

### Supplementary Report of the Audit Committee of VISA Steel Limited

The Securities and Exchange Board of India vide its circular No. CIR/CFD/DIL/5/2013 dated 4 February, 2013 and CIR/CFD/DIL/8/2013 dated 21 May, 2013 (hereinafter collectively referred as "the Circular(s)") has amongst other requirements, sought a report from the Audit Committee of the Listed Companies recommending the Draft Scheme after taking into consideration, inter-alia, the Report by an Independent Chartered Accountant.

Pursuant to the above Circulars, members of the Audit Committee of the Company at its meeting held on 12 August 2013, had considered, approved and recommended the draft Scheme of Arrangement ('the Scheme') between the Company and VISA Special Steel Limited (VSSL) and their respective Shareholders and Creditors for transfer of the Special Steel undertaking of the Company to VSSL on a going concern basis. While recommending the draft Scheme for favourable consideration by the Stock Exchange(s) and SEBI, the Committee noted that Report as mentioned in the Circular was not applicable since it involved transfer of Special Steel undertaking to a wholly owned subsidiary of the Company and no shares were to be issued under the Scheme by VSSL to the shareholders of the Company. VSSL is a wholly owned subsidiary of Kalinganagar Special Steel Private Limited ("KSSPL"). KSSPL is a wholly owned subsidiary of the Company. Therefore in terms of Section 4(1)(c) of the Companies Act, 1956, VSSL is a wholly owned subsidiary of the Company. Further, it does not involve any movement of assets or liabilities outside the VISA Steel Group.

On application by the Company to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for obtaining their approval to the Scheme under Clause 24(f) of the Listing Agreement in terms of the Circulars, both NSE and BSE have insisted on submission of the Report from an Independent Chartered Accountant and Fairness Opinion by Merchant Banker.

The Committee took note that pursuant to the Circular, the Report from an Independent Chartered Accountant was not required in cases where there is no change in the shareholding pattern of the listed company / resultant company.

However, the Audit Committee took note of the Statement of Assets and Liabilities of the Special Steel Undertaking as on 31 March 2013 certified by Rajesh Choudhury & Associates, Chartered Accountants dated 20 September 2013, and Fairness Opinion by Dalmia Securities Private Limited, Merchant Banker in connection with the proposed transfer of Special Steel Undertaking of the Company into VSSL, dated 17 October 2013, as circulated.

CERTIFIED TO BE TRUE

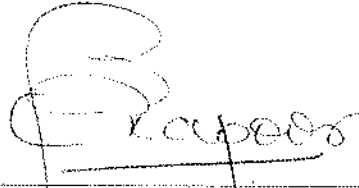
For VISA STEEL LIMITED

*Subha Gini*  
Company Secretary



The Audit Committee after taking into consideration the Statement of Assets and Liabilities of the Special Steel Undertaking as on 31 March 2013 certified by Rajesh Choudhury & Associates, Chartered Accountants, and Fairness Opinion Report by Dalmia Securities Private Limited, Merchant Banker recommends the draft Scheme, for favourable consideration by the Stock Exchange(s) and SEBI.

Date: 19 October 2013  
Place: New Delhi

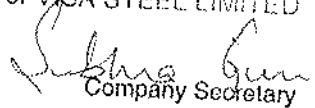


Shiv Dayal Kapoor  
Chairman of the Audit Committee



CERTIFIED TO BE TRUE

For VISA STEEL LIMITED



Company Secretary