



**97th
Annual Report 2009-2010**

**THE
VICTORIA MILLS
LIMITED**

**2009-2010
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 :

Victoria House,
Pandurang Budhkar Marg,
Lower Parel, Mumbai 400 013.

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 97th Annual General Meeting will be held as scheduled below :

NOTES :

DAY : Thursday
DATE : 5th August 2010
TIME : 11.00 A.M.
PLACE : 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 2010 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 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.

THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 28TH JULY TO 5TH AUGUST 2010 (BOTH DAYS INCLUSIVE)

By Order of the Board

R. K. SHAH

SECRETARY

Date : 26th May 2010

Registered Office :-

Victoria House,
Pandurang Budhkar Marg,
Lower Parel, Mumbai 400 013.

- (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 2010 and as may be approved by the members of the Company at the Annual General Meeting will be payable to those shareholders from 10th August 2010 whose names appear on the Register of Members as on 27th July 2010. 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 27th July 2010.
- (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 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.

DIRECTORS' REPORT

To,
The Shareholders of
The Victoria Mills Limited.

Ladies & Gentlemen :

Your Directors present their 97th 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.

	2009-2010 Rupees	2008-2009 Rupees
Gross Profit/Loss for the year before depreciation	3,76,50,436	(1,82,07,061)
Add/Less: Provision for depreciation	6,77,413	8,87,764
Add/Less: Provision for taxation	217,500	9,65,000
Provision for Fringe Benefit Tax	-	2,23,300
Income Tax of previous year	-	77,460
	<u>21,75,000</u>	<u>12,65,760</u>
Profit/Loss	3,47,98,023	(2,03,60,585)
Add: Balance brought down from the previous year	13,60,03,089	16,21,29,188
Balance available for appropriation	17,08,01,112	14,17,68,603
Less: Transfer to General Reserve	37,00,000	-
	<u>16,71,01,112</u>	<u>14,17,68,603</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>16,13,35,598</u>	<u>13,60,03,089</u>

As reported last year an amount of Rs. 2.45 crores being difference between amount settled and amount receivable, have been written off in Profit and Loss Account as bad debts.

Your Company has recorded a turnover of Rs. 237.21 lacs by trading in textiles in the local market as against Rs. 70.75 lacs in the previous year.

Your Director have decided to enter into business of Real Estate. It was decided to form a separate company for this activity and this activity of Real Estate development is being carried out through a wholly owned subsidiary, Victoria Land Pvt. Ltd.

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.

As per requirement of S.E.B.I. (Substantial Acquisition of Shares and Takeovers) Regulations 1997 constituents of Group as defined under MRTTP 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 2010 and of the profits of the Company for the year ended 31st March 2010;
- 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 31.3.2010 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 : 26th May 2010

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

	Standard	Current Year 2009-2010	Previous Year 2008-2009
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			
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			
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		-	-
2. Earning in Foreign Exchange		-	-
Outgoing in Foreign Exchange(Travelling)		202850	202500

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) Subsidiary – Victoria Land Pvt. Ltd.

iii) 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.



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** ('the Company') as required to be maintained under the Companies Act, 1956, (the 'Act') 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 2010. In our opinion and to the best of our information and according to the examinations carried out by us and the 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, 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 6 times on 30.04.2009, 30.07.2009, 30.09.2009, 30.10.2009, 23.11.2009 and 25.01.2010 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 22.09.2009 to 30.09.2009 (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, 2009 was held on 30.09.2009 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 during the year under review.
9. The Company has not entered into any contract / transaction/s in violation of 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 of shares in accordance with the provisions of the Act. The Company has not had any instance of Transmission of Shares and allotment of share during the year under review;
 - (ii) deposited the amount of dividend declared in a separate bank account within five days from the date of declaration of Dividend;
 - (iii) paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Motwani Chambers Branch.;
 - (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.

97th Annual Report 2009-2010

15. The Company has not appointed any new Managing Director / Whole Time Director / Manger during the financial year under review and hence no comment is invited.
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 during the financial year under review.
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 any new shares / debentures / other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year ending 31st March, 2010.
21. Since the Company has not issued any redeemable preference shares / debentures, no comment is required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending 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 year under review.
24. The Company has not borrowed any sum of amount in violation of Section 293 (1) (d) of the Act during the financial year ending 31st March, 2010.
25. The Company has made investments in the other bodies corporate during the year under review and made necessary entries in the Register maintained for the purpose. However The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate during the financial year under review and hence no comment is required.
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 financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered any provisions of its Articles of Association during the financial year under review.
31. As explained to us, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year under review.
32. As explained to us, the Company has not received any money as security from its employees during the financial year under review.
33. The Company was not required to deposit any amount with prescribed authorities pursuant to Section 418 of the Act.

For **Nilesh Shah & Associates**
Company Secretaries

Sd/-
(Nilesh Shah)
Partner
C.P.No. : 2631

Place : Mumbai
Date : 26th May 2010

**Annexure - A**

Sr. No.	Registers kept & maintained by the Company	Under Section
1.	Register of Charges	143
2.	Register of Members	150
3.	Register of Index of Members	151
4.	Minutes Books of proceedings of : 1. Meetings of the Board of Directors / 2. General Meetings	193
5.	Register of Contracts, Companies and firms in which Directors are interested	301
6.	Register of Directors, Managers and Secretary	303
7.	Register of Directors Shareholding	307
8.	Register of Investments or loans made, guarantee or security provided	372A
9.	Register of Share Transfers	Voluntary
10.	Register of Directors Attendance	Voluntary
11.	Register of Renewed and Duplicate Share Certificates under the Companies (Issue of Share Certificates) Rules, 1960	Rule 7

For Nilesh Shah & Associates
Company Secretaries

Sd/-
(Nilesh Shah)
Partner
C.P.No. : 2631

Place : Mumbai
Date : 26th May 2010

Annexure - B

Sr. No.	Form No.	Under Section	Purpose	Date of Filing & SRN
1.	Form 18	146	Change In situation of Registered Office	08.10.2009 A70499975
2.	Form 23AC/Form ACA (Annual Accounts) Dtd. 31.03.2009	220	As per requirement of Act	22.10.2009 P36691426
3.	Form 66 (Compliance Certificate) Dtd. 31.03.2009	383A	As required under the Companies (Compliance Certificate) Rules, 2001	22.10.2009 P36630119
4.	For 20B (Annual Return) 30.09.2009	159, 161	As per requirement of Act	29.10.2009 P38064655

For Nilesh Shah & Associates
Company Secretaries

Sd/-
(Nilesh Shah)
Partner
C.P.No. : 2631

Place : Mumbai
Date : 26th May 2010

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, 2010 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's 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. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - (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, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - (d) In our opinion the Profit and Loss Account,

Balance Sheet and Cash Flow Statement 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 2010 from being appointed as directors in terms of Clause (g) of Sub-Section(1) of Section 274 of the Companies Act, 1956.

(f) 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 31.3.2010

ii) In the case of Profit & Loss account, of the loss for the year ended on that date and

iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

FOR **SORAB S. ENGINEERS & CO.**
Chartered Accountants

M.P. ANTIA
Partner

Place : MUMBAI
Dated : 26th May 2010

Membership No.7825
Firm Reg.No.110417 W