

92nd

Annual Report 2004 - 2005



**THE
VICTORIA MILLS
LIMITED**

The Victoria Mills Limited, Mumbai



2004-2005

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.

AUDITORS

Sorab S. Engineer & Co.

Chartered Accountants

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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 - 400 012.
Tel. No.: 2850 0835, 2850 1622
Fax : 2850 1438

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NOTICE

NOTICE IS HEREBY GIVEN that the 92nd Annual General Meeting will be held as scheduled below :

DAY : Wednesday
DATE : 28th September 2005
TIME : 11.00 A.M.
PLACE : At Hall of Harmony, Nehru Centre,
Dr. Annie Besant, Road, Worli,
Mumbai 400 018

To transact the following business :-

1. To receive consider and adopt the Balance Sheet as at 31st March 2005 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 D.K. Contractor who retires by rotation and is eligible for reappointment.
3. 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 authorise the Board of Directors to fix their remuneration.

THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 21ST SEPTEMBER TO 28TH SEPTEMBER 2005 (BOTH DAYS INCLUSIVE)

By Order of the Board

R.K. SHAH
SECRETARY

Date: 31.8.2005

Registered Office :-

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

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, 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, to Company's Registrar and Share Transfer Agents
- (c) 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 92nd Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2005 and the report of the auditors thereon.

| | 2004-2005 Rupees | 2003-2004 Rupees |
|--|-----------------------------------|-----------------------------------|
| Gross Profit/(Loss) for the year before depreciation and extra ordinary items | 83,43,265 | 1,20,75,825 |
| Less: Provision for depreciation | 9,54,048 | 9,19,707 |
| 1/5 th of Debit balance on Demerger Scheme | 1,45,40,675 | 1,45,40,675 |
| Profit/Loss | (71,51,458) | (33,84,557) |
| Add: Balance brought down from the previous year | (1,03,39,510) | (69,54,953) |
| To Balance carried forward | (1,74,90,968) | (1,03,39,510) |

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

The Company exported value added fabrics worth Rs.3.90 Crores during the year. The Company exported these fabrics mainly to U.S.A., Middle East and Far East. The Company has also started supplying fabrics to the local market.

The surplus funds of the Company are invested in Bill Discounting, Inter Corporate Deposits, Government Bonds, Portfolio Management Scheme and Mutual Funds.

1/5th of the debit balance in the Scheme of Demerger have been debited in the accounts as was decided earlier.

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri D.K. Contractor retire by rotation and is 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.

As per requirement of S.E.B.I. (Substantial Acquisition of Shares and Takeovers) Regulations 1997 constituents of Group as defined under MRTP Act 1969 is shown separately as Annexure 2.

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 2005 and of the profits of the Company for the year ended 31st March 2005;
- (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 31.3.2005 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 at a remuneration to be fixed by the Board of Directors.

On behalf of the Board of Directors

ADITYA MANGALDAS
Chairman & Managing Director

Place: Mumbai.
Dated: 31.8.2005

92nd Annual Report 2004-2005**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 2004-2005 | Previous Year 2003-2004 |
|--|-----------------------------------|------------------------------------|
|--|-----------------------------------|------------------------------------|

1) Electricity

a) Purchased

Units

Total amount Rs.

Rate/Unit Rs.

b) Own Generation :

i) Through diesel generator

Diesel KL

Unit

Oil

Cost/Unit Rs.

ii) Through steam turbine/generator

Unit

Unit per litre of fuel

Oil/gas

Cost per unit

2) Coal (Specify quality & where used)

Quantity (tonnes)

Total cost avg. rate

3) Furnace Oil/LSHS

Quantity (KL)

Total Cost

Avg. Rate Rs ./KL

4) Other /internal generation

B. Consumption per unit of Production if any**Standard****Current Year
2004-2005****Previous Year
2003-2004**

Cloth produced (kgs.)

Electricity Rs/kg.

Furnace Oil/LSHS/Rs./kg.

C. FOREIGN EXCHANGE EARNING AND OUT GO**Current Year
2004-2005****Previous Year
2003-2004**

1. Export of Textiles F.O.B.value

2. Earning in Foreign Exchange

Outgoing in Foreign Exchange(Travelling)

The Victoria Mills Limited, Mumbai**ANNEXURE -2**

**DISCLOSURE AS REQUIRED BY SECURITIES AND EXCHANGE BOARD OF INDIA
(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997**

i) Details of Persons and Companies constituting Group as defined under MRTP Act.

Aditya Mangaldas, Mamta Kishore Dalal, Devyani H. Mangaldas, Aditi Mangaldas, Nirmala Rasiklal, Kishore Rasiklal, Sunil Kishore Dalal, Shreya Kishore, Love Girdharlal, V.C.Vaidya, S.G. Vaidya, Anjali Kamal Mangaldas, Chetan J. Parikh, Vinay J.Parikh, Gauriben Sanatkumar, Sanatkumar Jayantilal, Mangaldas Mehta & Co., Cee Parikh Inv. Pvt. Ltd., Abhay Mangaldas, Kamal Madanmohan Mangaldas Snehalata Ramesh Shah, Ramesh Ramanlal Shah, Galactic Enterprises Ltd., A. Mangaldas Apparels Pvt. Ltd., Devadit Mangaldas Investment Co., Adarsh Industries & Investment Private Ltd., Bromelia Trading Pvt. Ltd., Adarsh Enterprises, Fistula Trading Pvt. Ltd., Abhay Investments Pvt. Ltd., Pawan Farms & Orchards, Vesna Investment & Trading Co., Bruhaspati Investment & Trading Company, Sutantu Agricultural Farm, Mangaldas Mehta & Co. Pvt. Ltd., Harshavadan Mangaldas Investments Pvt.Ltd., Victoria Capital Ventures Ltd.

ii) Shri Aditya Mangaldas and some P.A.C.'s have not acquired any share of The Victoria Mills Ltd. from other P.A.C's in terms of Reg. 3(1)(e) (i) during the year.

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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 2005. 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 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, Mumbai within the time as prescribed under the Act and the rules made thereunder.
3. The company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 5 times on 23.04.2004, 30.07.2004, 08.09.2004, 30.10.2004 and 29.01.2005 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 from 01.09.2004 to 08.09.2004 (Both Days Inclusive) and necessary compliance of the Section 154 of the Companies Act, 1956 has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2004 was held on 08.09.2004 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 Meeting was held during the year under review.
8. The company has not advanced any loans to its directors and / or persons or firms or Companies referred to in the Section 295 of the Act.
9. The company has not entered into any transaction/s attracting the provisions of Section 297 of the Act.
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 approvals from the Board of Directors, Members or the Central Government.
12. The Company has issued duplicate Share Certificates consequent upon request for consolidation of shares and in lieu of Share Certificates which have been lost or misplaced and have complied with the provisions of the Act, during the year under review.
13. The Company has:
 - (i) not issued or allotted any shares or securities. However the Company has delivered all the certificates on lodgment thereof for transfer / transmission of shares in accordance with the provisions of the Act;
 - (ii) not declared any dividend during the year and hence the company was not required to deposit any amount as unpaid dividend /interim dividend in a separate Bank Account.
 - (iii) not declared any dividend during the year and hence the Company was not required to pay / post warrants to members;
 - (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.