



**34th  
ANNUAL REPORT  
2006-2007**

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**VIDARBHA IRON & STEEL  
CORPORATION LIMITED**

## VIDARBHA IRON & STEEL CORPN. LTD.

### Board of Directors:

M.D.SARAF Managing Director

MANOJ SARAF

VINOD SARAF

ROHIT SARAF

ASHIM SARAF

R.V.DALVI

MAHESH SARAF

### Auditors:

SALVE AND COMPANY

### Solicitors:

BHAISHANKER KANGA AND GIRDHARLAL

### Bankers:

BANK OF INDIA

### Share Department:

PLOT NO. 46-A & B, MIDC INDUSTRIAL ESTATE,  
NAGPUR - 440028

### Registered Office & Steel Works :

PLOT NO. 46-A & B, MIDC INDUSTRIAL ESTATE,  
NAGPUR - 440028

## VIDARBHA IRON &amp; STEEL CORPN. LTD.

**Notice**

Notice is hereby given that the 34th Annual General Meeting of members of Vidarbha Iron & Steel Corporation Limited will be held at the Registered Office of the Company at 46 A & B, MIDC Industrial Estate, Nagpur 440028 on Tuesday, 25th September, 2007 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Mahesh Saraf, who retires from office by rotation and being eligible offers himself for re-appointment.
3. To appoint retiring Auditors M/s. Salve & Co., Chartered Accountants, Nagpur who are eligible for re-appointment as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:****4. Appointment of Shri Manoj Saraf as Director**

"To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution"  
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Manoj Saraf, who was appointed by the Board of directors as an Additional director of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**5. Appointment of Shri Vinod Saraf as Director**

"To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution"  
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Vinod Saraf, who was appointed by the Board of directors as an Additional director of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**6. Appointment of Shri Rohit Saraf as Director**

"To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution"  
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Rohit Saraf, who was appointed by the Board of directors as an Additional director of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**7. Appointment of Shri Ashim Saraf as Director**

"To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution"  
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Ashim Saraf, who was appointed by the Board of directors as an Additional director of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

## VIDARBHA IRON & STEEL CORPN. LTD.

### 8. To appoint Practicing Company Secretary for issue of Compliance Certificate and to fix the remuneration.

Registered Office:  
46-A&B, MIDC Industrial Estate  
Nagpur - 440 028  
Date : 25<sup>th</sup> August, 2007

BY ORDER OF THE BOARD OF DIRECTORS

**M. D. SARAF**  
MANAGING DIRECTOR

### NOTES

1. The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of Item No. 4 to 8 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September to 25<sup>th</sup> September, 2007 (both days inclusive).
4. All requests received from Members for change of address will be entertained only when shareholders' signatures on the letter intimating change of address tally with the specimen signatures recorded with the Company. While notifying change in address please ensure that the address is complete and the pin code number is clearly mentioned. Incorrect / incomplete address may lead to non-delivery of documents / communications sent to you from the Company.
5. Members are requested to quote Folio Numbers in all correspondence. Members holding shares in identical order of names in more than one folio are requested to write to Company to consolidate their holding in one folio.
6. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (Ten) days in advance of the Annual General Meeting.

### EXPLANATORY STATEMENT:

#### Item No. 4, 5, 6, & 7

The Board of Directors, at its meeting held on 31st October, 2006 appointed Shri Manoj Saraf, Shri Vinod Saraf, Shri Rohit Saraf and Shri Ashim Saraf as additional directors of the company w.e.f 31st October, 2006. The said appointments were in pursuance of provisions of Section 260 of the Companies Act, 1956 and accordingly, the said directors hold office only up to the date of forthcoming Annual General Meeting. The company has received notice in writing along with the necessary amount as deposit from members proposing candidature of all of the aforesaid directors in accordance with requirements of section 257 of the Companies Act, 1956.

Shri Manoj Saraf, Shri Vinod Saraf, Shri Rohit Saraf and Shri Ashim Saraf may be deemed to be concerned or interested in the resolution relating to their respective appointments. No other directors shall be deemed to be concerned or interested in the resolutions at item nos. 4, 5, 6 & 7 of the accompanying Notice.

#### Item No. 8

The Companies (Amendment) Act, 2000 has inserted a proviso to sub-section (1) of section 383A of the Companies Act, 1956 which provide that every company not required to employ a whole time company secretary under section 383A(1) and having a paid-up capital of Rs. 10 lacs and more shall file with the Registrar a Certificate from a secretary in whole time practice. In order to obtain such certificate it is necessary to appoint a company secretary in whole time practice.

No Director is in any way concerned or interested in the Resolution at item No. 8 of the Notice.

Registered Office:  
46-A&B, MIDC Industrial Estate  
Nagpur - 440 028  
Date : 25<sup>th</sup> August, 2007

BY ORDER OF THE BOARD OF DIRECTORS

**M. D. SARAF**  
MANAGING DIRECTOR

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**DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors are pleased to present the Annual Report together with the Audited Statement of Accounts of the Company for the period ended 31st March, 2007.

**1. FINANCIAL RESULTS:**

	Year ended 31 <sup>st</sup> March, 2007 (Rupees)	Year ended 31 <sup>st</sup> March, 2006 (Rupees)
Leave and License Money	21,00,000	21,00,000
Other Income	25,30,831	22,56,288
Profit before depreciation, interest and tax	1,85,53,068	38,54,164
Less : depreciation	17,70,516	26,39,652
Profit before interest and tax	1,67,82,552	12,14,512
Less: Interest	1,36,212	11,43,640
Profit before tax	1,66,46,340	70,872
Less : Provision for Fringe Benefit Tax	96,204	51,000
Profit after tax	1,65,50,136	19,872
Add : Loss brought forward from last year	(7,75,59,146)	(7,77,38,029)
Balance carried forward	(6,10,09,010)	(7,77,18,157)

**2. Performance:**

The Company has stable income from leasing. During the year the company has a profit after tax of Rs. 1,65,50,136/-. After adjusting the brought forward losses the losses carried forward to the next year comes to 6.10 crores

**3. Dividend:**

The company has not declared any dividend during the year.

**4. Fixed Deposits:**

The Company has not accepted any Fixed Deposits within the meaning of Section 58 A of the Companies Act, 1956 and the rules made there under during the period under review.

**5. Directors:**

Shri Manoj Saraf, Shri Vinod Saraf, Shri Rohit Saraf and Shri Ashim Saraf were appointed as Additional Directors w.e.f. 31.10.2006. A notice has been received by the Company under section 257 of the Companies Act, 1956 proposing the name of all of them as directors of the Company. Accordingly, resolutions for their appointment as director have been included in the notice of the forthcoming Annual General Meeting.

Shri Mahesh Saraf, Director of the Company retires by rotation and being eligible, offers himself for re-election.

Shri S.C. Bhandari, Director ceased to be director of the company w.e.f. 28.07.2007.

**6. Directors' Responsibility Statement:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state as under:-

- that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation;
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit of the Company for that period;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

**VIDARBHA IRON & STEEL CORPN. LTD.**

iv) that the directors have prepared the Annual Accounts on a going concern basis.

**7. Auditor:**

Members are requested to appoint Auditors and to fix their remuneration. M/s. Salve and Company, Chartered Accountants, Auditor of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. Salve and Company, Chartered Accountant to the effect that their appointment as auditor, if made, would be within the limits u/s 224 (1-B) of the Companies Act, 1956.

**8. Auditor's Report:**

With reference to the comments made by the Auditor in their report, the Directors wish to state that the relevant notes forming part of the Company's accounts are self-explanatory and hence do not require any further explanation.

**9. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not applicable to the company.

**10. Compliance Certificate:**

In accordance with the requirements of Section 383A of the Companies Act, 1956, Certificate from Practicing Company Secretary certifying regarding compliance with the legal requirements, in respect of the Company for the year ended 31st March, 2007, is enclosed and marked as Annexure- 1

**11. Particulars of Employees:**

During the year under review there were no employees receiving remuneration of or in excess of limits prescribed as per the provisions of Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975.

**12. Acknowledgements:**

Your Directors express their thanks and record appreciation for the co-operation they received from various Government authorities, financial institutions, bankers, suppliers and customers of the company. The Directors also wish to place on record their sincere appreciation for the devoted services rendered by the employees at all levels of the Company and look forward to their continued co-operation.

On Behalf of Board of Directors,

Place : Nagpur  
Date : 25th August, 2007

M.D.SARAF  
MANAGING DIRECTOR

R.V.DALVI  
DIRECTOR

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## COMPLIANCE CERTIFICATE

To,  
**The Members,**  
 Vidarbha Iron and Steel Corporation Limited,  
 Plot No. 46 (A & B) MIDC Industrial Estate,  
 Nagpur

I have examined the registers, records, books and papers of Vidarbha Iron and Steel Corporation Limited, (Company No. U27100MH1972PLC016134) as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2007. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rule made thereunder and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met five times respectively on 29th April 2006, 24th July 2006, 30th August 2006, 31st October 2006 and 24th January 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has not closed/was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2006 was held on 30th September, 2006 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its director or persons of firms or companies referred to under to section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no appointment of any Director or Relative of Director, in any place of profit in the Company during the year, section 314 is not applicable.
12. The company has not issued any duplicate certificates during the financial year.
13. The company has:
  - i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - iv) not transferred the amounts in unpaid dividends account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such funds.
  - v) generally complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted and the appointment of directors, additional directors and alternate directors to fill casual vacancies have been duly made.
15. The company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights share and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2007.
25. The company has made advance of Rs. 25,00,000/- for purchase of immovable property and consequently entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to