



105th
Annual Report 2017-18

THE
VICTORIA MILLS
LIMITED

2017-2018
THE VICTORIA MILLS LIMITED, MUMBAI
ANNUAL REPORT WITH
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

BOARD OF DIRECTORS :

Mr. R. K. Shah (Chairman)
Mr. Aditya Mangaldas (Managing Director)
Mr. S. G. Vaidya
Mrs. Mamta Mangaldas
Ms. Gargi Mashruwala

AUDITORS :

Vasani & Thakkar
Chartered Accountants

REGISTERED OFFICE :

Victoria House,
Pandurang Budhkar Marg,
Lower Parel, Mumbai 400 013.
Tel: 24971192/93, Fax: 24971194
email: vicmill2013@gmail.com,
website:www.victoriamills.in
CIN : L17110MH1913PLC000357

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West) Mumbai - 400083,
Tel. No. : 91(22) 4918 6000
Email : mumbai@linkintime.co.in
Website : www.linkintime.co.in



The Victoria Mills Limited, Mumbai

THE VICTORIA MILLS LIMITED

CIN: L17110MH1913PLC000357

Registered Office: Victoria House, Pandurang Budhkar Marg, Lower Parel, Mumbai- 400013.
Tel: 24971192/93, **Fax:** 24971194, **E-mail:** vicmill2013@gmail.com **Website:** www.victoriamills.in

NOTICE

Notice is hereby given that the 105th Annual General Meeting ("AGM") of the members of THE VICTORIA MILLS LIMITED will be held as Scheduled below:

Day : Thursday
Date : September 27, 2018
Time : 11:00 A.M.
Venue : Hall of Harmony, Nehru Centre,
Dr. Annie Besant Road, Worli, Mumbai - 400018.

To transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Directors and Auditors thereon.
2. To Declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Rashmikan Shah (DIN 07111006) who retires by rotation and being eligible, offers himself for re-appointment and hence to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mr. Rashmikan Shah (holding DIN 07111006), a Non-Executive Non-independent Director of the Company, who is liable to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, though he has crossed the age of 75 years."

4. Ratification of Appointment of Statutory Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors and pursuant to the approval of the Members at the 104th Annual General Meeting, the Company hereby ratifies the appointment of M/s. Vasani & Thakkar, Chartered Accountants (ICAI Firm Registration No. 111296W) as the Statutory Auditors of the Company, to hold office till the conclusion of the 109th Annual General Meeting of the Company to be held in the year 2022, at a remuneration as may be decided by the Board of Directors in consultation with the said Auditors."

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of

Directors and subject to approval the Central Government, if required, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Aditya Mangaldas (DIN: 00032233) as Managing Director of the Company for the period of three years w.e.f. 1st April 2018 and payment of remuneration not exceeding Rs. 84,00,000/- per annum for period of said three years including Basic Salary and other Perquisites, Bonus, Performance Incentives and other additional perquisites as recommended by the Nomination and Remuneration Committee and determined by the Board from time to time as per the rules of the Company.

RESOLVED FURTHER THAT in the event of no profit or the profits being inadequate in any financial year of the Company during the currency of tenure of Mr. Aditya Mangaldas, he shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule V to the Companies Act, 2013 or any modification or re-enactment thereof, unless otherwise approved by Central Government if any.

RESOLVED FURTHER THAT in case any of the aforesaid consents as may be applicable and if denied by the competent authority to the Payment of Remuneration to Mr. Aditya Mangaldas, the committee recommend to the Board to take every steps to get refund of the excess amount of Remuneration paid to Mr. Aditya Mangaldas.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Aditya Mangaldas shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT draft agreement proposed to be entered into with the Managing Director should be on revised terms and stipulated that the same be placed before ensuing Annual General Meeting as Special Resolution and be executed after approval of the shareholder and necessary legal formalities be carried out"

- 6) To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mr. S. G. Vaidya (holding DIN 00220956), an Independent Director of the Company, be continued as an Independent Director of the Company to hold office for the balance period of his current tenure viz upto 12th August, 2019, though he has crossed the age of 75 years."

NOTES:**1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) The instrument appointing the proxy (as per the format provided hereinafter), in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) Member / Proxy should bring the attendance slip duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.
- 4) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- 5) The Register of Members of the Company shall remain closed from the Wednesday, September 12, 2018 to Thursday, September 27, 2018(both days inclusive).
- 6) Payment of Dividend as recommended by the Directors, if approved at the meeting, will be made to those members whose names are on the Company's register of members on Tuesday, September 11, 2018 and those whose names appear as Beneficial Owner (in case shares in held in Demat) as at the close of the business hours on Tuesday September 11, 2018 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- 7) Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the meeting. This would enable the Company to compile the information and provide replies at the Meeting.
- 8) Since shares of the Company are traded on the Bombay Stock Exchange; compulsorily in demat mode, shareholders holding shares in physical mode are strongly advised to get their shares dematerialized.
- 9) The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly register their e-mail IDs to the RTA by sending an e-mail at rnt.helpdesk@linkintime.co.in. The Annual Report of the Company and other documents proposed to be sent through e-mail would also be made available on the Company's website i.e. www.victoriamils.in.

- 10) Members are requested to intimate to the company or Register and Transfer agent Viz. Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400083, changes if any, in their registered address quoting Folio Numbers or Client ID and DP ID numbers in all the correspondence.
- 11) Please encash your dividend warrants immediately on their receipt by you as pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("IEPF Rules") notified by the Ministry of Corporate Affairs (MCA) dividends remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund ("the Fund") established by the Central Government. Also, Shares with respect to above dividend needs to be transferred to the Fund.
- 12) Pursuant to Section 72 of the Companies Act, 2013, 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 SH-13 to the Registrar and Transfer Agent of the Company.
- 13) Pursuant to Section 107 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administrations) Rules, 2014, there will not be any voting by show of hands on any of the agenda items at the Meeting and the Company will conduct polling at the Meeting.
- 14) The Board of Directors has appointed Mr. Nilesh Shah, Practising Company Secretary (FCS No. 4554, CP No. 2631) as Scrutinizer for conducting the voting process in a fair and transparent manner.
- 15) The Scrutinizer shall submit his report, to the Chairman / Managing Director, on the votes cast in favour or against, if any, within a period of three working days from the date of conclusion of the e-voting period.
- 16) Please refer attendance slip for route map giving directions to the venue of the meeting.
- 17) The results declared along with the Consolidated Scrutinizer report shall be placed on the website of the Company www.victoriamils.in. The results shall also be communicated to the Stock Exchange.
- 18) Pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors proposed to be appointed/re-appointed are as under-

Agenda Item No.	3	5
Name of Director	Mr. Rashmikan Shah	Mr. Aditya Mangaldas
Director Identification Number (DIN)	07111006	00032233
Date of Birth	07.02.1937	16.08.1963
Qualification & Brief Profile including Expertise	Refer: Note-1	Refer: Note-2
Disclosure of relationship with other Director's	Nil	Spouse of Mrs. Mamta Mangaldas, Director of the Company
Directorships in other Listed Companies	None	1. Morarjee Textiles Limited 2. Arrow Textiles Limited



Memberships/ Chairmanship of Audit and Stakeholders Relationship C o m m i t t e e s a c r o s s o t h e r P u b l i c C o m p a n i e s	Nil	Member - Stakeholder Relationship Committee (The Victoria Mills Limited) Member - Stakeholder Relationship Committee(Arrow Textiles Limited) Member - Audit Committee (Morarjee Textiles Limited) Member - Nomination and Remuneration Committee (Morarjee Textiles Limited) Chairman - Audit Committee (Arrow Textiles Limited) Chairman - Nomination and Remuneration Committee (Arrow Textiles Limited)
Shareholding in The Victoria Mills Ltd	1	43,317

Note-1 Qualification, Brief profile and Expertise of Mr. Rashmikant K. Shah

Mr. Rashmikant Shah is Qualified Company Secretary, Chartered accountant and L.L.B by profession, Mr. Rashmikant Shah was Past Company Secretary of The Victoria Mills Limited. Right now Mr. Rashmikant Shah is a Non- Executive Director and Chairman of the Company. Mr. Rashmikant Shah has been associated with The Victoria Mills Limited for last 56 Years.

Note -2 Qualification, Brief profile and Expertise of Mr. Aditya Mangaldas

- Mr. Aditya Mangaldas is a Mechanical Engineer from L. D. College of Engineering, Ahmedabad and has an MBA from Babson College, U.S.A.
- Mr. Aditya Mangaldas is responsible for overall business strategy and direction for the organization. As a Managing Director, he provides strategic direction to the Company.
- Mr. Aditya Mangaldas is actively involved in an organization involved in housing and caring for children with serious chronic diseases.

19) E-Voting

Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or <http://www.victoriamills.in/>.

The e-voting period commences on Monday, September 24, 2018 (9:00 am) and ends on Wednesday September 26, 2018 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of Thursday, September 20, 2018**. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. Thursday, September 20, 2018**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.

The member(s) whose email ID is not registered with the Company/ Depository Participants(s.), may obtain a login ID and password for casting his/her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no.: 1800-222-990 mentioning your demat account no/folio no.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details will be as per details given below :
 - For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
- Your password details are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail nilesh@ngshah.com to with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

Mr. Nilesh Shah, Practising Company Secretary (FCS No. 4554, CP No. 2631) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.victoriamils.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors
For The Victoria Mills Limited

Place: Mumbai
Date: May 02, 2018

Registered Office:
Victoria House,
Pandurang Budhkar Marg,
Lower Parel,
Mumbai- 400 013

Rashmikan Shah
Chairman
(DIN: 07111006)



Explanatory Statement

The following Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, ("the Act") sets out all material facts relating to the business mentioned in item no. 5 in the accompanying Notice of the Annual General Meeting.

Item No. 3

Pursuant to the provisions of Companies Act, 2013, Mr. Rashmikan Shah, as non-independent director, retires by rotation at the 105th Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

SEBI has vide Notification dated 9th May, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to amend certain provisions or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One such amendment is insertion of new Sub-Regulation (1A) in Regulation 17 which stipulates that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The said amendment shall come into force with effect from 1st April, 2019.

Mr. Rashmikan Shah is aged 81 years therefore his re-appointment as a Non-Executive Non-Independent Director requires consent of the Members by way of a Special Resolution in view of the aforesaid amendment.

Mr. Rashmikan Shah is qualified Company Secretary, Chartered Accountant and L.L.B by profession. Mr. Rashmikan Shah was past Company Secretary of The Victoria Mills Limited. Mr. Rashmikan Shah is now a Non- Executive Director and Chairman of the Company. Mr. Rashmikan Shah has been associated with The Victoria Mills Limited for last 56 Years. He is active and keeps good health. Having regard to his qualifications, knowledge and experience, his re-appointment on the Board of the Company as a Non-Executive Non-Independent Director will be in the interest of the Company. Accordingly, the Board of Directors recommend passing of the Special Resolution at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Rashmikan Shah is concerned or interested in the Resolution.

Item No. 5

Mr. Aditya Mangaldas was re-appointed as Managing Director for period of 3 years w.e.f. 1st April, 2015 and hence the said terms of Appointment of Mr. Aditya Mangaldas comes to end on 31st March, 2018. Directors were of the opinion that in view of the improved working of the Company under able guidance and supervision of Mr. Aditya Mangaldas it is desirable to re-appoint him as Managing Director for period of 3 years on terms and conditions as may be suggested by the Nomination and Remuneration Committee consisting of two Independent Directors. It is also desirable to enter into Agreement with the Managing Director describing detail terms of appointment of Mr. Aditya Mangaldas to be effective from 1st April, 2018.

It is proposed to reappoint Mr. Aditya Mangaldas as Managing Director on terms as mentioned herein below:

Year	1.4.2018	1.4.2019	1.4.2020
Particulars			
Basic per month	3,50,000	4,00,000	4,50,000
HRA	-	-	-
Perquisite	-	-	-
Bonus	-	-	-
Additional perquisites	-	-	-
Yearly	42,00,000	48,00,000	54,00,000
Not to be included			
P.P.F.	1,00,000	1,00,000	1,00,000
Gratuity	1,75,000	2,00,000	2,25,000
Superannuation	5,17,860	5,91,840	6,65,820
LTA	3,50,000	4,00,000	4,50,000
Total	53,42,860	60,91,840	68,40,820

PART "A"

- Medical Reimbursement:** The reimbursement of medical expenses incurred by the Managing Director for self and family in accordance with the rules and regulations of the Company.
- Leave Travel Concession:** Leave Travel Concession for the Managing Director and his family in a year in accordance with the Rules & Regulation of the Company.
- Personal Accident Insurance:** Personal Accident Insurance of an amount of the annual premium of which does not exceed one month salary.
- Club Fees:** Fees of Club subject to a maximum of two Clubs excluding Admission and Life Membership fees to the Managing Director.

PART "B"

- Companies Contribution to Provident & Other Fund:** Companies Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 as per the rules of the Company.
- Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of services.
- Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

- Car:** The Company shall provide car with driver.
- Telephone/ Internet:** Telephone/ Internet facility at the residence of the Mr. Aditya Mangaldas for use of company's business. Reimbursement of telephone bills/ Internet bills at residence and Mobile Phone with the condition that personal long distance calls should be logged and paid by him.
- Leave:** Leave on full pay and allowance at the rate of one month for every eleven months of service.

The Company shall pay or reimburse the appointee for all the cost, charges, expenses that may be incurred by him for the purpose of the business of the Company.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

In the event of no profits or its profits are inadequate, the Company in any financial year of the Company during the currency of tenure of Mr. Aditya Mangaldas, he shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule V to the Companies Act, 2013 or any modification or re-enactment thereof, unless otherwise approved by Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- Encashment of leave at the end of the tenure.

The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V

I: General Information:

- Nature of Industry:** The Company was in the business of manufacturing and trading of textile products. The Company also invests the surplus funds of the company in safe financial instruments so as to maximize returns. Due to recession in the textile industry, the Company has decided to diversify into real estate development.

2. **Financial Performance based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2018 are as under.

Particular	For the Year ended 31.03.2018 (Rs.)
Income from Operation	8,75,00,000
Other Income	1,30,21,673
Total Income	10,05,21,673
Net Profit Before Depreciation and Tax	1,45,57,940
Depreciation	2,32,652
Net Profit Before Tax	1,43,25,288
Provision for Income Tax	36,13,892
Net Profit after Tax	1,07,11,396

3. **Export Performance and Net Foreign Exchange Collaborations:** The Company does not have foreign collaborations.
4. **Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

II: Information about the Appointee:

- 1) **Brief Profile of Appointee:** Mr. Aditya Mangaldas is the Managing Director of The Victoria Mills Ltd. He has been Managing Director of The Victoria Mills Limited since October, 1999. He has wide experience and has spent approximately 20 years in the textile industry.
- Mr. Aditya Mangaldas is a Mechanical Engineer from L. D. College of Engineering, Ahmedabad and has an MBA from Babson College, U.S.A.
 - Mr. Aditya Mangaldas is actively involved in an organization involved in housing and caring for children with serious chronic diseases.
 - Mr. Aditya Mangaldas is responsible for overall business strategy and direction for the organization. As Managing Director, he provides strategic direction to the Company.
- 2) **Past Remuneration:** In the past, Mr. Aditya Mangaldas was drawing remuneration of Rs.2,25,000 – 2,50,000/- Respectively per year from the Company.
- 3) **Recognition and Award received in past:** There is no reportable recognition / award received by Mr. Aditya Mangaldas, which is directly connected with the activities of the Company.
- 4) **Job Profile and Suitability:** Mr. Aditya Mangaldas is responsible for overall business strategy and direction for the organization.
- 5) **Comparative Remuneration in the Industry:** Remuneration as proposed to Mr. Aditya Mangaldas is provided herein above considering the nature of industry and specialty of services rendered by Mr. Aditya Mangaldas and also considering the complex role performed by him no comparative remuneration of industry available for information.
- 6) **Material Pecuniary Relationship:** Mr. Aditya Mangaldas has no other material pecuniary relationship, directly or indirectly with the Company or with the Managerial Personnel. However he is part of Promoter Group.

III. Other information:

- 1) **Reason for inadequate Profit and measures taken for improvement:** With textile trading becoming unremunerative, the Company has entered into business of Real Estate – purchase, sale and development.

- 2) **Expected Increase in Profits in Measurable Terms:** Considering the proposed businesses, it is felt that company will perform better in diversified activity but it is not possible to ascertain and quantify the expected increase in profits in measurable at this stage. However Company expects sizeable growth in income and profitability in next 5 years.

The appointment can be terminated by either party by giving 3 months notice.

The above may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 190 of the Companies Act, 2013.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice. The copy of appointment letter as given to Mr. Aditya Mangaldas will be available for inspection to the members at the Registered Office of the Company between 11.00 A.M. and 3.00 P.M. on any working day.

Mr. Aditya Mangaldas is deemed to be concerned or interested in the above resolution.

Mrs. Mamta Mangaldas, Director of the Company is also deemed to be concerned or interested in the above resolution being spouse of Mr. Aditya Mangaldas.

Item No.6

At the 101st Annual General Meeting of the Members of the Company held on 23rd September 2014, Mr. S. G. Vaidya, an Independent Director was appointed as such to hold office for five consecutive years with effect from 13th August, 2014. Accordingly, his current tenure of appointment is valid upto 12th August, 2019.

SEBI has vide Notification dated 9th May, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to amend certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One such amendment is insertion of new Sub-Regulation (1A) in Regulation 17 which stipulates that no listed entity shall appoint a person or continue the directorship of any person as a non-executive independent director who has attained the age of 75 years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The said amendment shall come into force with effect from 1st April, 2019.

Mr. S. G. Vaidya is L.T.M. & B.Text by qualification. He has expertise in Technical & General Management. Mr. S. G. Vaidya has been associated with The Victoria Mills Limited for last 26 Years. He was appointed an Independent Director w.e.f. 13th August, 2014. He is active and keeps good health. In the opinion of the Board of Directors of the Company, he continues to fulfill the conditions specified in the Companies Act, 2013 for being an Independent Director. Having regard to his qualifications, knowledge and experience, his continuance on the Board of the Company as an Independent Director will be in the interest of the Company. Accordingly, the Board of Directors recommend passing of the Special Resolution at Item No.6 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. S. G. Vaidya is concerned or interested in the Resolution.

**By Order of the Board of Directors
For The Victoria Mills Limited**

Place: Mumbai
Date: May 02, 2018

Registered Office:
Victoria House,
Pandurang Budhkar Mar
Lower Parel,
Mumbai- 400 013

Rashmikan Shah
Chairman
(DIN: 07111006)



BOARD'S REPORT 2017-18

Dear Shareholders,

Your Directors present their 105th Annual Report on the working of the Company with audited Statement of Accounts for the year ended March 31, 2018 and the report of the auditors thereon.

1. FINANCIAL RESULTS:

Particular	2017-2018 (Amount In Rs.)	2016-2017 (Amount In Rs.)
Income from Operation	8,75,00,000	5,25,00,000
Other Income	1,30,21,673	1,08,77,765
Total Income	10,05,21,673	6,33,77,765
Net Profit Before Depreciation and Tax	1,45,57,940	1,04,77,874
Depreciation	2,32,652	1,56,349
Net Profit Before Tax	1,43,25,288	1,03,21,525
Provision for Income Tax	36,13,892	32,50,000
Net Profit after Tax	1,07,11,396	70,71,525

2. OPERATIONAL REVIEW:

Profit before depreciation and taxation was Rs. 1,45,57,940/- against Rs. 1,04,77,874/- in the previous year. After providing for depreciation and taxation of Rs. 2,32,652 and Rs. 36,13,892/- respectively, the net profit of the Company for the year under review was placed at Rs. 1,07,11,396/- against Rs. 70,71,525/- in the previous year.

3. SHARE CAPITAL:

The paid up Equity Share Capital of the company is Rs. 98.56 Lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted any Stock Option nor any Sweat Equity Shares.

4. DIVIDEND:

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 50% (at par with previous year). The Dividend of 50%, if approved at the forth coming Annual General Meeting, will result in the out flow of Rs. 49,28,000/- to the company in addition to Rs. 10,03,225 /- by way of dividend distribution tax.

Further, pursuant to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 read with Circular No. 4/2016 dated April 27, 2016 no provision has been made for Dividend in the Books of Accounts.

5. FINANCE:

Cash and cash equivalent as at March 31, 2018 was Rs. 33,11,451/- The Company continues to focus on adjusting management of its working capital receivable, purchases and other working capital parameters were kept under strict check through continuous monitoring.

6. DEPOSITS:

Your company has not accepted any deposits within the meaning of Section-73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has neither granted any Loan or nor has given any guarantee.

However, the company had granted loan to its wholly owned subsidiary i.e. Victoria Land Private Limited for an amount not exceeding Rs.12 crores from time to time and on such terms and conditions including the terms of repayment as initially agreed from time to time vide its Board Resolution dated August 13, 2014. As on March 31, 2018 the outstanding loan is Rs. 90 lakhs.

The details of the investments made by the company is given in the notes to the financial statements.

8. INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company transferred the unpaid/ unclaimed dividend amount to the Investor Education and Protection Fund in compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013. In compliance with these provisions read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 1,745 shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid/unclaimed for a consecutive period of 7 years.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Companies Act, 2013.

During the year, the tenure of Mr. Aditya Mangaldas as a Managing Director of the Company expired on 31st March 2018. The Board of Directors of the Company at its Meeting held on 14th February, 2018, subject to the approval of the shareholders, re-appointed of Mr. Aditya Mangaldas as a Managing Director for a further term of 3 (three) years with effect from 1 April 2018.

During the year under review Mr. Dhiraj Gupta had resigned from the position of Company Secretary w.e.f June 10, 2017 and Mr. Nikunj Kanabar was appointed as the Company Secretary and Compliance officer of the Company with effect from August 10, 2017.

All the Independent Directors of your company have given their declarations, that they meet the criteria of Independence as laid down under Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Rashmikan Shah (DIN: 07111006), Director of the Company is liable to retire by rotation and, being eligible, offers himself for re-appointment. Board recommends him re-appointment to the shareholders at the ensuing AGM.

11. BOARD EVALUATION:

During the year, pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had

adopted a formal mechanism for evaluating its own performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board.

12. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. This policy along with the criteria for determining the qualification, positive attributes, and independence of a director is available on the website of the Company viz. www.victoriamilks.in

13. MEETINGS OF THE BOARD AND ITS COMMITTEES:

During the year under review, Four (4) Board Meetings, Four (4) Audit Committee meetings, Four (4) Stakeholders Relationship Committee meetings and Three (3) Nomination and Remuneration Committee meetings were held and the gap between two consecutive Board Meetings and Committee Meetings was within the limits prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:-

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- II. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
- III. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The directors have prepared the annual accounts on a going concern basis.
- V. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- VI. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

15. STATUTORY AUDITORS AND AUDIT REPORTS:

M/s. Vasani & Thakkar, Chartered Accountants, Mumbai (Firm's Registration No. 111296W) was appointed as the Statutory Auditors of the Company at its 104th Annual General Meeting from the conclusion of the said meeting until the conclusion of the 109th Annual General Meeting. Necessary resolution for ratification of the appointment of M/s. Vasani & Thakkar as the Statutory Auditors is included in the Notice of the Annual General Meeting.

The reports of the Statutory Auditors, Vasani & Thakkar, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year 2018 form part of this Annual Report. The statutory auditors have submitted a unmodified opinion on the audit of financial statements for the year 2018 and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

16. SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. Nilesh Shah and Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure-A".

17. CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report together with the Certificate received from the Practising Company Secretary of the Company regarding compliance with the requirements of Corporate Governance as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form an integral part of this Annual Report and is annexed herewith as "Annexure-B".

18. MANAGEMENT DISCUSSION ANALYSIS:

The detailed Management Discussion Analysis Report is annexed herewith as "Annexure-C".

19. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-D" to this report.

20. PARTICULARS OF EMPLOYEES:

Disclosures with respect to remuneration required pursuant to Section 197 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is Annexed here as "Annexure-E" and will also be provided upon request in terms of Section 136 of the Act. The reports and accounts are being sent to the members and other entitled thereto. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Further, the Company does not have any employee whose remuneration exceeds the limits prescribed in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. RELATED PARTY TRANSACTIONS:

The Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant Related Party Transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.