

# 99th Annual Report 2011-2012

	Rupees	2011-2012 Rupees	2010-2011 Rupees
<b>NOTE - 8 CURRENT ASSETS</b>			
<b>A) INVENTORIES</b>			
(As Per List certified and valued by the Company)			
Finished Goods		-	-
Property held as stock -in-trade (At Cost)		<b>7,926,600</b>	19,301,090
Work In Progress		<b>4,183,793</b>	21,651,399
		<b>12,110,393</b>	40,952,489
<b>B) TRADE RECEIVABLE</b>			
Exceeding Six months:			
Considered Good	31,687,363		35,852,363
Considered Doubtful	14,501,328		12,933,977
	<b>46,188,691</b>		48,786,340
Less: Provision for doubtful debts	14,501,328		12,933,977
	<b>31,687,363</b>		35,852,363
Other (considered Good)	4,400,000		5,543,230
		<b>36,087,363</b>	41,395,593
<b>C) CASH AND CASH EQUIVALENTS</b>			
Cash on hand		<b>6,676</b>	6,522
With scheduled Bank in:			
Current account	1,821,063		6,573,608
Bank Guarantee Margin Account	1,014,941		937,309
Unclaimed Dividened A/c	1,058,650		884,650
		<b>3,894,654</b>	8,395,567
		<b>3,901,330</b>	8,402,089
<b>D) SHORT-TERM LOANS AND ADVANCES</b>			
Loans & Advances:			
(Considered Good & Unsecured)			
Inter Corporate Deposit	39,432,439		66,932,667
Other Petrol, Telephone etc deposit	56,000		31,000
Staff Loan	686,500		848,500
		<b>40,174,939</b>	67,812,167
<b>E) OTHER CURRENT ASSETS</b>			
Dividened Receivable	17,721		83,284
Excise Rebate Receivable	-		-
Interest Accrued	220,422		206,175
Prepaid Expenses	255,944		232,843
Provision for Leave & Licence Income	1,530,000		1,170,000
Amount Receivable	31,322		-
Advance Income Tax Net Of Provision	4,852,949		2,503,945
		<b>6,908,358</b>	4,196,247
Advance Considered Doubtful	650,000		2,558,073
Less: Provision	650,000		2,558,073



**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS ON 31ST MARCH 2012**

	Rupees	2011-2012 Rupees	2010-2011 Rupees
<b>NOTE - 9 OTHER INCOME</b>			
Dividend		3,347,590	1,469,479
<b>Interest</b>			
On Other ( Gross)		6,862,584	6,524,172
(TAX DEDUCTED Rs 707231/- Previous year Rs 607280/-)			
Miscellaneous Income		10,070	138,439
Royalty Received		28,518	363,544
Income on Bill Discounting		1,265,187	1,994,011
Leave & Licence Income		9,602,712	9,602,712
Profit on Sales of Investment		-	4,427,764
Profit on Redemption of Mutual Funds Units		5,967,882	1,172,886
Excess Provision Written Back		4,042,050	1,667,771
<b>TOTAL RUPEES</b>		<b>31,126,593</b>	<b>27,360,778</b>
<b>NOTE - 10 EMPLOYEE'S EMOLUMENTS</b>			
Salaries, Wages & Bonus		2,945,252	2,442,436
Contribution to Superannuation scheme		65,141	60,255
Managing Director's Remuneration		2,298,445	1,667,960
Other Retirement Benefits		893,810	102,432
		<b>6,202,648</b>	<b>4,273,083</b>
<b>NOTE - 11 OTHER EXPENSES</b>			
Motor car Expenses		404,645	313,122
Stationery & Printing		119,354	114,618
Travelling Expenses		1,047,197	546,450
Telephone Expenses		185,395	227,914
Legal & Professional		1,231,075	1,163,943
Insurance		41,258	20,863
Auditor's Remuneration			
i) Audit Fees		102,247	102,000
ii) In other capacity (Tax Audit, Certification etc.)		279,861	290,367
iii) Out of Pocket expenses		15,310	14,086
Electricity		147,846	154,793
Directors Fees		170,000	70,000
Brokerage		674,160	14,909
Building Maintenance Expenses		196,830	-
Membership & Subscription		127,420	118,173
Miscellaneous Expenses		880,580	929,837
Rates & Taxes		4,388,474	597,998
Interest		-	-
Provision for Doubtful Debts		3,701,328	10,800,000
Bad Debts		3,692,050	650,203
Loss on Sale of Investment		1,451,773	-
		<b>18,856,803</b>	<b>16,129,276</b>

## 99th Annual Report 2011-2012

### NOTE -12 NOTES FORMING PART OF ACCOUNTS

#### 1. Major Accounting Policies:-

##### a) Recognition of income expenditure

Revenue/income and cost/expenditure are generally accounted on accrual as they are earned or incurred.

##### b) Depreciation is provided at Written Down Value Method as per Schedule XIV of the Companies Act, 1956.

##### c) Valuation of Inventories:

Property held as stock in trade is valued at cost or market whichever is lower. Work-in-progress is valued at cost of property plus all direct expenditure pertaining to project. Finished goods stock is valued at cost or realizable value whichever is lower.

##### d) Fixed Assets

Fixed assets are stated at cost less depreciation.

##### e) Investment

Non Current investments are stated at cost or book value. Permanent diminution in value of each investment is being provided after taking into consideration value of each investment individually. Current investment are valued at cost or market value whichever is lower.

##### f) Accounting Policy regarding Retirement Benefits

1)Gratuity and Leave encashment is provided in the basis of valuation made by an Actuary

2)Superannuation Fund is contributed into Fund with LIC.

##### g) Taxation

###### i)Current Tax

Provision for Current Tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

###### ii)Deferred Taxes

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

#### 2. Earning per Share as computed in accordance with Accounting Standard 20.

	2011-2012	2010-2011
(i)Net Profit after Tax (Rs.)	22638892	3972087
(ii)Number of Equity Shares of Rs.100/- each	98560	98560
(iii)Basic and Diluted Earnings per Share (Rs.)	229.69	40.30

#### 3. Segment Reporting :

The Company has discontinued in textiles and have started real estate development business.





4. Related Party Disclosure :

Nature of Transaction	Subsidiary	Associates	Key Management Personnel	Total
Managing Director's Remuneration	-	-	22,98,445	22,98,445
Previous year	-	-	(1667960)	(1667960)

Name of the related parties and relationship

A) Associates

- Galactic Enterprises Ltd.
- Adarsh Enterprises
- Fistuala Trading Pvt.Ltd.
- Abhay Investments Pvt.Ltd.
- Pawan Farms & Orachards
- Bruhaspati Investment & Trading
- Sutantu Agricultural Farm
- Mangaldas Mehta & Co.Pvt.Ltd.
- Bromelia Trading Pvt.Ltd.
- Mangaldas Mehta & Co

B) Key Mangement Personnel

1.SHRI ADITYA MANGALDAS

2011-2012  
Rs.

2010-2011  
Rs.

- a) Expenditure in Foreign Currency on Travel  
b) F.O.B Value of Exports
- No Amount of unpaid dividend has become due for payment into Investors Education and Protection Funds.
- As per revised Accounting Standard 15 applicable from this year, the liability for gratuity and leave encashment has been valued by an Actuary. Full provision for liability in this respect has been made in the accounts.

Gratuity Disclosure statement as per AS-15

2011-2012  
Rs.

Liability at the beginning of the year	18,74,470
Interest Cost	1,60,555
Current Service Cost	1,32,464
Past Service Cost (Not Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Settlement	-
Liability Transfer in	-
Liability Transfer out	-
Benefit paid	(2,96,873)
Acturial (gain/loss on obligations)	24,64,362
Liability at the end of the year	

8. Previous year's figures are regrouped where necessary.

As per our report annexed herewith

Aditya Mangaldas

Chairman &  
Managing Director

For Sorab S. Engineer & Co.  
Chartered Accountants

V. C. Vaidya

D. K. Contractor

Directors

M. P. Antia  
Partner

For The Victoria Mills Ltd.,

S. G. Vaidya

Mamta Mangaldas

Dated: 30.05.2012

Aditya Mangaldas  
Managing Director

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	2011-2012		2010-2011	
	Rupees	Rupees	Rupees	Rupees
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT/ (LOSS) AFTER TAX & EXTRA-ORDINARY ITEM		22,638,892		3,972,087
<b>Add/Less :</b>				
a) Provision for Taxation	7,634,018		3,100,000	
b) Depreciation	998,854		965,891	
c) Bad Debts	3,692,050		650,203	
d) Provision for Doubtful Debts	3,701,328		10,800,000	
e) Provision for fall in value of Short Term Investment	-		1,587,492	
f) Loss on Sale of Investments	1,451,773		-	
g) Interest paid	-	17,478,023	-	17,103,586
		<u>40,116,915</u>		<u>21,075,673</u>
<b>Add/Less :</b>				
a) Dividend Income	3,347,590		1,469,479	
b) Interest received on others	6,862,584		6,524,172	
c) Bill Discounting Income	1,265,187		1,994,011	
d) Profit on Redemption Of Mutual Fund Investment	5,967,882		1,172,886	
e) Excess Provision of Income Tax Written back	-		1,855,076	
f) Provision for fall in value of Short Term Investment Written back	1,587,492		-	
g) Excess Provision written back	4,042,050		1,667,771	
h) Profit on sale of Investment	-		4,427,764	
		<u>23,072,785</u>		<u>19,111,159</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>		<u>17,044,130</u>		<u>1,964,514</u>
<b>Add:</b>				
a) (Increase) / Decrease in Trade Receivables	5,308,230		45,916,118	
b) Increase in Retirement Benefits	-		152,432	
c) (Increase)/Decrease in Inventories	28,842,096		-	
d) (Increase)/ Decrease in Loans & Advances	27,637,228		-	
<b>Less: Increase/(Decrease) in Current &amp; Non Current Liabilities</b>	(48,689,126)		(22,940,827)	
Increase in other Current Assets	(363,107)	12,735,321	(5,383,040)	17,744,683
		<u>29,779,451</u>		<u>19,709,197</u>
<b>Deduct:</b>				
Direct Tax Paid/Received	2,711,322		206,048	
		<u>2,711,322</u>		<u>206,048</u>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES(A)</b>		<u>27,068,129</u>		<u>19,915,245</u>



Particulars	2011-2012 Rupees	2010-2011 Rupees	2010-2011 Rupees
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>INFLOW</b>			
a) Sale of Fixed Assets	3,347,590	1,469,479	
b) Dividend Income	6,862,584	6,524,172	
c) Interest received on other	1,265,187	1,994,011	
d) Bill Discounting income	-	-	
e) Profit on Sale of Investments Net	-	-	
f) Profit on Redemption of Mutual Fund Investment	-	11,475,361	9,987,662
g) Sale of Investments	-	-	
<b>OUTFLOW:</b>			
a) Purchase of Fixed assets	(22,341,202)	(160,330)	
b) Purchase of Investments (Net)	(6,148,084)	(22,967,590)	
	(28,489,286)	(23,127,920)	(23,127,920)
Less: Fixed Assets Converted to stock in Trade	-	(17,013,925)	(13,140,258)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>			
a) Secured Loans	(5,553,445)	(5,602,414)	
b) Unpaid Dividened	-	-	(5,602,414)
c) Interest Paid	-	-	
<b>NET CASH INFLOW/(OUT FLOW) IN FINANCING ACTIVITIES (C)</b>			
		(4,500,759)	1,172,573
<b>NET INCREASE/DECREASE IN CASH/CASH EQUIVALENTS (A+B+C)</b>			
CASH AND CASH EQUIVALENTS AS AT			
31ST MARCH 2011	8,402,089	7,229,516	
31ST MARCH 2012	3,901,330	8,402,089	
<b>NET CASH INFLOW/(OUTFLOW)</b>			
		(4,500,759)	1,172,573

As per our report annexed herewith

For **Sorab S. Engineer & Co.**  
Chartered Accountants

**M. P. Antia**  
Partner

Dated: 30.05.2012

For The Victoria Mills Ltd.,

**Aditya Mangaldas**  
Managing Director

**Aditya Mangaldas**

**V. C. Vaidya**

**D. K. Contractor**

**S. G. Vaidya**

**Mamta Mangaldas**

Chairman &  
Managing Director

Directors





**99th  
Annual Report 2011-2012**

**THE  
VICTORIA MILLS  
LIMITED**

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**2011-2012**  
**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  
Smt. Mamta Mangaldas

**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

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# NOTICE:

NOTICE IS HEREBY GIVEN that the 99th Annual General Meeting will be held as scheduled below :

**DAY :** Monday  
**DATE :** 13<sup>th</sup> August 2012  
**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 2012 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 S.G. 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.

## SPECIAL BUSINESS

5. To consider and it thought fit, to pass the following resolution with or without modification as a **Ordinary Resolution** :

"RESOLVED THAT Ms. Mamta Aditya Mangaldas, who was appointed as an additional director in terms of the provisions of Section 260 of the Companies Act, 1956 whose term of appointment expires at this Annual General Meeting and in respect of whom the company has received notice under section 257 of the Companies Act, 1956 proposing her candidature for appointment as Director, be and is hereby appointed as director of the Company whose term of office shall be liable to retire by rotation."

AN EXPLANATORY STATEMENT pursuant to Section 173 of the Companies Act, 1956, in respect of the above items is hereto annexed.

**THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 3<sup>rd</sup> AUGUST TO 13<sup>th</sup> AUGUST 2012 (BOTH DAYS INCLUSIVE)**

**By Order of the Board**

Aditya Mangaldas  
 Managing Director

Date: 30.5.2012

## Registered Office :-

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

## 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 31<sup>st</sup> March 2012 and as may be approved by the members of the Company at the Annual General Meeting will be payable to those shareholders from 21<sup>st</sup> August 2012 whose names appear on the Register of Members as on 2nd August 2012. 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 2<sup>nd</sup> August 2012.

(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 o Registrar and Transfer Agents viz. System Support Services, 209 Shivai Industrial Estate, 89 Andheri-Kurla Road, Sakinaka, Mumbai 400072, changes if any, in their registered address quoting Folio Numbers or Client ID and DP ID numbers in all the correspondence.

## ANNEXURE OF THE NOTICE

**Explanatory statement pursuant to Section 173 of the Companies Act, 1956 regarding the Special Business in the accompanying Notice.**

To,  
 The Shareholder of  
 The Victoria Mills Limited.  
 Gentlemen:

## Item No.5

At the meeting of the Board of Directors of the Company held on 8th August 2011. Ms. Mamta Aditya Mangaldas has been appointed as an additional director on the Board of the Company and she holds office up to the date of ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose. Ms. Mamta Mangaldas as a candidate of the office of the Director of the Company liable to retire by rotation. Considering the advantage to the company due to experienced advice / knowledge of Ms. Mamta Aditya Mangaldas, the Board recommend passing of the resolution as contained in the notice convening Annual General Meeting. Ms. Mamta Aditya Mangaldas has also kindly consented to continue as a Director of the Company, if re-appointed. Detailed Biodata of Ms. Mamta Aditya Mangaldas is available at the Registered Office of the Company for inspection of Members, during any working day, between 10.30 a.m. to 3.00 p.m. upto the date of AGM.

Ms. Mamta Aditya Mangaldas herself and Mr. Aditya Harshavadan Mangaldas, being relative are deemed to be concerned or interested in the proposed resolution.

The Board recommends passing of the resolution by the members

**By Order of the Board**

Aditya Mangaldas  
 Managing Director

Date: 30.5.2012

## Registered Office :-

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



## DIRECTORS' REPORT

To,  
The Shareholders of  
The Victoria Mills Limited.  
Ladies & Gentlemen :

Your Directors present their 99<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, 2012 and the report of the auditors thereon.

	2011-2012 Rupees	2010 -2011 Rupees
Gross Profit/Loss for the year before depreciation and taxation	97,23,459	82,88,932
Less: Provision for depreciation	7,80,070	9,44,939
Tax Expenses	11,00,000	31,00,000
<b>Profit</b>	<b>78,43,389</b>	<b>42,43,993</b>
Add: Balance brought down from the previous year	15,91,42,146	16,13,35,598
Balance available for Appropriation	16,69,85,535	16,55,79,591
Less: Transfer to General Reserve	8,00,000	7,10,000
	16,61,85,534	16,48,69,591
Less: Proposed Dividend on Equity shares	49,28,000	49,28,000
Tax on Proposed Dividend	7,99,445	7,99,445
Balance to be carried forward	16,04,58,090	15,91,42,146

Your Directors have recommended a Dividend of 50% amounting to Rs.50/- per share of face value of Rs.100/- each.

As mentioned last year your company has started Real Estate development. Since the textile market was very sluggish during year under review, your company decided not to carry on textile activity.

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri S.G.Vaidya retires by rotation and is eligible for re-appointment.

Ms. Mamta Mangaldas had been appointed as Additional Director of the Company by the Board and she holds office upto the date of the Annual General Meeting. The Company has received notices in writing from the members proposing her candidature for the office of Directors.

Your attention is invited to the Special Business mentioned in the Notice of the Annual General Meeting. The information relating to the same has been given in the Explanatory Statement accompanying the Notice.

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 2012 and of the profits of the Company for the year ended 31st March 2012;
- (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 31.3.2012 as company has not accepted any deposit.

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: 30.5.2012

**ADITYA MANGALDAS**  
Chairman & Managing Director