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87th

Annual Report 1999-2000

**The
Victoria Mills
Limited**

1999-2000
THE VICTORIA MILLS LIMITED, MUMBAI
ANNUAL REPORT WITH BALANCE SHEET AND PROFIT & LOSS ACCOUNT

BOARD OF DIRECTORS

Aditya Mangaldas, ESQ. (*Chairman & Managing Director*)

V.C. Vaidya, ESQ.

J.P. Thacker, ESQ.

D.K. Contractor, ESQ.

S.G. Vaidya, ESQ.

K.C. Parikh, ESQ.

AUDITORS

Sorab S. Engineer & Co.
Chartered Accountants

BANKERS

Bank of Baroda

Central Bank of India

REGISTERED OFFICE

Bharat House,
104, Bombay Samachar Marg,
Fort, Mumbai-400 023.

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NOTICE:

NOTICE IS HEREBY GIVEN that the 87th Annual General Meeting will be held on Friday, the 22nd September 2000 at 11.30 A.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18-20 Kaikhushroo Dubash Marg (Rampart Row), Mumbai 400 023 to transact the following business:

1. To receive consider and adopt the Balance Sheet as at 31st March 2000 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditor's Report thereon.
2. To reduce the number of Directors on the Board to six.
3. To appoint a Director in place of Shri V.C. Vaidya who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri J.P. Thacker who retires by rotation and is eligible for reappointment.
5. To appoint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL CLOSED FROM 21ST TO 22ND SEPTEMBER 2000 (BOTH DAYS INCLUSIVE)

Registered Office:

Bharat House
104, Bombay Samachar Marg
Fort, Mumbai 400 023.

Dated: 31st July 2000

By order of the Board,

R.K.SHAH
SECRETARY

N.B.:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER**
2. Members are required to notify the change in address if any immediately to the Company quoting their folio numbers.



DIRECTORS' REPORT

To,

The Shareholders of
The Victoria Mills Limited

Gentlemen :

Your Directors present their 87th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2000 and the report of the auditors thereon.

	1999-2000 Rupees	1998-99 Rupees
Gross Profit/(Loss) for the year	1,55,722	(1,03,23,242)
Provision for depreciation	5,46,049	3,29,721
Profit/(Loss)	(3,90,327)	(1,06,52,963)
Add: Balance brought down from previous year	(38,87,596)	52,85,367
Add: Transfer from Invst.Allowance Reserve	-	14,80,000
To Balance carried forward	(42,77,923)	(38,87,596)

The Directors regret that in view of the loss suffered by the company, they have not recommended any dividend.

The Company has been trading in fabrics in the local market and is exploring the possibilities of exporting value added fabrics.

The Chairman of the company Shri Harshavadan Mangaldas expired on 29th October 1999 and the same was taken note of, at the Annual General Meeting held on 30th October 1999. Shri Harshavadan Mangaldas was associated with the company since 1955 initially as a Director and then from April 1994 as the Chairman. During his long association with the company, Shri Harshavadan Mangaldas contributed greatly to the company's growth. The Board has placed on record their deep sense of loss and sorrow on the passing away of Shri Harshavadan Mangaldas and their great appreciation for the valuable advice and guidance given by him to the company.

Shri B.G. Kakatkar who was a Director of the company passed away on 19th May 2000. During his association with the company, Shri B.G. Kakatkar was very helpful and advised the company frequently. The Board has placed on record their sense of loss and sorrow on the passing away of Shri B.G. Kakatkar.

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri V.C.Vaidya, and Shri J.P. Thacker retire by rotation and are eligible for re-appointment.

As required under Section 212 of the Companies Act, 1956, the accounts of the Subsidiary Company are annexed.

The statement giving particulars under the Companies (Particulars of Employees) Rules, 1975, required to be included in the Directors' Report is not appended, as the same is not applicable.

As required by the Company (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy are given in the prescribed form as Annexure 1 to this Report.

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As there was no manufacturing activity during the year, the information of conservation of energy and technology absorption is not applicable.

Pursuant to the directives of Central Government under provisions of 233B of the Companies Act, 1956, a qualified Cost Auditor has to be appointed to conduct cost audit relating to Company's textile products for the year ended 31st March 2000. The company has approached the Company Law department to waive the conduct of cost audit and submission of cost audit report since the textile division has been non-operative. The company has been asked by the Company Law Board to submit the audited accounts for the year ended 31st March 2000 after which decision will be communicated.

No Public Deposits were outstanding with the Company as at the end of 31.3.2000 as all the deposits have been repaid.

You are requested to appoint auditors from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

On behalf of the Board of Directors

Mumbai
Dated: 31st July 2000

ADITYA MANGALDAS
Chairman



ANNEXURE 1 TO DIRECTORS' REPORT**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO****A. Conservation of Energy :**

Not applicable since there was no manufacturing activity during the year.

FORM A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

A. Power & Fuel Consumption		Current Year 1999-2000	Previous Year 1998-99	
1) Electricity				
a) Purchased				
Units		—	—	
Total amount Rs.		—	—	
Rate/Unit Rs.		—	—	
b) Own Generation :				
i) Through diesel generator				
Diesel KL		Nil	Nil	
Unit		Nil	Nil	
Oil		Nil	Nil	
Cost/Unit Rs.		Nil	Nil	
ii) Through steam turbine/generator				
Unit		Nil	Nil	
Unit per litre of fuel		Nil	Nil	
Oil/gas		Nil	Nil	
Cost per unit		Nil	Nil	
2) Coal (Specify quality & where used)				
Quantity (tonnes)		Nil	Nil	
Total cost avg.rate		Nil	Nil	
3) Furnace Oil/LSHS		—	—	
Quantity (KL)		—	—	
Total Cost		—	—	
Avg. Rate Rs./KL		—	—	
4) Other /internal generation		Nil	Nil	
B. Consumption per unit of Production if any		Standard	Current Year 1999-2000	Previous Year 1998-99
Cloth produced (kgs.)		—	—	—
Electricity Rs/kg.		—	—	—
Furnace Oil/LSHS/Rs./kg.		—	—	—

C. FOREIGN EXCHANGE EARNING AND OUT GO

1. The Company did not have any exports during the year under report.
2. Earning in foreign exchange was nil and the outgo on account of import of stores, spare parts and components aggregated to Rs,Nil and travelling expenses was also Nil

Eighty seventh Annual Report 1999-2000**AUDITORS' REPORT**

To,

The Shareholders of
The Victoria Mills Limited

We have examined the annexed Balance Sheet as at 31.3.2000 and the Profit & loss Account for the year ended on that date of The Victoria Mills Limited and report as follows:

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
3. The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
4. In our opinion the Profit & Loss Account and the Balance sheet comply with the mandatory accounting standards referred to in Subsection 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31.3.2000 and
 - ii) In the case of Profit & Loss account, of the loss for the year ended on that date.
6. As required by the Manufacturing and other Companies (Auditors' Report) order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate and as per the information and explanations given to us, we further report that :
 1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has physically verified the fixed assets during the year and no major discrepancies were noticed on such verification.
 2. None of the fixed assets of the company have been revalued during the year.
 3. No loans have been obtained from Directors and Companies listed in the Register maintained under Section 301 and 370 (1-B) of the Companies act, 1956.
 4. The Company has not granted any loan to Companies, firms or other parties in the Register maintained under sections 301 and 370(1-B) of the Companies Act, 1956, except to wholly owned subsidiary Company, the terms and conditions of which are not prejudicial to the interest of the Company.
 5. No other loans have been given.
 6. There are adequate internal control procedures commensurate with size of the Company and the nature of its business for the purchase of plant and machinery, equipment and other assets and for sale of goods.
 7. There are no purchases during the year of stores. Raw materials or components and sale of goods and service aggregating during the year to Rs.50,000/- or more in each type from/to the firms or Companies or the other parties in which Directors are interested as listed in the Register maintained under Section 301 of the Companies Act, 1956.

The Victoria Mills Limited, Mumbai

8. The Company has not accepted deposits from public.
9. There are no by-products or scrap generated by the Company.
10. The Company has an internal audit system commensurate with its size and nature of its business.
11. We are informed that Provident Fund and ESI Rules are not applicable to the Company.
12. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March 2000 which are outstanding for a period of more than six months from the date they become payable.
13. Personal expenses have not been charged to revenue account.
14. *The Company is not a Sick Industrial Company within the meaning of Clause (i) of Subsection (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act 1985 (1 of 1986)*
15. As regarding trading activities there were no damage goods.
16. As the company has no manufacturing activities we have not included matters required under Clause (iii), (iv), (v), (vi), (xii), (xvi) of the above order.

For SORAB S. ENGINEER & CO.,
Chartered Accounts

Mumbai
Dated : 31st July 2000

M.P. ANTIA
Partner



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BALANCE SHEET AS AT 31ST MARCH 2000

	Schedule	Rupees	As at 1999-2000 Rupees	As at 1998-99 Rupees
SOURCES OF FUNDS				
(1) SHAREHOLDER'S FUNDS				
(a) Share Capital	1		98,56,000	98,56,000
(b) Reserves and Surplus	2		—	—
			<u>98,56,000</u>	<u>98,56,000</u>
TOTAL			<u>98,56,000</u>	<u>98,56,000</u>
APPLICATION OF FUNDS				
(1) FIXED ASSETS	3			
(a) Gross Block			32,83,384	29,84,744
(b) Less: Depreciation			16,37,097	10,91,048
(c) Net Block			<u>16,46,287</u>	<u>18,93,696</u>
(2) INVESTMENTS	4		4,02,25,004	3,07,25,005
(3) CURRENT ASSETS, LOANS & ADVANCES	5			
(a) Inventories		6,75,00,000		6,75,00,000
(b) Sundry Debtors		9,33,006		80,319
(c) Cash & Bank Balances		10,83,547		6,46,809
(d) Loans & Advances		5,31,14,049		6,38,56,872
		<u>12,26,30,602</u>		<u>13,20,84,000</u>
LESS: CURRENT LIABILITIES & PROVISIONS	6			
(a) Liabilities		15,88,98,816		15,87,21,797
(b) Provisions		25,000		12,500
		<u>15,89,23,816</u>		<u>15,87,34,297</u>
NET CURRENT ASSETS			(3,62,93,214)	(2,66,50,297)
Profit & Loss Account			42,77,923	38,87,596
TOTAL			<u>98,56,000</u>	<u>98,56,000</u>

NOTES FORMING PART OF ACCOUNTS

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In the opinion of the Board, the Current Assets, Loans and Advances are approximately of value stated, if realised in the ordinary course of business

As per our report annexed herewith
For Sorab S Engineer & Co.
Chartered Accountants

Aditya Mangaldas

Chairman &
Managing Director

M.P. Antia
Partner

V.C. Vaidya
J.P. Thacker
S.G. Vaidya
K.C. Parikh

Directors

Dated: 31st July, 2000

For the Victoria Mills Ltd.,
R.K. Shah
Secretary