



94<sup>th</sup>

*Annual Report 2006-2007*

**THE  
VICTORIA MILLS  
LIMITED**

# 94<sup>th</sup> Annual Report 2006-2007

**2006-2007**

**THE VICTORIA MILLS LIMITED, MUMBAI**

**ANNUAL REPORT WITH BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

## **BOARD OF DIRECTORS**

Mr. Aditya Mangaldas (Chairman & Managing Director)

Mr. V. C. Vaidya

Mr. D. K. Contractor

Mr. S. G. Vaidya

## **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. : 2850 0835, 2850 1622  
Fax : 2850 1438



*The Victoria Mills Limited, Mumbai*

## NOTICE

NOTICE IS HEREBY GIVEN that the 94<sup>th</sup> Annual General Meeting will be held as scheduled below :

**DAY** : Friday  
**DATE** : 28<sup>th</sup> September 2007  
**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 31<sup>st</sup> March 2007 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 note the payment of Interim Dividend on Equity shares.
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 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.

### 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.
- (d) Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to the Registrar and Transfer Agents of the Company.
- (e) Members are requested to intimate to the company or Registrar and Transfer Agents viz. System Support Services, 209 Shivaji Industrial Estate, 89 Andheri-Kurla Road, Sakinaka, Mumbai 400 0072, changes if any, in their registered address quoting Folio Numbers or Client ID and DP ID numbers in all the correspondence.

**THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 25<sup>TH</sup> SEPTEMBER TO 28<sup>TH</sup> SEPTEMBER 2007 (BOTH DAYS INCLUSIVE)**

By Order of the Board

**R. K. SHAH**  
*Secretary*

### REGISTERED OFFICE :-

Bharat House,  
 104 Mumbai Samachar Marg,  
 Fort, Mumbai 400 023.  
 Date: 31.7.2007

# 94<sup>th</sup> Annual Report 2006-2007

## DIRECTORS' REPORT

To,  
The Shareholders of  
**The Victoria Mills Limited.**

### Ladies & Gentlemen :

Your Directors present their **94<sup>TH</sup> ANNUAL REPORT** on the working of the Company with audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2007 and the report of the auditors thereon.

	2006-2007 Rupees	2005-2006 Rupees
Gross Profit for the year before depreciation	3,31,50,244	22,92,82,367
<b>Less:</b> Provision for depreciation	12,66,557	9,97,602
<b>Less:</b> Provision for taxation	3950000	
Provision for Fringe Benefit Tax	179000	
Income Tax of previous year	884175	
	50,13,175	1,69,65,770
<b>Less:</b> Debit balance on Demerger Scheme	-	2,92,56,348
Profit/Loss	2,68,70,512	18,20,62,647
<b>Add:</b> Balance brought down from the previous year	14,14,52,527	(1,74,90,968)
Balance available for appropriation	16,83,23,039	16,45,71,679
<b>Less:</b> Proposed Dividend paid on Equity Shares	-	49,28,000
Tax on Proposed Dividend	-	6,91,152
Interim Dividend paid on Equity Shares	49,28,000	-
Tax on Interim Dividend paid on Equity Share	6,91,152	-
Transfer to General Reserve	32,00,000	1,75,00,000
Balance to be carried forward	15,95,03,887	14,14,52,527

Your Board has not recommended further dividend in view of interim dividend of Rs. 50/- per share already paid.

Yours Directors regret to state that Marketing Executive has defrauded the Company by being in collusion with two suppliers of the fabrics and two purchasers of the fabrics to whom the goods were sold. Aggregate outstanding amount due to the company is Rs. 9.56 crores.

Formal complaint has been filed with Economics Offences Wing of Crime Branch, Mumbai and investigation is in progress.

Your attention is invited to the remark in para 4(f) of the Auditors' Report and item No. 10 of Notes Forming Part of Accounts.

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

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri. V. C. Vaidya 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. Secretarial compliance report is also annexed herewith.

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 31<sup>st</sup> March 2007 and of the profits of the Company for the year ended 31<sup>st</sup> March 2007;
- (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 31.3.2007 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

Place : Mumbai  
Dated : 31.7.2007

**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  
2006-2007

Previous Year  
2005-2006

##### 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 Standard Production if any

Cloth produced (kgs.)

-

-

Electricity Rs/kg.

-

-

Furnace Oil/LSHS/Rs./kg

-

-

##### C. Foreign Exchange Earning and Out Go

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

14771897

39038294

2. Earning in Foreign Exchange

23094618

34913083

Outgoing in Foreign Exchange (Travelling)

560081

840303

**94<sup>th</sup> Annual Report 2006-2007****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, Urmila Girdharlal, 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., Bromelia Trading Pvt. Ltd., 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., 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

We 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 31<sup>st</sup> March 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we 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 thereunder and all entries therein have been duly recorded.
2. The Company has duly 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.
3. The status of the Company being Public Limited Company, comments are not required.
4. The Board of Directors duly met 6 times on 27.04.2006, 27.07.2006, 26.09.2006 31.10.2006, 30.01.2007 and 14.03.2007 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 21.09.2006 to 26.09.2006 (Both Days Inclusive) and necessary compliance of 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 31<sup>st</sup> March, 2006 was held on 26.09.2006 after giving due notice to the members of the Company and the resolutions

passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. No Extra-Ordinary General Meeting was held during the financial 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 any approvals from the Board of Directors, Members or the Central Government.
12. The Company has issued duplicate Share Certificates and has complied with the provisions of the Act, during the financial year under review.
13. The Company has:
  - (i) not issued or allotted any shares or securities. The Company has delivered all the certificates on lodgment thereof for transfer/transmission of shares in accordance with the provisions of the Act;
  - (ii) declared dividend during the year and deposited the amount of dividend declared including interim dividend in a separate bank account within five days from the date declaration of such dividend.
  - (iii) paid/posted warrants for dividend to all the members within the period of thirty days from the date of declaration and all unpaid dividend has been transferred to Unpaid Dividend Account.
  - (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.