

THE VICTORIA MILLS LIMITED

Regd. office : Victoria House, Pandurang Budhkar Marg, Lower Parel, Mumbai 400013

CIN : L17110MH1913PLC000357, Tel No. : 24971192/93, Fax No. : 24971194

Email Id : vicmill@vsnl.com / vicmill2013@gmail.com, Website : victoriamills.in

**EXTRACT OF STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER
AND YEAR ENDED MARCH 31.03.2016**

(₹ in Lacs)

| Particulars | Quarter Ended 31/03/2016 Unaudited | Quarter Ended 31/03/2015 Unaudited | Twelve Months ended 31/03/2016 Audited | Twelve Months ended 31/03/2015 Audited |
|--|---|---|--|--|
| Total Income from operation (Net) | 19.76 | 80.89 | 1906.61 | 214.35 |
| Net Profit/(Loss) from ordinary activities after tax | 123.00 | 36.78 | 1225.06 | 57.27 |
| Net Profit/(Loss) for the period after tax (after Extraordinary items) | 123.00 | 36.78 | 1225.06 | 57.27 |
| Equity share Capital | 98.56 | 98.56 | 98.56 | 98.56 |
| Reserves (excluding Revaluation Reserves as shown in the Balance sheet of previous year) | 3059.86 | 1894.11 | 3059.86 | 1894.11 |
| Earning Per Share (before extraordinary items) (of Rs 100/-each) (not annualised) | | | | |
| a) Basic | 124.79 | 37.31 | 1242.96 | 58.10 |
| b) Diluted | 124.79 | 37.31 | 1242.96 | 58.10 |
| Earning Per Share (after extraordinary items) (of Rs 100/-each) (not annualised) | | | | |
| a) Basic | 124.79 | 37.31 | 1242.96 | 58.10 |
| b) Diluted | 124.79 | 37.31 | 1242.96 | 58.10 |

Note:

The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the Stock Exchange website, www.bseindia.com, and on the Company website, www.victoriamills.in

FOR THE VICTORIA MILLS LTD.,

Sd/-

(ADITYA MANGALDAS)

MANAGING DIRECTOR

DIN NO : 00032233

Place: Mumbai

Date : 24.05.2016

THE VICTORIA MILLS LIMITED, MUMBAI
UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31.3.2016

| (Rs.in lacs) | | | | | | |
|--------------|---|----------------|--------------------------|------------------------------|-----------------|-----------------|
| Sr.No. | Particulars | 3 months ended | Preceding 3 months ended | Corresponding 3 months ended | 12 months ended | 12 months ended |
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 1 | Income from Operations | | | | | |
| | (a) Net Sales/income from operations (Net of excise duty) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (b) Other Operating Income | 19.76 | 17.24 | 80.89 | 1906.61 | 214.35 |
| | Total Income from operation (net) | 19.76 | 17.24 | 80.89 | 1906.61 | 214.35 |
| 2 | Expenses | | | | | |
| | a) Cost of materials consumed | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | b) Purchases of stock-in-trade | 172.99 | 107.62 | 81.46 | 931.43 | 416.29 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (172.99) | (107.62) | (81.46) | (931.43) | (416.29) |
| | d) Employee benefits expense | 25.05 | 17.19 | 26.62 | 74.79 | 74.93 |
| | e) Depreciation and amortisation expenses | 0.63 | 0.63 | (5.97) | 2.54 | 8.50 |
| | f) Bad Debts | 0.00 | 0.00 | 0.00 | 170.17 | 0.00 |
| | g) Municipal tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | h) Service Tax | 0.51 | 0.15 | 0.10 | 0.86 | 0.73 |
| | i) Legal & Professional Charges | 4.83 | 5.43 | 4.77 | 19.55 | 19.51 |
| | j) Provision for Doubtful Debts | 10.00 | 0.00 | 0.00 | 10.00 | 0.00 |
| | k) Travelling Expenses | (0.15) | 3.33 | 0.34 | 7.59 | 7.31 |
| | l) Other Expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately) | 10.89 | 6.91 | 7.90 | 36.05 | 29.60 |
| | Total expenses | 51.76 | 33.64 | 33.76 | 321.55 | 140.58 |
| 3 | Profit/(Loss) from Operations before other income, finance cost and exceptional items (1-2) | (32.00) | (16.40) | 47.13 | 1,585.06 | 73.77 |

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| Sr.No. | Particulars | 3 months ended | Preceding 3 months ended | Corresponding 3 months ended | 12 months ended | 12 months ended |
|--------|---|----------------|--------------------------|------------------------------|-----------------|-----------------|
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 4 | Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Profit /(Loss) from ordinary activities before finance costs and exceptional items (3 +/- 4) | (32.00) | (16.40) | 47.13 | 1,585.06 | 73.77 |
| 6 | Finance costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Profit/(Loss)from ordinary activites after finance costs but before exceptional items (5 +/- 6) | (32.00) | (16.40) | 47.13 | 1,585.06 | 73.77 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit /(Loss) from Ordinary activities before tax (7+/- 8) | (32.00) | (16.40) | 47.13 | 1,585.06 | 73.77 |
| 10 | Tax Expenses(Excess Provided In Previous 3 Months) | (155.00) | (15.00) | 10.35 | 360.00 | 16.50 |
| 11 | Net Profit /(Loss) from Ordinary activities after tax (9 +/-10) | 123.00 | (1.40) | 36.78 | 1,225.06 | 57.27 |
| 12 | Extraordinary items (net of tax expense Rs._____) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net Profit /(Loss) for the period (11+/- 12) | 123.00 | (1.40) | 36.78 | 1,225.06 | 57.27 |
| 14 | Share of profit/(loss) of associates | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 15 | Minority Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | Net Profit /(Loss) after taxes, minority interest and share of profit / (loss) of associates (13 +/- 14 +/- 15) | 123.00 | (1.40) | 36.78 | 1225.06 | 57.27 |

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| Sr.No. | Particulars | 3 months ended | Preceding 3 months ended | Corresponding 3 months ended | 12 months ended | 12 months ended |
|--------|---|----------------|--------------------------|------------------------------|-----------------|-----------------|
| | | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 17 | Paid-up Equity Share Capital (Face Value of the Equity Share Rs 100/- each) | 98.56 | 98.56 | 98.56 | 98.56 | 98.56 |
| 18 | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year | | | | 3059.86 | 1894.11 |
| 19i | Earnings Per Shares (before extraordinary items) (of Rs _____/-each) (not annualised): | | | | | |
| | a) Basic | 124.79 | (1.42) | 37.31 | 1242.96 | 58.10 |
| | b) Diluted | 124.79 | (1.42) | 37.31 | 1242.96 | 58.10 |
| 19ii | Earnings Per Shares (after extraordinary items) (of Rs _____/-each) (not annualised): | | | | | |
| | a) Basic | 124.79 | (1.42) | 37.31 | 1242.96 | 58.10 |
| | b) Diluted | 124.79 | (1.42) | 37.31 | 1242.96 | 58.10 |


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NOTES


- 1 The above results were reviewed by the Audit Committee and thereafter taken on record by the Board of Directors at its meeting held on 24th May 2015.
- 2 Employee benefits expense include retiring employees benefits on actuarial valuation basis.
- 3 Segment Reporting as required under Accounting Standard 17 is not applicable as the Company operated only in one segment.
- 4 The figures for the quarter ended March 31, 2016 is the balancing figures between audited figures in respect of full financial year and published year to date figures upto December ,31,2015.
- 5 Figures are regrouped where necessary.

Date: 24.05.2016
Place: Mumbai

FOR THE VICTORIA MILLS LTD.,



(ADITYA MANGALDAS)
MANAGING DIRECTOR



(ASGAR S BENGALI)
CHIEF FINANCIAL OFFICER

THE VICTORIA MILLS LTD MUMBAI

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

| PARTICULARS | | As at 2015-2016 Rupees | As at 2014-2015 Rupees |
|-------------|--|------------------------------|------------------------------|
| I | EQUITY AND LIABILITIES | | |
| 1) | SHAREHOLDER'S FUNDS | | |
| | a) Share Capital | 9,856,000 | 9,856,000 |
| | b) Reserves & Surplus | 305,985,799 | 189,410,588 |
| | Sub-total-Shareholders' funds | 315,841,799 | 199,266,588 |
| 2) | NON-CURRENT LIABILITIES | | |
| | a) Deferred Tax Liabilities (Net) | 75,000 | 75,000 |
| | b) Other Long Term Liabilities | 2,018,768 | 2,018,768 |
| | c) Long -Term Provision | 6,506,708 | 6,868,503 |
| | Sub-total-Non-current liabilities | 8,600,476 | 8,962,271 |
| 3) | CURRENT LIABILITIES | | |
| | a) Other Current Liabilities | 12,391,963 | 11,372,816 |
| | b) Short Term Provisions | - | 5,913,309 |
| | Sub-total-Current liabilities | 12,391,963 | 17,286,125 |
| | TOTAL-EQUITY AND LIABILITIES | 336,834,238 | 225,514,984 |
| II | ASSETS | | |
| 1) | Non-Current assets | | |
| | a) Fixed Assets | | |
| | 1) Tangible Assets | 2,699,234 | 3,019,047 |
| | b) Non -Current Investments | 144,074,097 | 30,312,351 |
| | c) Long Term Loans & Advances | 5,281,425 | 5,012,062 |
| | Sub-total-Non-current assets | 152,054,756 | 38,343,460 |
| 2) | CURRENT ASSETS | | |
| | a) Current Investments | 37,406,386 | 25,256,949 |
| | b) Inventories | 134,771,630 | 41,629,030 |
| | b) Trade Receivable | - | 17,000,000 |
| | c) Cash & Cash Equivalents | 3,236,627 | 2,052,842 |
| | d) Short-Term Loans And Advances | 7,624,839 | 99,453,687 |
| | e) Other Current Assets | 1,740,000 | 1,779,016 |
| | Sub-total-current assets | 184,779,482 | 187,171,524 |
| | TOTAL-ASSETS | 336,834,238 | 225,514,984 |

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INDEPENDENT AUDITOR'S 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, 2016, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 18(9) to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration Number 110417W

sd/-

M.P. ANTIA
Partner
Membership No. 7825

Mumbai
May 24th 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re : THE VICTORIA MILLS LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Major part of the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
(c) The Company has sufficient evidence that it is the owner of the immovable property since 1937.
- (ii) 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.

Due to reasons stated above there is no question of physical verification and discrepancies noticed on such verification.
- (iii) The Company had granted a demand loan to its wholly owned subsidiary at the rate of 9% on the outstanding balance. There were no terms of repayment. In respect of the said loan, the maximum balance outstanding at anytime during the year is Rs.9,78,00,000/- and the year end balance is Rs.65,00,000/-. The Company has recovered the entire interest on the loan amounting to Rs.17,62,545/-.
- (iv) The Company has not advanced any other loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and directions issued by R.B.I. would apply.
- (vi) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) Income tax dispute and demands during the year are as under:-

| A.Y. | Amount Rs. | Forum where dispute is pending |
|---------|------------|--------------------------------|
| 2008-09 | 8,70,601/- | CIT(A)-6, Mumbai |
| 2013-14 | 2,72,500/- | CIT (A)-6, Mumbai |

- (viii) The Company has not taken any loan from banks, financial institutions, Government or debenture holder.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans. Consequently, provisions of clause (ix) of paragraph 3 of the order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the Order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration Number 110417W

Sd/-

M.P. ANTIA
Partner
Membership No. 7825

Mumbai
May 24th 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIA MILLS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **THE VICTORIA MILLS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group" or "the Company"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of its subsidiary Victoria Land Pvt. Ltd, whose financial statements / financial information reflect total assets of Rs. 2,33,62,350/- as at 31st March, 2016, total revenues of Rs. 10,00,00,000/- and net cash outflow amounting to Rs. 25,431/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 78,22,553/- for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of its subsidiary, whose financial statements / financial information has not been audited by us. These financial statements / financial information have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 18(9) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration Number 110417W

Sd/-

CA. M.P. ANTIA
Partner
Membership No. 7825

Mumbai
24th May, 2016

THE VICTORIA MILLS LTD

One Hundred Third Annual Report 2015-2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

| | Notes No | As at 2015-2016 Rupees | As at 2014-2015 Rupees |
|-----------------------------------|----------|------------------------------|------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1) SHAREHOLDER'S FUNDS | | | |
| a) Share Capital | 1 | 9,856,000 | 9,856,000 |
| b) Reserves & Surplus | 2 | 321,628,963 | 189,918,354 |
| 2) NON-CURRENT LIABILITIES | 3 | | |
| a) Deferred Tax Liabilities (Net) | | 109,018 | 109,018 |
| b) Other Long Term Liabilities | | 2,018,768 | 2,018,768 |
| c) Long -Term Provisions | | 6,506,708 | 6,868,503 |
| | | <u>8,634,494</u> | <u>8,996,289</u> |
| 3) CURRENT LIABILITIES | | | |
| a) Other Current Liabilities | 4 | 12,413,641 | 11,716,938 |
| b) Short Term Provisions | 5 | - | 5,913,309 |
| | | <u>12,413,641</u> | <u>17,630,247</u> |
| TOTAL | | <u>352,533,098</u> | <u>226,400,890</u> |
| II ASSETS | | | |
| 1) Non-Current assets | | | |
| a) Fixed Assets | 6 | | |
| 1) Tangible Assets | | 25,764,681 | 26,619,219 |
| b) Non -Current Investments | 7 | 143,974,097 | 30,212,351 |
| c) Long Term Loans & Advances | 8 | 4,242,935 | 5,373,572 |
| 2) CURRENT ASSETS | | | |
| a) Current Investments | 9 | 37,406,386 | 25,256,949 |
| b) Inventories | 10 | 134,771,630 | 116,067,054 |
| b) Trade Receivable | 11 | - | 17,000,000 |
| c) Cash & Cash Equivalents | 12 | 3,508,530 | 2,350,176 |
| d) Short-Term Loans And Advances | 13 | 1,124,839 | 1,711,687 |
| e) Other Current Assets | 14 | 1,740,000 | 1,809,882 |
| | | <u>178,551,385</u> | <u>164,195,748</u> |
| TOTAL | | <u>352,533,098</u> | <u>226,400,890</u> |

OTHER NOTES FORMING PART OF ACCOUNTS

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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

THE VICTORIA MILLS LTD

One Hundred Third Annual Report 2015-2016

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

| | Notes No | 2015-2016 Rupees | 2014-2015 Rupees |
|---|----------|---------------------|---------------------|
| I)Revenue from Operations(Sale of Property Held as Stock in Trade | | 100,000,000 | - |
| II)Other Income | 15 | 188,898,725 | 14,122,506 |
| III)TOTAL REVENUE(I+II) | | <u>288,898,725</u> | <u>14,122,506</u> |
| IV)EXPENSES | | | |
| Cost of Materials Consumed | | 75,510,770 | - |
| Purchase of Stocks-in-Trade | | 93,142,600 | 116,067,054 |
| Changes in Inventories of Finished Goods | | | |
| Work -in-Progress and Stock-in-Trade | | (93,142,600) | (116,067,054) |
| Employee's Benefits Expenses | 16 | 7,820,243 | 8,180,578 |
| Depreciation and Amortization Expenses | | 788,560 | 1,410,322 |
| Other Expenses | 17 | 27,237,318 | 6,085,175 |
| TOTAL EXPENSES | | <u>111,356,891</u> | <u>15,676,075</u> |
| V)Profit Before Exceptional And Extraordinary items and Tax (III-IV) | | 177,541,834 | (1,553,569) |
| VI)Exceptional Items | | | |
| b)Provision for fall in value of Short Term Investment | | - | - |
| VII)Profit Before Tax and extraordinary items and tax (V-VI) | | <u>177,541,834</u> | <u>(1,553,569)</u> |
| VIII)Extraordinary Items | | - | - |
| IX) Profit before tax(VII-VIII) | | <u>177,541,834</u> | <u>(1,553,569)</u> |
| X) Tax Expenses | | | |
| (1) Current Tax | | 39,900,000 | 1,650,000 |
| (2)Deferred Tax | | - | - |
| XI) Profit (Loss) for the period from continuing operations(VII-VIII-X) | | <u>137,641,834</u> | <u>(3,203,569)</u> |
| XII) Profit (Loss) from discontinuing operations | | - | - |
| XIII) Tax expense of discontinuing operations | | - | - |
| XIV)Profit/(Loss) from Discontinuing operation (after tax) (XII-XIII) | | - | - |

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

137,641,834

(3,203,569)

XVI) Earnings per equity share:

(1) Basic

1,396.52

(32.50)

(2) Diluted

1,396.52

(32.50)

NOTES FORMING PART OF ACCOUNTS

18

As per our report annexed herewith
For Sorab S.Engineer & Co.
Chartered Accountants
Firm Registration No 110417W

Chairman &
Managing Directors

Sd/-

ADITYA MANGALDAS
DIN NO 00032233

Sd/-

C.A.M.P.ANTIA
Partner
Membership No 7825

Directors 1

Sd/-
D.K.CONTRACTOR
DIN NO 00145219

For The Victoria Mills Ltd

Directors 2

Sd/-
S.G.VAIDYA
DIN NO 00220956

Sd/-

A. S. BENGALI
Chief Financial officer

Directors 3

Sd/-
MAMTA MANGALDAS
DIN NO 00021078

For The Victoria Mills Ltd

Directors 4

Sd/-
R.K.SHAH
DIN NO 07111006

Sd/-

Birju Godhani
Company Secretary

Mumbai

Dated: 24th May 2016