



95th

Annual Report 2007-2008

**THE
VICTORIA MILLS
LIMITED**

95th Annual Report 2007-2008

2007-2008

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, Mumbai 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 95th Annual General Meeting will be held as scheduled below :

DAY : Tuesday
DATE : 30th September, 2008
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, 2008 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 declare dividend on Equity Shares.
3. To appoint a Director in place of Shri D. K. Contractor 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) The dividend as recommended by the Directors for the year ended 31st March, 2008 and as may be approved by the members of the Company at the Annual General Meeting will be payable to those shareholders from 6th October, 2008 whose names appear on the Register of Members as on 22nd September, 2008. In respect of shares held in demat form, the dividend will be paid on the basis of the beneficial ownership as per details to be received from the Depositories as at the end of business on 22nd September, 2008.

(c) 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 to Company's Registrar and Share Transfer Agents. 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.

(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.

(e) 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.

(f) Members are requested to intimate to the company or Registrar and Transfer Agents viz. System Support Services, 209 Shival Industrial Estate, 89 Andheri-Kurla Road, Sakinaka, Mumbai - 400 072, 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 23RD SEPTEMBER TO 30TH SEPTEMBER, 2008 (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: 30.7.2008

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DIRECTORS' REPORT

To,
The Shareholders of
The Victoria Mills Limited

Ladies & Gentlemen :

Your Directors present their 95th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2008 and the report of the auditors thereon.

	2007-2008 Rupees	2006-2007 Rupees
Gross Profit for the year before depreciation	1,44,88,708	3,31,50,244
Less: Provision for depreciation	11,56,138	12,66,557
Less: Provision for taxation	33,35,000	
Provision for Fringe Benefit Tax	186,000	
Income Tax of previous year	70,655	
	35,91,755	50,13,175
Profit/Loss	97,40,815	2,68,70,512
Add: Balance brought down from the previous year	15,95,03,887	14,14,52,527
Balance available for appropriation	16,92,44,702	16,83,23,039
Less: Transfer to General Reserve	13,50,000	32,00,000
	16,78,94,702	16,51,23,039
Less: Proposed Dividend on Equity shares	49,28,000	-
Tax on Proposed Dividend	8,37,514	-
Interim Dividend paid on Equity Share	-	49,28,000
Tax on Interim Dividend	-	6,91,152
Balance to be carried forward	16,21,29,188	15,95,03,887

Your attention is invited to the remark in Para 4(f) of the Auditor's Report and item No.10 of Note Forming Part of the Accounts. In view of the positive progress of the suit your Directors feel that provision for the same is not required at this moment and the carry forward balance in Profit & Loss account is more than sufficient to meet any eventualities.

Revised Accounting Standard 15, regarding retiring benefits to employees became applicable from 1.4.2007. In order to comply with this standard valuation of retirement gratuity and leave encashment to staff an actuarial valuation was obtained. Full provision of Rs. 21,36,226/- in this regard is made in the accounts for the current year based on value given by the Actuary.

During the year under report and also in the current year textile export has become unremunerative in view of sliding value of dollar in the international market and rising input

costs. These factors have made exports of textile fabrics unremunerative. The Management is exploring other avenues of business including strengthening of domestic trading operation, and till such time funds of the company have been deployed to earn income pending suitable business opportunities.

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 :

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed.
- 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, 2008 and of the profits of the Company for the year ended 31st March, 2008;
- 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;
- They had prepared the Annual Accounts on a going concern basis.

No Public Deposits were outstanding with the Company as at the end of 31.3.2008 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 : 30.7.2008

Aditya Mangaldas
Chairman & Managing Director

The Victoria Mills Limited, Mumbai

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

	Current Year 2007-2008	Previous Year 2006-2007
A. Power & Fuel Consumption		
1) Electricity		
a) <u>Purchased</u> :		
Units	-	-
Total amount Rs.	-	-
Rate/Unit Rs.	-	-
b) <u>Own Generation</u> :		
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	941321	14806618
2. Earning in Foreign Exchange	1131383	15910385
Outgoing in Foreign Exchange(Travelling)	165300	374275

95th Annual Report 2007-2008**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 MRTTP 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.

The Victoria Mills Limited, Mumbai

SECRETARIAL COMPLIANCE CERTIFICATE

[under rule 3 of Companies (Compliance Certificate) Rules, 2001]

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 31st March, 2008. 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 20.04.2007, 10.07.2007, 31.07.2007, 28.09.2007, 31.10.2007 and 30.01.2008 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 25.09.2007 to 28.09.2007 (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 31st March, 2007 was held on 28.09.2007 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) delivered all the certificates on lodgment thereof for transfer and transmission of shares in accordance with the provisions of the Act. The Company has not had any instance of allotment of share;
 - (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 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