

Victory Iron Works Limited

Annual Report

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Accounts

2004 - 2005

P-26, Benaras Road, Howrah

VICTORY IRON WORKS LTD.

(Registered under the Companies Act, 1913
on 25th October, 1949)

Board of Directors :

SATISH KUMAR JHUNJHUNWALA
SURESH AGARWAL
PARTHA SARATHI CHAKRABORTY

Registered Office :

P-26, BENARAS RAOD, SALKIA
HOWRAH -711 106

Bankers :

CANARA BANK
25, PRINCEP STREET
KOLKATA-700 072

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THE SOUTH INDIAN BANK LIMITED
36, GANESH CHANDRA AVENUE
KOLKATA MAIN BRANCH
KOLKATA - 700 013

Auditors :

A. M. PAUL & COMPANY, KOLKATA.

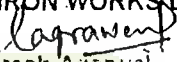
VICTORY IRON WORKS LIMITED

NOTICE

Notice is hereby given that Annual General Meeting of Shareholders of **VICTORY IRON WORKS LIMITED** will be held at the Registered Office of the Company, P-26, Benaras Road, Salkia, Howrah - 711 106 on Friday, the 29th. July 2005 at 1 P.M. to transact the following business :-

- 1 To consider and adopt the Audited Accounts for the year ended 31st. March 2005 and Balance Sheet of the Company as on date together with report of the Directors and the Auditors.
- 2 To appoint Director in place of Shri Suresh Agarwal who retires by rotation and being eligible offer himself for re-election.
- 3 To appoint Auditors and fix their remuneration.
- 4 To transact any other business that may be brought forward before the meeting.

Registered Office :
P-26, Benaras Road
Salkia, Howrah - 711 106
Dated : 5th. July 2005

By order of the Board
For **VICTORY IRON WORKS LIMITED**

Suresh Agarwal
Director

Note : (1) A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote himself and proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.

(2) The Register of Memembers and Share Transfer Register of the Company will remain closed from 20th. July 2005 to 29th. July 2005 (both days inclusive).

DIRECTORS' REPORT

To
The Shareholders :

Your Directors have pleasure in presenting the Annual Report together with Audited Statements of Accounts for the year ended 31st March 2005 alongwith Auditors Report thereon.

FINANCIAL RESULTS

		CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
Profit/Loss before Depreciation	(-)	2551484	(-) 5739582
Less : Depreciation		<u>1886829</u>	<u>2434128</u>
Net Profit/Loss before Taxation	(-)	4438313	(-) 8173710
Less : Provision for Taxation		<u> </u>	<u> </u>
Net Profit/Loss after Taxation	(-)	4438313	(-) 8173710
Add : Profit b/d from last year	(-)	<u>25151501</u>	<u>16916365</u>
	(-)	<u>29589814</u>	(-) 25090075
 Appropriation :-			
Capital expenditure w/off		5307	5307
Prior period adjustment		<u> </u>	<u>58119</u>
Balance of Profit & Loss Carried to Balance Sheet	(-)	<u>2959512</u>	<u>25151501</u>

PERFORMANCE :

The production remained suspended for the entire year due to exorbitance labour disputes and Innutritious approach of the Banker. The Company could only managed a meagre sale of Rs. 2035825/- during current year.

FUTURE PROSPECTS :

The Company is negotiating with Bank and workmen. There is a hope of reaching to a settlement and the Company may start production in next year.

OTS with Bank :-

The Company has given One Time settlement proposal to Canara Bank and are hopeful that the same may be accepted by them.

Reference to BIFR

The Company still is a Sick Industrial Company and a reference was been made to the Hon'ble Board for Industrial and Financial Reconstruction as required under section 15 (1) of the Sick Industrial Companies (special provisions) Act 1985. The reference is pending as on the date of finalisation of the Balance Sheet and Profit & Loss Account.

AUDITORS :

The Company's Auditors M/s. A.M. Paul & Co., Chartered Accountants who retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment.

PARTICULARS OF THE EMPLOYEES :

Section 217(2A) of the Companies Act, 1956 is not applicable as no payment has been made beyond the prescribed limit.

VICTORY IRON WORKS LIMITED

DIRECTORS :

Sri Suresh Agarwal who retires by rotations has been re-elected as Director of the Company and confirmation has been taken in the Annual General Meeting of the Company held on 29th July 2005.

ENERGY CONSERVATION TECHNOLOGY ABSORPTION etc. :

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure forming part of this report.

The Board of Directors of the Company Confirm

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii) That the directors have selected such accounting policies and applied them consistently and made judgement 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 or Loss of the Company for that period.
- iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act, 1956 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.

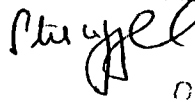
The company is consistently following the system of accounting on actual payment basis for gratuity.

ACKNOWLEDGEMENTS :

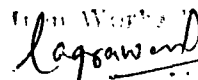
The Board of Directors records its appreciation for the co-operation and assistance extended by Canara Bank & The South Indian Bank Ltd, West Bengal Financial Corporation & various Govt. Authorities. It also records its satisfaction and appreciation for the cooperation and dedicated work put in by its officers, staff & employees.

Dated : 5th July 2005
P-26, Benaras Road,
Safkia, Howrah

For Victory Iron Works Ltd. For & on behalf of the Board


Satish Kumar Jhunjunwala
Suresh Agarwal
Director (Directors)

For Victory Iron Works Ltd.



Director

ANNEXURE TO DIRECTORS REPORT

A. Conservation of Energy Power & Fuel Consumption	2004-2005 Rs.	2003-2004 Rs.
1. Electricity		
a) Purchased		
Unit (Kwh)	—	67003
Total Amount (Rs.)	—	470477
Rate / Unit (Rs.)	—	7.02
b) Own Generation		
Unit (Kwh)	12707	20369
Unit / Litre Diesel Oil	5.000	4.1309
Cost / Unit (Rs.)	5.22	5.43
2. Coke / Coal		
Quantity (M/T)	—	214,075
Total Amount (Rs.)	—	639149
Average Rate per MT (Rs.)	—	2986
a) Consumption per unit		
Production (M/T)	—	687.86
Electricity Units / MT.	—	97
Coke / Coal (MT)	—	0.311
b) Technology Absorption		
Since no foreign technology has been involved or employed the disclosure does not arise.	—	—
c) Foreign exchange / Outgo (Rs.)	—	—

A. M. PAUL & CO.

Chartered Accountants
7-A, KIRON SHANKAR ROY ROAD
KOLKATA - 700001

Office : (033) 2248-3076
Resl. : (033) 2464-0293

Ref.

Date

**AUDITORS REPORT
TO THE MEMBER OF
M/S. VICTORY IRON WORKS LTD.**

We have audited the attached Balance Sheet of M/s.Victory Iron works Limited as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date , annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our Audit in accordance with Auditing standards generally accepted in India. Those standards require that we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on the test basis, evidence supporting the amounts and the disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956,

We enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that -

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.

b) In ...



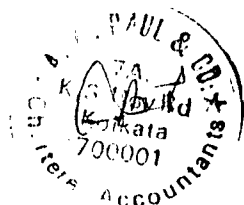
A. M. PAUL & CO.Chartered Accountants
A. KIROJI SHANKAR ROY ROAD
KOLKATA - 700001Office : (033) 2248-3076
Resl. : (033) 2464-0293

cf.

Date

- :: 2 :-

- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
- c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet and Profit & Loss account referred to in this report comply with the accounting standards referred to in Sub-section 3C of section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2005 from being appointed as Directors in terms of Clause(g) of sub-section 1 of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account, together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
- i) In the case of Balance Sheet, of the state of Affairs of the Company as at 31st March, 2005, and
 - ii) In the case of Profit & Loss account of the Loss of the company for the year ended on that date.

Place: Kolkata,
Dated: 5th July 2005For A.M. Paul & Co.
Chartered Accountants.

 (A. B. Paul.)
Partner.