



**36th
ANNUAL REPORT
2008-2009**

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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 & STEEL CORPN. LTD.**NOTICE TO MEMBERS**

Notice is hereby given that the 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, Hingna Road, Nagpur 440028 on Friday the 25th September, 2009 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, 2009 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 reappoint a Director in the place of Shri Manoj Saraf, who retires from office by rotation and being eligible offers himself for re-appointment.
3. To reappoint a Director in the place of Shri Vinod Saraf, who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint auditor and authorise the Board of Directors to fix his remuneration.

SPECIAL BUSINESS :

5. To appoint Practicing Company Secretary for issue of Compliance Certificate and to fix their remuneration.
6. Approval of Leave & Licence Agreement with FACOR Steels Limited:

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution
 "RESOLVED THAT subject to approval of the shareholders in the ensuing Annual General Meeting consent of the company be and is hereby accorded in terms of Sec 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 to the Board of Directors of the Company to continue with the leave & licence agreement with FACOR Steels Ltd; the whole of the undertaking of the company comprising of MINI Steel Plant situated at 46 A&B, MIDC, Industrial Estate, Nagpur-440028 for a period of 5 years on the terms and conditions mentioned in the Agreement placed before the meeting on a monthly compensation of Rs. 1.75 lacs w.e.f 01.01.2010.

RESOLVED FURTHER that the Board be and is hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolution".

FURTHER RESOLVED that the Shri.R.V.Dalvi, Director of the company be and is hereby authorised to sign, execute necessary documents in connection with execution of leave & licence agreement between VISCO & FACOR Steels Ltd.

BY ORDER OF THE BOARD OF DIRECTOR

Dated: 22nd August, 2009.

Place : Nagpur

M. D. Saraf
 Managing Director

Notes:

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2009 to 25th September, 2009 (both days inclusive).
3. 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.

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4. 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.
5. 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:

In terms of Section 173(2) of the Companies Act, 1956 the Explanatory Statement sets out all material facts relating to Item No. 5 and 6 of the Notice

Item No. 5

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. 5 of the Notice.

Item No. 6

The company has entered into a Leave & Licence Agreement with FACOR Steels Limited for a period of 5 years on the terms and conditions mentioned in the Agreement placed before the meeting on a monthly compensation of Rs. 1.75 lacs which is getting expired on 31st December, 2009. For renewal of this agreement the consent of the shareholders is sought. And hence the above resolution

Shri M.D. Saraf, Shri Vinod Saraf and Shri R.V. Dalvi directors are interested in the above resolution.

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BY ORDER OF THE BOARD OF DIRECTORS

Dated: 22nd August, 2009

Place : Nagpur

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, 2009.

1. FINANCIAL RESULTS:

	Year ended 31 st March, 2009 (Rupees)	Year ended 31 st March, 2008 (Rupees)
Sales and other Income	29,26,207	87,54,967
Profit before Depreciation, Interest and Tax	17,41,561	82,85,164
Less: Depreciation	960399	12,13,167
Profit before Interest & Tax	7,81,162	70,71,997
Less: Interest	20,558	1,28,207
Profit before tax	7,60,604	69,43,790
Less: Provision for Fringe Benefit Tax	70,679	70,828
Add: Deferred tax	86,096	43,374
Profit after tax	7,76,021	69,16,336
Deferred tax on initial adoption	0	0
Excess tax provision written back	0	0
Brought forward balance of previous year	(5,40,82,001)	(6,09,98,337)
Balance carried to Balance-sheet	(5,33,05,980)	(5,40,82,001)
Earning per share	0.69	6.87

2. PERFORMANCE:

The Company has stable income from leasing. During the Year the company has Profit after tax of Rs. 7,76,021/- After adjusting the brought forward losses, the losses carried forward to the next year comes to Rs.5,33,05,980/-

3. DIVIDEND :

Due to brought forward losses of the Company, your Directors are unable to declare 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 thereunder during the period under review.

5. DIRECTORS :

Shri Manoj Saraf, Shri Vinod Saraf Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment.

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

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with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

7. AUDITOR:

Salve & Co., Chartered Accountant, auditor of the Company holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from Salve & Co., Chartered Accountant to the effect that the 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 his 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, 2009, 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 : 22nd August, 2009

M.D.SARAF	R.V.DALVI
MANAGING DIRECTOR	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 & 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 2009. 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 30th April 2008, 05th July 2008, 26th July 2008, 25th October 2008 and 27th January 2009 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 closed its Register of Members, from 23rd August 2008 to 29th August 2008 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 29th August, 2008 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) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) was 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 dividend 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. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
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, 2009.
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