

**FORTY SECOND
ANNUAL REPORT
2014-2015**



VIDARBHA IRON & STEEL CORPORATION LIMITED

Board of Directors:

ANURAG SARAF

Managing Director

M.D. Saraf

Manoj Saraf

Vinod Saraf

Rohit Saraf

Ashim Saraf

Mahesh Saraf

Champaka Rangachari

(w.e.f. 30.03.2015)

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

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NOTICE TO MEMBERS

Notice is hereby given that the 42nd 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 Wednesday the 30th September, 2015 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, 2015 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 re-appoint a Director in the place of Shri Ashim Saraf (DIN: 00009581), who retires from office by rotation and being eligible offers himself for re-appointment.
3. To re-appoint a Director in the place of Shri Mahesh Saraf (DIN: 01510987), who retires from office by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments therefore for the time being in force), appointment of M/s Salve And Company, Chartered Accountants, (Regn. No. 109003W), as Statutory Auditors of the Company which was approved by the shareholders for a period of 3 years from the conclusion of the 41st Annual General Meeting held on 29th September, 2014 be and is hereby ratified at this 42nd Annual General Meeting of the Company and they are, therefore, to continue to hold office from the conclusion of this Annual General Meeting till the conclusion of the 44th Annual General Meeting of the Company at such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as shall be fixed by the Board of Directors of the Company. The appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 44th Annual General Meeting."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Champaka Rangachari (DIN No. 00701676), a non-executive Independent Woman Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and was appointed as an Additional Director w. e. f. 30th March, 2015 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company, to hold office for 5 (five) consecutive years with effect from 30th March, 2015 up to 29th March, 2020."

BY ORDER OF THE BOARD OF DIRECTORS

Place : Nagpur
Dated : 13th August, 2015

ANURAG 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 Saturday 26th September, 2015 to Wednesday 30th September, 2015 (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.

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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mrs. Champaka Rangachari joined the Board of Directors of the Company on 30th March, 2015. Mrs. Champaka Rangachari, aged 82 years is a retired Professor. She has done her PhD in Zoology from Delhi University and has published a number of papers in National and International journals on Zoology. She is associated with various management organizations and has conducted various seminars on

leadership, motivation and communication. She has rich experience in Corporate advertising work and she started Admas Advertising in 1976 and was its CMD till 2010.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Champaka Rangachari has given declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mrs. Champaka Rangachari as Independent Director was placed before the Nomination and Remuneration Committee, which commends her appointment as an Independent Director from 30th March, 2015 to 29th March, 2020.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mrs. Champaka Rangachari are interested or concerned in the Resolution concerning her appointment proposed in Item No. 5 of the Notice.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Nagpur
Dated : 13th August, 2015

ANURAG SARAF
Managing Director

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st of March, 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder:

Particulars	31/03/2015 (Rupees in)	31/03/2014 (Rupees in)
Sales And Other Income	24,55,080	24,36,646
Profit/Loss before depreciation and amortization	8,87,823	7,81,861
Depreciation and amortization for the year	4,21,524	4,38,448
Net Profit/Loss after depreciation and amortization	4,66,299	343,413
Exceptional Items	0	0
Profit before extraordinary items and tax	4,66,299	3,43,413
Extraordinary Items	0	0
Profit before tax	4,66,299	3,43,413
Current tax expense	1,99,917	1,72,510
Deferred tax expense	(58,622)	(69,714)
Profit/Loss for the period from continuing operations	0	0
Profit/Loss from discontinuing operations	0	0
Tax expense of discontinuing operations	0	0
Profit/Loss from discontinuing operations (after tax)	0	0
Profit/Loss transferred/adjusted to General Reserve	3,25,004	2,40,617
Basic earnings per equity share	0.33	0.24
Diluted earnings per equity share	0.33	0.24

2. DIVIDEND

In order to conserve the resources, the Board of Directors has not recommended any dividend for the year under review.

3. PERFORMANCE OF THE COMPANY:

During the year under review, your Company's Gross Revenue is 24,55,080 (Previous Year: 24,36,646). Gross profit before interest, depreciation and tax amounted to 9,45,777 (Previous Year: 7,90,318). The net profit stood at 3,25,004 (Previous Year: 2,40,617).

4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

5. CONSERVATION OF ENERGY, TECHNOLOGY OBSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the company.

6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions is not applicable.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 are furnished in **Annexure 1** and is attached to this report.

10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

The practicing company secretary qualifies their Secretarial Audit report and same is attached herewith.

11. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company does not have any policy.

12. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure 2** and attached to this Report

13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 4 Board meetings dated 30th May, 2014, 12th August, 2014, 14th November, 2014 and 9th February, 2015 during the financial year under review.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

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

- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any Subsidiary, Joint Venture or Associate Company.

16. DEPOSITS

During the year company has not accepted/renewed any deposits during the year under review.

17. DIRECTORS

Mr. Ashim Saraf and Mr. Mahesh Saraf retire in the ensuing Annual General Meeting and being eligible offer themselves for re-election.

18. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the

Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

19. STATUTORY AUDITORS

Salve & Co. have been appointed as Statutory Auditors for a period of 3 years in the Annual General Meeting held on 29/09/2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

20. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

Audit Committee was not constituted by the Company during the year.

The Company has not established vigil mechanism.

21. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any shares during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity shares during the year under review.

c. BONUS SHARES

The Company has not issued any bonus shares during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option scheme to the employees.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANURAG SARAF
Managing Director

M.D. SARAF
Director

Place: Nagpur

Date : 13th August 2015

ANNEXURE-1

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013.

Details of material contracts or arrangement or transactions at arm's length basis: The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2015 are as follows:

Name of related party	Nature of relationship	Amount
Nature of Contract: Leasing of Property 1. Facor Steels Limited	Associate Company	21,00,000

ANNEXURE 2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
of VIDARBHA IRON AND STEEL CORPORATION LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN	L27100MH1972PLC016134
2. Registration Date	22/11/1972
3. Name of the Company	VIDARBHA IRON AND STEEL CORPORATION LIMITED
4. Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
5. Address of the Registered office and contact details	46 A & B M I D C Indusatrial Estate, Nagpur Maharashtra 440028
6. Whether listed company	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Appointed.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to toal turnover of the company
1	Leasing of Property	649	85.54

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
			NIL		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	4650	4650	0.47	0	4650	4650	0.47	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	00	0
d) Bodies Corp.	0	245363	245363	24.54	0	245363	245363	24.54	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other(Directors of Promoter Companies)	0	56300	56300	5.63	0	56300	56300	5.63	0
Sub Total (A) (1) :-	0	306313	306313	30.63	0	306313	306313	30.63	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter (A) = (A)(1) + (A)(2)	0	306313	306313	30.63	0	306313	306313	30.63	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	3275	3275	0.33	0	3275	3275	0.33	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B) (1) :-	0	3275	3275	0.33	0	3275	3275	0.33	0
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	0	97750	97750	9.78	0	97750	97750	9.78	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholder- sholding nominal share capital upto Rs. 1 lakh	0	592487	592487	59.25	0	592487	592487	59.25	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (Non Resident Indians)	0	175	175	0.02	0	0	0	0	0
Sub Total (B) (2) :-	0	690412	690412	69.04	0	690412	690412	69.04	0
Total Public Shareholding (B) = (B)(1) + (B)(2) :-	0	693687	693687	69.37	0	693687	693687	69.37	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	0	1000000	1000000	100	0	1000000	1000000	100	0