

VISA STEEL LIMITED

VISA STEEL

CORPORATE OFFICE
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CIN NO L511090R1996PLC004601

Date: 17 May 2014

To, The General Manager, Department of Corporate Services, BSE Limited, 25 th Floor, P.J.Towers, Dalal Street, Mumbai – 400 001 BSE Scrip Code: 532721	To, The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 NSE Scrip Code: VISASTEEL
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Dear Sirs,

Sub: Scheme of Arrangement between VISA Steel Limited and VISA Special Steel Limited and their respective Shareholders and Creditors – Notice of Court Convened Meeting of Equity Shareholders on 10 June 2014

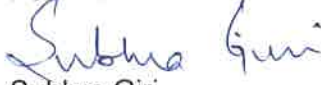
Pursuant to an order dated 29 April 2014, the Hon'ble High Court of Judicature of Orissa, at Cuttack, has directed a meeting of Equity Shareholders of VISA Steel Limited be held on 10 June, 2014 at 12.30 p.m. at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha, for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between VISA Steel Limited and VISA Special Steel Limited and their respective shareholders and creditors ('the Scheme').

Please find enclosed herewith 3 (three) copies of notices along with the explanatory statement and other annexures for the meeting of the Equity Shareholders of the Company to be convened for the approval of the Scheme.

This is for your reference and record.

Thanking You,

Yours truly,
For VISA Steel Limited


Subhra Giri
Company Secretary



Encl.: As above

**VISA Steel Limited**

CIN: L51109OR1996PLC004601

Regd. Office: 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha, India

Tel: +91 674 2552 479; Fax: +91 674 2554 661

Website: www.visasteel.com; Email Id: investors@visasteel.com

**COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS
OF VISA STEEL LIMITED**

Day : Tuesday
Date : 10th June, 2014
Time : 12.30 p.m.
Venue : 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015

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**IN THE HIGH COURT OF JUDICATURE OF ORISSA AT CUTTACK
ORIGINAL JURISDICTION
COPET NO. 17 OF 2014**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

between

VISA Steel Limited ("VSL" or "the Transferor Company")

and

VISA Special Steel Limited ("VSSL" or "the Transferee Company")

and

their respective Shareholders and Creditors

VISA STEEL LIMITED, a company incorporated under)
the provisions of the Companies Act, 1956 and having its)
registered office at 11 Ekamra Kanan, Nayapalli,)
Bhubaneswar – 751015, Odisha, India)Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF VISA STEEL LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholders of VISA Steel Limited ("the Applicant Company" / "the Company"),

TAKE NOTICE that by an Order made on 29th day of April, 2014, in the above COPET No. 17 of 2014, the Hon'ble High Court of Judicature of Orissa at Cuttack has directed that a meeting of the Equity Shareholders of VISA Steel Limited, the Applicant Company, be convened and held at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha on Tuesday, 10th day of June, 2014 at 12.30 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between VISA Steel Limited ("VSL" or "Transferor Company" or "Applicant Company") and VISA Special Steel Limited ("VSSL" or "Transferee Company") and their respective shareholders and creditors ('the Scheme' or 'this Scheme').

TAKE FURTHER NOTICE that in pursuance of the said order, and as directed therein, approval of the Equity Shareholders of the Applicant Company is sought on the following resolution:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof as may be for the time being in force), the enabling provisions in the Company's Memorandum and Articles of Association, and subject to the approval of Hon'ble High Court of Judicature of Orissa at Cuttack and / or such other competent authority, as the case may be, the arrangement as embodied in the Scheme of Arrangement between VISA Steel Limited and VISA Special Steel Limited and their respective shareholders and creditors placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Vishal Agarwal, Vice Chairman and Managing Director, Mr. Manoj Kumar Digga, Executive Director (Finance) and Ms. Subhra Giri, Company Secretary of the Applicant Company be and are hereby severally authorised to make such alterations, modifications or amendments to the Scheme as may be expedient or necessary for complying with the requirements or conditions imposed by the Hon'ble High Court of Judicature of Orissa at Cuttack and / or by any other appropriate /concerned authorities and to do such acts, deeds and things as may be necessary or desirable for the purpose of to the Scheme / to effectively implement the Scheme."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of VISA Steel Limited, the Applicant Company will be convened and held at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha on Tuesday, 10th day of June, 2014 at 12.30 p.m. at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha, India not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court of Judicature of Orissa at Cuttack has appointed Mr. Vishambhar Saran, Executive Chairman of the Applicant Company, and failing him, Mr. Vishal Agarwal, Vice Chairman and Managing Director of the Applicant Company, and failing him, Mr. Manoj Kumar Digga, Executive Director (Finance) of the Applicant Company, to be the Chairman of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, Complaints Report, Observation Letters issued by National Stock Exchange of India Limited and BSE Limited, Fairness Opinion, Form of Proxy and Attendance Slip are enclosed herewith.

Sd/-

Vishambhar Saran

Chairman appointed for the
Equity Shareholders meeting

Date :15 May 2014

Registered office:

11 Ekamra Kanan,
Nayapalli, Bhubaneswar 751 015,
Odisha, India

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Equity Shareholders meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
4. Foreign Institutional Investor (FII) who are registered Equity Shareholders of the Applicant Company would be required to deposit certified copies of Custodial resolutions / Power of Attorney, as the case may be, authorising the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
5. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
6. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

Encl.: As above

**IN THE HIGH COURT OF JUDICATURE OF ORISSA AT CUTTACK
ORIGINAL JURISDICTION
COPET NO.17 OF 2014**

In the matter of the Companies Act, 1956 (1 of 1956);
AND
In the matter of Sections 391 to 394 of the Companies Act, 1956;
AND
In the matter of Scheme of Arrangement
between
VISA Steel Limited ("VSL" or "the Transferor Company")
and
VISA Special Steel Limited ("VSSL" or "the Transferee Company")
and
their respective Shareholders and Creditors

VISA STEEL LIMITED, a company incorporated)
under the provisions of the Companies Act, 1956)
and having its registered office at 11 Ekamra)
Kanan, Nayapalli, Bhubaneswar – 751015,)
Odisha, India)Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 FOR THE COURT CONVENED
MEETING OF EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

1. Pursuant to an Order dated 29th day of April, 2014 passed by the Hon'ble High Court of Judicature of Orissa at Cuttack in the COPET No.17 of 2014 referred to hereinabove, a meeting of the Equity Shareholders of VISA Steel Limited, the Applicant Company is being convened and held at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha on Tuesday, 10th day of June, 2014 at 12.30 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between VISA Steel Limited and VISA Special Steel Limited and their respective shareholders and creditors ('the Scheme' or 'this Scheme').
2. In this statement **VISA Steel Limited** is referred to as "VSL" or the "Transferor Company" or the "Applicant Company" and **VISA Special Steel Limited** is referred to as "VSSL" or the "Transferee Company". The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
3. A copy of the Scheme setting out in detail the terms and conditions of the transfer of the Special Steel Undertaking of VISA Steel Limited which has been approved by Board of Directors of the Applicant Company is enclosed herewith and forms part of the Explanatory Statement.
4. The background of companies involved in the Scheme are as under:
4.1 VISA Steel Limited
 - (i) The Applicant Company was originally incorporated on 10 September 1996 under the provisions of Companies Act, 1956, in the name and style of "VISA Industries Limited". Subsequently, the name was changed to "VISA Steel Limited" on 4 May 2005.
 - (ii) The Registered Office of VSL is situated at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha, India.
 - (iii) The Authorised, Issued, Subscribed and Paid-up Share Capital of VSL as on 31 March 2014 was as under:

Particulars	Rs. In Lakhs
Authorised Share Capital	
16,00,00,000 Equity Shares of Rs. 10 each	16,000.00
Total	16,000.00
Issued, Subscribed and Paid-up Share Capital	
11,00,00,000 Equity Shares of Rs. 10 each fully paid up	11,000.00
Total	11,000.00

Subsequent to 31 March 2014, there has been no change in the capital structure of VSL till date.

Additionally, VSL has granted stock options to specified employees of VSL and its subsidiary company(ies) convertible into equivalent number of equity shares of Rs.10 each, which upon exercise will increase the issued, subscribed and paid up equity share capital of VSL.

- (iv) The main objects of VSL are set out in its Memorandum of Association. The main objects of VSL are briefly as under:
III. The objects for which the Company is established are:

Main objects to be pursued by the Company on its incorporation are:

1. To undertake the business of exploration, prospecting, quarrying, mining, winning, handling, transporting, processing, beneficiation, crushing, screening, washing, working, reducing, drawings, extracting, calcining, smelting, refining of all kinds of minerals, coal, ores, metals, concentrates including their arisings, associates, products and by-products and to deal, trade, market, sell, distribute, buy, export, import in respect thereof and to carry on any other mining / metallurgical operations which may seem conducive to the company's business.
2. To manufacture, produce, beneficiate, refine, work, alter, process, exchange, improve, transport, handle, buy, sell, market, deal, trade, distribute, import, export all kinds of ores, concentrates, minerals and mineral based products, coal, coke and all their products and by-products, ferrous and non-ferrous metals and their alloys including iron & steel, alloy steel products, stainless steel products, ferro alloy, other alloys and their products.
3. To purchase, take on lease or otherwise acquire all kinds of mines, quarries and mineral properties and lands in India or elsewhere believed to contain any type of ores or mineral coal, limestone, dolomite, saline or chemical substances and also grants, concessions, leases, claims, licenses of or other interests in mines, mining rights

and other rights and privileges which the company may think necessary or convenient for the purpose of its business.

4. To carry on business of generation, transmission and distribution of electricity and to generate, accumulate, transmit, distribute, wheel, bank, purchase or sell and supply electricity on a commercial basis as well as for captive consumption, for various purposes for which electric energy can be employed, including the establishment, operation and maintenance of generating and transformer stations, and to manufacture and deal in all apparatus and things required including acquisition and operation of coal mines, quarries for or capable of being used in connection with the generation, distribution, transmission, supply, accumulation, wheeling, banking and employment of electricity and to carry on the business of operators, consultants and advisers in relation to the business aforementioned.

- (v) VSL is a leading player in the Indian Special Steel Industry operating a fully integrated 0.5 million TPA Special Steel Plant including a Pig Iron Plant, Sponge Iron Plant, Ferro Chrome Plant, Captive Power Plant, Steel Melt Shop & Bar and Wire Rod Mill.

4.2 VISA Special Steel Limited

- (i) The Transferee Company was incorporated on 27 July 2012 under the provisions of Companies Act, 1956, in the name and style of "VISA Special Steel Limited".
- (ii) The Registered Office of VSSL is situated at VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha, India.
- (iii) The Authorised, Issued, Subscribed and Paid-up Share Capital of VSSL as on 31 March 2014 was as under:

Particulars	Rs in lakhs
Authorised Capital	
10,00,000 Equity Shares of Rs. 10 each	100.00
Total	100.00
Issued, Subscribed and Paid-up	
70,000 Equity Shares of Rs. 10 each fully paid up	7.00
Total	7.00

Subsequent to 31 March 2014, there has been no change in the capital structure of VSSL till date. As on date, Kalinganagar Special Steel Private Limited (KSSPL) along with its nominees holds the entire share capital of VSSL. KSSPL is a wholly owned subsidiary of VSL. Therefore in terms of provisions of Section 2(87) of the Companies Act, 2013 and Section 4(1)(c) of Companies Act, 1956, VSSL is a wholly owned subsidiary of VSL.

- (iv) The main objects of VSSL are set out in its Memorandum of Association. The main objects are briefly as under: -

"III. The Main objects to be pursued by the Company on its incorporation are:-

1. To set up iron and steel making facilities and continuous casting and hot and cold rolling mill plants for producing ferrous and non-ferrous metals, alloy steels, steel ingots, steel slabs billets and all kinds and all sizes of iron and steel re-rolled sections, i.e. flats, angles, rounds, squares, rails, joists, channels, slabs, strips, coils, sheets, plates, deformed bars, plain and cold twisted bars and shaftings.
2. To carry on the business of manufacturers, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys; and also the business and iron masters, steel and metal converters, colliery proprietors, ferroalloy manufacturers, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process; buy, sell and otherwise deal in iron, pig iron, granulated slag, iron ore fines, steel and other metals, coal, coke, brick-earth, fireclay, bricks, ores, minerals and mineral substances, gases, alloys, metal scrap, chemicals and chemical substances of all kinds.
3. To purchase, take on lease or otherwise acquire all kinds of mines, quarries and mineral properties and lands in India or elsewhere believed to contain any type of ores or mineral, coal, limestone, dolomite, saline or chemical substances and also grants, concessions, leases, claims, licenses of or other interests in mines, mining rights and other rights and privileges which the company may think necessary or convenient for the purpose of its business.

- (v) VSSL has been formed to operate the special steel business.

5. Description and Rationale for the Scheme:

5.1 Description

The proposed Scheme of Arrangement envisages the transfer of Special Steel Undertaking of VISA Steel Limited to VISA Special Steel Limited under Section 391-394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the "Act") with effect from the Appointed Date ("the Appointed Date").

5.2 Rationale

VSL has business interests in Special Steel, Ferro Chrome and Coke. The said businesses are distinct and separate having different risk and rewards. Each of the businesses carried on by VSL by itself and through its subsidiaries and affiliate companies have significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others. Also there are differences in the manner in which each of these businesses are required to be managed.

VSL had entered into a Memorandum of Understanding (MoU) with the Government of Odisha on 26 December 2003 for setting up an Integrated Steel Plant, which object has been achieved by setting up 0.5 MTPA Special Steel Undertaking. In view of the implementation of VSL's obligations under the MoU being achieved and keeping in view substantial value addition within the State of Odisha, as per the terms of the MoU, the Government had agreed to assign appropriate priority in the matter of recommending VSL's application for iron ore mines under Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960 for mineral concession to meet its requirement subject to adequate progress in implementation of the project envisaged in the MoU and a substantial portion of the requirement was to be met through the OMC. Pursuant to the

MoU, the State Government would also consider assigning appropriate priority to the VSL's project for allocation of iron ore area to meet its raw material needs to the extent of about 25 years of requirement of the Plant.

VSL had applied for Prospecting Licences and Mining Lease over several areas in Odisha, which are under consideration by the State Government. Due to delay in grant of prospecting licence and / or mining lease and non availability of iron ore at viable prices, the Company suffered losses and restructured its loan under Corporate Debt Restructuring (CDR) mechanism, wherein additional funds are required to be infused.

The Special Steel business has good potential to grow. In order to provide the management with an opportunity to explore the business potential to the fullest, achieve economies of scale and to enhance shareholder value, it is considered appropriate and desirable to carry on the Special Steel undertaking in a step down company and, thereby, create distinct corporate identity in the manufacturing of Special Steel products. The transfer will result in creation of a separate company engaged in special steel business which will facilitate in inducting foreign and / or Indian joint venture partner / strategic partners / investors as also entitled under MoU with the Government of Odisha and bring greater focus to the operation of Special Steel business.

Hence with a view to evolve a structure for more effective concentration and focused attention in the business of Special Steel, the Company is intending to transfer, on a going concern basis, the Special Steel undertaking of VSL to VSSL.

6. The salient features of the Scheme are as follows:

- 6.1 The Appointed Date for the proposed Scheme of Arrangement is the 1st day of April 2013 or such other date as may be fixed or approved by the High Court or such other competent authority.
 - 6.2 With effect from the Appointed Date, the whole of the undertaking including assets, investments and properties of VSL relating to the Special Steel undertaking, shall be stand transferred to and vested in VSSL.
 - 6.3 VSL will transfer its Special Steel undertaking to VSSL without consideration. VSSL is a wholly owned subsidiary of KSSPL. KSSPL is a wholly owned subsidiary of VSL. In terms of provisions of Section 2(87) of the Companies Act, 2013 and Section 4(1)(c) of Companies Act, 1956, VSSL is a wholly owned subsidiary of VSL. The Scheme is intended to transfer the Special Steel undertaking of VSL in a more efficient manner consistent with the diverse needs of business and does not involve any movement of assets or liabilities to any company outside the group controlled by VSL.
 - 6.4 Upon the Scheme being effective, VSSL shall record the assets and liabilities forming part of the Special Steel undertaking vested in it at their respective fair values. The difference between the fair value of assets and fair value of liabilities of the Special Steel undertaking of VSL shall be adjusted to the General Reserve account / Goodwill account as the case may be.
 - 6.5 Upon the Scheme being effective, VSL shall reduce from its books, the book value of assets and liabilities transferred as part of the Special Steel undertaking to VSSL, pursuant to the Scheme. The difference between the book value of assets and book value of liabilities of the Special Steel undertaking of VSL shall be routed through Statement of Profit and Loss.
 - 6.6 The Scheme is and shall be conditional upon and subject to:
 - a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of VSL and VSSL as may be directed by the High Court of Judicature, Orissa, Cuttack.
 - b) The requisite consent, approval or permission of the Government Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
 - c) The Scheme being sanctioned by the High Court of Judicature, Orissa, Cuttack or any other authority under Sections 391 to 394 of the Act.
 - d) The certified copy of the Order of the High Court of Judicature, Orissa, Cuttack sanctioning the Scheme, being filed with the Registrar of Companies, Cuttack, Orissa, by VSL and VSSL.
 - 6.7 Save and except as provided elsewhere in the Scheme, all costs, charges, taxes including duties, levies and all other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by VSL.
 - 6.8 In the event of any of the said sanctions and approvals referred to the preceding clause not being obtained and / or Scheme not being sanctioned by the Court or such other competent authority and / or the Order not being passed as aforesaid on or before 30 September 2014 or within such further period or periods as may be agreed upon between VSL and VSSL by their respective Board of Directors (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect.
 - 6.9 In the event that this Scheme fails to take effect or the Scheme is revoked in terms of Clause 17 of the Scheme then, VSL and VSSL shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.
- N. B. - The features set out above being only the salient features of the Scheme of Arrangement, the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get themselves fully acquainted with the provisions thereof.**
7. In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by the Securities and Exchange Board of India ("SEBI") on 4 February 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013, the Audit Committee of the Board of Directors of VSL had on 12 August 2013 recommended the proposed Scheme of Arrangement for approval of the Board.
 8. The Proposed Scheme of Arrangement was approved by the Board of Directors of VSL at the meeting held on 12 August 2013 after considering the recommendations of the Audit Committee.
 9. Pursuant to the Scheme, VSL will transfer its Special Steel undertaking to VSSL without consideration. The shareholding pattern of VSL Pre and Post Arrangement would remain unchanged. The shareholding pattern of VSL as at 31 March 2014 is given below:

Category Code	Category of Shareholders	Pre – Arrangement		Post – Arrangement (Expected)	
		No. of Equity Shares	% of Shareholding	No. of Equity Shares	% of Shareholding
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
	Bodies Corporate	8,25,00,000	75.00	8,25,00,000	75.00
	Sub-Total (A)(1)	8,25,00,000	75.00	8,25,00,000	75.00
(2)	Foreign	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	8,25,00,000	75.00	8,25,00,000	75.00
(B)	Public Shareholding				
(1)	Institutions				
	Insurance Companies	5,00,111	0.45	5,00,111	0.45
	Foreign Institutional Investors	1,09,85,845	9.99	1,09,85,845	9.99
	Sub-Total (B)(1)	1,14,85,956	10.44	1,14,85,956	10.44
(2)	Non – Institutions				
(a)	Bodies Corporate	40,07,532	3.64	40,07,532	3.64
(b)	Individuals				
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	64,20,021	5.84	64,20,021	5.84
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	52,11,558	4.74	52,11,558	4.74
(c)	Qualified Foreign Investor	-	-	-	-
(d)	Any others (Specify)				
	Non – Resident Indians	3,44,485	0.31	3,44,485	0.31
	Clearing Members	30,448	0.03	30,448	0.03
	Sub-Total (B)(2)	1,60,14,044	14.56	1,60,14,044	14.56
	Total Public Shareholding	2,75,00,000	25.00	2,75,00,000	25.00
	Total (B)=(B)(1)+(B)(2)	2,75,00,000	25.00	2,75,00,000	25.00
	Total (A)+(B)	11,00,00,000	100.00	11,00,00,000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	-	-	-	-
2	Public	-	-	-	-
	Total (C)	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	11,00,00,000	100.00	11,00,00,000	100.00

10. In terms of Clause 24(f) of the Listing Agreement with Stock Exchanges, VISA Steel Limited has received letters dated 28 January 2014 and 29 January 2014 from National Stock Exchange of India Limited and BSE Limited respectively conveying their no objection to the Scheme.
11. On the Scheme being approved as per the requirements of Section 391 of the Act, the Transferor Company and Transferee Company will seek the sanction of the Hon'ble High Court of Judicature of Orissa at Cuttack to the Scheme.
12. The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of VSL will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
13. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 and Section 210 of the Companies Act, 2013, against VSL.
14. No winding up petitions have been pending and / or admitted against VSL.
15. The Directors of VSL & VSSL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies or to the extent the said directors are common directors in the companies or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the Directors of VSL have any material interest in the proposed Scheme.

16. The extent of the shareholding of the Directors of VSL in VSL and VSSL either singly or jointly or as nominee as on 31 March 2014 is as under:

Sr. No.	Name of the Director	Designation	Equity shares held in VSL	Equity shares held in VSSL
1	Vishambhar Saran	Chairman	NIL	1*
2	Vishal Agarwal	Vice Chairman and Managing Director	NIL	1*
3	Maya Shanker Verma	Director	1,017	NIL
4	Shiv Dayal Kapoor	Director	NIL	NIL
5	Debi Prasad Bagchi	Director	NIL	NIL
6	Pradip Kumar Khaitan	Director	NIL	NIL
7	Shanti Narain	Director	NIL	NIL
8	Subrato Trivedi	Director	NIL	NIL
9	Punkaj Kumar Bajaj	Joint Managing Director & CEO (Steel Business)	NIL	NIL

*Beneficial interest vest with Kalinganagar Special Steel Private Limited

17. The extent of the shareholding of the Directors of VSSL in VSL and VSSL either singly or jointly or as nominee as on 31 March 2014 is as under:

Sr No	Name of the Director	Designation	Equity shares held in VSSL	Equity shares held in VSL
1	Vishambhar Saran	Director	1*	NIL
2	Vishal Agarwal	Director	1*	NIL
3	Punkaj Kumar Bajaj	Director	NIL	NIL

*Beneficial interest vest with Kalinganagar Special Steel Private Limited

18. INSPECTION

The following documents will be open for inspection at the Registered Office of VSL on any working day except Saturdays, Sundays and Public holidays (between 11:00 am and 1:00 pm) prior to the date of the meeting:

- Memorandum and Articles of Association of VSL and VSSL;
- The Scheme of Arrangement;
- The Audited Financial Statements of VSL for last three financial years ended 31 March 2013, 31 March 2012 and 31 March, 2011;
- The Audited Financial Statements of VSSL as on 31 March 2013;
- Certified copy of the Order dated 29th day of April, 2014 passed by the Hon'ble High Court of Orissa at Cuttack in COPET No.17 of 2014 for VSL;
- Copies of the resolution passed by the Board of Directors of VSL and VSSL approving the Scheme;
- Copy of the no objection / observation letters relating to the Scheme issued by National Stock Exchange of India Limited and BSE Limited on 28 January 2014 and 29 January 2014 respectively;
- Complaints Report dated 6 December 2013 relating to the Scheme submitted by the Company to National Stock Exchange of India Limited and BSE Limited;
- Copy of Net worth Certificate dated 14 August 2013 issued by M/s. Rajesh Choudhary & Associates, Chartered Accountants certifying the Net Worth of VSL based on audited financial statement as on 31 March 2013, pre and post arrangement;
- Copy of the Fairness Opinion dated 17 October 2013 issued by Dalmia Securities Private Limited.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of VSL and/or at the office of the Advocate - Mr. Partha Mukherji, Advocate for the Applicant, Raghunath Jew Road, Telenga Bazar, Cuttack-753 009.

Sd/-

Vishambhar Saran

Chairman appointed for the
Equity Shareholders meeting

Date : 15 May 2014

Registered office:

11 Ekamra Kanan,
Nayapalli, Bhubaneswar - 751 015,
Odisha, India

Note: All alterations made in the Form of Proxy should be initialed

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
BETWEEN
VISA STEEL LIMITED
AND
VISA SPECIAL STEEL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

(A) PREAMBLE

This Scheme of Arrangement ("the Scheme") is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the transfer of Special Steel undertaking of VISA Steel Limited ("VSL" or "Transferor Company") to VISA Special Steel Limited ("VSSL" or "Transferee Company") on a going concern basis and various other matters consequential or otherwise integrally connected therewith.

VSL is a public limited company incorporated under the provisions of the Companies Act, 1956 on 10 September, 1996, having its registered office at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015. VSL is engaged in the business of manufacturing of Special Steel and Ferro Chrome.

Shares of VSL are listed on the BSE Limited and National Stock Exchange of India Limited.

VSSL is a public limited company incorporated under the provisions of the Companies Act, 1956 on 27 July 2012, having its registered office at VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015. VSSL has been formed to operate the Special Steel business.

VSSL is a wholly owned subsidiary of Kalinganagar Special Steel Private Limited ("KSSPL"). KSSPL is a wholly owned subsidiary of VSL. Therefore in terms of Section 4 (1) (c) of the Companies Act, 1956, VSSL is a wholly owned subsidiary of VSL.

(B) RATIONALE FOR THE SCHEME

VSL has business interests in Special Steel, Ferro Chrome and Coke. The said businesses are distinct and separate having different risk and rewards. Each of the businesses carried on by VSL by itself and through its subsidiaries and affiliate companies have significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others. Also there are differences in the manner in which each of these businesses are required to be managed.

VSL had entered into a Memorandum of Understanding (MoU) with the Government of Odisha on 26 December 2003 for setting up an Integrated Steel Plant, which object has been achieved by setting up 0.5 MTPA Special Steel Undertaking. In view of the implementation of VSL's obligations under the MoU being achieved and keeping in view substantial value addition within the State of Odisha, as per the terms of the MoU, the Government had agreed to assign appropriate priority in the matter of recommending VSL's application for iron ore mines under Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960 for mineral concession to meet its requirement subject to adequate progress in implementation of the project envisaged in the MoU and a substantial portion of the requirement was to be met through the OMC. Pursuant to the MoU, the State Government would also consider assigning appropriate priority to the VSL's project for allocation of iron ore area to meet its raw material needs to the extent of about 25 years of requirement of the Plant.

VSL had applied for Prospecting Licences and Mining Lease over several areas in Odisha, which are under consideration by the State Government. Due to delay in grant of prospecting licence and / or mining lease and non availability of iron ore at viable prices, the Company suffered losses and restructured its loan under Corporate Debt Restructuring (CDR) mechanism, wherein additional funds are required to be infused.

The Special Steel business has good potential to grow. In order to provide the management with an opportunity to explore the business potential to the fullest, achieve economies of scale and to enhance shareholder value, it is considered appropriate and desirable to carry on the Special Steel undertaking in a step down company and, thereby, create distinct corporate identity in the manufacturing of Special Steel products. The transfer will result in creation of a separate company engaged in special steel business which will facilitate in inducting foreign and / or Indian joint venture partner / strategic partners / investors as also entitled under MoU with the Government of Odisha and bring greater focus to the operation of Special Steel business.

Hence with a view to evolve a structure for more effective concentration and focused attention in the business of Special Steel, the Company is intending to transfer, on a going concern basis, the Special Steel undertaking of VSL to VSSL.

PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and Share Capital of VSL and VSSL;
- (ii) **PART II** deals with the transfer of Special Steel undertaking of VISA Steel Limited to VISA Special Steel Limited.
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.

PART I
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “The Act”** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3 **“Appointed Date”** means 1st day of April 2013 or such other date as may be fixed or approved by the High Court or such other competent authority;
- 1.4 **“Appropriate Authority”** means any governmental, statutory, regulatory, departmental or public body or authority of the Relevant Jurisdiction, including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Company Law Board, National Company Law Tribunal and courts of India in each case the High Court in relation to India and relevant competent authorities;
- 1.5 **“Board of Directors” or “Board”** means the Board of Directors of VSL or VSSL, as the case may be, and shall include a duly constituted committee thereof;
- 1.6 **“Court” or “High Court”** means the Hon'ble High Court of Judicature, Orissa, Cuttack and shall include the National Company Law Tribunal, if and when applicable;
- 1.7 **“Effective Date”** means the later of the dates on which the certified copy of the Order of the Hon'ble High Court of Judicature, Orissa, Cuttack sanctioning the Scheme of Arrangement is filed by VSL or VSSL with the Registrar of Companies, Cuttack, Orissa.
- 1.8 **“Remaining Business of VSL”** means all the undertakings, businesses, activities and operations of VSL other than the Special Steel undertaking;
- 1.9 **“VSL or Transferor Company”** means VISA Steel Limited, a company incorporated under the Act and having its registered office at 11 Ekamra Kanan, Nayapalli, Bhubaneswar – 751015, Odisha, India.
- 1.10 **“VSSL or Transferee Company”** means VISA Special Steel Limited, a company incorporated under the Act and having its registered office at VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar - 751 015, Odisha, India.
- 1.11 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement between VSL and VSSL and their respective shareholders and creditors, in its present form as submitted to the Hon'ble High Court of Judicature, Orissa, Cuttack or this Scheme with such modification(s), if any made, as per Clause 15 of the Scheme;
- 1.12 **“Special Steel undertaking”** means the Special Steel business of VSL (i.e. Blast Furnace, Sponge Iron Plant and associated steam generation units, Steel Melting Shop and Rolling Mill) and includes:
- 1.12.1 All assets wherever situated, whether movable or immovable, real or personal corporeal or incorporeal, tangible or intangible, including plant and machinery, furniture, office equipments, investments, inventories, receivables, cash and bank balance, loans and advances, appliances, accessories and all leasehold properties together with all present, future and contingent liabilities pertaining or relatable thereto.
- 1.12.2 Without prejudice to the provisions of sub-clause 1.12.1 above, the Special Steel undertaking shall include all properties and assets in connection with or pertaining or relatable to the Special Steel undertaking such as licenses, consents, clearances, permits, registrations, approvals, certificates, benefits, privilege, waivers, concessions, acknowledgements including but not limited to the relevant factory licences, mineral licences, environmental clearances / consents/ approvals, iron ore supply arrangements / linkages / agreements, coal supply arrangement / linkages / agreements, other arrangements / linkages / agreements for sourcing and logistics of iron ore fines / lumps / pellets, coke, domestic / imported coal, and other raw materials, fuel supply agreements, water supply approvals, allocation of New Patrapara Coal Block to meet coal requirement prorata to the extent required for captive use by Special Steel undertaking (subject to regulatory approvals), all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of CENVAT, income tax, minimum alternate tax, value added tax, sales tax, entry tax, service tax etc.), electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, copyrights, permits, quotas, approvals, registrations, contracts, deeds, bonds, agreements, arrangements, memoranda of undertakings, memoranda of agreements / understandings, whether written or otherwise, lease or tenancy rights in relation to office plant and / or residential properties, permissions, buildings, plant and machinery, office equipments, vehicles, incentives, if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, consent, approvals or powers of every kind, nature and description whatsoever in connection with or pertaining or relatable to the Special Steel undertaking and all statutory licences including IBR certification, permissions, approvals or consents to carry on the operations of the Special Steel undertaking. The applications made by VSL for iron ore prospecting licenses and mining leases under Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960, including all the rights under the MoU between VSL and Government of Orissa dated 26 December 2003, shall continue with VSL. Until the time VSL continues to hold not less than fifty percent controlling interest in VSSL, supply of minerals extracted under the mining license or lease granted to VSL under the MoU shall be supplied to VSSL and shall be considered as captive usage of mineral in its own industry under and in compliance with the relevant mining rules and regulations.

- 1.12.3 All identified debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including without limitation whether arising out of any contract or tort based on negligence or strict liability) pertaining to Special Steel undertaking.
- 1.12.4 All employees on payrolls employed in the Special Steel undertaking as on the Effective Date.
- 1.12.5 All necessary records (whether in physical or electronic form), files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, in connection with, or relating to the Special Steel undertaking, as on the Appointed Date.
- 1.12.6 Right to use the work experience, qualifications, capabilities, legacies and track record with the National and International Companies, Government / Non – Government agencies / bodies, contracts with clients and with vendors, (including technical parameters, past performance, track record, financial etc.) of the Transferor Company / VSL, whether or not pertaining to or relatable to the Special Steel Undertaking, acquired by reason of completion of various projects and work, certificates of completion of projects or works and the right to use all these for qualifying any tender or project that may be issued at any time.
- 1.12.7 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Special Steel undertaking or whether it arises out of the activities or operations of the Special Steel undertaking or not shall be decided by the Board of Directors of VSL or any committee thereof.
- 1.13 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.
- 2.2 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

3. SHARE CAPITAL

- 3.1 The Authorised, Issued, Subscribed and Paid-up share capital of VSL as on 31 March, 2013 is as under:

Share Capital	Rs. in Lakhs
Authorised Share Capital	
16,00,00,000 Equity Shares of Rs. 10 each	16000.00
TOTAL	16000.00
Issued, Subscribed and Paid-up Share Capital	
11,00,00,000 Equity Shares of Rs. 10 each fully paid up	11000.00
TOTAL	11000.00

Subsequent to 31 March, 2013 and upto the date of approval of this Scheme by the Board of VSL, there has been no change in the capital structure of VSL.

Additionally, VSL has granted stock options to specified employees of VSL and its subsidiary company convertible into equivalent number of equity shares of Rs.10 each, which upon exercise will increase the issued, subscribed and paid up equity share capital of VSL.

- 3.2 The Authorised, Issued, Subscribed and Paid-up share capital of VSSL as on 31 March, 2013 is as under:

Share Capital	Rs. in Lakhs
Authorised Share Capital	
10,00,000 Equity Shares of Rs. 10 each.	100.00
TOTAL	100.00
Issued, Subscribed and Paid-up Share Capital	
70,000 Equity Shares of Rs. 10 each	7.00
TOTAL	7.00

Subsequent to 31 March, 2013 and upto the date of approval of this Scheme by the Board of VSSL, there has been no change in the capital structure of VSSL.

PART II
TRANSFER OF SPECIAL STEEL UNDERTAKING TO VSSL

4 TRANSFER OF SPECIAL STEEL UNDERTAKING

- 4.1 With effect from the Appointed Date, the whole of the undertaking including assets, investments and properties of VSL relating to the Special Steel undertaking, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred and/or deemed to be transferred to and vested in VSSL as a going concern so as to vest in VSSL all the rights, title and interest pertaining to the Special Steel undertaking.
- 4.1.1 Any and all assets relating to the Special Steel undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by physical delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme shall stand transferred and vested by VSL to VSSL and shall become the property and an integral part of VSSL. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments) upon its transfer and vesting in VSSL.
- 4.1.2 Any and all movable properties of VSL relating to the Special Steel undertaking, other than those specified in sub-clause 4.1.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, VAT credits, service tax credits, SFIS credits, actionable claims, allocable miscellaneous expenditure, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, be transferred and vested as the property of VSSL. VSL shall if so required by VSSL, issue notices in such form as VSSL may deem fit and proper stating that pursuant to the Court having sanctioned this Scheme under section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of VSSL, as the person entitled thereto, to the end and intent that the right of VSL to recover or realize the same stands transferred to VSSL and that appropriate entries should be made in their respective books to record the aforesaid changes.
- 4.1.3 Any and all immovable properties (including land, buildings and structures) of VSL relating to the Special Steel undertaking, whether freehold, leasehold or otherwise and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in VSSL, without any act or deed done by VSL or VSSL. With effect from Appointed Date, VSSL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of VSSL shall be made and duly recorded by the Odisha Industrial Infrastructure Development Corporation (IDCO) or any other Land Revenue authorities and shall be binding pursuant to the sanction of this Scheme by the High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of VSSL.
- 4.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Special Steel undertaking of VSL shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and, without any further act or deed, be transferred and/ or deemed to be transferred to VSSL, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of VSSL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and provisions have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by VSL required to carry on operations in the Special Steel undertaking shall stand vested in or transferred to VSSL without any further act or deed, and shall be appropriately mutated by the statutory authorities, concerned therewith in favour of VSSL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or factory licenses and other licenses, and consents shall vest in and become available to VSSL pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by VSL relating to the Special Steel undertaking, are concerned, the same shall vest with and be available to VSSL on the same terms and conditions.
- 4.4 All loan raised and used and all liabilities and obligations incurred by VSL / Transferor Company for the operation of the Special Steel Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of the Scheme, be deemed to have been raised, used or incurred for or on behalf of VSSL / Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to VSSL / Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- 4.5 The transfer and vesting of Special Steel undertaking as aforesaid shall be subject to the existing securities, mortgages, charges and other encumbrances or liens if any, subsisting over or in respect of the property and assets or any part thereof relating to Special Steel undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Special Steel undertaking.
- 4.6 It is clarified that unless otherwise determined by the Board of Directors of VSL and VSSL the following shall be the terms with respect to security or charge relating to existing loans or borrowings:
- 4.6.1 The security or charge relating to existing loans or borrowings of VSL pertaining to the Special Steel undertaking shall without any further act or deed continue to relate to the assets pertaining to the Special Steel undertaking also after the Effective Date. The security or charge in relation to any liabilities of the Special Steel Undertaking over the assets relating of Remaining Business of VSL, shall on the Effective Date, without any further act, instrument or deed be released from such encumbrances. The land relating to Special Steel undertaking shall transfer to VSSL and will continue as security for Special Steel undertaking. Further, in so far as the assets of the Special Steel

Undertaking are concerned, the security and charge over the assets, relating to any liabilities pertaining to the Remaining Business of VSL, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of Remaining Business of VSL. Without prejudice to the foregoing and with effect from the Effective Date, VSL and VSSL shall execute all such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.

- 4.7 VSL and VSSL, as the case may be, shall at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or novation other writings or arrangements with any party to any contract or arrangement in relation to the Special Steel undertaking to which VSL is a party in order to give formal effect to the above provisions. VSSL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of VSL and to carry out or perform all such formalities or compliances referred to above on part of VSSL.
- 4.8 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorisations, shall stand vested by the order of sanction of the Hon'ble High Court in VSSL, VSSL shall file the relevant intimations, for the record of the statutory authorities who shall take them on file to mutate them in the name of VSSL without any further act or deed, provided however that for statistical purpose if any application has to be lodged with details of VSSL, VSSL shall do so and relevant statutory/ competent authorities shall continue the benefit of such permissions, approvals, permits, etc. to be provided to VSSL pursuant to the sanction order in relation to this Scheme without any reconsideration.
- 4.9 All taxes of any nature, duties, cess or any other like payments or deductions made by VSL to any statutory authorities such as Income Tax, Sales tax, Service Tax, Value Added Tax etc. or any tax deduction/ collection at source, relating to the period after the Appointed Date and upto the Effective Date, in relation to the Special Steel undertaking, shall be deemed to have been on account of and on behalf of VSSL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to VSSL upon the passing of the order on this Scheme by the High Court or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.
- 4.10 VSL and VSSL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Special Steel undertaking of VSL as vested with VSSL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

5 CONSIDERATION

VSL will transfer its Special Steel undertaking to VSSL without consideration. VSSL is a wholly owned subsidiary of KSSPL. KSSPL is a wholly owned subsidiary of VSL. In terms of section 4 (1) (c) of the Act, VSSL is a wholly owned subsidiary of VSL. The Scheme is intended to transfer the Special Steel undertaking of VSL in a more efficient manner consistent with the diverse needs of business and does not involve any movement of assets or liabilities to any company outside the group controlled by VSL.

6 ACCOUNTING TREATMENT IN THE BOOKS OF VSSL

- 6.1 Upon the scheme being effective, VSSL shall record the assets and liabilities forming part of the Special Steel undertaking vested in it at their respective fair values.
- 6.2 The difference between the fair value of assets and fair value of liabilities of the Special Steel undertaking of VSL shall be adjusted to the General Reserve account / Goodwill account as the case may be.

7 ACCOUNTING TREATMENT IN THE BOOKS OF VSL

- 7.1 Upon the scheme being effective, VSL shall reduce from its books, the book value of assets and liabilities transferred as part of the Special Steel undertaking to VSSL, pursuant to the Scheme.
- 7.2 The difference between the book value of assets and book value of liabilities of the Special Steel undertaking of VSL shall be routed through Statement of Profit and Loss.

8 CONDUCT OF BUSINESS

- 8.1 With effect from the Appointed Date and upto and including the Effective Date:
 - 8.1.1 VSL shall be deemed to have been carrying on and shall carry on its business of Special Steel undertaking and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for VSSL. VSL undertakes to hold the said assets of its Special Steel undertaking with utmost prudence until the Effective Date.
 - 8.1.2 VSL shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of VSSL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof of Special Steel undertaking.
 - 8.1.3 All the profits or income accruing or arising to VSL for carrying on its business of Special Steel undertaking or expenditure or losses arising or incurred or suffered by VSL for carrying on its business of Special Steel undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of VSSL.
 - 8.1.4 VSL shall not vary the terms and conditions of employment of any of the employees of Special Steel undertaking except in the ordinary course of business or without the prior consent of VSSL or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.

8.1.5 VSL and VSSL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned, which may be required pursuant to this Scheme.

8.2 With effect from the date of acceptance of this Scheme by the Board of Directors of VSL and VSSL and up to and including the Effective Date, except in the ordinary course of business, VSL shall not without the prior written consent of the Board of Directors of VSSL or pursuant to any pre-existing obligation, sell, transfer, alienate, create Encumbrance or otherwise deal with or dispose of any business or part thereof of Special Steel undertaking.

9 REMAINING BUSINESS OF VSL

It is clarified that, the Remaining Business of VSL shall continue with VSL as follows:

9.1 The Remaining Business of VSL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by VSL.

9.2 All legal and other proceedings by or against VSL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of VSL (including those relating to any property, right, power, liability, obligation or duty, of VSL in respect of the Remaining Business of VSL) shall be continued and enforced by or against VSL.

10 TREATMENT OF EMPLOYEES

10.1 Upon the Scheme becoming Effective, all staff, workmen and employees of VSL pertaining to Special Steel undertaking, who are in service as on the Effective Date shall become staff, workmen and employees of VSSL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with VSSL shall not be less favorable than those applicable to them with reference to their employment with VSL on the Effective Date. VSSL agrees that the services of all such employees with VSL, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to VSL, shall be mutually decided by Board of Directors of VSL and VSSL or committee(s) thereof.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of VSL pertaining to Special Steel undertaking shall become Funds of VSSL, or shall be transferred to or merged with other similar funds of VSSL for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of VSL pertaining to Special Steel undertaking in relation to such Funds shall become those of VSSL. It is clarified that the services of the staff, workmen and employees will be treated as having been continuous for the purpose of the said Funds.

11 LEGAL PROCEEDINGS

11.1 If any suit, appeal or other proceeding of whatever nature by or against VSL pertaining to Special Steel undertaking is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against VSSL, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against VSL pertaining to Special Steel undertaking as if this Scheme had not been made.

11.2 After the Appointed Date, if any proceedings are taken against VSL in respect of the matters referred to in the Clause 11.1 above, VSL shall defend the same at the cost of VSSL and VSSL shall reimburse and indemnify VSL against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which it may be called upon to pay or secure in respect of any liability or obligation relating to Special Steel undertaking.

11.3 VSSL undertakes to have all legal or other proceedings initiated by or against VSL referred to in Clause 11.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against VSSL to the exclusion of VSL to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by VSSL, the proceedings shall be pursued by VSL for and on behalf of VSSL as per the instructions of and entirely at the cost and expenses of VSSL.

12 CONTRACTS, DEEDS AND OTHER ENTITLEMENTS, ETC.

12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements/understandings, whether written or otherwise, sales orders, purchase orders and other instruments, if any, of whatsoever nature pertaining to Special Steel undertaking of VSL, which is subsisting as on the Effective Date, shall be in full force and effect against or in favour of VSSL, and may be enforced by or against VSSL as fully and effectually as if, instead of Special Steel undertaking of VSL, VSSL had been a party thereto.

12.2 VSSL and / or VSL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. VSSL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Special Steel undertaking of VSL and to implement or carry out all formalities required on the part of VSL to give effect to the provisions of this Scheme.

13 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 4 above and the continuance of proceedings by or against VSL pertaining to Special Steel undertaking under Clause 11 above shall not affect any transaction or proceedings already concluded by VSL pertaining to Special Steel undertaking on and after the Appointed Date till the Effective Date, to the end and intent that VSSL accepts and adopts all acts, deeds and things done and executed by VSL pertaining to Special Steel undertaking in respect thereto as done and executed on behalf of VSSL.

PART III GENERAL TERMS AND CONDITIONS

14 APPLICATION TO HIGH COURT

- 14.1 VSL and VSSL as may be directed by the Hon'ble High Court of Judicature, Orissa, Cuttack shall make necessary application and petition under Sections 391 to 394 and other applicable provisions of the Act, for seeking approval of the Scheme.

15 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 15.1 VSL and VSSL by their respective Board of Directors ('the Board, which term shall include Committee thereof or such other person or persons as the respective Board of Directors may authorise), may assent to/make and/or consent to any modifications/amendments / conditions or limitations that the High Court of Judicature, Orissa, Cuttack and/or any other Authority under law may deem fit to direct or impose while sanctioning the Scheme, or which may otherwise be considered necessary, desirable or appropriate to solve all difficulties that may arise for carrying out the Scheme or as a result of subsequent events and do all acts, deeds and things necessary for putting the Scheme into effect.

16 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 16.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of VSL and VSSL as may be directed by the High Court of Judicature, Orissa, Cuttack.
- 16.2 The requisite consent, approval or permission of the Government Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 16.3 The Scheme being sanctioned by the High Court of Judicature, Orissa, Cuttack or any other authority under Sections 391 to 394 of the Act.
- 16.4 The certified copy of the Order of the High Court of Judicature, Orissa, Cuttack sanctioning the Scheme, being filed with the Registrar of Companies, Cuttack, Orissa, by VSL and VSSL.

17 EFFECT OF NON-RECEIPT OF APPROVALS

- 17.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid on or before 30 September, 2014 or within such further period or periods as may be agreed upon between VSL and VSSL by their respective Board of Directors (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18 EXPENSES CONNECTED WITH THE SCHEME

- 18.1 Save and except as provided elsewhere in the Scheme, all costs, charges, taxes including duties, levies and all other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by VSL.
- 18.2 In the event that this Scheme fails to take effect or the scheme is revoked in terms of Clause 17 of this Scheme then, VSL and VSSL shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

VISA STEEL LIMITED

VISA STEEL

CORPORATE OFFICE
VISA HOUSE,
8/10, ALIPORE ROAD
KOLKATA - 700 027
Tel : +91-33-3011 9000
Fax : +91-33-3011 9002
Website : www.visasteel.com

6 December 2013

To,
The Listing Department
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai 400 051

NSE Stock Symbol: VISASTEEL

Dear Sirs,

Ref: Complaints Report

Sub: Scheme of Arrangement between VISA Steel Limited ("VSL") and VISA Special Steel Limited ("VSSL") and their respective shareholders and creditors ('the Scheme')

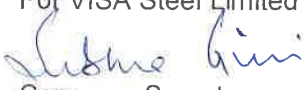
This is further to our letter dated 25 October 2013, in connection with the proposed Scheme of Arrangement between VISA Steel Limited ("VSL" or "the Transferor Company") and VISA Special Steel Limited ("VSSL" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") seeking in-principle approval under Section 24(f) of the Listing Agreement.

In accordance with the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013, we hereby confirm that as at close of 5 December 2013, neither the Company nor its Registrar & Share Transfer Agents had received any compliant either directly or through Stock Exchanges from any Shareholder in connection with the aforesaid Scheme. Please find enclosed the Compliant Report.

Accordingly, we hereby enclose "Nil" Complaints Report in the prescribed format.

This is for your information and record.

Thanking you,

Yours faithfully,
For VISA Steel Limited

Company Secretary



Encl.: As above

Date: 6 December 2013

Format for Complaints Report

1. Compliant Report from 25 October 2013 to 5 December 2013

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1.	NA	NA	NA

For VISA Steel Limited



Subhra Giri
Company Secretary



VISA STEEL LIMITED

VISA STEEL

CORPORATE OFFICE
VISA HOUSE
9/10, ALIPORE ROAD
KOLKATA - 700 027
Tel +91-33-3011 9000
Fax +91-33-3011 9002
Website www.visasteel.com

6 December 2013

To,
Listing Department
BSE Limited
25th Floor P J Towers
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 532721

Dear Sirs,

Ref: **Complaints Report**

Sub: **Scheme of Arrangement between VISA Steel Limited ("VSL") and VISA Special Steel Limited ("VSSL") and their respective shareholders and creditors ('the Scheme')**

This is further to our letter dated 25 October 2013, in connection with the proposed Scheme of Arrangement between VISA Steel Limited ("VSL" or "the Transferor Company") and VISA Special Steel Limited ("VSSL" or "the Transferee Company") and their respective shareholders and creditors ("the Scheme") seeking in-principle approval under Section 24(f) of the Listing Agreement.

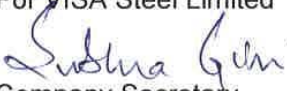
In accordance with the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013, we hereby confirm that as at close of 5 December 2013, neither the Company nor its Registrar & Share Transfer Agents had received any compliant either directly or through Stock Exchanges from any Shareholder in connection with the aforesaid Scheme. Please find enclosed the Compliant Report.

Accordingly, we hereby enclose "Nil" Complaints Report in the prescribed format.

This is for your information and record.

Thanking you,

Yours faithfully,
For VISA Steel Limited


Company Secretary



Encl.: As above

Date: 6 December 2013

Format for Complaints Report

1. Compliant Report from 29 October 2013 to 5 December 2013

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1.	NA	NA	NA

For VISA Steel Limited


Subhra Giri
Company Secretary





**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**

NIFTY 50
Stock of the nation

Ref: NSE/LIST/228790-R

January 28, 2014

The Company Secretary
Visa Steel Limited
11, Ekamra Kanan,
Nayapalli, Bhubaneswar
Orissa - 751015

Kind Attn.: Ms. Subhra Giri

Madam,

Sub.: Observation letter for draft Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 between Visa Steel Limited and Visa Special Steel Limited and their respective shareholders and creditors.

We are in receipt of the draft Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 between Visa Steel Limited and Visa Special Steel Limited and their respective shareholders and creditors.

We have perused the draft Scheme of Arrangement and the related documents /details submitted by Visa Steel Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated January 28, 2014, has given following comments on the draft scheme of arrangement:

"The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of the "Observation Letter" shall be six months from January 28, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;



Ref: NSE/LIST/228790-R

January 28, 2014

- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel

Kamlesh Patel
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

DCS/AMAL/NJ/24(f)/368/2013-14

January 29, 2014

The Company Secretary
Visa Steel Limited.
11, Ekamra Kanan,
Nayapalli,
Bhubaneswar ,
Orissa ,751015.

Dear Sir/Madam,

Sub: **Observation letter regarding the Scheme of Arrangement/ Amalgamation between Visa Steel Limited (VSL) and Visa Special Steel Limited (VSSL) and their respective shareholders.**

We are in receipt of draft Scheme of Arrangement/ Amalgamation involving de-merger of Special Steel undertaking of VSL to its Wholly owned subsidiary VSSL .

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated January 28, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***The company shall duly comply with various provisions of the aforesaid SEBI circular.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Jayesh Ashtekar
Manager


Bhuvana Sriram
DeputyManager

STRICTLY PRIVATE & CONFIDENTIAL

October 17, 2013

<p>To, The Board of Directors VISA Steel Limited 8/10 Alipore Road, Kolkata, West Bengal 700 027</p>	<p>To, The Board of Directors VISA Special Steel Limited VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015</p>
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Sub: Fairness Opinion in connection with the proposed transfer of Special Steel undertaking of VISA Steel Limited (**VSL**) into VISA Special Steel Limited (**VSSL**) under a Scheme of Arrangement between VSL and VSSL and their respective shareholders and creditors u/s 391 to 394 of the Companies Act 1956. ("**Scheme**")

Dear Sir(s),

We refer to our engagement letter dated 24 September, 2013 wherein VISA Steel Limited ('VSL') has requested Dalmia Securities Private Limited ('us/DSPL') to provide a fairness opinion in terms of clause 24(h) of the listing agreement on the proposed Scheme of arrangement which provide the transfer of Special Steel undertaking of VSL into VSSL on a going concern basis in terms of provisions of section 391 to 394 of the Companies Act 1956 (the Act) and other applicable provisions of the Act , and /or rules/regulation made there under.



EMPOWERING INVESTORS
A SEBI Initiative

Khetan Bhavan Room No.17 2nd Floor 198 Jamshedji Tata Road Mumbai 400020 P 91 22 3027 2810-13 F 91 22 3027 2820 www.dalmiasec.com

SEBI Regn Nos NSE INB230645339 F&O INF230645339 Code 06453 • BSE INB010684638 F&O INF010684638 Code 530

NSDL IN300222 • CDSL I4500 • ARN 0284

1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

- 1.1 VSL is a public limited company incorporated under the provisions of the Companies Act, 1956 on 10 September, 1996, having its registered office at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015. VSL is engaged in the business of manufacturing of Special Steel and Ferro Chrome. Shares of VSL are listed on the BSE Limited and National Stock Exchange of India Limited.
- 1.2 VSSL is a Public Limited Company incorporated under the provisions of the Companies Act, 1956 on 27 July 2012, having its registered office at VISA House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015. VSSL is a wholly owned subsidiary of Kalinganagar Special Steel Private Limited ("KSSPL"). KSSPL is a wholly owned subsidiary of VSL and hence under Section 4 (1)(c) of the Act, VSSL is a wholly owned subsidiary of VSL.
- 1.3 We have been informed that it is proposed to transfer the Special Steel undertaking of VSL to VSSL on a going concern basis with effect from 1 April 2013 (hereinafter referred to as '**Appointed Date**') pursuant to the Scheme under section 391-394 of the Act. The Scheme would need approval from the jurisdictional High Courts and other regulatory authorities, etc as applicable.
- 1.4 We have been informed that Scheme has been approved by the Board of Directors of VSL and VSSL at their respective meetings held on 12 August 2013.
- 1.5 Upon perusal of the draft Scheme, we understand that VSL will transfer its Special Steel undertaking to VSSL without consideration. VSSL is a wholly owned subsidiary of KSSPL. KSSPL is a wholly owned subsidiary of VSL. In terms of section 4 (1) (c) of the Act, VSSL is a wholly owned subsidiary of VSL.
- 1.6 In this regard, M/s. Rajesh Choudhary & Associates were appointed by VSL to independently furnish the book value of asset and liabilities of its Special Steel undertaking in connection with the proposed transfer of Special Steel undertaking of VSL to VSSL under the Scheme.



2. SCOPE OF ENGAGEMENT

2.1 VSL has appointed us, to provide a fairness opinion in terms of clause 24(h) of the listing agreement in connection with the proposed transfer of Special Steel undertaking of VSL to VSSL, as per the requirement of SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013, and CIR/CFD/DIL/8/2013 dated 21 May 2013

3. SOURCES OF INFORMATION

3.1 For the purpose of this exercise, we have relied upon the following documents:

- Draft Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, with regard to the proposed transfer.
- Details of assets and liabilities pertaining to Special Steel undertaking as certified by the management of VSL as on 31 March 2013
- Copy of Memorandum and Article of Association of VSL and VSSL
- Certificate dated 20 September, 2013 for statement of assets and liabilities as on 31 March, 2013 of the Special Steel undertaking proposed to be transferred by VSL to VSSL, furnished by M/s Rajesh Choudhary & Associates.
- Such other information and explanations, whether verbal or otherwise made, as we have required and which have been provided by the management of the companies and by M/s Rajesh Choudhary & Associates.



4. KEY FACTS FROM THE SCHEME

- 4.1 Based on information provided by the management of the entities forming part of the arrangement and after analyzing the Scheme, we understand that VSL will transfer its Special Steel undertaking to VSSL without consideration. The Scheme is intended to transfer the Special Steel undertaking of VSL with a view to evolve a structure for more effective concentration and focused attention in the business of special steel and does not involve any movement of assets or liabilities to any company outside the group controlled by VSL. There is also no change in the promoter and public shareholding pattern of VSL.
- 4.2 Upon the Scheme being effective, VSSL shall record the assets and liabilities forming part of the Special Steel undertaking vested in it at their respective fair values. The difference between the fair value of assets and fair value of liabilities of the Special Steel undertaking of VSL shall be adjusted to the General Reserve account / Goodwill account as the case may be.

5. EXCLUSIONS AND LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter.

- 5.1 The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 5.2 In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever



for any errors in the above information furnished by the companies and their impact on the present exercise.

- 5.3 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 5.4 Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 5.5 We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of VSL will trade following the announcement of the proposed Scheme or as to the financial performance of VSL following the consummation of the proposed Scheme.
- 5.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 5.7 No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.

Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the



companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed merger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

- 5.8 This report has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.

6. OPINION & CONCLUSION

With reference to above and based on information provided by the management of the entities forming part of the arrangement and after analyzing the Scheme of arrangement, we understand that the present Scheme has been intended to transfer the Special Steel undertaking of VSL with a view to evolve a structure for more effective concentration and focused attention in the business of special steel. The Scheme on an overall basis is serving the purpose of transfer of the Special Steel Undertaking of VSL is carried into its wholly owned subsidiary. In the above cases valuation is not undertaken as these are occurring within the Holding Company and wholly owned subsidiary and it does not involve any movement of assets or liabilities outside the group. There is also no change in the promoter and public shareholding pattern of the public listed Company i.e., VSL.



In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that, in our opinion the proposed transfer of Special Steel undertaking of VSL into VSSL under the Scheme of arrangement without any consideration is fair and reasonable.

Thanking you,

Yours faithfully,

For Dalmia Securities Private Limited



S Jeyakumar

COO-Head Investment Banking

Place: Mumbai

SEBI Registration no. INM 000011476

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**IN THE HIGH COURT OF JUDICATURE OF ORISSA AT CUTTACK
ORIGINAL JURISDICTION
COPET NO. 17 OF 2014**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

between

VISA Steel Limited ("VSL" or "the Transferor Company")

and

VISA Special Steel Limited ("VSSL" or "the Transferee Company")

and

their respective Shareholders and Creditors

VISA STEEL LIMITED, a company incorporated under)
the provisions of the Companies Act, 1956 and having its)
registered office at 11 Ekamra Kanan, Nayapalli,)
Bhubaneswar – 751015, Odisha, India.)Applicant Company

Form of Proxy

I/ We, the undersigned, being the Equity Shareholder of VISA Steel Limited, the Applicant Company do hereby appoint Mr./Ms. _____ of _____ and failing him/her Mr./Ms. _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha on Tuesday, 10th June 2014 at 12.30 p.m., for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between VISA Steel Limited and VISA Special Steel Limited and their respective shareholders and creditors at such meeting, and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (here, if for insert 'FOR', if against insert 'AGAINST' and in the later case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modification(s)*, as my/our proxy may approve.

*Strike out what is not necessary

Name	:		<div style="border: 1px solid black; padding: 10px; width: 80px; margin: 0 auto;">Affix Revenue Stamp of Re. 1/-</div>
	:		
DP ID No. / Client ID	:		
No. / Folio No.	:		
No. of Shares held	:		
Address	:		
	:		Signature across the stamp
	:		
	:		

Signature of Proxy Holder _____

Notes:

- (1) Alterations, if any, made in the Form of Proxy should be initialed.
- (2) Proxy must be deposited at the Registered Office of the Applicant Company at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha at least 48 hours before the time for holding the Court Convened meeting.
- (3) The proxy need not be a member of VISA Steel Limited.
- (4) In case of multiple proxies, the Proxy later in time shall be accepted.

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Attendance Slip

VISA STEEL

VISA Steel Limited

CIN: L51109OR1996PLC004601

Regd. Office: 11 Ekamra Kanan, Nayapalli, Bhubaneswar - 751 015, Odisha, India

Website: www.visasteel.com; Email Id: investors@visasteel.com

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON TUESDAY, 10TH JUNE, 2014 AT 12.30 P.M.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING AUDITORIUM

I/We _____ hereby record my/our presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 29th day of April, 2014 of the Hon'ble High Court of Judicature of Orissa at Cuttack at 11 Ekamra Kanan, Nayapalli, Bhubaneswar 751 015, Odisha on Tuesday, 10th day of June, 2014 at 12.30 p.m.

Name and Complete Address of the Equity Shareholder(s)	:	
DP ID No. / Client ID No. / Folio No.	:	
No. of Shares held	:	
Signature	:	

Name of the Proxy Holder / Authorised Representative: _____

Address of the Proxy Holder / Authorised Representative	:	
Signature	:	

Notes:

1. Equity Shareholder/ Proxy holder wishing to attend Meeting must bring the Attendance Slip to the Meeting when he/she comes to the meeting and hand over it over at the gate after fixing his/ her signature on it.
2. Equity Shareholder/ Proxy holder desiring to attend the Meeting should bring his / her copy of the Notice for reference at the Meeting.
3. Joint shareholders may obtain additional Attendance Slip at the venue of the Meeting.

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