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**89th
Annual Report 2001 - 2002**



**The
Victoria Mills
Limited**

The Victoria Mills Limited, Mumbai



2001-2002
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.

D. K. Contractor, ESQ.

S. G. Vaidya, ESQ.

K. C. Parikh, ESQ.

AUDITORS

Sorab S. Engineer & Co.
Chartered Accountants

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS

SYSTEM SUPPORT SERVICES

209, Shivai Ind. Estate,
89, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.
Tel. No. : 8500835, 8501622
Fax : 8501438

*89th Annual Report 2001-2002***NOTICE:**

NOTICE IS HEREBY GIVEN that the 89th Annual General Meeting will be held as scheduled below :

DAY	: Tuesday
DATE	: 17th September, 2002
TIME	: 11.30 A.M.
PLACE	: At Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018

To transact the following items of business :-

1. To receive consider and adopt the Balance Sheet as at 31st March 2002 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 appoint a Director in place of Shri K.C. Parikh who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri V.C. Vaidya who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 13TH TO 17TH SEPTEMBER 2002 (BOTH DAYS INCLUSIVE)

Registered Office :-

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

By Order of the Board

**R. K. SHAH
SECRETARY**

Date: 29th July 2002

NOTES :

- (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of 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.
- (b) Members, who hold shares in physical form are requested to notify immediately change in their addresses, if any, to Company's Registrar and Share Transfer Agents – M/s. System Support Services Ltd. specifying Registered Folio Number and other relevant details, Members, who hold shares in Electronic form are requested to notify change in their address to Depository Participant with whom they are maintaining their Beneficial owner account.
- (c) Members who have not encashed their Dividend Warrants for the Financial Year ended 31st March 1996 payable from 1st October 1996 may immediately approach the Company for revalidation of unclaimed warrants as the amount of dividend remaining unclaimed for a period of 7 years shall be transferred to Investors Education & Protection Fund as per provisions of Section 205 (C) of the Companies Act, 1956.
- (d) Members, who hold shares in Dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

**DIRECTORS' REPORT**

To,
The Shareholders of
The Victoria Mills Limited.

Gentlemen :

Your Directors present their 89th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2002 and the report of the auditors thereon.

	2001-2002	2000-2001
	Rupees	Rupees
Gross Profit for the year	7,83,156	42,36,070
Provision for depreciation	4,89,464	5,91,004
Provision for taxation(MAT)	22,500	2,25,000
Profit	2,71,192	34,20,066
Add: Balance brought down from the previous year	(8,57,857)	(42,77,923)
To Balance carried forward	(5,86,665)	(8,57,857)

The Directors regret that in view of the inadequate profits, they have not recommended any dividend.

The Company has started exporting value added fabrics and during the year cloth of the value Rs.1.34 Crores was exported and Rs.60 lacs worth orders are on hand on 31.3.2002. The Company is exporting these fabrics mainly to the middle east countries

The surplus funds of the Company are invested in Bill Discounting, Government Bonds and Mutual Funds.

The Company's petition in connection with the demerger of its Finance and Real Estate Division has been approved by the High Court and the same has been filed with the Registrar of Companies in the year under report. The Scheme of Demerger has been implemented in April 2002 and shares of Galactic Enterprises Ltd. have been issued.

Disputed tax demand of Rs.2.95 Crores have been disclosed as contingent liability and no provision for this tax liability have been made in the book of accounts of the Company. The company is contesting this demand in appeal and expects to succeed.

As required under Section 212 of the Companies Act, 1956, the accounts of the subsidiaries of the company are annexed.

Pursuant to directives of Central Government under provisions of 233(b) of the Companies Act 1956. the Company had approached the Company Law Board to waive the conduct of Cost Audit and submission of Cost Audit Report since textile division has been non operative. No further communication has been received after the company had forwarded the audited accounts for the year ended 31.3.2000.

The Company has also approached the Company Law Department to waive the conduct of Cost Audit and submission of Cost Audit Report for the year ended 31.3.2001. The matter is being pursued with the concerned authorities.

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

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

Pursuant to Section 217(2AA) of the Companies Act, 1956 (hereinafter referred to as "the Act"), your Directors confirm that :-

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed.
- (ii) They had 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 31st March 2002 and of the profits of the Company for the year ended 31st March 2002;
- (iii) They had 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) They had prepared the Annual Accounts on a going concern basis.

No Public Deposits were outstanding with the Company as at the end of 31.3.2002 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

Place: Mumbai.

Dated: 29th July 2002

ADITYA MANGALDAS
Chairman & Managing Director



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 2001-2002	Previous Year 2000-2001	
1)	Electricity			
a)	Purchased			
	Units	—	—	
	Total amount Rs.	—	—	
	Rate/Unit Rs.	—	—	
b)	Own Generation :			
i)	Through diesel generator	Nil	Nil	
	Diesel KL	Nil	Nil	
	Unit	Nil	Nil	
	Oil			
	Cost/Unit Rs.			
ii)	Through steam turbine/generator			
	Unit	Nil	Nil	
	Unit per litre of fuel			
	Oil/gas	Nil	Nil	
	Cost per unit			
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 2001-2002	Previous Year 2000-2001
	Cloth produced (kgs.)	—	—	—
	Electricity Rs/kg.	—	—	—
	Furnace Oil/LSHS/Rs./kg.	—	—	—
C. FOREIGN EXCHANGE EARNING AND OUT GO			Current Year 2001-2002	Previous Year 2000-2001
1.	Export of Textiles F.O.B.value		13152170	39,66,673
2.	Earning in Foreign Exchange		13455328	24,42,172
	Outgoing in Foreign Exchange(Travelling)		729439	5,12,556

SECRETARIAL COMPLIANCE CERTIFICATE

(Annexure forming part of the Director Report)

To,
The Members
THE VICTORIA MILLS LIMITED
MUMBAI.

I have examined the necessary registers, records, books and papers of THE VICTORIA MILLS LIMITED as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Maharashtra, Mumbai within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The status of the company being public limited company, comments are not required.
4. The Board of Directors duly met 6 times for the meetings held on 20-04-2001, 16-07-2001, 31-08-2001, 29-09-2001, 31-10-2001 and on 29-01-2002 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members on 28-09-2001 to 29-09-2001 and necessary compliance of Section 151 of the Act has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2001 was held on 29th September, 2001 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the financial year ended 31st March, 2002.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred in the Section 295 of the Act, during the financial year under review.
9. The company has not entered into any transaction/s attracting the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.
12. The Board of Directors has duly approved the issue of duplicate certificates and split of the share certificates.
13. The Company has:
 - (i) delivered all the certificates on lodgement thereof for transfer during the year in accordance with the provisions of the Act. It may be noted that the company has not allotted any securities during the year under review
 - (ii) not declared any dividend during the year and hence the company was not required to deposit any amount as interim dividend / interim dividend in a separate Bank Account.
 - (iii) not declared any dividend during the year and hence the company was not required to paid / post warrants to any members of the company.
 - (iv) no amount to be transferred in to the Investor Education and Protection Fund in respect of unpaid dividend account or application money due for refund, or matured deposits, or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.

The Victoria Mills Limited, Mumbai

- (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There were no appointment of additional director or alternate directors or directors to fill casual vacancies, during the financial year under review.
 15. The company has not appointed any Managing Director/Whole time Director/ Manager during the financial year under review.
 16. The company has not appointed any sole-selling agents during the financial year under review.
 17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The company has not issued and allotted any equity shares /debentures /other securities during the financial year.
 20. The company has not bought back any shares during the financial year ending 31st March, 2002.
 21. Since company has not issued any redeemable preference shares/ debentures, no comment is required.
 22. During the year under review, the company was not required to keep in abeyance any dividend, right shares and bonus shares pending request for registration of transfer of shares.
 23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the period under review.
 24. The company has not borrowed any amount from directors, members, public financial institutions, Bank and others during the financial year ending 31st March, 2002.
 25. The company has made investments during the year and complied with the provisions of the Act. The company has not made any loans or given guarantees or provided securities to other bodies corporate during the year under review. The company has made necessary entries of Investments in the register kept for the purpose.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has altered provisions of its Article of Association after obtaining approval of the members in the annual general meeting held on 29.09.2001 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies, Mumbai.
 31. There was no prosecution initiated against or show cause notices received by the company for alleged offenses under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year.
 32. As explained to me, the company has not received any money as security from its employees during the year.
 33. The company was not required to deposit any amount with prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai
Date : 25.07.2002

(NILESH G. SHAH)
Company Secretary
C.P.No.: 2631 (ACS-11544)

ANNEXURE 'A' TO THE COMPLIANCE CERTIFICATE DATED 25TH JULY, 2002

Sr.No.	Registers maintained by the Company.	Under Section
1.	Register of Members	150
2.	Register of Index of Members	151
3.	Minutes Books of proceedings of :	
	A. General Meetings : and	
	B. Board of Directors.	193
4.	Register of contracts, Companies and firms in which Directors are interested	301
5.	Register of Directors	303
6.	Register of Directors Shareholding	307
7.	Register of Loan/ Guarantee/ Investment	372A
8.	Register of Transfer	Voluntary
9.	Register of Application & Allotment	Voluntary
10.	Register of Renewed and Duplicate share certificates	Issue of Share Certificate Rule
11.	Register of Directors Attendance	Voluntary

ANNEXURE : B

Sr.No.	Form No.	Under Section	Purpose
1.	Form No. 23 Dated - 29/09/01	31 & 163. 198,269,309,310, 311,297(1).	1) To keep Register of members, Copy of - Annual Return etc. at place other than Registered Office.
			2) To Amend Articles of Association.
2.	Annual Return Dated - 29/09/01	159	As per Requirement
3.	Balance Sheet As at 31/03/01	210	— do —
4.	Form No.32 Dated - 04/08/01	303(2)	Cessation of office of Mr. J.P. Thacker as - Director (Expired).
5.	Form No.21 Dated - 27/06/01	391/394	Scheme of Amalgamation.

Place : Mumbai
Date : 25.07.2002

(NILESH G. SHAH)
Company Secretary
C.P.No.: 2631 (ACS-11544)



AUDITOR'S REPORT

To,
The Shareholders of
The Victoria Mills Ltd.

1. We have audited the attached Balance Sheet of **THE VICTORIA MILLS LIMITED**, as at 31st March, 2002 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the companies' Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. 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 a test basis, evidence supporting the amounts and 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
(c) The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
(d) In our opinion the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 as applicable.
(e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2002 from being appointed as directors in terms of Clause (g) of Sub-Section(1) of Section 274 of the Companies Act, 1956.
4. 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 in conformity with accounting principles generally accepted in India :-
i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31.3.2002 and
ii) In the case of Profit & Loss account, of the profit for the year ended on that date.
5. 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. Office charges has been charged from such Companies during the year.
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 2002 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 (0) of Subsection (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act 1985 (1 of 1986)
15. As regarding trading activities, damaged goods have been determined and properly dealt with in the books of account.
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. ENGINEERS & CO.,
Chartered Accountants

MUMBAI

Dated: 29th July 2002

M.P. ANTIA
Partner