



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE VICTORIA MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **THE VICTORIA MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- (e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For SORAB S. ENGINEER & CO.
Chartered Accountants
Firm Registration No. 110417W

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M.P. ANTIA
Partner

(Membership No.7825)

MUMBAI.
30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Re: The Victoria Mills Limited

- (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) (a) Inventory of the company comprises of work in progress of Real Estate Development which comprises of purchase of land and direct expenses on the project.
- (b) Due to reasons stated above there is no question of physical verification and discrepancies noticed on such verification.
- (iii) (a to d) The Company has given interest free demand loan to its wholly owned subsidiary. In the respect of the said loan, the maximum balance outstanding at any time during the year is Rs.2,95,00,000/- and the year end balance is Rs.2,95,00,000/-
- (e to g) The Company has not taken any loan during the year. Accordingly clause 4(iii) (e) to (g) of the order are not applicable.
- (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) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements that need to be entered into the register maintained under Section 301 of the Act, 1956 have so been entered.

- (b) Other than interest free demand loan given to the wholly owned subsidiary there are no other transactions during the year with the parties covered in the register maintained under Section 301 of the Act, 1956.
- (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) (a) 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. There are no dues outstanding for more than six months from the date they became payable as at the last day of the financial year.

(b) There are no disputed statutory liabilities not paid by the company.
- (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) No material fraud on or by the company has been noticed or reported during the year.

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

sd

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

MUMBAI
Dated: 30.5.2013

THE VICTORIA MILLS LTD

Hundredth Annual Report 2012-2013

BALANCE SHEET AS AT 31ST MARCH 2013

	Notes No	As at 2012-2013 Rupees	As at 2011-2012 Rupees
I EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUNDS			
a) Share Capital	1	9,856,000	9,856,000
b) Reserves & Surplus	2	186,068,882	187,718,090
2) NON-CURRENT LIABILITIES	3		
a) Deferred Tax Liabilities (Net)		75,000	75,000
b) Other Long Term Liabilities		2,054,775	2,054,775
c) Long -Term Provision		3,551,782	2,958,335
		<u>5,681,557</u>	<u>5,088,110</u>
3) CURRENT LIABILITIES			
a) Other Current Liabilities	4	55,120,250	12,722,568
b) Short Term Provisions	5	7,276,982	7,073,746
		<u>62,397,232</u>	<u>19,796,314</u>
TOTAL		<u>264,003,671</u>	<u>222,458,514</u>
II ASSETS			
1) Non-Current assets			
a) Fixed Assets	6		
1) Tangible Assets		4,323,480	4,893,217
b) Non -Current Investments	7	111,419,170	88,176,863
c) Long Term Loans & Advances	8	31,000	31,000
2) CURRENT ASSETS			
a) Current Investments	9	29,216,745	27,774,646
b) Inventories	10	32,000,640	12,110,393
b) Trade Receivable	11	24,637,363	31,687,363
c) Cash & Cash Equivalents	12	3,815,994	3,489,057
d) Short-Term Loans And Advances	13	51,962,830	48,174,883
e) Other Current Assets	14	6,596,449	6,121,092
		<u>148,230,021</u>	<u>129,357,434</u>
TOTAL		<u>264,003,671</u>	<u>222,458,514</u>
OTHER NOTES FORMING PART OF ACCOUNTS	18		
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

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Partner
Dated: 30th May 2013

For The Victoria Mills Ltd.,

sd

Managing Director

sd

Chairman &
Managing Directors

Directors

1 sd

2 sd

3 sd

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THE VICTORIA MILLS LTD

Hundredth Annual Report 2012-2013

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

	Notes No	2012-2013 Rupees	2011-2012 Rupees
I)Revenue from Operations (Sale of Property Held as Stock In Trade)		2,900,000	-
II)Other Income	15	20,502,348	30,253,230
III)TOTAL REVENUE(I+II)		<u>23,402,348</u>	<u>30,253,230</u>
IV)EXPENSES			
Cost of Materials Consumed		1,962,000	-
Purchases of Stocks-in-Trade		19,890,247	12,110,393
Changes in Inventories of Finished Goods			
Work -in-Progress and Stock-in-Trade		(19,890,247)	(12,110,393)
Employee Benefits Expenses	16	5,410,670	5,409,223
Depreciation and Amortization Expenses		625,632	780,070
Other Expenses	17	10,940,809	16,708,040
TOTAL EXPENSES		<u>18,939,111</u>	<u>22,897,333</u>
V)Profit Before Exceptional And Extraordinary items and Tax (III-IV)		4,463,237	7,355,897
VI)Exceptional Items			
Provision for fall in value of Short Term Investment written back		-	1,587,492
		-	1,587,492
VII)Profit Before Tax and extraordinary items and tax (V-VI)		<u>4,463,237</u>	<u>8,943,389</u>
VIII)Extraordinary Items		-	-
IX) Profit before tax(VII-VIII)		<u>4,463,237</u>	<u>8,943,389</u>
X) Tax Expenses			
(1) Current Tax		385,000	1,100,000
(2)Deferred Tax		-	-
XI) Profit (Loss) for the period from continuing operations(VII-VIII-X)		<u>4,078,237</u>	<u>7,843,389</u>
XII) Profit (Loss) from discontinuing operations		-	-
XIII) Tax expense of discontinuing operations		-	-
XIV)Profit/(Loss) from Discontinuing operation (after tax) (XII-XIII)		<u>-</u>	<u>-</u>

XV) Profit (Loss) for the period (XI+XIV)

4,078,237

7,843,389

XVI) Earnings per equity share:

(1) Basic

41.38

79.57

(2) Diluted

41.38

79.57

NOTES FORMING PART OF ACCOUNTS

18

As per our report annexed herewith

For Sorab S.Engineer & Co.

Chartered Accountants

Sd
Chairman &
Managing Directors

Directors

For The Victoria Mills Ltd.,

1 *Sd*

Sd

2 *Sd*

Partner

Dated: 30th May 2013

Managing Director

3 *Sd*

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