

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

2009-2010

(i) Net Profit after Tax (Rs.)	34752668
(ii) Number of Equity Shares of Rs.100/- each	98560
(iii) Basic and Diluted Earnings per Share (Rs.)	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 Trnsaction	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. | 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 & Orchards | 10. Mangaldas Mehta & Co. |

B) Key Mangement Personnel

1.SHRI ADITYA MANGALDAS



2009-2010

Rs.

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. After protracted negotiations, a consent agreement was signed with two parties for recovery of Rs. 8.81 crores (after deducting Rs. 75.44 lacs payable to one of the concerned parties from Rs. 9.56 crores) settled at Rs. 6.36 crores. Out of this amount, Rs. 1.81 crores has already been received and balance will be received in installments over a period of three and half years. The difference of Rs. 2.45 crores between the amount settled and the amount originally receivable are written off in Profit & Loss Account as bad debts.

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

15,54,390

Interest Cost

1,17,618

Current Service Cost

1,25,870

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)

(73,863)

Liability at the end of the year

17,24,015

11. As this is the first year of consolidated accounts, figures of the previous year are not given.

As per our report annexed herewith

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

M. P. Antia
Partner

Dated: 26th May,2010

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



The Victoria Mills Limited

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

FORM OF PROXY

L. F. No. :

D. P. ID No. : _____

Client ID No. : _____

I/We _____

of _____ in the district of _____

being a member/member(s) of the above Company hereby appoint _____

of _____ in the District of _____

or falling him _____

of _____ in the district of _____

as my/our proxy to vote for me/us on my/our behalf at the **97th ANNUAL GENERAL MEETING** of the Company to be held on **Thursday, the 5th August, 2010** or at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Re. 1.00
Revenue
Stamp

Signature(s)

IMPORTANT : This proxy form duly completed, must be deposited at the Company's Registered Office at Victoria House, Pandurang Budhkar Marg, Lower Parel, Mumbai - 400 013. not less than 48 hours before the time of holding the Meeting.



The Victoria Mills Limited

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. Joint Shareholders may obtain additional attendance slip at the entrance.

Name & Address

L. F. No. :

D. P. ID No. :

I hereby record my/our presence at the **97th ANNUAL GENERAL MEETING** to be held on **Thursday, the 5th August, 2010** at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER OR PROXY



**97th
Annual Report 2009-2010**

**THE
VICTORIA MILLS
LIMITED**

**2009-2010
THE VICTORIA MILLS LIMITED, MUMBAI
ANNUAL REPORT WITH
BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

BOARD OF DIRECTORS :

Mr. Aditya Mangaldas (Chairman & Managing Director)
Mr. V. C. Vaidya
Mr. D. K. Contractor
Mr. S. G. Vaidya

AUDITORS :

Sorab S. Engineer & Co.
Chartered Accountants

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS

System Support Services
209, Shivai Ind. Estate,
89, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.
Tel. No. : 2850 0835, 2850 1622
Fax : 2850 1438



NOTICE

NOTICE IS HEREBY GIVEN that the 97th Annual General Meeting will be held as scheduled below :

NOTES :

DAY : Thursday
DATE : 5th August 2010
TIME : 11.00 A.M.
PLACE : Hall of Harmony, Nehru Centre,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

To transact the following business :-

1. To receive consider and adopt the Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditor's Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri V. C. Vaidya who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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

By Order of the Board

R. K. SHAH

SECRETARY

Date : 26th May 2010

Registered Office :-

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

- (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (b) The dividend as recommended by the Directors for the year ended 31st March 2010 and as may be approved by the members of the Company at the Annual General Meeting will be payable to those shareholders from 10th August 2010 whose names appear on the Register of Members as on 27th July 2010. In respect of shares held in demat form, the dividend will be paid on the basis of the beneficial ownership as per details to be received from the Depositories as at the end of business on 27th July 2010.
- (c) Members, who hold shares in physical form are requested to notify immediately change in their addresses, if any, specifying Registered Folio Number and other relevant details to Company's Registrar and Share Transfer Agents. Members who hold shares in Electronic form are requested to notify change in their address to Depository Participant with whom they are maintaining their Beneficial owner account.
- (d) Members, who hold shares in Dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
- (e) Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to the Registrar and Transfer Agents of the Company.
- (f) Members are requested to intimate to the company or Registrar and Transfer Agents viz. System Support Services, 209 Shivai Industrial Estate, 89 Andheri-Kurla Road, Sakinaka, Mumbai - 400 072, changes if any, in their registered address quoting Folio Numbers or Client ID and DP ID numbers in all the correspondence.

DIRECTORS' REPORT

To,
The Shareholders of
The Victoria Mills Limited.

Ladies & Gentlemen :

Your Directors present their 97th Annual Report on the working of the Company with audited Statement of Accounts for the year ended 31st March, 2009 and the report of the auditors thereon.

	2009-2010 Rupees	2008-2009 Rupees
Gross Profit/Loss for the year before depreciation	3,76,50,436	(1,82,07,061)
Add/Less: Provision for depreciation	6,77,413	8,87,764
Add/Less: Provision for taxation 2175000		9,65,000
Provision for Fringe Benefit Tax	-	2,23,300
Income Tax of previous year	-	77,460
	<u>21,75,000</u>	<u>12,65,760</u>
Profit/Loss	3,47,98,023	(2,03,60,585)
Add: Balance brought down from the previous year	13,60,03,089	16,21,29,188
Balance available for appropriation	17,08,01,112	14,17,68,603
Less: Transfer to General Reserve	37,00,000	-
	<u>16,71,01,112</u>	<u>14,17,68,603</u>
Less: Proposed Dividend on Equity shares	49,28,000	49,28,000
Tax on Proposed Dividend	8,37,514	8,37,514
Balance to be carried forward	<u>16,13,35,598</u>	<u>13,60,03,089</u>

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

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

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

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

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

As required by the Company (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy are given in the prescribed form as Annexure 1 to this Report. As there was no manufacturing activity during the year, the information of conservation of energy and technology absorption is not applicable.

As per requirement of S.E.B.I. (Substantial Acquisition of Shares and Takeovers) Regulations 1997 constituents of Group as defined under MRTTP Act 1969 is shown separately as Annexure 2.

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

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed.
- They had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March 2010 and of the profits of the Company for the year ended 31st March 2010;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the Annual Accounts on a going concern basis.

No Public Deposits were outstanding with the Company as at the end of 31.3.2010 as all the deposits have been repaid.

You are requested to appoint auditors from the conclusion of this meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

On behalf of the Board
of Directors

Place : Mumbai
Dated : 26th May 2010

ADITYA MANGALDAS
Chairman & Managing Director



ANNEXURE 1 TO DIRECTORS' REPORT

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

A. Conservation of Energy :

Not applicable since there was no manufacturing activity during the year.

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Standard	Current Year 2009-2010	Previous Year 2008-2009
A. Power & Fuel Consumption			
1) Electricity			
a) Purchased Units		-	-
Total amount Rs.		-	-
Rate/Unit Rs		-	-
b) Own Generation :			
i) Through diesel generator		Nil	Nil
Diesel KL		Nil	Nil
Unit		Nil	Nil
Oil			
Cost/Unit Rs.			
ii) Through steam turbine/generator			
Unit		Nil	Nil
Unit per litre of fuel			
Oil/gas		Nil	Nil
Cost per unit			
2) Coal (Specify quality & where used)			
Quantity (tonnes)		Nil	Nil
Total cost avg.rate		Nil	Nil
3) Furnace Oil/LSHS			
Quantity (KL)		-	-
Total Cost		-	-
Avg. Rate Rs ./KL		-	-
4) Other /internal generation		Nil	Nil
B. Consumption per unit of Production if any			
Cloth produced (kgs.)	-	-	-
Electricity Rs/kg.	-	-	-
Furnace Oil/LSHS/Rs./kg.	-	-	-
C. FOREIGN EXCHANGE EARNING AND OUT GO			
1. Export of Textiles F.O.B.value		-	-
2. Earning in Foreign Exchange		-	-
Outgoing in Foreign Exchange(Travelling)		202850	202500

ANNEXURE -2

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

i) Details of Persons and Companies constituting Group as defined under MRTP Act.

Aditya Mangaldas, Mamta Kishore Dalal, Devyani H. Mangaldas, Aditi Mangaldas, Nirmala Rasiklal, Kishore Rasiklal, Sunil Kishore Dalal, Shreya Kishore, Urmila Girdharlal, Love Girdharlal, V. C. Vaidya, S. G. Vaidya, Anjali Kamal Mangaldas, Chetan J. Parikh, Vinay J. Parikh, Gauriben Sanatkumar, Sanatkumar Jayantilal, Mangaldas Mehta & Co., Cee Parikh Inv. Pvt. Ltd., Abhay Mangaldas, Kamal Madanmohan Mangaldas, Snehalata Ramesh Shah, Ramesh Ramanlal Shah, Galactic Enterprises Ltd., Bromelia Trading Pvt. Ltd., Fistula Trading Pvt. Ltd., Abhay Investments Pvt. Ltd., Pawan Farms & Orchards, Vesna Investment & Trading Co., Bruhaspati Investment & Trading Company, Sutantu Agricultural Farm, Mangaldas Mehta & Co. Pvt. Ltd., Victoria Capital Ventures Ltd.

ii) Subsidiary – Victoria Land Pvt. Ltd.

iii) Shri Aditya Mangaldas and some P.A.C.'s have not acquired any share of The Victoria Mills Ltd. from other P.A.C's in terms of Reg. 3(1)(e) (i) during the year.



SECRETARIAL COMPLIANCE CERTIFICATE

[under rule 3 of Companies (Compliance Certificate) Rules, 2001]

Annexure forming part of the Director Report

To,
The Members,
THE VICTORIA MILLS LIMITED
MUMBAI

We have examined the necessary registers, records, books and papers of **The Victoria Mills Limited** ('the Company') as required to be maintained under the Companies Act, 1956, (the 'Act') and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and the explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra, Mumbai, as prescribed under the Act and the Rules made thereunder.
3. The status of the Company being Public Limited Company, comments are not required.
4. The Board of Directors duly met 6 times on 30.04.2009, 30.07.2009, 30.09.2009, 30.10.2009, 23.11.2009 and 25.01.2010 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 22.09.2009 to 30.09.2009 (Both Days Inclusive) and necessary compliance of Section 154 of the Companies Act, 1956 has been made in respect of the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 30.09.2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors and / or persons or firms or companies referred to in the Section 295 of the Act during the year under review.
9. The Company has not entered into any contract / transaction/s in violation of the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.
12. The Company has issued duplicate Share Certificates in compliance with the provisions of the Act, during the financial year under review.
13. The Company has:
 - (i) delivered all the certificates on lodgment thereof for transfer of shares in accordance with the provisions of the Act. The Company has not had any instance of Transmission of Shares and allotment of share during the year under review;
 - (ii) deposited the amount of dividend declared in a separate bank account within five days from the date of declaration of Dividend;
 - (iii) paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Motwani Chambers Branch.;
 - (iv) no amount to be transferred in to the Investor Education and Protection Fund in respect of unpaid dividend account or application money due for refund, or matured deposits, or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointments of additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.

97th Annual Report 2009-2010

15. The Company has not appointed any new Managing Director / Whole Time Director / Manger during the financial year under review and hence no comment is invited.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any new shares / debentures / other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year ending 31st March, 2010.
21. Since the Company has not issued any redeemable preference shares / debentures, no comment is required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975, during the year under review.
24. The Company has not borrowed any sum of amount in violation of Section 293 (1) (d) of the Act during the financial year ending 31st March, 2010.
25. The Company has made investments in the other bodies corporate during the year under review and made necessary entries in the Register maintained for the purpose. However The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate during the financial year under review and hence no comment is required.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered any provisions of its Articles of Association during the financial year under review.
31. As explained to us, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year under review.
32. As explained to us, the Company has not received any money as security from its employees during the financial year under review.
33. The Company was not required to deposit any amount with prescribed authorities pursuant to Section 418 of the Act.

For **Nilesh Shah & Associates**
Company Secretaries

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

Place : Mumbai
Date : 26th May 2010

**Annexure - A**

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

For Nilesh Shah & Associates
Company Secretaries

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

Place : Mumbai
Date : 26th May 2010

Annexure - B

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

For Nilesh Shah & Associates
Company Secretaries

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

Place : Mumbai
Date : 26th May 2010

AUDITOR'S REPORT

To,

The Shareholders of
The Victoria Mills Ltd.

1. We have audited the attached Balance Sheet of THE VICTORIA MILLS LIMITED, as at 31st March, 2010 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - (d) In our opinion the Profit and Loss Account,

Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 as applicable.

(e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as directors in terms of Clause (g) of Sub-Section(1) of Section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :-

i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31.3.2010

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

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

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

M.P. ANTIA
Partner

Place : MUMBAI
Dated : 26th May 2010

Membership No.7825
Firm Reg.No.110417 W



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. | (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. |
| (b) All the major assets have been physically verified by the management during the year. | (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. |
| (c) No substantial part of fixed assets have been disposed off during the year. | (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. |
| (ii) There was no inventory at the end of the year and hence this clause does not apply. | (xv) The Company has not given any guarantee on behalf of others. |
| (iii) The company has given an interest free loan to its wholly owned Subsidiary during the year. | (xvi) The Company has not obtained any term loan during the year. |
| (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. | (xvii) No funds were raised during the year. |
| (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, except what is mentioned in para(iii) above. Consequently, requirement of clause (v,b) of paragraph 4 of the order is not applicable. | (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. |
| (vi) The company has not accepted fixed deposits from public. | (xix) The company has not issued any Secured Debentures during the year. |
| (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. | (xx) The Company has not raised any money by public issue during the year. |
| (viii) Maintenance of cost records under section 209(1)(d) of the Companies Act 1956 is not applicable to the company. | (xxi) The Company has reached a settlement for fraud detected in past. (Refer note No.9 to Schedule 12). No other fraud by or against the company was detected during the year. |
| (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.4,48,356/- outstanding for more than 6 months. The amount has since been paid. | |
| (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. | |

FOR SORAB S. ENGINEERS & CO.
Chartered Accountants

M. P. ANTIA
Partner

Membership No.7825
Firm Reg.No.110417 W

Place : MUMBAI
Dated: 26th May 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	Rupees	As at 2009-2010 Rupees	As at 2008-2009 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS	1		9,856,000	9,856,000
a) Share Capital			187,085,598	158,053,089
b) Reserves & Surplus	2		-	-
2) SECURED LOANS	3		75,000	-
3) DEFERRED TAX LIABILITIES			197,016,598	167,909,089
TOTAL				
APPLICATION OF FUNDS				
1) FIXED ASSETS	4			
a) Gross Block			10,707,246	12,291,619
b) Less: Depreciation			4,249,350	6,426,865
c) Net Block			6,457,896	5,864,754
4) INVESTMENTS	5		78,796,568	76,171,569
5) CURRENT ASSETS, LOANS & ADVANCES	6			4,970,170
a) Inventories		52,634,711		66,485,834
b) Sundry Debtors		5,602,363		6,407,370
c) Cash & Bank Balances		83,029,659		38,818,606
d) Loans & Advances		141,266,733		116,681,980
LESS: CURRENT LIABILITIES & PROVISIONS	7			
a) Liabilities		14,155,691		13,934,728
b) Provisions		15,348,908		16,874,486
		29,504,599		30,809,214
NET CURRENT ASSETS			111,762,134	85,872,766
TOTAL			197,016,598	167,909,089

NOTES FORMING PART OF ACCOUNTS 12
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: 26th May 2010

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 2010

	Schedule	2009-2010 Rupees	2008-2009 Rupees
INCOME			
Sales		23,721,480	7,074,903
(Excluding excise duty)			
Other	8	71,549,701	22,582,072
Increase / (Decrease) in Stock	9	-	-
		<u>95,271,181</u>	<u>29,656,975</u>
EXPENDITURE			
Purchases		22,638,800	6,835,795
Employee's Emoluments	10	4,356,600	4,330,319
Other Expenses	11	5,367,989	6,365,350
Loss on Sale of Investment		-	3,422,939
Loss on Sale of Assets		-	14,056
Provision for Doubtful Debts		822,004	24,435,352
Bad Debts		24,435,352	2,460,225
Depreciation		677,413	887,764
		<u>58,298,158</u>	<u>48,751,800</u>
Loss (-) Profit Before Tax and extraordinary items		36,973,023	(19,094,825)
Fringe Benefits Tax		-	223,300
Provision of Income tax		2,100,000	965,000
Income Tax in respect of previous years		-	77,460
Deferred Tax liabilities		75,000	-
Profit For The Year		<u>34,798,023</u>	<u>(20,360,585)</u>
(Loss)/Surplus brought forward from last year		<u>136,003,089</u>	<u>162,129,188</u>
Balance available for Appropriation		<u>170,801,112</u>	<u>141,768,603</u>
Appropriations			
General Reserves		3,700,000	-
Proposed Dividened		4,928,000	4,928,000
Tax On Dividened		837,514	837,514
		<u>9,465,514</u>	<u>5,765,514</u>
Deficit/Surplus C/f to Balance Sheet		161,335,598	136,003,089
Earnings per Shares -Basic and Diluted	12	353.06	(206.58)

NOTES FORMING PART OF ACCOUNTS

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
Secreraty

S. G. Vaidya

Dated : 26th May 2010

**SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2010**

	2009-2010 Rupees	2008-2009 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.	22,050,000	22,050,000
Transfer from Profit & Loss A/c	3,700,000	-
B : Balance in Profit & Loss A/c	161,335,598	136,003,089
	<u>187,085,598</u>	<u>158,053,089</u>
SCHEDULE-3 SECURED LOANS		
Against Hypothecation of Car on installment from Bank	-	-
TOTAL RUPEES	<u>-</u>	<u>-</u>

SCHEDULE-4 FIXED ASSETS

Sr. No.	Description	Gross Block on 1.4.2009	Addition	Deductions	Gross Block on 31.3.2010	Total Depr. upto 1.4.2009	Curr. Year Depr.	Depr. Wt Back	Total Depr. upto 31.3.2010	Net Block on 31.3.2010	Net Block on 31.3.2009
		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	631834	163950	0	795784	3115047	3278997
3	Plant & Machinery (Computers)	602222	38168	0	640390	552880	29734	0	582614	57776	49342
4	Electric Installation	1806898	0	0	1806898	887294	127917	0	1015211	791687	919604
5	Furniture & Dead Stock	975370	0	0	975370	734769	43549	0	778318	197052	240601
6	Vehicles	4995612	1970161	3592702	3373071	3620088	312263	2854928	1077423	2295648	1375524
Total		12291619	2008329	3592702	10707246	6426865	677413	2854928	4249350	6457896	5864754
Previous Year		12570047	0	278428	12291619	5753473	887764	214372	6426865	5864754	



	QUANTITY	COST	2009-2010 Rupees	2008-2009 Rupees
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SCHEDULE-5 INVESTMENTS (AT COST)**1A INVESTMENT IN SHARES QUOTED
(SHORT TERM)****NAME OF THE SECURITY**

Amar Raja Batteries Ltd	4500	752085		
Bajaj Auto Ltd	225	378934		
Bharti Airtel Ltd	-	-		474113
Bharat Petroleum Corporation Ltd	979	524127		-
Birla Corporation	1524	549585		-
Cairn India Ltd	-	-		455840
Corporation Bank	1200	498735		-
Dharampur Sugar Mill Ltd	5775	866423		-
Dwarikesh Sugar Industries Ltd	8964	1045040		-
Gruh Finance Ltd	5437	1084720		-
HL Power Systems Ltd	15000	578400		-
HDFC Bank	-	-		403345
HDFC	105	286755		-
Hindustan Dorr-oliver Ltd	6000	501750		-
Hitachi Home & Life Solutions India Ltd	4000	558280		-
Hyderabad Industries Ltd	1000	564781		-
ICICI Bank Ltd	-	-		913870
IDFC Ltd	3575	605068		-
Indian Bank	3000	522780		-
Infrastructure Dev Finance Company Ltd	-	-		525851
Kajeria Ceramics	13300	619514		-
Karur Vysys Bank	2000	771128		-
Kpit Cummins Ltd	5500	689965		-
Larsen & Tubro Ltd	-	-		378582
MRF Ltd	100	631788		-
Praj Industries Ltd	6000	507153		-
Punjab National Bank Ltd	500	444700		-
Reliance Industries Ltd	982	1071264		-
Reliance Infrastructure Ltd	410	433739		-
SRF Ltd	2261	423417		-
Sabero Organics Gujarat Ltd	9471	625086		-
State Bank of India Ltd	-	-		390619
Tata Honeywell Ltd	400	912716		-
Tide Water Oil (India) Ltd	269	1330664		-
United Bank of India	3761	257967		-
Vesuvius Ltd	1428	336080		-
Voltas Ltd	1976	350133		-

18722777

3542220

**1B INVESTMENT IN SHARES QUOTED
(LONG TERM)****NAME OF THE SECURITY**

Federal-Mogul Goetze (India) Ltd	-	-	-	890981
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	Units	2009-2010 Rupees	2008-2009 Rupees
2 INVESTMENT IN MUTUAL FUNDS (UNQUOTED)			
Kotak Floater Short term G	-	-	7,800,000
Liquid Bees	2,035.0000	2,035,423	-
Birla Gilt Plus Regular Plan	-	-	1,500,000
Birla Sun Life Dynamic Bond fund	102,503.1260	1,500,000	-
Birla Sun Life Income Plus	-	-	2,000,000
Birla Sun Life Income Fund	-	-	1,000,000
DSP Black Rock Bond fund	-	-	1,000,000
Fidelity Equity Fund	10,813.9280	300,000	300,000
Fidelity Fixed Maturity Plan Series 1	-	-	2,500,000
Franklin India Prima Plus	37,017.5690	1,000,000	-
HDFC Arbitrage Fund	446,723.9790	5,000,000	2,000,000
HDFC Cash Management Fund	1,065,483.4720	20,000,000	-
HDFC Short Term Plan	87,554.9410	1,500,000	-
HDFC FMP 370D Nov 2008 (1)	-	-	2,000,000
HDFC Top 200 Fund	1,319.7840	200,000	200,000
ICICI Prudential Blended Fund Plan A	148,054.9280	2,000,000	2,000,000
ICICI Prudential Income Plan	-	-	2,500,000
ICICI Prudential Infrastructure Fund	6,591.9580	200,000	200,000
ICICI Prudential Monthly Income Plan	88,025.8440	1,000,000	-
ICICI Prudential Short Term Income Plan	82,161.1670	1,500,000	-
IDFC Arbitrage Plus Fund	186,640.2880	2,000,000	2,000,000
IDFC Dynamic Bond fund	-	-	1,000,000
ING Income Fund	-	-	1,000,000
Kotak FMP 19M Series 2	300,000.0000	3,000,000	-
Kotak Bond Regular	-	-	2,000,000
Kotak Equity Arbitrage Fund	-	-	2,500,000
Kotak FMP 12M Series 8	-	-	1,500,000
LIC MF Fixed Maturity Plan Series -37	-	-	10,000,000
LIC MF Fixed Maturity Plan Series -43	-	-	1,500,000
LIC MF Fixed Maturity Plan Series -44	-	-	1,500,000
Reliance Diversified Power Sector Fund	6,954.3060	500,000	500,000
Reliance Fixed Horizon Fund V11-Series 5	-	-	11,000,000
Reliance Income Fund	34,046.1460	1,000,000	1,000,000
Reliance Monthly Income Plan	88,779.9850	1,000,000	-
Reliance Vision Fund	46,906.6020	2,000,000	-
SBI Arbitrage Opportunities Fund	204,246.6970	2,500,000	-
SBI Magnum Balanced Fund	34,002.0400	1,000,000	-
SBI MF MSFU Conta Fund	56,882.8210	1,500,000	-



	Units	2009-2010 Rupees	2008-2009 Rupees
Standard Chartered FMPYS 17	-	-	4,000,000
Tata Fixed Horizon Fund Series Scheme C	-	-	2,000,000
Tata Infrastructure Fund	8,180.7400	300,000	300,000
Templeton India Short Term Income Plan	880.0720	1,500,000	-
UTI Bond Fund	39,693.4080	1,000,000	1,000,000
UTI Spread Fund	193,637.8350	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 Rs 100/- each Fully Paid (A Subsidiary Company)	1,000	100,000	-

TOTAL RUPEES

78,796,568	76,171,569
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	At Cost	At Cost	At Market Rate	At Market Rate
	2009-2010 Rupees	2008-2009 Rupees	2009-2010 Rupees	2008-2009 Rupees
Aggregate amount of quoted investment (shares)	18,722,777	4,433,201	19,218,401	4,175,277
Aggregate amount of unquoted investments	60,073,791	71,738,368	61,531,234	74,233,188

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	Rupees	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-6 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)		-	4,970,170
		-	4,970,170
SUNDRY DEBTORS (UNSECURED)			
Exceeding six months:			
Considered Good	45,707,432		63,767,432
Considered Doubtful	2,133,977		26,569,329
	47,841,409		90,336,761
Less: Provision for doubtful debts	2,133,977		26,569,329
	45,707,432		63,767,432
Other (considered Good)	6,927,279		2,718,402
		52,634,711	66,485,834
CASH AND BANK BALANCES			
Cash on hand		9,767	564
With scheduled Bank in :			
Current Account	3,986,977		5,142,843
Bank Guarantee Margin Account	884,069		828,113
Unclaimed Dividened A/c	721,550		435,850
		5,592,596	6,406,806
		5,602,363	6,407,370
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	60,410,554		24,525,576
Dividened Receivable	42,064		40,158
Excise Rebate Receivable	-		822,004
Provision for Leave & Licence Income	810,000		450,000
Tax Deducted Source	10,682,701		12,962,668
Income Tax Receivable	1,014,140		-
Advance payment of Income Tax	70,200		18,200
		83,029,659	38,818,606
Advances Considered Doubtful	4,225,844		3,403,840
Less: Provision	4,225,844		3,403,840
		-	-
TOTAL RUPEES		141,266,733	116,681,980



	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-7 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	12,214,121	13,000,505
Outstanding Liabilities for expenses	1,219,920	498,273
	<u>13,434,041</u>	<u>13,498,778</u>
Unclaimed Capital Reduction	100	100
Unpaid Dividened	721,550	435,850
	<u>14,155,691</u>	<u>13,934,728</u>
B. Provisions		
Taxation	6,400,000	8,250,000
Provision for Retirement Benefits	3,183,394	2,858,972
Proposed Dividened	4,928,000	4,928,000
Tax On Dividened	837,514	837,514
	<u>15,348,908</u>	<u>16,874,486</u>
TOTAL RUPEES	<u>29,504,599</u>	<u>30,809,214</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
AS ON 31ST MARCH 2010**

	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-8 OTHER INCOME		
Dividend	1,154,734	398,114
Interest		
On Other (Gross)	4,755,794	4,299,451
(TAX DEDUCTED Rs 746863/-)		
Miscellaneous Income	38,110	36,857
Royalty Received	434,827	570,870
Income on Bill Discounting	2,774,015	1,806,112
Leave & Licence Income	9,602,712	12,689,712
Profit on Sales of Investment	1,257,365	-
Profit on Reedemption of Mutual Funds Units	4,628,260	320,731
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	24,831,330	2,460,225
TOTAL RUPEES	<u>71,549,701</u>	<u>22,582,072</u>

	2009-2010 Rupees	2008-2009 Rupees
--	---------------------	---------------------

SCHEDULE- 9 INCREASE/ (DECREASE) IN STOCK

Closing Stock	0	0
Less : Op. Stock	0	0

SCHEDULE-10 EMPLOYEE'S EMOLUMENTS

Salaries, Wages, & Bonus	2,359,571	2,190,150
Contribution to Superannuation scheme	54,647	51,963
Managing Director's Remuneration	1,667,960	1,667,960
Other Retirement Benefits	274,422	420,246
	<u>4,356,600</u>	<u>4,330,319</u>

SCHEDULE-11 OTHER EXPENSES

Motor car Expenses	311,513	651,498
Stationery & Printing	66,985	81,527
Rent	4,380	8,760
Travelling Expenses	281,342	566,338
Telephone Expenses	201,740	182,808
Legal & Professional	1,188,435	1,378,630
Insurance	26,872	49,003
Auditor's Remuneration		
i) Audit Fees	40,000	40,000
ii) In other capacity (Tax Audit, Certification etc.)	203,836	193,394
iii) Out of Pocking expenses	14,207	13,247
Electricity	174,362	157,111
Directors' Fees	90,000	65,000
Brokerage	233,517	21,150
Miscellaneous Expenses	1,132,688	1,231,143
Leave & Licence Premises Expenses	24,322	49,548
Rates & Taxes	1,373,790	1,443,773
Interest	-	232,420
	<u>5,367,989</u>	<u>6,365,350</u>



SCHEDULE -12 NOTES FORMING PART OF ACCOUNTS

1. Major Accounting Policies:-

- a) **Recognition of income expenditure**
Revenue/income and cost/expenditure are generally accounted on accrual as they are earned or incurred.
- b) **Depreciation is provided at Written Down Value Method as per Schedule XIV of the Companies Act, 1956.**
- c) **Valuation of Inventories:**
Property held as stock in trade is valued at cost or market whichever is lower. 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 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)

	2009-2010	2008-2009
	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	-	-	939379	22638800	939379	23721480	-	-
	-	-	325294	6835795	325294	7074903	-	-

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	-	-
	1	49,70,170	-	-	-	-	1	49,70,170

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

	2009-2010	2008-2009
	Rs.	Rs.
(i) Net Profit after Tax (Rs.)	34798023	(20360585)
(ii) Number of Equity Shares of Rs.100/- each	98560	98560
(iii) Basic and Diluted Earnings per Share (Rs.)	353.06	(206.58)

5. Segment Reporting :

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

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6. Related Party Disclosure :

Sr. No.	Nature of Transaction	Subsidiary	Associates	Key Management Personnel	Total
1.	Demerger	-	-	-	-
2.	Finance (incl.Loans)	1,00,00,000	-	-	-
3.	Managing Director's remuneration	-	-	16,67,960	16,67,960
4.	Net Outstanding Receivable (Payable)	-	10,000	Nil	10,000

A) Subsidiary

Victoria Land Pvt.Ltd.

B) Associates

- Galactic Enterprises Ltd.
- Adarsh Enterprises
- Fistula Trading Pvt.Ltd.
- Abhay Investments Pvt.Ltd.
- Pawan Farms & Orchards

- Bruhaspati Investment & Trading
- Sutantu Agricultural Farm
- Mangaldas Mehta & Co. Pvt. Ltd.
- Bromelia Trading Pvt. Ltd.
- Mangaldas Mehta & Co.

C) Key Management Personnel

1. SHRIADITYA MANGALDAS

2009-2010 2008-2009

Rs.

Rs

7. a) Expenditure in Foreign Currency on Travel

202850

202500

- 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. After protracted negotiations, a consent agreement was signed with two parties for recovery of Rs. 8.81 crores (after deducting Rs. 75.44 lacs payable to one of the concerned parties from Rs. 9.56 crores) settled at Rs. 6.36 crores. Out of this amount, Rs. 1.81 crores has already been received and balance will be received in installments over a period of three and half years. The difference of Rs. 2.45 crores between the amount settled and the amount originally receivable are written off in Profit & Loss Account as bad debts.

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	15,54,390
Interest Cost	1,17,618
Current Service Cost	1,25,870
Past Service Cost (Not Vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Settlement	-
Liability Transfer in	-
Liability Transfer out	-
Benefit paid	-
Actuarial (gain/loss on obligations)	(73,863)
Liability at the end of the year	17,24,015

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

As per our report annexed herewith

Aditya Mangaldas

Chairman &
Managing Director

For Sorab S.Engineer & Co.
Chartered Accountants

V. C. Vaidya

M. P. Antia
Partner

For The Victoria Mills Ltd.,

D. K. Contractor

Directors

Dated : 26th May 2010

R. K. Shah
Secretary

S. G. Vaidya



CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2010

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) AFTER TAX & EXTRA-ORDINARY ITEM		34,798,023		(20,360,585)
Add/Less:				
a) Provision for Taxation	2,175,000		965,000	
b) Depreciation	677,413		887,764	
c) Bad Debts	24,435,352		-	
d) Provision for Doubtful Debts	822,004		-	
e) Loss on sale of Investments	-		3,422,939	
f) Loss on sale of Fixed Assets	-		14,056	
g) Interest paid	-	28,109,769	232,420	5,522,179
		<u>62,907,792</u>		<u>(14,838,406)</u>
Add/Less:				
a) Dividend Income	1,154,734		398,114	
b) Interest received on others	4,755,794		4,299,451	
c) Profit on Sale of Assets	398,226		-	
d) Bill Discounting Income	2,774,015		1,806,112	
e) Profit on Redemption Of Mutual Fund Investment	4,628,260		320,731	
f) Excess Provision written back	24,831,330		-	
g) Profit on sale of Investment	1,257,365		-	
		<u>39,799,724</u>		<u>6,824,408</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE		<u>23,108,068</u>		<u>(21,662,814)</u>
Add:				
a) Increase in Trade Payables	324,422		-	
b) Decrease in Trade Payables	(64,737)		(7,776,867)	
c) Decrease in Inventories	-		-	
Less: Increase in Trade & other receivable	(30,715,613)		58,845,152	
Increase in Inventory		(30,455,928)		51,068,285
		<u>(7,347,860)</u>		<u>29,405,471</u>
Deduct:				
Direct Taxes Paid/ Received	943,827		(8,039,866)	
		<u>943,827</u>		<u>(8,039,866)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES(A)		<u>(6,404,033)</u>		<u>21,365,605</u>

		2009-2010		2008-2009	
		Rupees	Rupees	Rupees	Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES					
INFLOW					
a)	Sale of Fixed Assets	1,136,000		50,000	
b)	Dividend Income	1,154,734		398,114	
c)	Interest received on others	4,755,794		4,299,451	
d)	Bill Discounting Income	2,774,015		1,806,112	
e)	Profit on Sale of Investments Net	1,257,365		-	
f)	Profit on Redemption of Mutual Funds Investment	4,628,260		320,731	
g)	Sale of Investments	-	15,706,168	-	6,874,408
OUTFLOW :					
a)	Purchase of Fixed assets	(2,008,329)		-	
b)	Purchase of of Investments	(2,624,999)		(22,196,772)	
		(4,633,328)	(4,633,328)	(22,196,772)	(22,196,772)
Less: Fixed Assets Converted to stock in Trade		-		-	
			11,072,840		(15,322,364)
C. CASH FLOW FROM FINANCING ACTIVITIES					
a)	Secured Loans	-		(115,241)	
b)	Unpaid Dividened	(5,473,814)		(4,753,650)	
c)	Interest Paid	-	(5,473,814)	(232,420)	(5,101,311)
NET CASH INFLOW/(OUTFLOW)IN FINANCING ACTIVITIES (C)					
NET INCREASE/DECREASE IN CASH/CASH EQUIVALENTS (A+B+C)			(805,007)		941,930
CASH AND CASH EQUIVALENTS AS AT					
31ST MARCH 2008		6,407,370		5,465,440	
31ST MARCH 2009		5,602,363		6,407,370	
			(805,007)		941,930

NET CASH INFLOW/(OUTFLOW)

As per our report annexed herewith

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

M. P. Antia
Partner

Dated : 26th May 2010

For The Victoria Mills Ltd.,

R. K. Shah
Secreraty

Aditya Mangaldas

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Chairman &
Managing Director

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, 2010
- 2 Victoria Land pvt. Ltd. : Made a loss of Rs. 45,355/- as at 31 st march, 2010.

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

Aditya Mangaldas

Chairman &
Managing Director

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors

NOTICE

Notice is hereby given that the 1st 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 Thursday, 5th August 2010 at 4.30 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 2010.
2. To appoint a Director in place of Smt. Mamta 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: 22nd May 2010.

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.
Ladies & Gentlemen:

Your Directors present herewith 1st Annual Report of the working of your company with the audited statement of accounts for the year ended 31st March 2010.

2009-2010
Rupees

Profit/Loss for the year before providing for Depreciation & taxation	(41,734)
Add : Depreciation	3,621
Add : Taxation	-
To Balance of profit/loss carried forward	(45,355)

Your Directors do not recommend any dividend on equity shares being the first year of operation of the company.

The company has started activity in Real Estate business and have entered into an agreement to purchase land at Alibaug with a view to develop the same.

Smt. Mamta Mangaldas retires as a Director by rotation and is eligible for reappointment.

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.

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 2010.

- (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

ADITYA MANGALDAS
CHAIRMAN

Place : Mumbai
Dated : 22nd May, 2010.

AUDITORS REPORT

We have audited the attached Balance Sheet of VICTORIA LAND PRIVATE LIMITED, as at 31st March, 2010 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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of Audit.
- b) The Company as appears from the examinations of such books has kept proper books of accounts as required by the Law.
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
- d) In our Opinion, the Profit & Loss account and Balance sheet Comply With The accounting Standard referred to in Sub-Section (3c) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representation received from the directors of the company as at March 31, 2010 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.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes to the accounts give the information required by the Companies Act, 1956 in the manner so required give a true and a fair view:
- i) In case of the Balance Sheet of the state of affairs of the Company as on 31st March, 2010 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 : 22nd May 2010

Annual Report 2009-2010**BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedule	Rupees	As at 2009-2010 Rupees	As at 2008-2009 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS				
a) Share Capital	1		100,000	-
2) UNSECURED LOANS	2		10,000,000	-
TOTAL			<u>10,100,000</u>	<u>-</u>
APPLICATION OF FUNDS				
1) FIXED ASSETS	3			
a) Gross Block			18,067,663	-
b) Less: Depreciation			3,621	-
c) Net Block			<u>18,064,042</u>	<u>-</u>
3) CURRENT ASSETS, LOANS & ADVANCES	4			
Cash & Bank Balances		1,627,153		-
		<u>1,627,153</u>		<u>-</u>
LESS: CURRENT LIABILITIES & PROVISIONS				
Liabilities		9,636,550		-
		<u>9,636,550</u>		<u>-</u>
NET CURRENT ASSETS			(8,009,397)	-
4) PROFIT AND LOSS ACCOUNT -DEBIT BALANCE			45,355	-
TOTAL			<u>10,100,000</u>	<u>-</u>
NOTES FORMING PART OF ACCOUNTS				
	7			
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**

Directors : **MAMTA MANGALDAS**

D. A. Parikh
Partner
Dated : 22nd May 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	As at 2009-2010 Rupees	As at 2008-2009 Rupees
INCOME			
Sales		-	-
		-	-
EXPENDITURE			
Other Expenses	6	41,734	-
Depreciation		3,621	-
		<u>45,355</u>	<u>-</u>
Loss (-)/Profit Before Tax and extraordinary items		(45,355)	-
Profit / Loss For The Year		<u>(45,355)</u>	<u>-</u>
(Loss) /Surplus brought forward from last year		-	-
Balance available for Appropriation		<u>(45,355)</u>	<u>-</u>
Deficit/Surplus C/f to Balance Sheet		<u>(45,355)</u>	<u>-</u>
NOTES FORMING PART OF ACCOUNTS	7		

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

Chairman : **ADITYA MANGALDAS**

Directors : **MAMTA MANGALDAS**

D. A. Parikh
Partner
Dated : 22nd May 2010

**SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2010**

	2009-2010 Rupees	2008-2009 Rupees
--	---------------------	---------------------

SCHEDULE-1 SHARE CAPITAL
AUTHORISED CAPITAL

1000 Equity Shares of Rs.100/- each

100,000

100,000

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

SCHEDULE-2 UNSECURED LOANS

From Company

10,000,000

TOTAL RUPEES

10,000,000

SCHEDULE- 3 FIXED ASSETS

Sr. No.	Description	Gross Block on 1.4.2009	Addition	Deductions	Gross Block on 31.3.2010	Total Depr. upto 1.4.2009	Curr. Depr Year Depr.	Depr Wr Back	Total Depr. upto 31.3.2010	Net Block on 31.3.2010	Net Block on 31.3.2009
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	0	17283450	0	17283450	0	0	0	0	17283450	0
2	Work in Progress	0	728213	0	728213	0	0	0	0	728213	0
3	Computer	0	56000	0	56000	0	3621	0	3621	52379	0
Total		0	18067663	0	18067663	0	3621	0	3621	18064042	0
Previous Year		0	0	0	0	0	0	0	0	0	

SCHEDULE-4 CURRENT ASSETS, LOANS & ADVANCES

CASH AND BANK BALANCES	Rupees	2009-2010 Rupees	2008-2009 Rupees
Cash on hand			
With scheduled Bank in : Current Account		2,766	-
	1,624,387		-
TOTAL RUPEES		<u>1,624,387</u>	<u>-</u>
		<u>1,627,153</u>	<u>-</u>

SCHEDULE-5 CURRENT LIABILITIES & PROVISIONS

Current Liabilities		2009-2010 Rupees	2008-2009 Rupees
Sundry Creditors			
Outstanding Liabilities for Expenses		9,634,550	-
		2,000	-
TOTAL RUPEES		<u>9,636,550</u>	<u>-</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS ON 31ST MARCH 2010

SCHEDULE-6 OTHER EXPENSES

	2009-2010 Rupees	2008-2009 Rupees
Auditor's Remuneration		
Audit Fees		
Miscellaneous Expenses	2,000	-
	39,734	-
	<u>41,734</u>	<u>-</u>

SCHEDULE-7 NOTES FORMING PART OF ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES****i) Basic of Accounting**

The Company maintain its Accounts on accrual basis following historical cost convention in compliance with Accounting Standards specified to be mandatory by the institute of chartered Accounts 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 additions / deletions of fixed assets depreciation is provided on pro rata basis.

iv) Investments

Investment are started at Cost

As per our report annexed herewith

For **M. S. Parikh & Co.**
Chartered Accountants

D. A. Parikh
Partner

Dated : 22nd May 2010

Chairman : **ADITYA MANGALDAS**
Directors : **MAMTA MANGALDAS**

CONSOLIDATED FINANCIAL STATEMENT OF THE VICTORIA MILLS LTD



**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 2010 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 2010;
 - 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, which is not prepared as the figures of the previous year are not given. (Refer note 11 of Schedule 12).

FOR SORAB S. ENGINEERS & CO.
Chartered Accountants

M. P. ANTIA
Partner
Membership No.7825
Firm Reg. No.110417 W

Place : MUMBAI
Dated : 26th May 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	Rupees	As at 2009-2010 Rupees	As at 2008-2009 Rupees
SOURCES OF FUNDS				
1) SHAREHOLDER'S FUNDS				
a) Share Capital	1		9,856,000	-
b) Reserves & Surplus	2		187,040,243	-
2) SECURED LOANS	3		-	-
3) DEFERRED TAX LIABILITIES			75,000	-
TOTAL			<u>196,971,243</u>	<u>-</u>
APPLICATION OF FUNDS				
1) FIXED ASSETS	4			
a) Gross Block			28,774,909	-
b) Less: Depreciation			4,252,971	-
c) Net Block			<u>24,521,938</u>	-
4) INVESTMENTS	5		78,696,568	-
5) CURRENT ASSETS, LOANS & ADVANCES	6			
a) Inventories			-	-
b) Sundry Debtors		52,634,711		-
c) Cash & Bank Balances		7,229,516		-
d) Loans & Advances		73,029,659		-
		<u>132,893,886</u>		-
LESS: CURRENT LIABILITIES & PROVISIONS	7			
a) Liabilities		23,792,241		-
b) Provisions		<u>15,348,908</u>		-
NET CURRENT ASSETS			<u>93,752,737</u>	-
TOTAL			<u>196,971,243</u>	<u>-</u>
NOTES FORMING PART OF ACCOUNTS 12				
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

Aditya Mangaldas

Chairman &
Managing DirectorFor Sorab S.Engineer & Co.
Chartered Accountants

V. C. Vaidya

D. K. Contractor

S. G. Vaidya

Directors

M. P. Antia
Partner

For The Victoria Mills Ltd.,

R. K. Shah
SecretaryDated: 26th May 2010



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	2009-2010 Rupees	2008-2009 Rupees
INCOME			
Sales		23,721,480	-
(Excluding excise duty)			
Other	8	71,549,701	-
Increase / (Decrease) in Stock	9	-	-
		<u>95,271,181</u>	<u>-</u>
EXPENDITURE			
Purchases		22,638,800	-
Employee's Emoluments	10	4,356,600	-
Other Expenses	11	5,367,989	-
Loss on Sale of Investment		-	-
Loss on Sale of Assets		-	-
Provision for Doubtful Debts		822,004	-
Bad Debts		24,435,352	-
Depreciation		681,034	-
		<u>58,343,513</u>	<u>-</u>
Loss (-)/Profit Before Tax and extraordinary items		36,927,668	-
Fringe Benefits Tax		-	-
Provision of Income tax		2,100,000	-
Income Tax in respect of previous years		-	-
Deferred Tax liabilities		75,000	-
Profit For The Year		<u>34,752,668</u>	<u>-</u>
(Loss)/Surplus brought forward from last year		136,003,089	-
Balance available for Appropriation		<u>170,755,757</u>	<u>-</u>
Appropriations			
General Reserves		3,700,000	-
Proposed Dividened		4,928,000	-
Tax On Dividened		837,514	-
		<u>9,465,514</u>	<u>-</u>
Deficit/Surplus C/f to Balance Sheet		161,290,243	-
Earnings per Shares -Basic and Diluted	12	352.60	-
NOTES FORMING PART OF ACCOUNTS			
	12		

As per our report annexed herewith

For Sorab S.Engineer & Co.
Chartered Accountants

M. P. Antia
Partner

Dated: 26 th May, 2010

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 SCHEDULES ANNEXED TO & FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2010**

	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-1 SHARE CAPITAL		
AUTHORISED CAPITAL		
2,00,000 Equity Shares of Rs. 100/- each	20,000,000	-
	<u>20,000,000</u>	<u>-</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	-
	<u>9,856,000</u>	<u>-</u>
SCHEDULE 2: RESERVES AND SURPLUS		
A : General Reserve : As per Last Balance Sheet.	22,050,000	-
Transfer from Profit & Loss A/c	3,700,000	-
B : Balance in Profit & Loss A/c	161,290,243	-
	<u>187,040,243</u>	<u>-</u>
SCHEDULE-3 SECURED LOANS		
Against Hypothecation of Car on installment from Bank	-	-
TOTAL RUPEES	<u>-</u>	<u>-</u>

SCHEDULE-4 FIXED ASSETS

Sr. Description No.	Gross Block on 1.4.2009 Rs.	Addition Rs.	Deductions Rs.	Gross Block on 31.3.2010 Rs.	Total Depr. upto 1.4.2009 Rs.	Curr. Year Depr. Rs.	Depr Total Wr Back Rs.	Depr. upto 31.3.2010 Rs.	Net Block on 31.3.2010 Rs.	Net Block on 31.3.2009 Rs.
1 Land & Building	686	172843450	0	172841136	0	0	0	0	172841136	686
2 Building	3910831	0	0	3910831	631834	163950	0	795784	3115047	3278997
3 Plant & Machinery (Computers)	602222	94186	0	696390	552880	33355	0	586235	110155	49342
4 Electric Installation	1806898	0	0	1806898	887294	127917	0	1015211	791687	919604
5 Furniture & Dead stock	975370	0	0	975370	734769	43549	0	778318	197052	240601
6 Vehicles	4995612	1970161	3592702	3373071	3620088	312263	2854928	1077423	2295648	1375524
7 Work in Progress	0	728213	0	728213	0	0	0	0	728213	0
Total	12291619	20075992	3592702	28774909	6426865	681034	2854928	4252971	24521938	5864754



	QUANTITY	COST	2009-2010 Rupees	2008-2009 Rupees
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SCHEDULE-5 INVESTMENTS (AT COST)

1A INVESTMENT IN SHARES QUOTED (SHORT TERM)

NAME OF THE SECURITY

Amar Raja Batteries Ltd	4500	752085	-
Bajaj Auto Ltd	225	378934	-
Bharti Airtel Ltd	-	-	-
Bharat Petroleum Corporation Ltd	979	524127	-
Birla Corporation	1524	549585	-
Calm India Ltd	-	-	-
Corporation Bank	1200	498735	-
Dharampur Sugar Mill Ltd	5775	866423	-
Dwarikesh Sugar Industries Ltd	8964	1045040	-
Gruh Finance Ltd	5437	1084720	-
HBL Power Systems Ltd	15000	578400	-
HDFC Bank	-	-	-
HDFC	105	286755	-
Hindustan Dorr-oliver Ltd	6000	501750	-
Hitachi Home & Life Solutions India Ltd	4000	558280	-
Hyderabad Industries Ltd	1000	564781	-
ICICI Bank Ltd	-	-	-
IDFC Ltd	3575	605068	-
Indian Bank	3000	522780	-
Infrastructure Dev Finance Company Ltd	-	-	-
Kajeria Ceramics	13300	619514	-
Karur Vysys Bank	2000	771128	-
Kpit Cummins Ltd	5500	689965	-
Larsen & Tubro Ltd	-	-	-
MRF Ltd	100	631788	-
Praj Industries Ltd	6000	507153	-
Punjab National Bank Ltd	500	444700	-
Reliance Industries Ltd	982	1071264	-
Reliance Infrastructure Ltd	410	433739	-
SRF Ltd	2261	423417	-
Sabero Organics Gujarat Ltd	9471	625086	-
State Bank of India Ltd	-	-	-
Tata Honeywell Ltd	400	912716	-
Tide Water Oil (India) Ltd	269	1330664	-
United Bank of India	3761	257967	-
Vesuvius Ltd	1428	336080	-
Volitas Ltd	1976	350133	-

18722777

1B INVESTMENT IN SHARES QUOTED (LONG TERM)

NAME OF THE SECURITY

Federal-Mogul Goetze (India) Ltd

	Units	2009-2010 Rupees	2008-2009 Rupees
2 INVESTMENT IN MUTUAL FUNDS (UNQUOTED)			
Kotak Floater Short term G	-	-	-
Liquid Bees	2,035.0000	2,035,423	-
Birla Gilt Plus Regular Plan	-	-	-
Birla Sun Life Dynamic Bond fund	102,503.1260	1,500,000	-
Birla Sun Life Income Plus	-	-	-
Birla Sun Life Income Fund	-	-	-
DSP Black Rock Bond fund	-	-	-
Fidelity Equity Fund	10,813.9280	300,000	-
Fidelity Fixed Maturity Plan Series 1	-	-	-
Franklin India Prima Plus	37,017.5690	1,000,000	-
HDFC Arbitrage Fund	446,723.9790	5,000,000	-
HDFC Cash Management Fund	1,065,483.4720	20,000,000	-
HDFC Short Term Plan	87,554.9410	1,500,000	-
HDFC FMP 370D Nov 2008 (1)	-	-	-
HDFC Top 200 Fund	1,319.7840	200,000	-
ICICI Prudential Blended Fund Plan A	148,054.9280	2,000,000	-
ICICI Prudential Income Plan	-	-	-
ICICI Prudential Infrastructure Fund	6,591.9580	200,000	-
ICICI Prudential Monthly Income Plan	88,025.8440	1,000,000	-
ICICI Prudential Short Term Income Plan	82,161.1670	1,500,000	-
IDFC Arbitrage Plus Fund	186,640.2880	2,000,000	-
IDFC Dynamic Bond fund	-	-	-
ING Income Fund	-	-	-
Kotak FMP 19M Series 2	300,000.0000	3,000,000	-
Kotak Bond Regular	-	-	-
Kotak Equity Arbitrage Fund	-	-	-
Kotak FMP 12M Series 8	-	-	-
LIC MF Fixed Maturity Plan Series -37	-	-	-
LIC MF Fixed Maturity Plan Series -43	-	-	-
LIC MF Fixed Maturity Plan Series -44	-	-	-
Reliance Diversified Power Sector Fund	6,954.3060	500,000	-
Reliance Fixed Horizon Fund V11-Series 5	-	-	-
Reliance Income Fund	34,046.1460	1,000,000	-
Reliance Monthly Income Plan	88,779.9850	1,000,000	-
Reliance Vision Fund	46,906.6020	2,000,000	-
SBI Arbitrage Opportunities Fund	204,246.6970	2,500,000	-
SBI Magnum Balanced Fund	34,002.0400	1,000,000	-
SBI MF MSFU Conta Fund	56,882.8210	1,500,000	-



	Units	2009-2010 Rupees	2008-2009 Rupees
Standard Chartered FMPYS 17	-	-	-
Tata Fixed Horizon Fund Series Scheme C	-	-	-
Tata Infrastructure Fund	8,180.7400	300,000	-
Templeton India Short Term Income Plan	880.0720	1,500,000	-
UTI Bond Fund	39,693.4080	1,000,000	-
UTI Spread Fund	193,637.8350	2,500,000	-
3 INVESTMENT IN BONDS (UNQUOTED)			
	Units		
NABARD	450.0000	3,938,368	-
TOTAL RUPEES		78,696,568	-

	At Cost	At Market Rate
	2009-2010 Rupees	2008-2009 Rupees
Aggregate amount of quoted investment (shares)	18,722,777	19,218,401
Aggregate amount of unquoted investments	59,973,791	60,531,234

	2009-2010	2008-2009
Rupees	Rupees	Rupees

SCHEDULE-6 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 45,707,432

Considered Doubtful 2,133,977

47,841,409

Less: Provision for doubtful debts 2,133,977

45,707,432

Other (considered Good) 6,927,279

52,634,711

CASH AND BANK BALANCES

Cash on hand

12,533

With scheduled Bank in :

Current Account 5,611,364

Bank Guarantee Margin Account 884,069

Unclaimed Dividened A/c 721,550

7,216,983

7,229,516

OTHER CURRENT ASSETS

Loans & Advances :

(Considered Good & Unsecured)

Advances recoverable in cash or in kind or value

to be received 60,410,554

Dividened Receivable 42,064

Excise Rebate Receivable -

Provision for Leave & Licence Income 810,000

Tax Deducted Source 10,682,701

Income Tax Receivable 1,014,140

Advance payment of Income Tax 70,200

73,029,659

Advances Considered Doubtful 4,225,844

Less: Provision 4,225,844

TOTAL RUPEES

132,893,886



	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-7 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	21,848,671	-
Outstanding Liabilities for expenses	1,221,920	-
	<u>23,070,591</u>	-
Unclaimed Capital Reduction	100	-
Unpaid Dividened	721,550	-
	<u>23,792,241</u>	-
B. Provisions		
Taxation	6,400,000	-
Provision for Retirement Benefits	3,183,394	-
Proposed Dividened	4,928,000	-
Tax On Dividened	837,514	-
	<u>15,348,908</u>	-
TOTAL RUPEES	<u>39,141,149</u>	-

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
AS ON 31ST MARCH 2010**

	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE-8 OTHER INCOME		
Dividend	1,154,734	-
Interest		
On Other (Gross)	4,755,794	-
(TAX DEDUCTED Rs 746863/-)	38,110	-
Miscellaneous Income	434,827	-
Royalty Received	2,774,015	-
Income on Bill Discounting	9,602,712	-
Leave & Licence Income	1,257,365	-
Profit on Sales of Investment	4,628,260	-
Profit on Redemption of Mutual Funds Units	11,674,328	-
Profit on Sale of Property held as Stock in Trade	398,226	-
Profit on Sale of Assets	10,000,000	-
Compensation received on Surrender of Tenancy Rights	24,831,330	-
Excess Provisions Written Back	<u>71,549,701</u>	-
TOTAL RUPEES	<u>71,549,701</u>	-

	2009-2010 Rupees	2008-2009 Rupees
SCHEDULE- 9 INCREASE/ (DECREASE) IN STOCK		
Closing Stock	0	0
Less : Op. Stock	0	0
	-	-
SCHEDULE-10 EMPLOYEE'S EMOLUMENTS		
Salaries, Wages, & Bonus	2,359,571	-
Contribution to Superannuation scheme	54,647	-
Managing Director's Remuneration	1,667,960	-
Other Retirement Benefits	274,422	-
	4,356,600	-
SCHEDULE-11 OTHER EXPENSES		
Motor car Expenses	311,513	-
Stationery & Printing	66,985	-
Rent	4,380	-
Travelling Expenses	281,342	-
Telephone Expenses	201,740	-
Legal & Professional	1,188,435	-
Insurance	26,872	-
Auditor's Remuneration		-
i) Audit Fees	42,000	-
ii) In other capacity (Tax Audit, Certification etc.)	203,836	-
iii) Out of Pocking expenses	14,207	-
Electricity	174,362	-
Directors' Fees	90,000	-
Brokerage	233,517	-
Miscellaneous Expenses	1,172,422	-
Leave & Licence Premises Expenses	24,322	-
Rates & Taxes	1,373,790	-
Interest	-	-
	5,409,723	-



SCHEDULE -12 NOTES FORMING PART OF ACCOUNTS

1. Major Accounting Policies:-

- a) **Recognition of income expenditure:**
Revenue/income and cost/expenditure are generally accounted on accrual as they are earned or incurred.
- b) **Depreciation is provided at Written Down Value Method as per Schedule XIV of the Companies Act, 1956.**
- c) **Valuation of Inventories:**
Property held as stock in trade is valued at cost or market whichever is lower. Finished goods stock is valued at cost or realizable value whichever is lower.
- d) **Fixed Asset:**
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)

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

3. Quantitative Information :

a) Cloth :

Opening Stock		Purchases		Sales		Closing Stock	
Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.	Mtrs.	Rs.
-	-	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.
1	49,70,170	-	-	1	49,70,170	-	-