

**ANNUAL ACCOUNTS
OF
VICTORIA ENTERPRISES
FOR THE YEAR**

2009-2010



VICTORIA ENTERPRISES LTD.

(Formerly known as Down Town Trading & Investments Limited)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF VICTORIA ENTERPRISES LIMITED (FORMERLY KNOWN AS DOWN TOWN TRADING AND INVESTMENTS LIMITED) WILL BE HELD ON 30th SEPTEMBER, 2010 AT 5.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT VAIBHAV CHAMBERS, OPP. INCOME TAX OFFICE, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051, TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account and the Balance Sheet as on 31st March 2010 together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Hasmukh Nandlal Shah who retires by rotation and being eligible offers himself for re-appointment.

"RESOLVED that Mr. Hasmukh Nandlal Shah be and is hereby reappointed as Director of the Company."

3. To reappoint auditors of the company,

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

"RESOLVED THAT M/s. Parekh Shah & Lodha., Chartered Accountants, Mumbai be and hereby reappointed as the Statutory Auditors of the Company, Mumbai to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration as may be mutually agreed upon between the Board of Directors in addition to reimbursement of all out-of-pocket expenses in connection with the audit of accounts of the company."

VICTORIA ENTERPRISES LTD.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification the following resolution as a Ordinary Resolution:

"RESOLVED THAT Mr. Umesh Singh, who was appointed as an additional director of the Company by the Board of directors on 05/10/2009 and who ceases to hold office under section 260 of the Companies Act, 1956 on the date of this meeting and in respect of whom the Company has received a notice under section 257 in writing proposing his candidature for the office of director, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation."

By Order of the Board of Directors
For Victoria Enterprises Limited



Director

Mumbai, May 31, 2010

Regd. Office

Vaibhav Chambers, Opp. Income Tax Office,
Bandra-Kurla Complex, Bandra(E),
Mumbai - 400 051.

VICTORIA ENTERPRISES LTD.

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of this meeting.
3. Member and proxies should bring the attendance slip duly filed in for attending the meeting.
4. Members are requested to bring their copies of annual report to the meeting.
5. The register of members and above transfer books of the company will remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive)

Details of the Directors seeking re-appointment in the ensuing Annual General Meeting

Name of Director	Mr. Hasmukh Nandlal Shah
Date of Birth	25/12/1956
Date of Appointment	09/08/2005
Expertise in specific functional area	Legal Department
Qualification	LLM
No. Equity Shares held	NIL
List of outside Company Directorship held	N.A.
Chairman/Member of committee of the Board of Directors of the Company	--
Chairman/Member of Committees of Director of other Companies in which he/she is a Director	--
a) Audit Committee	
b) Shareholders/Investors Grievance Committee/Share Transfer Committee	--

VICTORIA ENTERPRISES LTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Mr. Umesh Singhla was appointed an additional director of the Company on 05/10/2009 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he may hold office as director only upto the date of the ensuing Annual General Meeting.

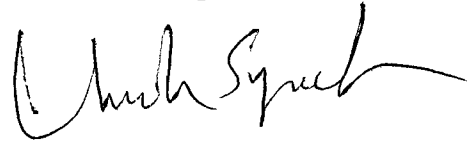
As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose appointment of Mr. Umesh Singhla as a director.

Mr. Umesh Singhla is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of section 266A of the said Act.

The Board considers that it is desirable that the Company should continue to avail itself of his services and recommend to pass necessary resolution as an Ordinary Resolution.

Except, Mr. Umesh Singhla no other directors of the Company are concerned or interested in the proposed resolution.

By Order of the Board of Directors
For Victoria Enterprises Limited



Director

Mumbai, May 31, 2010
Regd. Office
Vaibhav Chambers, Opp. Income Tax Office,
Bandra-Kurla Complex, Bandra(E),
Mumbai - 400 051.

VICTORIA ENTERPRISES LTD.

(Formerly known as Down Town Trading & Investments Limited)

DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

To,
The Members of,
VICTORIA ENTERPRISES LTD.
(Formerly known as DOWN TOWN TRADING AND INVESTMENTS LTD.)

The Directors have pleasure in submitting their 28th Annual Report together with the audited statement of accounts for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS :

(Rs. In Lacs)		
Particulars	2009-10	2008-09
Turnover for the period (including increase/(decrease) in Work in Progress)	1044.08	514.17
Other incomes	7.50	0.44
Total Income	1051.58	514.61
Profit before depreciation, interest & tax	483.93	441.14
Interest & Finance Costs	478.28	411.41
Depreciation	1.66	25.92
Profit before tax	3.99	3.81
Profit after tax	3.67	0.93

2. OPERATIONS :

The Company is engaged in the business of real estate development. The Company is also in the process to acquire some more real estate development projects in Mumbai and also outside Mumbai. The Company is concentrating in development of both commercial as well as residential projects.

Presently the real estate market in the India is doing very well and the management of the Company is positive to crystallize the opportunities of the market and considering the rich experience of the promoters in real estate development the Management is expecting good growth of this business segment of the Company in the near future.

Quality, punctuality in giving possession to the customers, proper guidance to the customers and foresight in selection of land for projects are the basic parameters to get success in the real estate and development industry. The Company is following the same standards and philosophy in the business.

Management is expecting good growth in the business of the Company in the near future in this segment.

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3. GOVERNMENT INITIATIVES :

The Government of India announced stimulus package which, coupled with the Reserve Bank of India's move allowing banks to provide special treatment to the real estate sector, is likely to impact the Indian real estate sector in a positive way.

Foreign Investment Promotion Board (FIPB) announced new foreign direct investment policy (FDI) during the current year aimed at simplifying existing norms to attract foreign investment into India.

Besides the above measures, the government also announced an economic stimulus package keeping in mind the impact of the global slowdown on the Indian real estate sector. Public sector banks and private sector banks announced a package for home loan borrowers in various categories. This is expected to increase borrowing for homes and in turn give a boost to the realty sector. Moreover, excise duty cuts on cement and steel are expected to bring down construction cost.

4. OPPORTUNITIES AND THREATS :

With the downturn in the Real Estate market caused by the global economic slowdown, there is an opportunity of creating portfolios in the affordable Real Estate market and to grow the largely untapped mid-market segment. Real estate companies have seized the opportunity to re-classify their products / offerings in order to cater to the high volume affordable housing segment. Other measures include postponing new launches, re-allocating funds and focusing on completion of pre-committed projects, re-orienting product portfolio in favour of mid-income / affordable homes and cutting construction cost via value engineering to survive the ongoing slump. The present crisis present an opportunity to every real estate company to correctly identify end-user needs and keep affordability in mind before embarking on newer projects. There is also an urgent need for deregulation of most of the laws pertaining to the real estate sector.

5. RISKS AND CONCERNS :

Macro risks

- Global geo-political risk, economic shocks and policy reversals
- Economic risks – rising interest rates, inflation and currency risks
- Event risks – riots, natural calamities, etc.
- Rising costs of operation
- Constrained urban and physical infrastructure in cities
- Disparities in regional development within States
- Declining property rates

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6. Real Estate Sector Specific Risks

- Oversupply – in few product classes - IT SEZs, luxury end residential.
- Land acquisition – the land acquisition process in India and its entitlement is anything but simple. It is a very long drawn complicated affair.
- Lack of verifiable records – the serious gap in ownership records as well as land titles being unclear, could pose several hurdles.
- Regulatory risk – several regulatory issues remain.
- Transparency risk – Indian real estate market transparency is rated low as compared to international real estate transparency levels. Although market transparency has improved, it is still hard to get reliable and verifiable information.
- Lack of title insurance – The real estate market in India does not have title insurance. There is a risk of latent ownership issue in transactions with individual land owners.
- Property linked infrastructure risks – At major locations, the public infrastructure is under strain. Though development and construction is proceeding at a furious pace, required urban infrastructure is not catching up fast enough.
- Lack of real estate securities legislation.
- Lack of uniform land laws – varying rules, regulations, standards, practices from town to town across India.
- Lack of institutional mechanism to review and regulate the conduct of valuation professionals as well as the qualifications and conduct of bodies certifying their expertise.
- Distress sale by other developers likely to push down prices.
- Demand becoming increasingly price and product sensitive.

The Company is mitigating these risks by way of qualitative market research, faster decision making, and by taking a fresh look at its entire set of processes, apart from undertaking a proactive approach towards problem resolution. Property financing remains largely conducted through conventional mortgages, with the volume of more modern, transparent and liquid products still negligible. This is partly due to high registration charges and transaction costs and structural impediments in the securitization legal framework. Industry database on transaction volumes, structures and prices are also largely undeveloped.

7. DIVIDEND:

Due to conserve the resources of the Company, your Directors have not recommended any dividend.

8. FIXED DEPOSITS :

During the year under review, the company has not taken any deposits from Public.

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9. **DIRECTORS :**

The Director Mr. Hasmukh Nandlal Shah retires by rotation at the close of AGM and being eligible for re-appointment offered himself for the same and the board recommends his appointment.

Mr. Umesh Synghal was appointed as additional Director of the Company on 5th October, 2009. Notice has been received from a member signifying his intention to propose appointment of Mr. Umesh Synghal as a director.

10. **DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, it is hereby confirmed.

- i) That in the preparation of the accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies 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 accounts for the financial year ended 31st March 2010 on a 'going concern' basis.

11. **DISCLOSURE OF PARTICULARS UNDER SECTION 217 (2A) :**

The company does not have any employee who is covered by section 217 (2A) of the companies Act, 1956.

12. **CONVERSATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO :**

The company has not earned foreign exchange or incurred any expenditure in foreign exchange during the year. Since the Company does not have any manufacturing activities, the other particulars are required by Section 217(I)(e) of the