



**33rd
ANNUAL REPORT
2005-2006**

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**VIDARBHA IRON & STEEL
CORPORATION LIMITED**

VIDARBHA IRON & STEEL CORPN. LTD.

Board of Directors :

M. D. SARAF Managing Director

R.V. DALVI

S. C. BHANDARI

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 - 440 028**

Registered Office & Steel Works :

**PLOT NO. 46 - A & B, MIDC INDUSTRIAL ESTATE,
NAGPUR - 440 028**

VIDARBHA IRON & STEEL CORPN. LTD.

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of Vidarbha Iron & Steel Corporation Ltd., will be held at the Registered Office of the Company at 46 A & B, MIDC Industrial Estate, Nagpur 440028 on Saturday, the 30th September, 2006 at 10.30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 and Profit & Loss Account for the year ended 31st March, 2006 with the report of Auditors and Directors.
2. To appoint a Director in the place of Shri R.V. Dalvi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint retiring Auditors M/s. Salve and 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.

Registered Office:
46A&B, MIDC Industrial Estate
Nagpur - 440 028
Dated: 30th August, 2006

BY ORDER OF THE BOARD OF DIRECTORS

M. D. SARAF
MANAGING DIRECTOR

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Register of Members and Share Transfer Book will remain closed from 25th September, 2006 to 30th September, 2006 both days inclusive.
3. Members are requested to intimate immediately any change in their address at our Registered Office: 46A&B, MIDC Industrial Estate, Nagpur - 440 028.

VIDARBHA IRON & STEEL CORPN. LTD.**DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors are presenting the 33rd Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS:

	Year ended 31 st March, 2006 (Rs. in lacs)	Year ended 31 st March, 2005 (Rs. in lacs)
Gross Profit/(Loss) before depreciation	26.60	55.15
Less: Depreciation for the current year	26.40	24.97
Net Profit/(loss) for the year after depreciation	0.20	30.18
Loss Brought forward from previous year	(777.38)	(809.99)
	(777.18)	(779.81)
Less: Adjustment as a result of AS22	1.59	2.43
Profit/(Loss) carried to Balance Sheet	(775.59)	(777.38)

In view of the accumulated losses incurred by Ferro Alloys Corporation Ltd., (FACOR)/FACOR Steels Ltd. on operation of our Steel Plant at Nagpur, no provision for our share in profit has been made.

CONSERVATION OF ENERGY : Not applicable

TECHNOLOGY ABSORPTION : Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign Exchange earnings : Nil
2. Foreign Exchange Outgo : Nil

INSURANCE : The Assets of the Company are adequately insured.

DIRECTORS:

Shri R.V. Dalvi retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations,
- ii) 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 year and of the profit 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 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.

33RD ANNUAL REPORT 2005-2006**AUDITORS:**

Members are requested to appoint Auditors and to fix their remuneration. The Retiring Auditors M/s Salve and Company being eligible offer themselves for re-appointment. They have further furnished certificate to the effect that their re-appointment if made, would be in accordance with the Sub-section (1-B) of section 224 of the Companies Act, 1956.

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.

PARTICULARS OF THE EMPLOYEES:

None of the employees are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

DEMATERIALISATION

As per the Directives of SEBI/Stock Exchange, we appointed M/s.IIT Corporate Services, Mumbai to establish the connectivity. However, we have been informed by M/s. National Security Depository Ltd. Mumbai that approval for the Company has been deferred because the paid up share capital is below Rs.1.00 Crore and the dividend not paid. We have informed this to Stock Exchange, Mumbai.

ACKNOWLEDGEMENT:

The Directors wish to thank for the co-operation extended by Bankers. Your Directors also appreciate the dedicated and sincere services of the employees.

ON BEHALF OF THE BOARD OF DIRECTORS

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Nagpur, 30th August, 2006

M. D. SARAF
MANAGING DIRECTOR