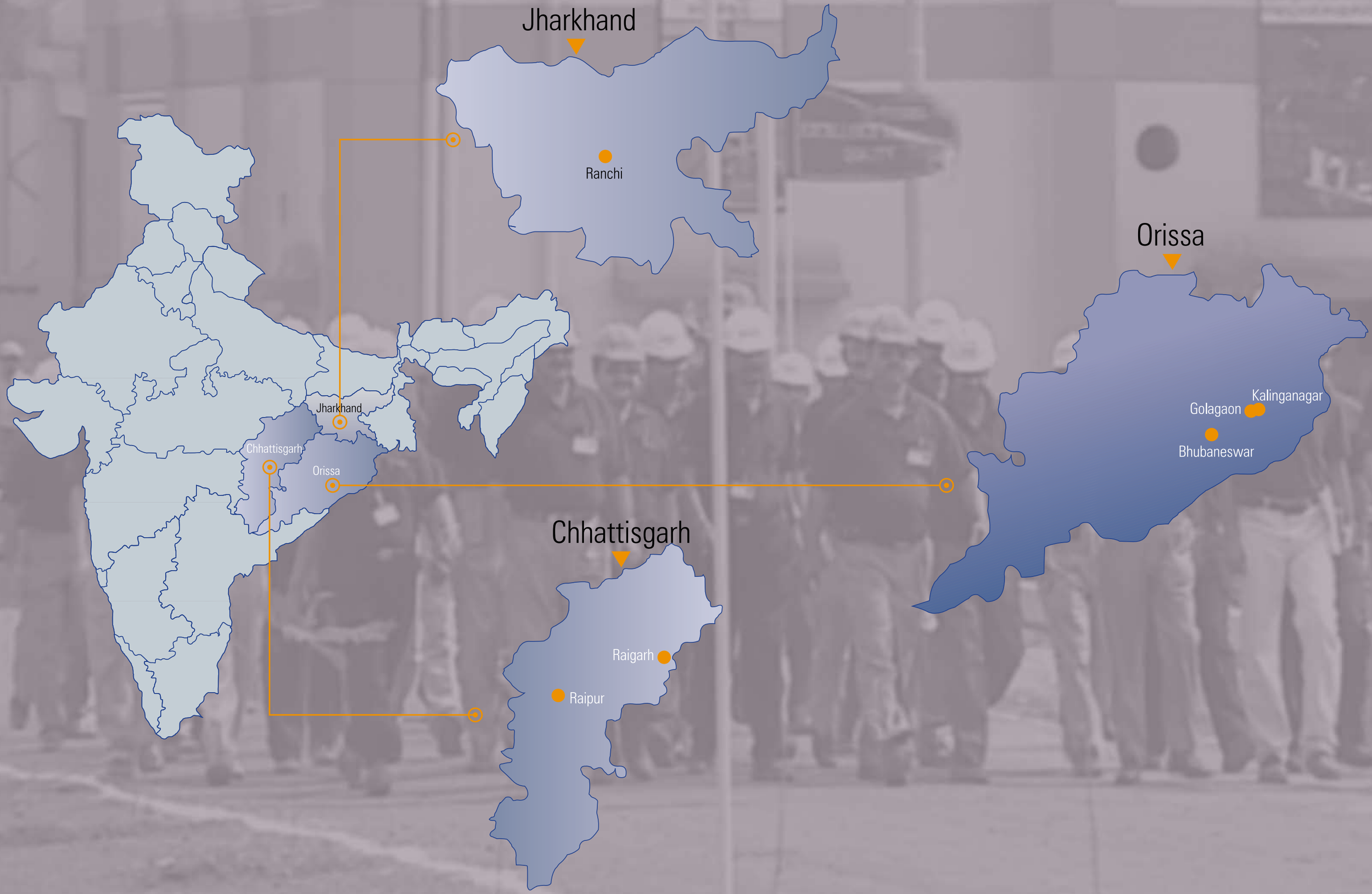
Production : NA

On behalf of the Board

Vishal Agarwal Director
Krishna Murari Lal Director

Manoj Kumar Digga
Director & Company Secretary

Place : Kolkata
Date : 27 May 2008


Jharkhand
Ranchi
Orissa
Kalinganagar
Golagaon
Bhubaneswar
Jharkhand
Chhattisgarh
Orissa
Chhattisgarh
Raigarh
Raipur

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vishambhar Saran, Chairman
Mr. Maya Shanker Verma, Independent Director
Mr. Arvind Pande, Independent Director
Mr. Debi Prasad Bagchi, Independent Director
Mr. Pradip Kumar Khaitan, Independent Director
Mr. Shanti Narain, Independent Director
Mrs. Saroj Agarwal, Non-executive Director
Mr. Vikas Agarwal, Non-executive Director
Mr. Vivek Agarwal, Non-executive Director
Mr. Vishal Agarwal, Managing Director
Mr. Basudeo Prasad Modi, Deputy Managing Director

CHIEF FINANCIAL OFFICER

Mr. Manoj Kumar Digga

COMPANY SECRETARY

Mrs. Subhra Giri