

**2010-2011
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



**98th
Annual Report 2010-2011**

**THE
VICTORIA MILLS
LIMITED**



NOTICE

NOTICE IS HEREBY GIVEN that the 98th Annual General Meeting will be held as scheduled below:

DAY : Monday
DATE : 8th August 2011
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 2011 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditor's Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri D.K. Contractor, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in terms of recommendation of the Remuneration Committee and Subject to approval of 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 as Managing Director of the Company for the period of 3 years w.e.f. 1st April 2011 and payment of remuneration not exceeding Rs. 2,50,000 p.m. for period of said 3 years in the following grade 150000 - 25000 - 175000 - 25000 - 200000, and other additional perquisites as recommended by the Remuneration Committee and determined by the Board from time to time as per the rules of the Company and as contained in the draft Agreement, copy of which placed before the meeting to be finalized on approval of Resolution by the Members."

"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 Board be and is hereby undertakes to take every steps to get refund of the excess amount of Remuneration paid to Mr. Aditya Mangaldas."

"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 XIII

to the Companies Act, 1956 or any modification thereof, unless otherwise approved by Central Government.

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-imbusement 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 the Board of Directors of the Company be and are hereby authorized to perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this resolution".

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 28TH JULY TO 8TH AUGUST 2011 (BOTH DAYS INCLUSIVE)

Registered Office :-

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

By Order of the Board

R.K. SHAH
SECRETARY

Date: 30th May 2011

NOTES:

- (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (b) The dividend as recommended by the Directors for the year ended 31st March 2011 and as may be approved by the members of the Company at the Annual General Meeting will be payable to those shareholders from 11th August 2011 whose names appear on the Register of Members as on 27th July 2011. 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 2011.
- (c) Members, who hold shares in physical form are requested to notify immediately change in their addresses, if any, specifying Registered Folio Number and other relevant details, Members who hold shares in Electronic form are requested to notify change in their address to Depository

Participant with whom they are maintaining their Beneficial owner account, to Company's Registrar and Share Transfer Agents.

- (d) Members, who hold shares in Dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
- (e) Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to the Registrar and Transfer Agents of the Company.
- (f) Members are requested to intimate to the company or Registrar and Transfer Agents viz. System Support Services, 209 Shivai Industrial Estate, 89 Andheri-Kurla Road, Sakinaka, Mumbai 400 072, changes if any, in their registered address quoting Folio Numbers or Client ID and DP ID numbers in all the correspondence.

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

Mr. Aditya Mangaldas was appointed as Managing Director for period of 5 years w.e.f. 1st April, 2006 and hence the said terms of Appointment of Mr. Aditya Mangaldas comes to end on 31st March, 2011. 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 Remuneration Committee consist of 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, 2011.

It is propose to pay Gross remuneration not exceeding @ Rs. 2,50,000/- per month in the grade of 150000 – 25000 - 175000 – 25000 – 200000 including Basic Salary, House Rent Allowance and other Perquisites (as detailed below), Bonus, Performance Incentives and other additional perquisites as approved by Board from time to time and as contained in the draft Agreement, copy of which placed before the meeting to be finalized on approval of Resolution by the Members.

PART "A"

- (i) 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.
- (ii) 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.

(iii) Personal Accident Insurance: Personal Accident Insurance of an amount of the annual premium of which does not exceed one month salary.

(iv) Club Fees: Fees of Club subject to a maximum of two Clubs excluding Admission and Life Membership fees to the Managing Director.

PART "B"

(i) Companies Contribution to Provident & Other Fund: Companies Contribution to Provident Fund, Super-annuation 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.

(ii) Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of services.

(iii) Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

(i) Car: The Company shall provide cars or pay monthly car hire charges for using his personal car with driver while on service.

(ii) Telephone: Telephone facility at the residence of the Mr. Aditya Mangaldas for use of company's business. Reimbursement of telephone bills at residence and Mobile Phone with the condition that personal long distance calls should be logged and paid by him.

(iii) 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.

Where in any financial year during tenure of office of Mr. Aditya Mangaldas, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Mr. Aditya Mangaldas by way of Salary, allowances, perquisites and other allowance as the case be such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 or within such ceiling limits as may be re-codified unless otherwise approved by the Central Government.

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

(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.

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 XIII, PART II, SECTION II (B) (IV)

I: General Information:

1. 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, 2010 are as under:

Particulars	For the Year ended 31.03.2010 (Rs.)
Income from Operation	2,37,21,480
Other Income	7,15,49,701
Total Income	9,52,71,181
Net Profit Before Depreciation and Tax	3,76,50,436
Depreciation	6,77,413
Net Profit Before Tax	3,69,73,023
Provision for Income Tax	21,75,000
Net Profit after Tax	3,47,98,023

3. Export Performance and Net Foreign Exchange Collaborations: The Company during the period 2002-2006 exported value added cloth and realized sizable foreign exchange. However after recession in textile export, textile export became unremunerative and hence company discontinued the export business. 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 Chairman and Managing Director of The Victoria Mills Ltd. He has been the Chairman and 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 is a Mechanical Engineer from L.D.College of Engineering, Ahmedabad and has an MBA from Babson College, U.S.A.

Mr. Aditya is actively involved in an organization involved in housing and caring for children with serious chronic diseases.

He is responsible for overall business strategy and direction for the organization. As Chairman, he provides strategic direction to the Company.

2. Past Remuneration: In the past, Mr. Aditya Mangaldas was drawing remuneration of Rs.1,25,000/- per month 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 intends to enter 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 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice. The copy of draft agreement proposed to be entered into with Shri 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.

The Board recommends passing of the resolution by the members.

By Order of the Board

R.K. SHAH
SECRETARY

Date: 30th May 2011

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 98th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2011 and the report of the auditors thereon.

	2010-2011 Rupees	2009-2010 Rupees
Gross Profit/Loss for the year before depreciation	82,88,932	3,76,50,436
Add/Less: Provision for depreciation	9,44,939	6,77,413
Add/Less: Provision for taxation	31,00,000	21,75,000
Profit/Loss	42,43,993	3,47,98,023
Add: Balance brought down from the previous year	16,13,35,598	13,60,03,089
Balance available for appropriation	16,55,79,591	17,08,01,112
Less: Transfer to General Reserve	7,10,000	37,00,000
	16,48,69,591	16,71,01,112
Less: Proposed Dividend on Equity shares	49,28,000	49,28,000
Tax on Proposed Dividend	7,99,445	8,37,514
Balance to be carried forward	15,91,42,146	16,13,35,598

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

The Company has recorded turnover of Rs.1,79,10,056/- by trading in textiles in local market as against Rs.2,37,21,480/- in the previous year.

As disclosed in the previous year, Consent Agreement was signed with a party of Rs.1.20 Cr. The party made a payment of Rs.12 lacs and then did not make any payment thereafter. Hence the provision of Rs.1.08 Cr. as doubtful debts has been made during the year and necessary legal action under the Negotiable Instruments Act is in process.

As mentioned in the previous year, activity of real estate is being carried out through a wholly owned subsidiary, Victoria Land Pvt. Ltd. Your Directors have decided to diversify into real estate development.

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri D.K. Contractor retires 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.

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.

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 2011 and of the profits of the Company for the year ended 31st March 2011;
- (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 31.3.2011 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 : 30th May 2011

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 2010-2011	Previous Year 2009-2010
A. Power & Fuel Consumption			
1) Electricity			
a) Purchased Units		-	-
Total amount Rs.		-	-
Rate/Unit Rs		-	-
b) Own Generation :			
i) Through diesel generator			
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)		432993	202850

ANNEXURE -2

**DISCLOSURE AS REQUIRED BY SECURITIES AND EXCHANGE BOARD OF INDIA
(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997**

ii) Details of Persons and Companies constituting Group as defined under MRTPA Act.

Aditya Mangaldas, Mamta Aditya Mangaldas, Mamta Kishore Dalal, Devyani H. Mangaldas, Aditi Mangaldas, 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) Some P.A.C.'s have acquired shares 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 2011. 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 within the time as prescribed under the Act and the rules made there under along with additional fees, in case of delay.
3. The status of the Company being Public Limited Company, comments are not required.
4. The Board of Directors duly met 5 times on 30.04.2010, 26.05.2010, 05.08.2010, 15.11.2010 and 09.02.2011 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 28.07.2010 to 05.08.2010 (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, 2010 was held on 05.08.2010 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.
15. The Company has re-appointed Managing Director of the Company w.e.f. 01.04.2011 during the financial year under review. The Company has not appointed any Whole Time Director / Manger during the financial year under review.
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, 2011.
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, 2011.
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

Place : Mumbai
Date : 26th May 2011

C.P.No. : 2631



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 2011

Annexure - B

Sr. No.	Form No.	Under Section	Purpose	Date of Filing & SRN
1.	Form 66 (Compliance Certificate) Dtd. 31.03.2010	383A	As required under the Companies (Compliance Certificate) Rules, 2001	16.08.2010 P49606551
2.	Form 23AC/Form ACA (Annual Accounts) Dtd. 31.03.2010	220	As per requirement of Act	20.08.2010 P49767452
3.	Form 20B (Annual Return) 05.08.2010	159, 161	As per requirement of Act	30.08.2010 P50570910
4.	Form 25C Dtd. 09.02.2011	269(2)	Appointment of Mr. Aditya Mangaldas as Managing Director	28.04.2011 B11037454
5.	Form 23 Dtd. 09.02.2011	192	Appointment of Mr. Aditya Mangaldas as Managing Director	28.04.2011 B11035763
6.	Form 23 Dtd. 01.04.2011	303(2)	Appointment of Mr. Aditya Mangaldas as Managing Director	28.04.2011 B11038510

For Nilesh Shah & Associates
Company Secretaries

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

Place : Mumbai
Date : 26th May 2011

AUDITOR'S REPORT

To,
The Shareholders of
The Victoria Mills Ltd.

Section (3C) of Section 211 of the Companies Act, 1956 as applicable.

1. We have audited the attached Balance Sheet of **THE VICTORIA MILLS LIMITED**, as at 31st March, 2011 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-

- (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 2011 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 31.3.2011
 - ii) In the case of Profit & Loss account, of the profit 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 : 30th May 2011

Membership No.7825
Firm Reg.No.110417 W



ANNEXURE TO THE AUDITORS' REPORT

Re: The Victoria Mills Limited

Referred to in Paragraph 3 of our Report of even date.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the major assets have been physically verified by the management during the year.
- (c) No substantial part of fixed assets have been disposed off during the year.
- (ii) There was no inventory at the end of the year and hence this clause does not apply.
- (iii) The company has neither taken or given loans to companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, we are of the opinion that no transactions need to be entered into the register maintained under Section 301 of the Act.
- (vi) The company has not accepted fixed deposits from public.
- (vii) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- (viii) Maintenance of cost records under section 209(1)(d) of the Companies Act 1956 is not applicable to the company.
- (ix) The company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Sales-tax, Excise Duty, cess, Service Tax and other material statutory dues applicable to it, except service tax Rs.1,60,659/- outstanding for more than 6 months.
- (x) The Company does not have accumulated losses nor has it incurred cash losses during the year and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of Clause 4 (xiii) of paragraph 4 of the order are not applicable.
- (xiv) The Company is dealing in or trading in shares, temporarily through an Asset Management Company. Regular statements of accounts are received from this Asset Management Company.
- (xv) The Company has not given any guarantee on behalf of others.
- (xvi) The Company has not obtained any term loan during the year.
- (xvii) No funds were raised during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under Section 301 of the Act during the year.
- (xix) The company has not issued any Secured Debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) The Company has reached a settlement for fraud detected in past. (Refer note No.9 to Schedule 12). Full provision is made as stated in the note.

FOR SORAB S. ENGINEERS & CO.,
Chartered Accountants

M.P. ANTIA
Partner

Place : MUMBAI
Dated: 30th May 2011

Membership No.7825
Firm Reg. No.110417 W

BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	Rupees	As at 2010-2011 Rupees	As at 2009-2010 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS				
a) Share Capital	1		9,856,000	9,856,000
b) Reserves & Surplus	2		185,602,146	187,085,598
2) DEFFERED TAX LIBILITIES			75,000	75,000
TOTAL			<u>195,533,146</u>	<u>197,016,598</u>
APPLICATION OF FUNDS				
1) FIXED ASSETS	3			
a) Gross Block			10,867,576	10,707,246
b) Less: Depreciation			5,194,289	4,249,350
c) Net Block			<u>5,673,287</u>	<u>6,457,896</u>
3) INVESTMENTS	4		90,777,316	78,796,568
4) CURRENT ASSETS, LOANS & ADVANCES	5			
a) Inventories			-	-
b) Sundry Debtors		41,395,593		52,634,711
c) Cash & Bank Balances		7,704,397		5,602,363
d) Loans & Advances		77,857,414		83,029,659
		<u>126,957,404</u>		<u>141,266,733</u>
LESS: CURRENT LIABILITIES & PROVISIONS	6			
a) Liabilities		12,646,590		14,155,691
b) Provisions		15,228,271		15,348,908
		<u>27,874,861</u>		<u>29,504,599</u>
NET CURRENT ASSETS			99,082,543	111,762,134
TOTAL			<u>195,533,146</u>	<u>197,016,598</u>

NOTES FORMING PART OF ACCOUNTS 11

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of value stated, if realised in the ordinary course of business

As per our report annexed herewith

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

M. P. Antia
Partner

Dated: 30th May 2011

For The Victoria Mills Ltd.,

R. K. Shah
Secretary

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME		
Sales	17,910,056	23,721,480
(Excluding excise duty)		
Other	7 27,360,778	71,549,701
Increase / (Decrease) in Stock	8 -	-
	<u>45,270,834</u>	<u>95,271,181</u>
EXPENDITURE		
Purchases	17,098,081	22,638,800
Employee's Emoluments	9 4,141,833	4,356,600
Other Expenses	10 4,559,369	5,367,989
Loss on Sale of Investment	-	-
Loss on Sale of Assets	-	-
Provision for Doubtful Debts	10,800,000	822,004
Bad Debts	650,203	24,435,352
Depreciation	944,939	677,413
	<u>38,194,425</u>	<u>58,298,158</u>
Loss (-) Profit Before Tax and extraordinary items	7,076,409	36,973,023
Provision of Income tax	3,100,000	2,100,000
Excess Provision Of Income Tax of Previous Years	1,855,076	-
Income Tax in respect of previous years	-	-
Provision for fall in value of Short Term Investment	1,587,492	-
Deferred Tax Liabilities	-	75,000
Profit For The Year	<u>4,243,993</u>	<u>34,798,023</u>
(Loss)/Surplus brought forward from last year	<u>161,335,598</u>	<u>136,003,089</u>
Balance available for Appropriation	<u>165,579,591</u>	<u>170,801,112</u>
Appropriations		
General Reserves	710,000	3,700,000
Proposed Dividend	4,928,000	4,928,000
Tax On Dividend	799,445	837,514
	<u>6,437,445</u>	<u>9,465,514</u>
Deficit/Surplus C/f to Balance Sheet	<u>159,142,146</u>	<u>161,335,598</u>
Earnings per Shares -Basic and Diluted	11 43.06	353.06
NOTES FORMING PART OF ACCOUNTS		
11		

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.,

R. K. Shah
Secretary

S. G. Vaidya

Dated : 30th May 2011

**SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2011**

	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-1 SHARE CAPITAL		
AUTHORISED CAPITAL		
2,00,000 Equity Shares of Rs.100/- each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
ISSUED & SUBSCRIBED CAPITAL		
98,560 Equity Shares of Rs.100/- each fully paid up where in Rs. 4,00,000/- are paid up in cash & Rs.94,56,000/- paid up by way of bonus shares by Capitalisation of reserves	9,856,000	9,856,000
	<u>9,856,000</u>	<u>9,856,000</u>
SCHEDULE 2: RESERVES AND SURPLUS		
A : General Reserve : As per Last Balance Sheet.	25,750,000	22,050,000
Transfer from Profit & Loss A/c	<u>710,000</u>	<u>3,700,000</u>
TOTAL	<u>26,460,000</u>	<u>25,750,000</u>
B : Balance in Profit & Loss A/c	159,142,146	161,335,598
	<u>185,602,146</u>	<u>187,085,598</u>

SCHEDULE-3 FIXED ASSETS

Sr. No.	Description	Gross Block on 1.4.2010	Addition	Deductions	Gross Block on 31.3.2011	Total Depr. upto 1.4.2010	Curr. Year Depr.	Depr Wr Back	Total Depr. upto 31.3.2011	Net Block on 31.3.2011	Net Block on 31.3.2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land & Building	686	0	0	686	0	0	0	0	686	686
2	Building	3910831	0	0	3910831	795784	155752	0	951536	2959295	3115047
3	Plant & Machinery (Computers)	640390	160330	0	800720	582614	49054	0	631668	169052	57776
4	Electric Installation	1806898	0	0	1806898	1015211	110124	0	1125335	681563	791687
5	Furniture & Dead Stock	975370	0	0	975370	778318	35666	0	813984	161386	197052
6	Vehicles	3373071	0	0	3373071	1077423	594343	0	1671766	1701305	2295648
	Total	10707246	160330	0	10867576	4249350	944939	0	5194289	5673287	6457896
	Previous Year	12291619	2008329	3592702	10707246	6426865	677413	2854928	4249350	6457896	



	QUANTITY	COST	2010-2011 Rupees	2009-2010 Rupees
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SCHEDULE-4 INVESTMENTS (AT COST)

1A INVESTMENT IN SHARES QUOTED (SHORT TERM)

NAME OF THE SECURITY

Allied Digital Services Ltd	3460	811390	-	-
Apollo Tyres Ltd	3232	248692	-	378934
Bajaj Auto Ltd	-	-	-	524127
Bharat Petroleum Corporation Ltd	-	-	-	549585
Birla Corporation	-	-	-	-
Central Bank of India	4402	802482	-	-
Esab India Ltd	670	384406	-	-
Goodricke GRP Ltd.	9044	1285594	-	-
HDFC	-	-	-	286755
Hindustan Dorr-oliver Ltd	-	-	-	501750
Hitachi Home & Life Solutions India Ltd	-	-	-	558280
IDFC Ltd	-	-	-	605068
Indian Bank	-	-	-	522780
Karur Vysys Bank	-	-	-	771128
MRF Ltd	-	-	-	631788
Phoenix Mill	3023	685737	-	-
Praj Industries Ltd	-	-	-	507153
Punjab National Bank Ltd	60	66971	-	-
Reliance Industries Ltd	-	-	-	1071264
Reliance Infrastructure Ltd	-	-	-	433739
SRF Ltd	-	-	-	423417
Sanghi Mov	4378	859095	-	-
Sundaram Fastners	13252	827720	-	-
Tata Honeywell Ltd	-	-	-	912716
Tata Sponge Iron Ltd	2083	691996	-	-
Thermax Ltd	1157	745658	-	-
Tide Water Oil (India) Ltd	-	-	-	1330664
TIL Ltd	1525	858331	-	-
UCO Bank	6817	729964	-	-
Union Bank Of India	381	145286	-	-
United Bank of India	-	-	-	257967
Vesuvius Ltd	-	-	-	336080
			9143322	10603195
			1587492	-
			7555830	10603195

Less : Provision for fall in Value

1B INVESTMENT IN SHARES QUOTED (LONG TERM)

NAME OF THE SECURITY

Amar Raja Batteries Ltd	4500	752085	-	752085
Corporation Bank	1200	498735	-	498735
Dharampur Sugar Mill Ltd	4431	664783	-	866423
Dwarikesh Sugar Industries Ltd	2261	262331	-	1045040
Gruh Finance Ltd	4369	870800	-	1084720
HBL Power Systems Ltd	15000	578400	-	578400
Hyderabad Industries Ltd	175	101652	-	564781
Kajeria Ceramics	8193	381630	-	619514
Kpit Cummins Ltd	5500	689965	-	689965
Punjab National Bank Ltd	500	444700	-	444700
Sabero Organics Gujarat Ltd	9471	625086	-	625086
Voltas Ltd	1976	350133	-	350133
			6220300	8119582

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	Units	2009-2010 Rupees	2008-2009 Rupees
2 INVESTMENT IN MUTUAL FUNDS (UNQUOTED)			
Liquid Bees	6,462.7579	6,462,818	2,035,423
Birla Sun Life Dynamic Bond fund	102,503.1260	1,500,000	1,500,000
DSP Black Rock FMP-12m-Series 13	650,000.0000	6,500,000	-
Fidelity Equity Fund	10,813.9280	300,000	300,000
Franklin India Prima Plus	37,017.5690	1,000,000	1,000,000
HDFC Arbitrage Fund	-	-	5,000,000
HDFC Cash Management Fund	1,341,941.8070	25,500,000	20,000,000
HDFC Short Term Plan	-	-	1,500,000
HDFC FMP 370D Sep 10(2)	705,352.0000	7,000,000	-
HDFC Top 200 Fund	1,319.7840	200,000	200,000
ICICI Prudential Blended Fund Plan A	-	-	2,000,000
ICICI Prudential FMP Series 52	125,000.0000	1,250,000	-
ICICI Prudential Flexible Income Plan	65,840.2870	800,000	-
ICICI Prudential Infrastructure Fund	6,591.9580	200,000	200,000
ICICI Prudential Monthly Income Plan	88,025.8440	1,000,000	1,000,000
ICICI Prudential Short Term Income Plan	-	-	1,500,000
ICICI Prudential FMP series 56-1year plan A	700,000.0000	7,000,000	-
IDFC Arbitrage Plus Fund	-	-	2,000,000
Kotak FMP 19M Series 2	300,000.0000	3,000,000	3,000,000
Kotak FMP 370 Days Series 7	125,000.0000	1,250,000	-
Reliance Diversified Power Sector Fund	6,954.3060	500,000	500,000
Reliance Income Fund	34,046.1460	1,000,000	1,000,000
Reliance Monthly Income Plan	88,779.9850	1,000,000	1,000,000
Reliance Vision Fund	46,906.6020	2,000,000	2,000,000
SBI Arbitrage Opportunities Fund	-	-	2,500,000
SBI Magnum Balanced Fund	34,002.0400	1,000,000	1,000,000
SBI MF MSFU Conta Fund	56,882.8210	1,500,000	1,500,000
Tata Infrastructure Fund	8,180.7400	300,000	300,000
Tata Treasury Manager Fund	731.1670	700,000	-
Templeton India Income Opportunities Fund	95,396.1800	1,000,000	-
Templeton India Short Term Income Plan	-	-	1,500,000
UTI Bond Fund	39,693.4080	1,000,000	1,000,000
UTI Spread Fund	-	-	2,500,000
3 INVESTMENT IN BONDS (UNQUOTED)			
	Units		
NABARD	450.0000	3,938,368	3,938,368
4 INVESTMENTS IN SHARES (UNQUOTED)			
	Shares		
Victoria Land Private Ltd	1,000	100,000	100,000
Rs 100/- each Fully Paid (A Subsidiary Company)			
TOTAL RUPEES		90,777,316	78,796,568

	At Cost		At Market Rate	
	2010-2011 Rupees	2009-2010 Rupees	2010-2011 Rupees	2009-2010 Rupees
Aggregate amount of quoted investment	13,776,130	18,722,777	14,497,525	19,218,401
(shares)				
Aggregate amount of unquoted investments	77,001,186	60,073,791	-	-



	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-5 CURRENT ASSETS, LOANS & ADVANCES		
STOCK IN TRADE		
(As per list certified and valued by the Company)		
Finished Goods	-	-
Property held as stock-in-trade (At Cost)	-	-
SUNDRY DEBTORS (UNSECURED)		
Exceeding six months:		
Considered Good	35,852,363	45,707,432
Considered Doubtful	12,933,977	2,133,977
	<u>48,786,340</u>	<u>47,841,409</u>
Less: Provision for doubtful debts	12,933,977	2,133,977
	<u>35,852,363</u>	<u>45,707,432</u>
Other (considered Good)	<u>5,543,230</u>	<u>6,927,279</u>
	41,395,593	52,634,711
CASH AND BANK BALANCES		
Cash on hand	2,538	9,767
With scheduled Bank in :		
Current Account	5,879,900	3,986,977
Bank Guarantee Margin Account	937,309	884,069
Unclaimed Dividend A/c	<u>884,650</u>	<u>721,550</u>
	<u>7,701,859</u>	<u>5,592,596</u>
	7,704,397	5,602,363
OTHER CURRENT ASSETS		
Loans & Advances :		
(Considered Good & Unsecured)		
To a Subsidiary Company	-	10,000,000
Advances recoverable in cash or in kind or value to be received	67,935,185	60,410,554
Dividened Receivable	83,284	42,064
Excise Rebate Receivable	-	-
Provision for Leave & Licence Income	1,170,000	810,000
Tax Deducted Source	7,602,805	10,682,701
Income Tax Receivable	1,014,140	1,014,140
Advance payment of Income Tax	<u>52,000</u>	<u>70,200</u>
	77,857,414	83,029,659
Advances Considered Doubtful	2,558,073	4,225,844
Less: Provision	<u>2,558,073</u>	<u>4,225,844</u>
	-	-
TOTAL RUPEES	126,957,404	141,266,733

	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-6 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	11,476,633	12,214,121
Outstanding Liabilities for expenses	285,207	1,219,920
	<u>11,761,840</u>	<u>13,434,041</u>
Unclaimed Capital Reduction	100	100
Unpaid Dividened	884,650	721,550
	<u>12,646,590</u>	<u>14,155,691</u>
B. Provisions		
Taxation	6,165,000	6,400,000
Provision for Retirement Benefits	3,335,826	3,183,394
Proposed Dividend	4,928,000	4,928,000
Tax On Dividend	799,445	837,514
	<u>15,228,271</u>	<u>15,348,908</u>
TOTAL RUPEES	<u>27,874,861</u>	<u>29,504,599</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
AS ON 31ST MARCH 2011**

	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-7 OTHER INCOME		
Dividend	1,469,479	1,154,734
Interest		
On Other (Gross)	6,524,172	4,755,794
(TAX DEDUCTED Rs 607280 /-)		
Miscellaneous Income	138,439	38,110
Royalty Received	363,544	434,827
Income on Bill Discounting	1,994,011	2,774,015
Leave & Licence Income	9,602,712	9,602,712
Profit on Sales of Investment	4,427,764	1,257,365
Profit on Redemption of Mutual Funds Units	1,172,886	4,628,260
Profit on Sale of Property held as Stock in Trade	-	11,674,328
Profit on Sale of Assets	-	398,226
Compensation received on Surrender of Tenancy Rights	-	10,000,000
Excess Provisions Written Back	1,667,771	24,831,330
TOTAL RUPEES	<u>27,360,778</u>	<u>71,549,701</u>



2010-2011
Rupees

2009-2010
Rupees

SCHEDULE- 8 INCREASE/ (DECREASE) IN STOCK

Closing Stock	0	0
Less : Op. Stock	0	0
	<u>-</u>	<u>-</u>

SCHEDULE-9 EMPLOYEE'S EMOLUMENTS

Salaries, Wages, & Bonus	2,311,186	2,359,571
Contribution to Superannuation scheme	60,255	54,647
Managing Director's Remuneration	1,667,960	1,667,960
Other Retirement Benefits	102,432	274,422
	<u>4,141,833</u>	<u>4,356,600</u>

SCHEDULE-10 OTHER EXPENSES

Motor car Expenses	313,122	311,513
Stationery & Printing	109,756	66,985
Rent	-	4,380
Travelling Expenses	539,840	281,342
Telephone Expenses	189,525	201,740
Legal & Professional	961,528	1,188,435
Insurance	20,863	26,872
Auditor's Remuneration		
i) Audit Fees	100,000	40,000
ii) In other capacity (Tax Audit, Certification etc.)	289,955	203,836
iii) Out of Pocket expenses	14,086	14,207
Electricity	154,793	174,362
Directors' Fees	70,000	90,000
Brokerage	14,909	233,517
Miscellaneous Expenses	1,182,994	1,132,688
Leave & Licence Premises Expenses	-	24,322
Rates & Taxes	597,998	1,373,790
Interest	-	-
	<u>4,559,369</u>	<u>5,367,989</u>

SCHEDULE –11 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. 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

All long term investment are stated at cost or book value, book value being arrived at after adjusting provisions for permanent diminution in values of each investment individually. Short term investments 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. Managing Director's remuneration (Minimum)

	2010-2011	2009-2010
	Amount	Amount
	(in Rs.)	(in Rs.)
a) Salary & Allowances	1400000	1400000
b) Provident Fund, Superannuation Fund and Gratuity	267960	267960
	<u>1667960</u>	<u>1667960</u>



3. Quantitative Information :

a) Cloth :

	Opening Stock		Purchases		Sales		Closing Stock	
	Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.
Previous Year	-	-	604275	17098081	604275	17910056	-	-
	-	-	939379	22638800	939379	23721480	-	-

b) Units :

	Opening Stock		Purchases		Sales		Closing Stock	
	No. of Units	Rs.	No. of Units	Rs.	No. of Units	Rs.	No. of Units	Rs.
Previous year	1	49,70,170	-	-	1	49,70,170	-	-

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

	2010-2011	2009-2010
	Rs.	Rs.
(i) Net Profit after Tax (Rs.)	4243993	34798023
(ii) Number of Equity Shares of Rs.100/- each	98560	98560
(iii) Basic and Diluted Earnings per Share (Rs.)	43.06	353.06

5. Segment Reporting :

Since the Company is dealing only in Textiles it has one reportable segment

6. Related Party Disclosure :

Sr. No.	Nature of Transaction	Subsidiary	Associates	Key Management Personnel	Total
1.	Demerger	-	-	-	-
2.	Finance (incl.Loans)	-	-	-	-
3.	Managing Director's remuneration	-	-	16,67,960	16,67,960
4.	Net Outstanding Receivable (Payable)	-	10,000	Nil	10,000

Name of the Related Parties and Relationship :

A) Subsidiary

Victoria Land Pvt.Ltd.

B) Associates

- | | |
|-------------------------------|------------------------------------|
| 1. Galactic Enterprises Ltd. | 6. Bruhaspati Investment & Trading |
| 2. Adarsh Enterprises | 7. Sutantu Agricultural Farm |
| 3. Fistuala Trading Pvt.Ltd. | 8. Mangaldas Mehta & Co. Pvt. Ltd. |
| 4. Abhay Investments Pvt.Ltd. | 9. Bromelia Trading Pvt. Ltd. |
| 5. Pawan Farms & Orachards | 10. Mangaldas Mehta & Co. |

C) Key Mangement Personnel

1.SHRI ADITYA MANGALDAS

	2010-2011 Rs.	2009-2010 Rs
7. a) Expenditure in Foreign Currency on Travel	432993	202850
b) F.O.B. Value of Exports	-	-
8. No amount of unpaid dividend has become due for payment into Investors Education and Protection Fund		
9. As disclosed in the previous year Consent Agreement was signed with a party of Rs.1.20 Cr. The party made a payment of Rs.12 lacs and then did not make any payment thereafter. Hence the provision of Rs.1.08 Cr. as doubtful debts has been made during the year.		
10. 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.

	2009-2010 Rs.
Liability at the beginning of the year	17,24015
Interest Cost	1,39,062
Current Service Cost	1,30,146
Past Service Cost (Not Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Settlement	-
Liability Transfer in	-
Liability Transfer out	-
Benefit paid	-
Acturial (gain/loss on obligations)	(1,18,753)
Liability at the end of the year	18,74,470

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

As per our report annexed herewith

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

M. P. Antia
Partner

Dated : 30th May 2011

For The **Victoria Mills Ltd.,**

R. K. Shah
Secretary

Aditya Mangaldas

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Chairman &
Managing Director

Directors



CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2011

	2010-2011		2009-2010	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) AFTER TAX & EXTRA-ORDINARY ITEM		4,243,993		34,798,023
Add/Less:				
a) Provision for Taxation	3,100,000		2,175,000	
b) Depreciation	944,939		677,413	
c) Bad Debts	650,203		24,435,352	
d) Provision for Doubtful Debts	10,800,000		822,004	
e) Provision for fall in value of Short Term Investment	1,587,492		-	
f) Loss on sale of Fixed Assets	-		-	
g) Interest paid	-	17,082,634	-	28,109,769
		<u>21,326,627</u>		<u>62,907,792</u>
Add/Less:				
a) Dividend Income	1,469,479		1,154,734	
b) Interest received on others	6,524,172		4,755,794	
c) Profit on Sale of Assets	-		398,226	
d) Bill Discounting Income	1,994,011		2,774,015	
e) Profit on Redemption Of Mutual Fund Investment	1,172,886		4,628,260	
f) Excess Provision of Income Tax written back	1,855,076		-	
g) Excess Provision written back	1,667,771		24,831,330	
h) Profit on sale of Investment	4,427,764		1,257,365	
		<u>19,111,159</u>		<u>39,799,724</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE		<u>2,215,468</u>		<u>23,108,068</u>
Add:				
a) (Increase) / Decrease in Trade Receivables	4,942,960		(30,715,613)	
b) Increase in Retirement Benefits	152,432		324,422	
c) Decrease in Inventories	-		-	
Less: Increase/(Decrease) in Trade & other Payables	(1,672,201)		(64,737)	
Increase in Inventory	-	3,423,191	-	(30,455,928)
		<u>5,638,659</u>		<u>(7,347,860)</u>
Deduct:				
Direct Taxes Paid/ Received	206,048		943,827	
		<u>206,048</u>		<u>943,827</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES(A)		<u>5,844,707</u>		<u>(6,404,033)</u>

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	2010-2011		2009-2010	
	Rupees	Rupees	Rupees	Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES				
INFLOW				
a) Sale of Fixed Assets	-	-	1,136,000	-
b) Dividend Income	1,469,479	-	1,154,734	-
c) Interest received on others	6,524,172	-	4,755,794	-
d) Bill Discounting Income	1,994,011	-	2,774,015	-
e) Profit on Sale of Investments Net	4,427,764	-	1,257,365	-
f) Profit on Redemption of Mutual Funds Investment	1,172,886	-	4,628,260	-
g) Sale of Investments	-	15,588,312	-	15,706,168
OUTFLOW :				
a) Purchase of Fixed assets	(160,330)	-	(2,008,329)	-
b) Purchase of of Investments	(13,568,241)	-	(2,624,999)	-
	(13,728,571)	(13,728,571)	(4,633,328)	(4,633,328)
Less: Fixed Assets Converted to stock in Trade	-	-	-	-
		1,859,741		11,072,840
C. CASH FLOW FROM FINANCING ACTIVITIES				
a) Secured Loans	-	-	-	-
b) Unpaid Dividend	(5,602,414)	-	(5,473,814)	-
c) Interest Paid	-	(5,602,414)	-	(5,473,814)
NET CASH INFLOW/(OUTFLOW)IN FINANCING ACTIVITIES (C)				
NET INCREASE/DECREASE IN CASH/CASH EQUIVALENTS (A+B+C)		<u>2,102,034</u>		<u>(805,007)</u>
CASH AND CASH EQUIVALENTS AS AT				
31ST MARCH 2010	5,602,363	-	6,407,370	-
31ST MARCH 2011	<u>7,704,397</u>	-	<u>5,602,363</u>	-
NET CASH INFLOW/(OUTFLOW)		<u>2,102,034</u>		<u>(805,007)</u>

As per our report annexed herewith

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

M. P. Antia
Partner

Dated : 30th May 2011

For The Victoria Mills Ltd.,

R. K. Shah
Secretary

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors



**STATEMENT PURSUANT TO PART IV OF SCHEDULE TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details

State Code (Refer Code List)

Registration No.

Balance Sheet Date

Date Month Year

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue Right Issues

Bonus Issue Private Placement

III Positions of Mobilisation and Deployment of Funds (Amounts in Rs.Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds:

Net Fixed assets Investments

Net Current Assets Miscellaneous Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs.Thousands)

Turnover Total Expenditure

Profit/Loss before tax(+) Profit/Loss after tax(+)

Earning per share in Rs. Dividend Rate(%)

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item

Code No

(ITC) Code

Products Description

**VOILE, FANCY SHIRTINGS & DRESS MATERIAL
AS OTHER FABRICS**

STATEMENT PURSUANT TO SECTION 212
OF THE COMPANIES ACT,1956

Re. Victoria Land Pvt. Ltd.

- 1 The Victoria Mills Limited Held : 1000 Equity Shares of Rs. 100/- each fully paid up valuing Rs. 1,00,000/- being 100% of the total paid up capital in Victoria Land Pvt. Ltd. as at 31st March, 2011
- 2 Victoria Land Pvt. Ltd. : Made a loss of Rs. 3,17,261/- as at 31st March, 2011.

No Adjustment has been made in the books of the Victoria Mills limited in respect of the said above.

For The Victoria Mills Ltd.,

R. K. Shah
Secreraty

Dated : 30th May 2011

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors

NOTICE

Notice is hereby given that the 2nd Annual General Meeting of the Company will be held at the premises of The Victoria Mills Ltd., Victoria House, Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013 on Monday, 8th August 2011 at 4.00 P.M. to transact the following business :

1. To consider and adopt the Balance Sheet and Profit and Loss account and the Report of the Board of Directors and Auditors' Report thereon for the year ended 31st March 2011.
2. To appoint a Director in place of Shri Aditya Mangaldas who retires by rotation and is eligible for re-appointment.
3. 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 fix their remuneration.

By Order of the Board

**ADITYA MANGALDAS
CHAIRMAN**

Registered Office:

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

Dated: 30th May 2011.

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED BE A MEMBER

DIRECTOR'S REPORT

To
The Shareholders,
Victoria Land Pvt.Ltd.

Pursuant to Section 217(2AA) of the Companies Act, 1956 (hereinafter referred to as "the Act"), your Directors confirm that :-

Ladies & Gentlemen:

Your Directors present herewith 2nd Annual Report of the working of your company with the audited statement of accounts for the year ended 31st March 2011.

	2010-2011 Rupees	2009-2010 Rupees
Profit/Loss for the year before providing for Depreciation & Taxation	(2,50,954)	(41,734)
Add: Depreciation	20,952	3,621
To Loss for the year	(2,71,906)	(45,355)
To Balance of Profit/(Loss) carried forward from previous year	(45,355)	-
To Balance carried to next year	<u>(3,17,261)</u>	<u>(45,355)</u>

Your Directors do not recommend any dividend on equity shares.

The Company has started activity in Real Estate business and has purchased land at Alibaug and has commenced construction of Villas.

Shri Aditya Mangaldas retires as a Director by rotation and is eligible for reappointment.

The statement giving particulars under the Companies (Particulars of Employees) Rules, 1975, required to be included in the Directors' Report as required u/s 217(A) of the Companies Act 1956 is not appended, as the same is not applicable.

The company has no activity relating to conservation of energy or technology absorption.

The Company does not have any foreign exchange earnings and out going during the year.

You are requested to appoint auditors from the conclusion of this meeting till the date of conclusion of the next Annual General Meeting and to fix their remuneration.

- (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 2011.
- (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.

On behalf of the
Board of Directors

Place : Mumbai
Dated : 30th May, 2011.

ADITYA MANGALDAS
CHAIRMAN

AUDITORS REPORT

We have audited the attached Balance Sheet of **VICTORIA LAND PRIVATE LIMITED**, as at 31st March, 2011 and also Profit & Loss Account 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.

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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The terms of section 227(4A) of the Companies Act, 1956 as required by the Companies (Auditor's Report) Order 2004 are not applicable to the company.

1. We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of Audit.
2. In our opinion, the Company has kept proper books of accounts as required by the Law so far, as appears from the examinations of such books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our Opinion, the Profit & Loss account and Balance sheet dealt with by this report comply with the accounting Standard referred to in Sub-Section (3c) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the directors of the company as at March 31, 2011 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required give a true and a fair view in conformity with the accounting principals generally accepted in India :
 - i) In case of the Balance Sheet of the state of affairs of the Company as on 31st March, 2011 and,
 - ii) In the case of the Profit & Loss A/c, the Loss of the Company for the year ended on that date.

For **M.S.PARIKH & CO.**
CHARTERED ACCOUNTANTS

D. A. PARIKH
PARTNER

Membership No.104671
Firm Reg. No. 107558W

PLACE: MUMBAI
Date : 30th May 2011

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BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	Rupees	As at 2010-2011 Rupees	As at 2009-2010 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS				
a) Share Capital	1		100,000	100,000
2) Unsecured Loans	2		-	10,000,000
TOTAL			<u>100,000</u>	<u>10,100,000</u>
APPLICATION OF FUNDS				
1) FIXED ASSETS	3			
a) Gross Block			56,000	18,067,663
b) Less: Depreciation			<u>24,573</u>	<u>3,621</u>
c) Net Block			31,427	18,064,042
3) INVESTMENTS	4		15,000,000	-
4) CURRENT ASSETS, LOANS & ADVANCES	5			
a) Inventories		40,952,489		-
b) Cash & Bank Balances		697,692		1,627,153
c) Loans & Advances		<u>326,000</u>		-
		41,976,181		<u>1,627,153</u>
LESS: CURRENT LIABILITIES & PROVISIONS	6			
Liabilities		<u>57,224,869</u>		<u>9,636,550</u>
		57,224,869		9,636,550
NET CURRENT ASSETS			(15,248,688)	(8,009,397)
4) PROFIT AND LOSS ACCOUNT -DEBIT BALANCE			317,261	45,355
TOTAL			<u><u>100,000</u></u>	<u><u>10,100,000</u></u>

NOTES FORMING PART OF ACCOUNTS 9

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of value stated, if realised in the ordinary course of business

As per our report annexed herewith
For **M. S. Parikh & Co.**
Chartered Accountants

Chairman : **ADITYA MANGALDAS**

Director : **MAMTA MANGALDAS**

D. A. Parikh
Partner

Dated : 30th May 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Schedule	As at 2010-2011 Rupees	As at 2009-2010 Rupees
INCOME		
Sales	-	-
EXPENDITURE		
Employees Emolument	7 131,250	-
Other Expenses	8 119,704	41,734
Depreciation	20,952	3,621
	<u>271,906</u>	<u>45,355</u>
Loss (-) Profit Before Tax and extraordinary items	(271,906)	(45,355)
Profit For The Year	<u>(271,906)</u>	<u>(45,355)</u>
(Loss)/Surplus brought forward from last year	(45,355)	-
Balance available for Appropriation	<u>(317,261)</u>	<u>(45,355)</u>
Deficit/Surplus C/f to Balance Sheet	<u>(317,261)</u>	<u>(45,355)</u>

NOTES FORMING PART OF ACCOUNTS 9

As per our report annexed herewith
For **M. S. Parikh & Co.**
Chartered Accountants

Chairman : **ADITYA MANGALDAS**

Director : **MAMTA MANGALDAS**

D. A. Parikh
Partner

Dated : 30th May 2011

**SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2011**

	2010-2011 Rupees	2009-2010 Rupees
--	---------------------	---------------------

SCHEDULE-1 SHARE CAPITAL

AUTHORISED CAPITAL

1000 Equity Shares of Rs.100/- each

100,000	100,000
<u>100,000</u>	<u>100,000</u>

ISSUED & SUBSCRIBED CAPITAL

1000 Equity Shares of Rs.100/- each fully paid up (The Entire Share Capital is held by The Victoria Mills Ltd. Holding Company)

100,000	100,000
<u>100,000</u>	<u>100,000</u>

SCHEDULE-2 UNSECURED LOANS

From Company

-	10,000,000
<u>-</u>	<u>10,000,000</u>

TOTAL RUPEES

SCHEDULE- 3 FIXED ASSETS

Sr. No.	Description	Gross Block on 1.4.2010	Addition Rs.	Deductions Rs.	Gross Block on 31.3.2011	Total Depr. upto 1.4.2010	Curr. Year Depr.	Depr. Wr Back	Total Depr. upto 31.3.2011	Net Block on 31.3.2011	Net Block on 31.3.2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	17283450	0	17283450	0	0	0	0	0	0	17283450
2	Work in Progress	728213	0	728213	0	0	0	0	0	0	728213
3	Computer	56000	0	0	56000	3621	20952	0	24573	31427	52379
Total		18067663	0	18011663	56000	3621	20952	0	24573	31427	18064042
Previous Year		0	18067663	0	18067663	0	3621	0	3621	18064042	

SCHEDULE-4 INVESTMENTS (AT COST)

INVESTMENT IN MUTUAL FUNDS (UNQUOTED)

HDFC Cash Management Fund

Units	2010-2011 Rupees	2009-2010 Rupees
758408.206	1,50,00,000	-
TOTAL RUPEES	<u>1,50,00,000</u>	<u>-</u>

	At Cost		At Market Rate	
	2010-2011 Rupees	2009-2010 Rupees	2010-2011 Rupees	2009-2010 Rupees
Aggregate amount of unquoted investments	1,50,00,000	-	1,55,41,301	-

SCHEDULE-5 CURRENT ASSETS, LOANS & ADVANCES

	Rupees	2010-2011 Rupees	2009-2010 Rupees
STOCK IN TRADE			
Property held as stock -in-trade (At Cost)		19,301,090	-
Work in Progress		21,651,399	-
		<u>40,952,489</u>	<u>-</u>
CASH AND BANK BALANCES			
Cash on hand		3,984	2,766
With scheduled Bank in :			
Current Account	693,708		1,624,387
		<u>693,708</u>	<u>1,624,387</u>
		<u>697,692</u>	<u>1,627,153</u>
OTHER CURRENT ASSETS			
Loans and Advances		326,000	-
		<u>326,000</u>	<u>-</u>
		<u>41,976,181</u>	<u>1,627,153</u>
TOTAL RUPEES			

SCHEDULE-6 CURRENT LIABILITIES & PROVISIONS

Current Liabilities		57,117,230	9,634,550
Sundry Creditors		107,639	2,000
Outstanding Liabilities for Expenses		<u>57,224,869</u>	<u>9,636,550</u>
TOTAL RUPEES			

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS ON 31ST MARCH 2011

SCHEDULE-7 EMPLOYEES EMOLUMENTS

Salaries		131250	-
TOTAL RUPEES		<u>131250</u>	<u>-</u>

SCHEDULE-8 OTHER EXPENSES

Auditor's Remuneration		2,412	2,000
Audit Fees		67,431	39,734
Miscellaneous Expenses		4,862	-
Stationery & Printing		38,389	-
Telephone Expenses		6,610	-
Travelling Expenses		<u>119,704</u>	<u>41,734</u>

SCHEDULE-9 NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

- i) **Basic of Accounting:** The Company maintain its Accounts on account on accrual basis following historical cost convention in compliance with Accounting Standard specified to be mandatory by the institute of Chartered Accountant of India and the relevant provisions of the Companies Act, 1956.
- ii) **Fixed Assets:** Fixed Assets are stated at original cost net of tax/duty credits availed. If any, cost comprises of the purchased price and any other attributable cost of bringing the assets to its working condition for its intended use.
- iii) **Depreciation:** Depreciation is calculated on W.D.V. method as provided in Scheduled XIV to the Companies Act, 1956. On addition/deletions of fixed assets depreciation is provided on pro rata basis.
- iv) **Investments:** Investment are stated at cost.
- v) **Stock-in-Trade:** The Company has decided to convert land as Stock-in-Trade, to construct building thereon and sale thereof. As a result expenditure incurred on purchase of land have been transferred to Stock-in-Trade and expenditure incurred on construction thereon have been shown as work-in progress.

As per our report annexed herewith
For M. S. Parikh & Co.
Chartered Accountants

D. A. Parikh
Partner
Dated : 30th May 2011

Chairman : ADITYA MANGALDAS
Director : MAMTA MANGALDAS

Account	2010-2011	2009-2010
ASSETS		
Current Assets		
Cash		
Accounts Receivable		
Inventory		
Prepaid Expenses		
Other Current Assets		
Non-Current Assets		
Property, Plant & Equipment		
Intangible Assets		
Other Non-Current Assets		
LIABILITIES		
Current Liabilities		
Accounts Payable		
Short-Term Debt		
Other Current Liabilities		
Non-Current Liabilities		
Long-Term Debt		
Other Non-Current Liabilities		

**CONSOLIDATED FINANCIAL STATEMENT
OF
THE VICTORIA MILLS LTD**

Account	2010-2011	2009-2010
ASSETS		
Current Assets		
Cash		
Accounts Receivable		
Inventory		
Prepaid Expenses		
Other Current Assets		
Non-Current Assets		
Property, Plant & Equipment		
Intangible Assets		
Other Non-Current Assets		
LIABILITIES		
Current Liabilities		
Accounts Payable		
Short-Term Debt		
Other Current Liabilities		
Non-Current Liabilities		
Long-Term Debt		
Other Non-Current Liabilities		



**AUDITOR'S REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS OF
THE VICTORIA MILLS LTD. AND ITS SUBSIDIARY, VICTORIA LAND PVT.LTD.**

To,

The Board of Directors of
The Victoria Mills Ltd.

We have audited the attached consolidated Balance Sheet of The Victoria Mills Ltd. and its subsidiary as on 31st March 2011 and also consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date, both annexed hereto.

1. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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 assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Victoria Land Pvt.Ltd. which are audited by another auditor whose report is furnished to us.
4. We report that:-
 - a) The consolidated statements have been prepared by the company's management in accordance with the requirement of accounting standard-21, consolidated statement.
 - b) Based on our audit and on consideration of audit report of another auditors on the accounts of Victoria Land Pvt.Ltd. and to the best of our information and according to the explanation given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
 - ii. In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - iii. In the case of the Consolidated Cash Flow Statement of cash flows for the year ended on that date..

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

**M.P. ANTIA
Partner**

**Membership No.7825
Firm Reg.No.110417 W**

Place : MUMBAI
Dated : 30th May 2011

98th Annual Report 2010-2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	Rupees	As at 2010-2011 Rupees	As at 2009-2010 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS				
a) Share Capital	1		9,856,000	9,856,000
b) Reserves & Surplus	2		185,284,885	187,040,243
			75,000	75,000
2) DEFERRED TAX LIABILITIES			<u>195,215,885</u>	<u>196,971,243</u>
TOTAL				
APPLICATION OF FUNDS				
1) FIXED ASSETS	3			
a) Gross Block			10,923,576	28,774,909
b) Less: Depreciation			5,218,862	4,252,971
			<u>5,704,714</u>	<u>24,521,938</u>
c) Net Block				
3) INVESTMENTS	4		105,677,316	78,696,568
4) CURRENT ASSETS, LOANS & ADVANCES	5			
a) Inventories		40,952,489		-
b) Sundry Debtors		41,395,593		52,634,711
c) Cash & Bank Balances		8,402,089		7,229,516
d) Loans & Advances		78,183,414		73,029,659
		<u>168,933,585</u>		<u>132,893,886</u>
LESS: CURRENT LIABILITIES & PROVISIONS	6			
a) Liabilities		69,871,459		23,792,241
b) Provisions		15,228,271		15,348,908
		<u>85,099,730</u>		<u>39,141,149</u>
NET CURRENT ASSETS			83,833,855	93,752,737
TOTAL			<u>195,215,885</u>	<u>196,971,243</u>

NOTES FORMING PART OF ACCOUNTS 11

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of value stated, if realised in the ordinary course of business

As per our report annexed herewith

For Sorab S.Engineer & Co.
Chartered Accountants

M. P. Antia
Partner

Dated: 30th May 2011

For The Victoria Mills Ltd.,

R. K. Shah
Secretary

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	2010-2011 Rupees	2009-2010 Rupees
INCOME			
Sales		17,910,056	23,721,480
(Excluding excise duty)			
Other	7	27,360,778	71,549,701
Increase / (Decrease) in Stock	8	-	-
		<u>45,270,834</u>	<u>95,271,181</u>
EXPENDITURE			
Purchases		17,098,081	22,638,800
Employee's Emoluments	9	4,273,083	4,356,600
Other Expenses	10	4,679,073	5,409,723
Loss on Sale of Investment		-	-
Loss on Sale of Assets		-	-
Provision for Doubtful Debts		10,800,000	822,004
Bad Debts		650,203	24,435,352
Depreciation		965,891	681,034
		<u>38,466,331</u>	<u>58,343,513</u>
Loss (-)/Profit Before Tax and extraordinary items		6,804,503	36,927,668
Provision of Income tax		3,100,000	2,100,000
Excess Provision of Income tax of Previous Year		1,855,076	-
Income Tax in respect of previous years		-	-
Provision for fall in value of Short term Investment		1,587,492	-
Deferred Tax Liabilities		-	75,000
Profit For The Year		<u>3,972,087</u>	<u>34,752,668</u>
(Loss)/Surplus brought forward from last year		<u>161,290,243</u>	<u>136,003,089</u>
Balance available for Appropriation		<u>165,262,330</u>	<u>170,755,757</u>
Appropriations			
General Reserves		710,000	3,700,000
Proposed Dividened		4,928,000	4,928,000
Tax On Dividened		799,445	837,514
		<u>6,437,445</u>	<u>9,465,514</u>
Deficit/Surplus C/f to Balance Sheet		<u>158,824,885</u>	<u>161,290,243</u>
Earnings per Shares -Basic and Diluted	11	40.30	352.60
NOTES FORMING PART OF ACCOUNTS			
	11		

As per our report annexed herewith

Aditya Mangaldas

Chairman &
Managing Director

For Sorab S.Engineer & Co.
Chartered Accountants

V. C. Vaidya

Directors

M. P. Antia
Partner

For The Victoria Mills Ltd.,

D. K. Contractor

Dated: 30th May, 2011

R. K. Shah
Secretary

S. G. Vaidya

CONSOLIDATED SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2011

	Rupees	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-1 SHARE CAPITAL			
AUTHORISED CAPITAL			
2,00,000 Equity Shares of Rs. 100/- each		20,000,000	20,000,000
		<u>20,000,000</u>	<u>20,000,000</u>
ISSUED & SUBSCRIBED CAPITAL			
98,560 Equity Shares of Rs. 100/- each fully paid up where in Rs. 4,00,000/- are paid up in cash & Rs. 94,56,000/- paid up by way of bonus shares by Capitalisation of reserves		9,856,000	9,856,000
		<u>9,856,000</u>	<u>9,856,000</u>
SCHEDULE 2: RESERVES AND SURPLUS			
A : General Reserve : As per Last Balance Sheet.	25,750,000		22,050,000
Transfer from Profit & Loss A/c	710,000		3,700,000
TOTAL		<u>26,460,000</u>	<u>25,750,000</u>
B : Balance in Profit & Loss A/c		<u>158,824,885</u>	<u>161,290,243</u>
TOTAL RUPEES		<u>185,284,885</u>	<u>187,040,243</u>

SCHEDULE-3 FIXED ASSETS

Sr. Description No.	Gross Block on 1.4.2010	Addition	Deductions	Gross Block on 31.3.2011	Total Depr. upto 1.4.2010	Curr. Year Depr.	Depr. W/ Back	Total Depr. upto 31.3.2011	Net Block on 31.3.2011	Net Block on 31.3.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Land & Building	17284136	0	17283450	686	0	0	0	0	686	17284136
2 Building	3910831	0	0	3910831	795784	155752	0	951536	2959295	3115047
3 Plant & Machinery (Computers)	696390	160330	0	856720	586235	70006	0	656241	200479	110155
4 Electric Installation	1806898	0	0	1806898	1015211	110124	0	1125335	681563	791687
5 Furniture & Dead stock	975370	0	0	975370	778318	35666	0	813984	161386	197052
6 Vehicles	3373071	0	0	3373071	1077423	594343	0	1671766	1701305	2295648
7 Work in Progress	728213	0	728213	0	0	0	0	0	0	728213
Total	28774909	160330	18011663	10923576	4252971	965891	0	5218862	5704714	24521938
Previous Year	12291619	20075992	3592702	28774909	6426865	681034	2854928	4252971	24521938	



	QUANTITY	COST	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-4 INVESTMENTS (AT COST)				
1A INVESTMENT IN SHARES QUOTED (SHORT TERM)				
NAME OF THE SECURITY				
Allied Digital Services Ltd	3460	811390	-	-
Apollo Tyres Ltd	3232	248692	-	-
Bajaj Auto Ltd	-	-	378934	-
Bharat Petroleum Corporation Ltd	-	-	524127	-
Birla Corporation	-	-	549585	-
Central Bank of India	4402	802482	-	-
Esab India Ltd	670	384406	-	-
Goodricke GRP Ltd	9044	1285594	-	-
HDFC	-	-	286755	-
Hindustan Dorr-oliver Ltd	-	-	501750	-
Hitachi Home & Life Solutions India Ltd	-	-	558280	-
IDFC Ltd	-	-	605068	-
Indian Bank	-	-	522780	-
Karur Vysys Bank	-	-	771128	-
MRF Ltd	-	-	631788	-
Phoenix Mill	3023	685737	-	-
Praj Industries Ltd	-	-	507153	-
Punjab National Bank Ltd	60	66971	-	-
Reliance Industries Ltd	-	-	1071264	-
Reliance Infrastructure Ltd	-	-	433739	-
SRF Ltd	-	-	423417	-
Sanghi Mov	4378	859095	-	-
Sundaram Fastners	13252	827720	-	-
Tata Honeywell Ltd	-	-	912716	-
Tata Sponge Iron Ltd	2083	691996	-	-
Thermax Ltd	1157	745658	-	-
Tide Water Oil (India) Ltd	-	-	1330664	-
TIL Ltd	1525	858331	-	-
UCO Bank	6817	729964	-	-
Union Bank Of India	381	145286	-	-
United Bank of India	-	-	257967	-
Vesuvius Ltd	-	-	336080	-
			9143322	10603195
Less : Provision for fall in Value			1587492	-
			7555830	10603195
1B INVESTMENT IN SHARES QUOTED (LONG TERM)				
NAME OF THE SECURITY				
Amar Raja Batteries Ltd	4500	752085	752085	-
Corporation Bank	1200	498735	498735	-
Dharampur Sugar Mill Ltd	4431	664783	866423	-
Dwarikesh Sugar Industries Ltd	2261	262331	1045040	-
Gruh Finance Ltd	4369	870800	1084720	-
HBL Power Systems Ltd	15000	578400	578400	-
Hyderabad Industries Ltd	175	101652	564781	-
Kajeria Ceramics	8193	381630	619514	-
Kpit Cummuns Ltd	5500	689965	689965	-
Punjab National Bank Ltd	500	444700	444700	-
Sabero Organics Gujarat Ltd	9471	625086	625086	-
Volvas Ltd	1976	350133	350133	-
			6220300	8119582

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	Units	2010-2011 Rupees	2009-2010 Rupees
2 INVESTMENT IN MUTUAL FUNDS (UNQUOTED)			
Liquid Bees	6,462.7579	6,462,818	2,035,423
Birla Sun Life Dynamic Bond fund	102,503.1260	1,500,000	1,500,000
DSP Black Rock FMP-12m-Series 13	650,000.0000	6,500,000	-
Fidelity Equity Fund	10,813.9280	300,000	300,000
Franklin India Prima Plus	37,017.5690	1,000,000	1,000,000
HDFC Arbitrage Fund	-	-	5,000,000
HDFC Cash Management Fund	2,100,350.0130	40,500,000	20,000,000
HDFC Short Term Plan	-	-	1,500,000
HDFC FMP 370D Sep 10(2)	705,352.0000	7,000,000	-
HDFC Top 200 Fund	1,319.7840	200,000	200,000
ICICI Prudential Blended Fund Plan A	-	-	2,000,000
ICICI Prudential FMP Series 52	125,000.0000	1,250,000	-
ICICI Prudential Flexible Income Plan	65,840.2870	800,000	-
ICICI Prudential Infrastructure Fund	6,591.9580	200,000	200,000
ICICI Prudential Monthly Income Plan	88,025.8440	1,000,000	1,000,000
ICICI Prudential Short Term Income Plan	-	-	1,500,000
ICICI Prudential FMP series 56-1year plan A	700,000.0000	7,000,000	-
IDFC Arbitrage Plus Fund	-	-	2,000,000
Kotak FMP 19M Series 2	300,000.0000	3,000,000	3,000,000
Kotak FMP 370 Days Series 7	125,000.0000	1,250,000	-
Reliance Diversified Power Sector Fund	6,954.3060	500,000	500,000
Reliance Income Fund	34,046.1460	1,000,000	1,000,000
Reliance Monthly Income Plan	88,779.9850	1,000,000	1,000,000
Reliance Vision Fund	46,906.6020	2,000,000	2,000,000
SBI Arbitrage Opportunities Fund	-	-	2,500,000
SBI Magnum Balanced Fund	34,002.0400	1,000,000	1,000,000
SBI MF MSFU Conta Fund	56,882.8210	1,500,000	1,500,000
Tata Infrastructure Fund	8,180.7400	300,000	300,000
Tata Treasury Manager Fund	731.1670	700,000	-
Templeton India Income Opportunities Fund	95,396.1800	1,000,000	-
Templeton India Short Term Income Plan	-	-	1,500,000
UTI Bond Fund	39,693.4080	1,000,000	1,000,000
UTI Spread Fund	-	-	2,500,000
3 INVESTMENT IN BONDS (UNQUOTED)			
NABARD	450.0000	3,938,368	3,938,368
TOTAL RUPEES		105,677,316	78,696,568

	At Cost		At Market Rate	
	2010-2011 Rupees	2009-2010 Rupees	2010-2011 Rupees	2009-2010 Rupees
Aggregate amount of quoted investment (shares)	13,776,130	18,722,777	14,497,525	19,218,401
Aggregate amount of unquoted investments	91,901,186	59,973,971	-	-



2010-2011
Rupees

2009-2010
Rupees

SCHEDULE-5 CURRENT ASSETS, LOANS & ADVANCES

STOCK IN TRADE

(As per list certified and valued by the Company)

Finished Goods		-	-
Property held as stock-in-trade (At Cost)		19,301,090	-
Work in Progress		21,651,399	-
		<u>40,952,489</u>	<u>-</u>

SUNDRY DEBTORS (UNSECURED)

Exceeding six months:

Considered Good	35,852,363		45,707,432
Considered Doubtful	<u>12,933,977</u>		<u>2,133,977</u>
	48,786,340		47,841,409
Less: Provision for doubtful debts	<u>12,933,977</u>		<u>2,133,977</u>
	35,852,363		45,707,432
Other (considered Good)	<u>5,543,230</u>		<u>6,927,279</u>
		41,395,593	52,634,711

CASH AND BANK BALANCES

Cash on hand		6,522	12,533
With scheduled Bank in :			
Current Account	6,573,608		5,611,364
Bank Guarantee Margin Account	<u>937,309</u>		<u>884,069</u>
Unclaimed Dividened A/c	<u>884,650</u>		<u>721,550</u>
		8,395,567	7,216,983
		<u>8,402,089</u>	<u>7,229,516</u>

OTHER CURRENT ASSETS

Loans & Advances :

(Considered Good & Unsecured)

To a Subsidiary Company			-
Advances recoverable in cash or in kind or value to be received	68,261,185		60,410,554
Dividened Receivable	<u>83,284</u>		<u>42,064</u>
Excise Rebate Receivable			810,000
Provision for Leave & Licence Income	1,170,000		10,682,701
Tax Deducted Source	<u>7,602,805</u>		<u>1,014,140</u>
Income Tax Receivable	1,014,140		70,200
Advance payment of Income Tax	<u>52,000</u>		<u>73,029,659</u>
		78,183,414	73,029,659
Advances Considered Doubtful	2,558,073		4,225,844
Less: Provision	<u>2,558,073</u>		<u>4,225,844</u>

TOTAL RUPEES

168,933,585

132,893,886

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	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-6 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	68,593,863	21,848,671
Outstanding Liabilities for expenses	392,846	1,221,920
	<u>68,986,709</u>	<u>23,070,591</u>
Unclaimed Capital Reduction	100	100
Unpaid Dividened	884,650	721,550
	<u>69,871,459</u>	<u>23,792,241</u>
B. Provisions		
Taxation	6,165,000	6,400,000
Provision for Retirement Benefits	3,335,826	3,183,394
Proposed Dividened	4,928,000	4,928,000
Tax On Dividened	799,445	837,514
	<u>15,228,271</u>	<u>15,348,908</u>
TOTAL RUPEES	<u>85,099,730</u>	<u>39,141,149</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS ON 31ST MARCH 2011

	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-7 OTHER INCOME		
Dividend	1,469,479	1,154,734
Interest		
On Other (Gross)	6,524,172	4,755,794
(TAX DEDUCTED Rs 607280/-)		
Miscellaneous Income	138,439	38,110
Royalty Received	363,544	434,827
Income on Bill Discounting	1,994,011	2,774,015
Leave & Licence Income	9,602,712	9,602,712
Profit on Sales of Investment	4,427,764	1,257,365
Profit on Redemption of Mutual Funds Units	1,172,886	4,628,260
Profit on Sale of Property held as Stock in Trade	-	11,674,328
Profit on Sale of Assets	-	398,226
Compensation received on Surrender of Tenancy Rights	-	10,000,000
Excess Provisions Written Back	1,667,771	24,831,330
TOTAL RUPEES	<u>27,360,778</u>	<u>71,549,701</u>

SCHEDULE-8 INCREASE/ (DECREASE) IN STOCK

Closing Stock	0	0
Less : Op. Stock	0	0
	<u>-</u>	<u>-</u>



	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE-9 EMPLOYEE'S EMOLUMENTS		
Salaries, Wages, & Bonus	2,442,436	2,359,571
Contribution to Superannuation scheme	60,255	54,647
Managing Director's Remuneration	1,667,960	1,667,960
Other Retirement Benefits	102,432	274,422
	<u>4,273,083</u>	<u>4,356,600</u>

SCHEDULE-10 OTHER EXPENSES

Motor car Expenses	313,122	311,513
Stationery & Printing	114,618	66,985
Rent	-	4,380
Travelling Expenses	546,450	281,342
Telephone Expenses	227,914	201,740
Legal & Professional	961,528	1,188,435
Insurance	20,863	26,872
Auditor's Remuneration		
i) Audit Fees	102,000	42,000
ii) In other capacity (Tax Audit, Certification etc.)	290,367	203,836
iii) Out of Pocket expenses	14,086	14,207
Electricity	154,793	174,362
Directors' Fees	70,000	90,000
Brokerage	14,909	233,517
Miscellaneous Expenses	1,250,425	1,172,422
Leave & Licence Premises Expenses	-	24,322
Rates & Taxes	597,998	1,373,790
Interest	-	-
	<u>4,679,073</u>	<u>5,409,723</u>

SCHEDULE -11 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:

Land held as stock in trade is valued at cost or market whichever is lower. Work-in-progress is valued at cost.

d) Fixed Assets

Fixed assets are stated at cost less depreciation.

e) Investment

All long term investment are stated at cost or book value, book value being arrived at after adjusting provisions for permanent diminution in values of each investment individually. Short term investments 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.

	2010-2011 Rupees (in Rs.)	2009-2010 Rupees (in Rs.)
2. Managing Director's remuneration (Minimum)		
a) Salary & allowances	1400000	1400000
b) Provident Fund, Superannuation Fund and Gratuity	267960	267960
	1667960	1667960

3. Quantitative Information :

a) Cloth :

	Opening Stock		Purchases		Sales		Closing Stock	
	Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.
Previous Year	-	-	604275	17098081	604275	17910056	-	-
	-	-	939379	22638800	939379	23721480	-	-

b)Units :

	Opening Stock		Purchases		Sales		Closing Stock	
	No. of Units /Land	Rs.	No. of Units /Land	Rs.	No. of Units /Land	Rs.	No. of Units /Land	Rs.
Previous Year	-	-	-	19301090	-	-	-	19301090
	1	49,70,170	-	-	1	49,70,170	-	-

Of the above purchases of land Rs.1,72,83,450/- is transferred from Land & Building held as Fixed Assets.

	2010-2011	2009-2010
4. Earning per Share as computed in accordance with Accounting Standard 20		
(i) Net Profit after Tax (Rs.)	3972087	34752668
(ii) Number of Equity Shares of Rs.100/- each	98560	98560
(iii) Basic and Diluted Earnings per Share (Rs.)	40.30	352.60

5. Segment Reporting :

Since the Company is dealing only in Textiles it has one reportable segment.

6. Related Partly Disclosure :

Sr. No.	Name of Transaction	Associates	Key Management personnel	Total
1	Demerger	-	-	-
2	Finance (incl. Loans)	-	-	-
3	Managing Director's remuneration	-	16,67,960	16,67,960
4	Net Outstanding Receivable (Payable)	10,000	NIL	10,000



Name of the related parties and relationship :

A) Associates

- | | | |
|--------------------------------|------------------------------------|-------------------------------|
| 1. Galactic Enterprises Ltd. | 5. Pawan Farms & Orchards | 9. Bromelia Trading Pvt. Ltd. |
| 2. Adarsh Enterprises | 6. Bruhaspati Investment & Trading | 10. Mangaldas Mehta & Co. |
| 3. Fistuala Trading Pvt. Ltd. | 7. Sutantu Agricultural Farm | |
| 4. Abhay Investments Pvt. Ltd. | 8. Mangaldas Mehta & Co. Pvt. Ltd. | |

B) Key Management Personnel

1. SHRI ADITYA MANGALDAS

2010-2011	2009-2010
Rs.	Rs.
432993	202850

7. a) Expenditure in Foreign Currency on Travel
b) F.O.B. Value of Exports
8. No amount of unpaid dividend has become due for payment into Investors Education and Protection Funds.
9. As disclosed in the previous year Consent Agreement was signed with a party of Rs.1.20 Cr. The party made a payment of Rs.12 lacs and then did not make payment. Hence the provision of Rs.1.08 Cr. as doubtful debts has been made during the year.
10. 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.

	2009-2010
	Rs.
Liability at the beginning of the year	17,24,015
Interest Cost	1,39,062
Current Service Cost	1,30,146
Past Service Cost (Not Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Settlement	-
Liability Transfer in	-
Liability Transfer out	-
Benefit paid	(1,18,753)
Acturial (gain/loss on obligations)	18,74,470
Liability at the end of the year	

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

As per our report annexed herewith

For Sorab S.Engineer & Co.
Chartered Accountants

M. P. Antia
Partner

Dated: 30th May, 2011

For The Victoria Mills Ltd.,

R. K. Shah
Secretary

Aditya Mangaldas

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Chairman &
Managing Director

Directors

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	2010-2011	
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) AFTER TAX & EXTRA-ORDINARY ITEM		3,972,087
Add/Less:		
a) Provision for Taxation	3,100,000	
b) Depreciation	965,891	
c) Bad Debts	650,203	
d) Provision for Doubtful Debts	10,800,000	
e) Provision for fall in value of Short Term Investment	1,587,492	
f) Loss on sale of Fixed Assets	-	
g) Interest paid	-	17,103,586
		<u>21,075,673</u>
Add/Less:		
a) Dividend Income	1,469,479	
b) Interest received on others	6,524,172	
c) Profit on Sale of Assets	-	
d) Bill Discounting Income	1,994,011	
e) Profit on Redemption Of Mutual Fund Investment	1,172,886	
f) Excess Provisions of Income Tax of Previous year	1,855,076	
g) Excess Provision written back	1,667,771	
h) Profit on sale of Investment	4,427,764	
		<u>19,111,159</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE		1,964,514
Add:		
a) (Increase) / Decrease in Trade Receivables	45,916,118	
b) Increase in Retirement Benefits	152,432	
c) Decrease in Inventories	-	
Less: Increase/(Decrease) in Trade & other Payables	(22,940,827)	
Increase in Inventory	(5,383,040)	17,744,683
		<u>19,709,197</u>
Deduct:		
Direct Taxes Paid/ Received	206,048	
		<u>206,048</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES(A)		19,915,245



2010-2011

Particulars	Rupees	Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES		
INFLOW		
a) Sale of Fixed Assets	-	
b) Dividend Income	1,469,479	
c) Interest received on others	6,524,172	
d) Bill Discounting Income	1,994,011	
e) Profit on Sale of Investments Net	4,427,764	
f) Profit on Redemption of Mutual Funds Investment	1,172,886	
g) Sale of Investments	-	15,588,312
OUTFLOW :		
a) Purchase of Fixed assets	(160,330)	
b) Purchase of Investments	(28,568,240)	
	(28,728,570)	(28,728,570)
Less: Fixed Assets Converted to stock in Trade	-	(13,140,258)
C. CASH FLOW FROM FINANCING ACTIVITIES		
a) Secured Loans	-	
b) Unpaid Dividened	(5,602,414)	
c) Interest Paid	-	(5,602,414)
NET CASH INFLOW/(OUTFLOW)IN FINANCING ACTIVITIES (C)		
		-
NET INCREASE/DECREASE IN CASH/CASH EQUIVALENTS (A+B+C)		
		<u>1,172,573</u>
CASH AND CASH EQUIVALENTS AS AT		
31ST MARCH 2010	7,229,516	
31ST MARCH 2011	8,402,089	
NET CASH INFLOW/(OUTFLOW)		
		<u>1,172,573</u>

As per our report annexed herewith

For Sorab S.Engineer & Co.
Chartered Accountants

M. P. Antia
Partner

Dated : 30th May 2011

For The Victoria Mills Ltd.,

R. K. Shah
Secreraty

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors

**STATEMENT PURSUANT TO PART IV OF SCHEDULE TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details

State Code (Refer Code List)

Registration No.

Balance Sheet Date

Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue Right Issues

Bonus Issue Private Placement

III Positions of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds:

Net Fixed assets Investments

Net Current Assets Miscellaneous Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure

Profit/Loss before tax(+) Profit/Loss after tax(+)

Earning per share in Rs. Dividend Rate(%)

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item

Code No

(ITC) Code

Products Description