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**96th
Annual Report 2008-2009**



**THE
VICTORIA MILLS
LIMITED**

96th Annual Report 2008-2009

2008-2009
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



NOTICE

NOTICE IS HEREBY GIVEN that the 96th Annual General Meeting will be held as scheduled below :

DAY : Wednesday
DATE : 30th September 2009
TIME : 11.00 A.M.
PLACE : At Hall of Culture, Nehru Centre,
 Dr. Annie Besant Road, Worli,
 Mumbai 400 018

To transact the following business :-

To receive consider and adopt the Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditor's Report thereon.

To declare dividend on Equity Shares.

To appoint a Director in place of Shri S.G.Vaidya who retires by rotation and is eligible for reappointment.

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 22ND SEPTEMBER TO 30TH SEPTEMBER 2009 (BOTH DAYS INCLUSIVE)

By Order of the Board

R.K. SHAH
 SECRETARY

Date: 30.7.2009

Registered Office :-

Parat House,
 4 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) The dividend as recommended by the Directors for the year ended 31st March 2009 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 2009 whose names appear on the Register of Members as on 21st September 2009. 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 21st September 2009.
- (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, 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
- (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 Shivai 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.

96th Annual Report 2008-2009

DIRECTORS' REPORT

To,
The Shareholders of
The Victoria Mills Limited.

Ladies & Gentlemen :

Your Directors present their 96th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2009 and the report of the auditors thereon.

	2008-2009 Rupees	2007-2008 Rupees
Gross Profit/Loss for the year before depreciation	(1,82,07,061)	1,44,88,708
Add/Less: Provision for depreciation	8,87,764	11,56,138
Add/Less: Provision for taxation	965000	
Provision for Fringe Benefit Tax	223300	
Income Tax of previous year	77460	
	<u>12,65,760</u>	<u>35,91,755</u>
Profit/Loss	(2,03,60,585)	97,40,815
Add: Balance brought down from the previous year	16,21,29,188	15,95,03,887
Balance available for appropriation	<u>14,17,68,603</u>	<u>16,92,44,702</u>
Less: Transfer to General Reserve	-	13,50,000
	<u>14,17,68,603</u>	<u>16,78,94,702</u>
Less: Proposed Dividend on Equity shares	49,28,000	49,28,000
Tax on Proposed Dividend	8,37,514	8,37,514
Balance to be carried forward	<u>13,60,03,089</u>	<u>16,21,29,188</u>

The Directors recommend payment of dividend of Rs. 50/- per equity shares on share capital of the company.

The company had filed a complaint with Economic Offence Wing of Crime Branch, Mumbai, as intimated earlier. Substantial progress was made by Economic Offence Wing of Crime Branch, Mumbai, in the complaint filed by the company. The parties involved in defrauding the company approached us for an amicable settlement of the matter during the year under report. After protracted negotiations, a consent agreement was signed for an amount of Rs.6.36 crores against receivable of Rs.8.81 crores (after deducting Rs.75.44 lacs payable to one of the concerned parties from Rs.9.56 crores). Against the settlement amount of Rs.6.36 crores, Rs.1.66 crores has already been received and balance will be received in installments over a period of four and half years.

As per the terms of the consent agreement, the FIR has been quashed pursuant to the order of the Bombay High Court dated 17th July 2009.

As a result of recession in the international market, the export of fabrics has become unremunerative and hence the company has stopped exporting fabrics for the time

being. However, the company is continuing textile trading the domestic market.

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri S.G.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 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 on 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 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 2009 and of the profits of the Company for the year ended 31st March 2009;
- (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 at the end of 31.3.2009 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: 30.7.2009

ADITYA MANGALDA
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

	Standard	Current Year 2008-2009	Previous Year 2007-2008
A. Power & Fuel Consumption			
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		Nil	Nil
Unit			
Unit per litre of fuel		Nil	Nil
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			
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
2. Earning in Foreign Exchange		-	1131383
Outgoing in Foreign Exchange(Travelling)		202500	165300

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
[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 2009. 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, with additional filing fees in case of delayed filing, as 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 5 times on 16.04.2008, 30.07.2008, 30.09.2008, 22.10.2008 and 27.01.2009 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 23.09.2008 to 30.09.2008 (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, 2008 was held on 30.09.2008 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 in compliance 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) paid dividend within statutory time limits and hence no amount was required to be deposited in a separate Bank Account;
 - (iii) paid the amount of dividend declared within the statutory time limit from the date of declaration of such dividend and hence no warrants were required to be posted to the 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;
 - (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 appointments of additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.