

ANNUAL REPORT & ACCOUNTS  
2018-2019

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**  
**CORPORATE INFORMATION**

**Board of Directors**

Shri Virendra Kumar Charoria  
Shri Tolaram Chachan ( upto 31<sup>st</sup> March, 2019)  
Smt. Manju Gupta  
Shri Rajendra Kumar Agrawal ( w.e.f. 30<sup>th</sup> May, 2018)

**Chief Executive Officer**

Shri Vishal Jain

**Chief Financial Officer**

Ms. Pratiksha Agrawal

**Company Secretary/Compliance Officer**

Ms. Neha Jain

**Auditors**

K.N. Gutgutia & Company

**Registered Office**

Hindustan Times House, 9th Floor  
18-20, Kasturba Gandhi Marg,  
New Delhi 110 001  
Tel.: +91-011-66561206  
Fax: +91-011-66561206  
Email: [secretarial.ht@rediffmail.com](mailto:secretarial.ht@rediffmail.com)  
Website: [www.birlacotton.com](http://www.birlacotton.com)

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

**CIN: L65100DL1920PLC099621**

**Registered office:** 9<sup>th</sup> Floor, Hindustan Times House, 18-20,  
Kasturba Gandhi Marg, New Delhi -110001

Tel: 011- 66561206; Fax : 011-66561206

website:www.birlacotton.com

Email: secretarial.ht@rediffmail.com

**DIRECTOR'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting the Financial Statement for the year ended 31<sup>st</sup> March, 2019.

**Standalone Financial summary:**

**(Amount in Lacs)**

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Total Income	305.09	230.69
Less: Expenses	163.44	98.03
Profit/(Loss) before Tax	141.65	132.66
Less: Tax Expense		
Current Tax (Net of MAT Credit)	39.71	29.50
Deferred tax charge	0.20	(1.59)
Profit/(Loss) after Tax	101.74	104.75
Less: Transfer to Statutory Reserve	29.00	21.00
Balance brought forward from previous years	(3,069.97)	(3153.72)
Balance carried to Balance Sheet	(2,997.23)	(3069.97)

**Dividend**

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the year.

## **Deposits**

The Company has not accepted deposits covered under Chapter V of the Companies Act, 2013 and no deposit have been remained unpaid or unclaimed at the end of the year. Further, the Company has not defaulted in repayments of deposits or payment of interest thereon during the year. The Company has no deposits which are not in compliance with the requirement of Chapter V of the Companies Act, 2013.

## **Reserve**

During the year under review the Company had transferred Rs. 29 Lacs to statutory reserve pursuant to section 45-IC of the Reserve Bank of India (Amendment) Act, 1997.

## **Company's working & State of Company's affair**

A detailed analysis and insight into the financial performance and operations of your Company for the year under review and future outlook, is appearing in Management Discussion and Analysis, which forms part of the Annual Report as “**Annexure – D**”.

There was no change in the nature of the business in the preceding financial year.

During the year, the Company did not Issue equity shares with differential rights as to dividend, voting or otherwise (including sweat equity shares) to employees of the Company under any scheme of the Company.

There was no change in the share capital of the Company during the year under review.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the 'going concern' status and Company's operations in future.

## **Risk Management Policy**

Your Company has a robust risk management framework to identify, evaluate and mitigate risk. The risk is periodically reviewed by the management keeping in view the changing economic and business environment. The Audit Committee and Board of Directors are periodically apprised of key risks and mitigation measures.

## **Subsidiary/Joint Ventures/Associate Companies/Body Corporate**

During the year under review your company has no subsidiary, joint venture and associate companies.

## **Directors and Key Managerial Personnel (KMP)**

### **Directors**

During the year, Shri Tolaram Chanchan ceased to be Non-Executive, Independent Director of the Company w.e.f. 31<sup>st</sup> March, 2019, upon completion of term of five years as an Independent Director of the Company.

## **THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

---

The Board places on record its deep appreciation for the valuable contribution made by Shri Tolaram Chachan during his tenure on the Board of Directors of the Company.

The Board of Directors & Members of the Company accorded their approval to the following :

1. Appointed Shri Rajendra Kumar Agrawal (DIN : 00043371) as an additional Non-Executive Independent Director of the Company with effect from 30<sup>th</sup> May, 2018 for a period of 5 (five) consecutive years and same has been approved by Members of the Company in their Annual General Meeting held on 28<sup>th</sup> September, 2018.
2. Re-appointed Shri Virendra Kumar Charoria (DIN:00046895) as Non-Executive, Independent Director of the Company for second consequent term of 5 years with effect from 1st April, 2019 and approval of Members of the Company was accorded at Annual General Meeting held on 28<sup>th</sup> September, 2018.
3. Re-appointed Smt. Manju Gupta (DIN:00124974) as Non-Executive Independent Director of the Company for second consequent term of 5 years with effect from 1<sup>st</sup> April, 2020, subject to approval of Members at the ensuing Annual General Meeting.

All the Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed under both, the Companies Act, 2013 and SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the 'Code of Conduct' of the Company.

### **Key Managerial Personnel**

There were no changes in KMP during the year.

### **Audit Reports and Auditors**

#### **A. Statutory Auditor**

The members of the Company in their Annual General Meeting held on 22<sup>nd</sup> September, 2017 appointed, M/s K. N. Gutgutia & Company, Chartered Accountants, as Statutory Auditors of the Company to hold office, till the conclusion of the Annual General Meeting to be held in calendar year 2022.

In terms of requirements under Section 139, 141 and other applicable provisions of the Companies Act, 2013 M/s K. N. Gutgutia & Company, Chartered Accountants have confirmed their eligibility.

Further, there are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

#### **B. Secretarial Audit Report:**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed Shri Arun Kumar Soni Company Secretary-in-practice, as

Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit report is annexed as “**Annexure- E**”. The secretarial audit report contains some remarks which occurred due to inadvertence and Company taking care the same in future.

### **C. Cost Audit**

The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities carried out by the Company and hence the provisions are not applicable to the Company.

### **Related Party Transactions**

All related party transactions that were entered into during the year ended 31<sup>st</sup> March, 2019 were on arm's length basis and in the ordinary course of business.

### **Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts for the Financial year ended on March 31, 2019, the applicable accounting standards have been followed and there are no material departures;
- (b) such accounting policies have been selected and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the company as on March 31, 2019; and of the profit of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) internal financial controls were in place and that such internal financial control were adequate operating effectively.
- (f) systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **Internal Financial Control Systems and their adequacy**

Your Company has in place adequate internal financial controls with reference to the financial statements. The internal control system is supplemented with an extensive program of internal audits and their reviews by the management.

## **Material changes and commitments**

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between 31<sup>st</sup> March, 2019 and the date of the report i.e. 14<sup>th</sup> August, 2019.

## **Disclosures under Companies Act, 2013**

### **(I) Annual Return**

The extract of Annual Return i.e. MGT-9 is attached as “**Annexure – H**”. The annual return shall be available at the website of the company i.e. www.birlacotton.com

**(II) Borrowings and Debt Servicing:** The Company has made no borrowings and Debt during the year ended on 31<sup>st</sup> March, 2019.

**(III) Particulars of loans given, investments made, guarantees /securities given:** The details of loans, guarantees or investment pursuant to section 186 of Companies Act, 2013 are provided in financial statements.

**(IV) Board Meetings:** During the financial year ended on March 31, 2019, the Board met six times on April 26, 2018, May 30, 2018, August 14, 2018, November 14, 2018, February 14, 2019 and March 30, 2019.

### **(V) Audit Committee**

The Audit Committee of the Board presently comprises of, Shri Virendra Kumar Charoria, Smt. Manju Gupta, Shri Rajendra Kumar Agrawal (with effect from 30<sup>th</sup> May, 2018) and Shri Tolaram Chachan (upto 30<sup>th</sup> May, 2018).

During the year, the Committee met four times respectively on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019.

### **(VI) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board presently comprises of Shri Virendra Kumar Charoria, Smt. Manju Gupta, and Shri Rajendra Kumar Agrawal (with effect from 30<sup>th</sup> May, 2018) and Shri Tolaram Chachan (upto 30<sup>th</sup> May, 2018)

During the year, the meeting of the committee held on 30<sup>th</sup> May, 2018 14<sup>th</sup> August, 2018 and 30<sup>th</sup> March, 2019.

### **(VII) Stakeholder Relationship Committee**

The Stakeholder Relationship Committee of the Board presently comprises of Shri Virendra Kumar Charoria, Smt. Manju Gupta, Shri Rajendra Kumar Agrawal (with effect from 30<sup>th</sup> May, 2018) and Shri Tolaram Chachan (upto 30<sup>th</sup> May, 2018)

During the year, the meeting of the committee held on 14<sup>th</sup> February, 2019.

**(VIII) Corporate Social Responsibility Committee**

The CSR Committee of the Board presently comprises of Shri Virendra Kumar Charoria, Smt. Manju Gupta, Shri Rajendra Kumar Agrawal (with effect from 30<sup>th</sup> May, 2018) and Shri Tolaram Chachan (upto 30<sup>th</sup> May, 2018). The Company has performed the activity as prescribed under Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility (CSR) activities are being undertaken through Shine Foundation as implementing agency for CSR activities of your Company. The disclosure pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed with the report as “**Annexure-A**”. The provisions relating to CSR of the Companies Act 2013 are not applicable to the Company during the preceding financial year. However, the Company is contributing to CSR Activity as per the Rule 3(2) of Companies (CSR Policy) Rules, 2014.

During the year, the two meetings of the committee were held on 14<sup>th</sup> August, 2018 and 14<sup>th</sup> February, 2019.

**(IX) Details of establishment of vigil mechanism for Directors and Employees**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Power) Rules, 2014 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.

Further during the year under review, no case was reported under the vigil mechanism.

**(X) Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee, framed a policy on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013.

The Remuneration policy of the Company is directed to create a high-performance culture and takes into account the competitive circumstance of the business so as to attract, retain and motivate employees to improve the performance and achieve the goals and objectives of the Company. The remuneration policy is available on the website of the Company i.e. [www.birlacotton.com](http://www.birlacotton.com).

**(XI) Conservation of energy, technology absorption and foreign exchange earnings and outgo:**

**A) Conservation of energy:**

- (i) the steps taken or impact on conservation of energy:- The Company has constantly been emphasizing an optimization of energy consumption in every possible area and creating awareness amongst all employees to prevent misuse of energy at



all levels i.e. all air conditioners, lights and computers are being switched off after office hours.

- (ii) the steps taken by the company for utilizing alternate sources of energy:- The Company is exploring the possibility of using the solar energy.
- (iii) the capital investment on energy conservation equipments:- The Company has not incurred any capital expenses on energy conservative equipment as same is not required considering the present business activities.

**(B) Technology absorption**

- i) the efforts made towards technology absorption – The Company did not carry any business operation which requires use of Technology.
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable, as the company has not absorbed any technology.
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable, as the company has not imported any technology.

**(C) Foreign exchange earnings and Outgo**

During the year neither Company has earned in foreign exchange nor incurred any expenditure in foreign exchange.

**(XIII) Formal Annual Evaluation**

Pursuant to the provisions of Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual Independent Directors as per the manner formulated by Nomination and Remuneration Committee.

**(XIV) Managerial Remuneration**

The information required to be disclosed pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as “**Annexure-B**”.

None of the employees drawing remuneration in excess of amount prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required to be disclosed pursuant to Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached with the report as “**Annexure-B**”.

**Corporate Governance & Management Analysis Report**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with all mandatory requirements on Corporate Governance.



**Annual Report on Corporate Social  
Responsibility for financial year 2018-19**

- (1) A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

The Company strives to achieve excellence when it comes to undertaking business in a socially, ethically and environmentally responsible manner. The formulation of Corporate Social Responsibility (CSR) Policy is one such step forward in that direction. The Policy outlines the Company’s philosophy as a responsible corporate citizen and also lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community, in and around area of operations of the Company and other parts of the country. The policy applies to all CSR projects or programs undertaken by the Company in India, in relation to one or more activities outlined in Schedule VII of the Companies Act, 2013.

The Composition of the CSR Committee:- The CSR Committee of directors comprises of Shri. Virendra Kumar Charoria, Smt. Manju Gupta, Shri. Rajendra Kumar Agrawal (with effect from 30<sup>th</sup> May, 2018) and Shri. Tolaram Chachan (upto 30<sup>th</sup> May, 2018).

- (2) Average net profit of the company for last three financial years: Rs. 136.49 Lacs
- (3) Prescribed CSR Expenditure (two per cent. Of the amount as in item 2 above): Rs. 2.73 Lacs
- (4) Details of CSR spent during the financial year.
- (a) Total amount spent for the financial year:- Rs. 75 Lacs
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year is detailed below

(Amount in Rs. Lacs)

S. No.	Particulars	
(1)	CSR project or activity identified	*
(2)	Sector in which the project is covered	*
(3)	Projects or programme	
	(1) Local area or other	*
	(2) Specify the state and district where projects or programs was undertaken	

---

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

(4)	Amount outlay (budget project or programme wise)	*
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on project or programmes (2) Overheads	*
(6)	Cumulative expenditure up to the reporting period	*
(7)	Amount Spent direct or through implementing agency.	Shine Foundation

\*The Company has contributed towards the corpus of Shine Foundation as a CSR Expenditure.

5. Details of implementing agency: The CSR activity is carried through Shine Foundation and have track record of doing CSR activities more than three years.
6. The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is given below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company

**Virendra Kumar Charoria**  
Chairman of CSR Committee

**Rajendra Kumar Agrawal**  
Member of the CSR Committee

Place: New Delhi  
Date: 14<sup>th</sup> August, 2019

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

- Ratio of remuneration of each Director to the Median remuneration of the employees of the Company for the financial year ended March 31, 2019: Company is not paying any Remuneration to its Directors.
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the KMP & Designation	Remuneration (Amt in lacs)	% increase in Remuneration in the F.Y. 2018-2019	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
Mr. Vishal Jain Chief Executive Officer	8.21	6.39	N.A	Profit before Tax increased by 6.77% and Profit After Tax decreased by 2.87%
Ms. Neha Jain Company Secretary	1.65	14.58	N.A	
Ms. Pratiksha Agrawal Chief Financial Officer	2.93	6.15	N.A	

- There was 12.25% increase in the median remuneration paid to the employees as compared to the financial year 2017-18.
- There were 9 permanent employees on the rolls of the Company.
- The average percentage increase made in the salaries of total employees other than Key Managerial Personnel for fiscal 2019 was around 3.95%, while the percentage increase in the remuneration of the Key Managerial Personnel was 9.04%.
- The Remuneration paid is as per the Company's policy.

**TOP TEN EMPLOYEES IN TERMS OF REMUNERATION  
DRAWN DURING THE YEAR**

Name of the employee	Designation	Remuneration (in Lacs)	Nature of employment, whether contractual or otherwise	Qualification & experience	Date of commencement of employment	Age (Years)	Last employment held	Percentage of equity shares held	Whether relative of director or manager
Vishal Jain	CEO	8.21	Employment	Graduate, 24 Years	13.03.1995	49	Gopal Mittal & Associates, Chartered Accountant	Nil	Nil
Kedar Singh Chauhan	Manager	3.43	Employment	Graduate, 22 Years	16.08.2016	47	Hotel Grace, Mount, Mussoorie	Nil	Nil
Pratiksha Agarwal	CFO	2.93	Employment	Graduate, 5 Years	05.03.2014	27	Nil	Nil	Nil
Pawa Kumar Sharma	Cook	2.73	Employment	8th pass, 22 years	01.05.2010	39	Shree Services & Trading Co. Ltd.	Nil	Nil
Kamala Rathore	Telephone Operator	2.73	Employment	Graduate, 23 years	01.05.2010	47	Shree Services & Trading Co. Ltd.	Nil	Nil
Pradeep Jena	Driver	2.69	Employment	10th Pass, 29 years	01.05.2010	52	Shree Services & Trading Co. Ltd.	Nil	Nil
Khushi Jain	Electrician	2.24	Employment	12th + ITI Diploma, 25 years	01.05.2010	47	Shree Services & Trading Co. Ltd.	Nil	Nil
Brahm Dutt Sharma	Butler	2.02	Employment	4th pass, 60 years	01.05.2010	72	Shree Services & Trading Co. Ltd.	Nil	Nil
Neha Jain	Company Secretary	1.65	Employment	B.Com & Company Secretary	16.06.2015	34	Visa International Limited	Nil	Nil

## REPORT ON CORPORATE GOVERNANCE

### **1. OUR CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is all about maximizing shareholders value legally, ethically and sustainably. The Management of The Birla Cotton Spinning and Weaving Mills Limited has always believed that Corporate Governance is the process which will be useful for direction and managing the affairs of the Company with the ultimate objective of realizing long term shareholder value whilst taking into account the interest of other stakeholders.

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2019. The annual report of the Company contains a certificate by the CEO in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, and Senior Management of the Company. The Certificate is enclosed as “Annexure-G”

### **2. CODE OF CONDUCT AS PRESCRIBED UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

In accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, The Company has instituted a comprehensive code of conduct to regulate, monitor and report trading by its directors, employees and other connected persons. This code is available on the website of the Company [www.birlacotton.com](http://www.birlacotton.com)

### **3. BOARD OF DIRECTORS**

#### **A) Composition of the Board**

The Composition of the Board during the year ended on 31<sup>st</sup> March, 2019 is as follows:

S. No	Name of Director	Category	Relationship between Directors
1.	Shri V. K. Charoria	Non-executive Independent director	None
2.	Shri T.R.Chachan <i>(ceased to be Director w.e.f. 31<sup>st</sup> March, 2019)</i>	Non-executive Independent director	None
3.	Smt. Manju Gupta	Non-executive Independent director	None
4.	Shri Rajendra Kumar Agrawal <i>(appointed w.e.f. 30<sup>th</sup> May, 2018)</i>	Non-executive Independent director	None

The Non Executive Directors do not hold any shares/convertible instruments of the Company.

None of the Directors serve as Independent Director in more than seven listed companies or three listed companies, in case he/ she serves as Whole-time Director in any listed company, as the case may be.

**B) Board meetings & Attendance at Board Meetings**

During the financial year ended 31<sup>st</sup> March 2019, Six Board meetings were held on 26<sup>th</sup> April 2018, 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019 & 30<sup>th</sup> March, 2019

Attendance record of the directors at the above Board Meetings and at previous Annual General Meetings (AGM) along with the name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of The Companies Act, 2013.. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	No. Of Board meetings attended during FY 18-19	Attendance at the last AGM held on 28.09.2018	Committee positions held in other companies		Number of other directorship held (private and section 8 companies excluded)	Directorship in other listed companies
			Chairman	Member		
Shri V.K.Charoria	6	Yes	-	1	5	None
Shri T.R.Chachan	1	No	-	2	9	None
Smt. Manju Gupta	3	No	-	-	-	None
Shri Rajendra Kumar Agrawal ( appointed w.e.f. 30 <sup>th</sup> May, 2018)	4	No			6	None

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

1. Strategy and Planning Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.



2. Governance Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

All Independent Directors inducted into the Board attend an orientation programme. The details of training and familiarization programme is available on the website of the Company [www.birlacotton.com](http://www.birlacotton.com)

#### **4. AUDIT COMMITTEE**

##### **A. Terms of Reference**

The terms of reference of the Audit Committee are in accordance with the Companies Act, 2013 and SEBI Regulations. The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

The role of the Committee includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing with the management quarterly results and annual financial statements before submission to the Board for approval, approval or any subsequent modification of any transactions of the Company with related parties, review and monitor the auditor's independence and performance and effectiveness of audit process, scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system, and reviewing the functioning of the whistle blower mechanism.

##### **B. Composition of Audit committee**

The composition of Audit Committee and attendance of Directors at the above meetings is as follows :

<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Number of meetings attended</b>
Shri V.K.Charoria	Chairman	4
Shri T.R.Chachan ( <i>upto 30<sup>th</sup> May, 2018</i> )	Member	1
Smt. Manju Gupta	Member	2
Shri Rajendra Kumar Agrawal ( <i>with effect from 30<sup>th</sup> May, 2018</i> )	Member	2

##### **C. Meeting and Attendance**

During the year ended March 31, 2019 four meetings of Audit Committee were held.

The said meetings were held on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019.

## **5. NOMINATION AND REMUNERATION COMMITTEE**

### **A. Terms of reference**

The terms of reference of the Nomination & Remuneration Committee are in accordance with the requirements of the Companies Act, 2013 and SEBI Regulations, which includes identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, carry out evaluation of every director's performance; formulate the criteria for determining qualifications, positives attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Board, have adopted the Remuneration Policy for Directors, Senior Management Personnel, including Key Managerial Personnel and other employees. The Remuneration Policy is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also by way of providing a healthy work environment.

### **B. Composition of Nomination & Remuneration Committee**

The composition of Nomination and Remuneration Committee is as follows :

<b>Name of the Director</b>	<b>Position in the Committee</b>
Shri V.K.Charoria	Chairman
Shri T.R.Chachan ( <i>upto 30<sup>th</sup> May, 2018</i> )	Member
Smt. Manju Gupta	Member
Shri Rajendra Kumar Agrawal ( <i>with effect from 30<sup>th</sup> May, 2018</i> )	Member

### **C. Meeting & Attendance**

The Meeting of Nomination & Remuneration Committee were held during the year dated 30<sup>th</sup> May, 2018 & 14<sup>th</sup> August, 2018. Shri V.K. Charoria and Smt. Manju Gupta, members of the Committee were present in the meeting held on 30<sup>th</sup> May, 2018 and Shri Rajendra Kumar Agrawal and Smt. Manju Gupta were present at the meeting held on 14<sup>th</sup> August, 2018.

### **D. Performance evaluation criteria for Independent Directors**

The performance of the Independent Directors and Board was assessed on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

---

Board to effectively and reasonably perform their duties.

The evaluation criteria for the Independent Directors was based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board.

### 6. REMUNERATION OF DIRECTORS

- A. **Disclosure of Pecuniary Relationship or transactions of non-executive Directors :** Not Applicable
- B. **Disclosure of criteria of making payments to non-executive Directors :** Not Applicable
- C. **Disclosures with respect to remuneration :** Not Applicable

### 7. STAKEHOLDERS GRIEVANCE COMMITTEE

- A. The composition of Stakeholders Grievance Committee is as follows:

<b>Name of the Director</b>	<b>Position in the Committee</b>
Shri V.K.Charoria	Chairman
Shri T.R.Chachan ( <i>upto 30<sup>th</sup> May, 2018</i> )	Member
Smt. Manju Gupta	Member
Shri Rajendra Kumar Agrawal ( <i>with effect from 30<sup>th</sup> May, 2018</i> )	Member

- B. Name and designation of Compliance Officer: Ms. Neha Jain, Company Secretary/ Compliance Officer.
- C. No Complaints were received from shareholders during the financial year 2018-19.

### 8. GENERAL BODY MEETINGS

Details of date, time and venue of the last three Annual General Meetings are as under:

<b>Date &amp; Time</b>	<b>30<sup>th</sup> September, 2016 at 09.30 A.M.</b>	<b>22<sup>nd</sup> September, 2017 at 10.00 A.M.</b>	<b>28<sup>th</sup> September 2018 at 10.00 A.M.</b>
<b>Venue</b>	Hindustan Times House, 9th Floor, 18-20,K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20,K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20,K.G.Marg, New Delhi-110001

<b>Special resolution passed</b>	No Special resolution passed	No Special resolution passed	Two Special resolutions passed : 1. Re-appointment of Shri Virendra Kumar Charoria as an Independent Director 2. Alignment of activity code with the Business of Company.
----------------------------------	------------------------------	------------------------------	---

**9. MEANS OF COMMUNICATION**

The notices, quarterly and annual financial results etc. of the Company are published in Mint (English) and Naya India (Hindi) and are also available on Company’s website: [www.birlacotton.com](http://www.birlacotton.com)

**10. GENERAL SHAREHOLDER INFORMATION**

a) 123<sup>rd</sup> Annual General Meeting

Day, date and time – Monday, 30<sup>th</sup> September, 2019 at 9.30 a.m.

Venue – Hindustan Times House, 9th Floor, 18-20, K.G. Marg, New Delhi-110001.

b) Financial Year

1<sup>st</sup> April of each year to 31<sup>st</sup> March of next year.

c) Listing on Stock Exchange

The equity shares of the Company are listed on Calcutta Stock Exchange.

Address: The Calcutta Stock Exchange Limited

7, Lyons Range, Calcutta – 700001

The annual listing fee for the financial year 2019-20 has been paid to Calcutta Stock Exchange.

As per SEBI’s note which is available in public domain has de recognized Delhi Stock Exchange Limited, with effect from 19th November, 2014 where the equity shares of the Company were listed.

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

---

d) Scrip Code

The Calcutta Stock Exchange Limited, Scrip Code '12196'

e) Market Price Data: Average monthly High and Low price

There is no trading during the year ended 31st March 2019 on the Stock Exchange, where Company equity shares are listed.

f) Registrars & Share Transfer Agents

Zuari Finserv Limited

Corporate One , First Floor, 5 Commercial centre, Jasola,

New Delhi - 110025

g) Share Transfer System

The Company has registered the transfer of shares within the time from receipt of transfer request and obtains a certificate on half-yearly basis from a Company Secretary-in-practice, regarding share transfer formalities, copy of which was filed with the Stock Exchange under Regulation 40(9) of (Listing Obligation & Disclosure Requirements) Regulations 2015.

h) Distribution of shareholding as on 31st March 2019:

Category		No. of shares held	Percentage of shareholding %
(A)	Shareholding of Promoters and Promoter's Group	763874	66.76
(B)	Public Shareholding:		
(a)	Financial Institutions/Banks	683	0.06
(b)	Bodies Corporate	228268	19.95
(c)	Individuals	59757	5.22
(d)	Insurance Company	41330	3.61
(d)	Others	50217	4.39
	<b>Total Public Shareholding (B)</b>	<b>380255</b>	<b>33.24</b>
	<b>TOTAL (A)+(B)</b>	<b>1144129</b>	<b>100.00</b>

i) Dematerialization of Shares:

The Company is providing the demat facility to its shareholders and it has obtained ISIN from NSDL i.e. INE07D201017

Status of Dematerialization as on March 31, 2019:

<b>Particulars</b>	<b>No. of equity Shares</b>	<b>% to total equity share capital</b>
National Securities Depository Limited	Nil	Nil
Central Depository Services (India)	Nil	Nil
Total Dematerialized	Nil	Nil
Physical	144129	100.00
Grand Total	144129	100.00

Plant Location : Not Applicable

- k) Address for correspondence : 9<sup>th</sup> Floor, Hindustan Times House,  
18-20, Kasturba Gandhi Marg,  
New Delhi-110001

## **11. DISCLOSURES**

- a) During the year ended on 31<sup>st</sup> March 2019, there were no materially significant transactions with related parties viz. promoters and their relatives or the management that may have potential conflict with the interest of the Company at large. The policy on materiality of related party transactions & dealing with related parties as approved by the Board may be accessed on the Company's website- [www.birlacotton.com](http://www.birlacotton.com)
- b) During the last three years there were no strictures or penalties imposed by either Securities and Exchange Board of India (SEBI) or the Stock Exchanges or any Statutory Authority, on the Company, for non-compliance of any matter related to the capital market.
- c) The Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of the company's code of conduct or ethics policy and no personnel has been denied access to the Audit Committee. Further, no case was reported under the vigil mechanism during the year ended March 2019.
- d) The Company is complying with all the mandatory requirements of Companies Act and all other laws and Regulations applicable to the Company.
- e) Policy for determining 'material' subsidiaries and policy on dealing with related party transactions are placed on the website of the Company i.e. [www.birlacotton.com](http://www.birlacotton.com).
- f) The Company has obtained a certificate from Practicing Company Secretary that none of the Directors on the Board of Company has been debarred or disqualified from being appointed as or continuing as Director of Company by SEBI , MCA or any other statutory authority.

- g) The Company has not received any Complaints during the year and no complaints are pending at the end of year.

**12. DISCRETIONARY REQUIREMENTS**

The Company is not complying with the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**13. CORPORATE GOVERNANCE REQUIREMENTS**

The Company has duly complied with corporate governance requirements as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. SEXUAL HARRASMENT**

The company has not received any complaints under the Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act, 2013. No complaints are pending at the end of year.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Operating Results & Financial Performance

The Birla Cotton Spinning & Weaving Mills Limited is a registered NBFC. The mainstay of Company's operations continued to be investments in various companies, under which steady dividend income flows into the Company coupled with constant commission income. The company's total income for the year is Rs. 305.09 lakhs as compared to Rs. 230.69 lakhs in the previous year. During the year under review Profit before tax amounts to Rs. 141.65 lakhs as compared to Rs. 98.03 lakhs in the previous year.

### 2. Industry structure and Developments

The NBFC sector in India has become mature with reduced dependence on the acceptance of public deposits as part of overall funding.

### 3. Opportunities and Threats

With the globalization and electronic age, Indian stock market has changed over the past decade. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading avenues offering diverse pools of liquidity.

Capital Markets around the globe have been going through somewhat uncertain times due to European Sovereign Debt crises. The international global crisis has lesser impact on our financial markets. Therefore, the Indian growth story is intact in spite of all these odds over the long term.

### 4. Segment-Wise Performance

The Company's main business is giving loans, investment securities of listed and unlisted companies, etc. All the activities of the Company are related to its main business. As such there are no separate reportable segments.

### 5. Future Prospects and Outlook

The Company's present business operations are that of an investment company, future of which is largely depends upon financial and capital markets. Your Company has investments in financially sound companies. Company will continue to earn good dividend income. The management is optimistic about the future outlook of the Company.

The NBFC's industry witnessed testing times with global economic slowdown and



weakening profitability and tightening of financial conditions from foreign and non-bank sources. The Company has demonstrated its ability to withstand the challenges posed by the current environment and has emerged as a strong player in registering growth and profitability.

**6. Risks and concerns**

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The company is exposed to the market risk, which inter alia includes economic/business cycle, interest rate volatility, and credit risk.

While the Indian economy has shown sustained growth over the years The Company is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

**7. Internal control system and their adequacy**

The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are properly recorded.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

Besides, the Audit Committee reviews the internal controls at periodic intervals.

**8. Human Resources**

Our Company believes that our human capital is our greatest strength and is the driver of growth, efficiency and productivity. Year-on-year, we continue to deepen our philosophy by investing in developing our talent and leadership through a number of well designed measures. The company has adequate human resources, which commensurate with the current volume of activity.

**9. Cautionary Statement**

Statements in this 'Management's Discussion and Analysis' describing the company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government regulations, tax regimes, economic developments and other factors such as litigation etc.

## 10. Ratio Analysis

There were significant changes in key financial ratios as compared to the immediately previous financial years, the detailed financial ratios are given hereunder :

<b>Ratio</b>	<b>FY 19</b>	<b>FY 18</b>
Debtors Turnover Ratio	<i>Not applicable</i>	<i>Not applicable</i>
Inventory Turnover	<i>Not applicable</i>	<i>Not applicable</i>
Interest Coverage Ratio	4.52	4.54
Current Ratio	288.64	64.53
Debt Equity Ratio	0.004	0.138
Operating Profit Margin (%)	46.43	57.51
Net Profit Margin (%)	46.43	57.51

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED  
MARCH 31, 2019**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
The Birla Cotton Spinning & Weaving Mills Limited  
9<sup>th</sup> Floor, Hindustan Times House  
18-20, Kasturba Gandhi Marg  
New Delhi - 110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Birla Cotton Spinning & Weaving Mills Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I report that**

1. The Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation, about the compliance of laws, rules and regulation and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;\*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits ) Regulations, 2014;\*
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client\*;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

---

*\* Not applicable because the Company did not carry out the activities covered by the regulations/ guidelines during the audit period*

vi) The Company has identified the following laws as specifically applicable to the Company:

1. Rules, Regulations and Guidelines issued by Reserve Bank of India as are applicable to non-deposit taking Non-Banking Financial Companies

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that Company has entered into agreement with a depository for dematerialization of securities with effect from 10<sup>th</sup> April, 2019.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review, and the Company has complied with all the provisions of Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and based on the information given by the Company, I report that there were no instances of any dissenting members' views being recorded or captured as part of the minutes.

I further report that there are reasonable systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has carried specific events/action having major bearing on the Company affairs. These were:-

- (a) Reappointment of an independent director for second term of five years.
- (b) To align the activity code in Corporate Identification Number (CIN) with the existing business activities of the Company as per the directions/ instructions of Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

Place : New Delhi

Date: 14<sup>th</sup> August, 2019

**Arun Kumar Soni**

ACS No. 5441

CP No.: 1726

**CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE**

**The Members,  
The Birla Cotton Spinning & Weaving Mills Limited,  
New Delhi**

I have examined the compliance of conditions of Corporate Governance by **The Birla Cotton Spinning and Weaving Mills Limited**, for the period ended on 31<sup>st</sup> March, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied, in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations for the period 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Arun Kumar Soni**  
Company Secretary-in-Practice  
CP No. 1726

**Place:** New Delhi  
**Date:** 14<sup>th</sup> August, 2019

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE  
OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees and Non-Executive Directors, Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Executive Officer, Chief Financial Officer and Company Secretary/ Compliance Officer as on 31<sup>st</sup> March, 2019.

Place: New Delhi  
Date: 14<sup>th</sup> August, 2019

**Vishal Jain**  
Chief Executive Officer

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN L65100DL1920PLC099621
- ii) Registration Date : 10/03/1920
- iii) Name of the Company : The Birla Cotton Spinning and Weaving Mills Limited
- iv) Category / Sub-Category of the Company : Public Company Limited by Shares
- v) Address of the Registered office and contact details: Hindustan Times House, 9<sup>th</sup> Floor, 18-20, Kasturba Gandhi Marg, New Delhi-110001  
Phone : 011 - 66561206  
Fax : 011 - 66561206  
Email : secretarial.ht@rediffmail.com
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: In House

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services of the Company	Business Activity Code	% of total turnover of the Company
1	Interest Income	K8	25.10
2.	Rental Income	L1	54.11
3	Housekeeping Service	NG	20.77



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Earthstone Holding (Two) Private Limited	U67120UP2008PTC065196	Holding Company	56.12	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

***(i) Category-wise Share Holding***

Category of shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	%of total shares	
<b>A. Promoter</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Govts	-	-	-	-	-	-	-	-	-
d) Bodies. Corp.	-	763874	763874	66.76	-	763874	763874	66.76	-
e) Banks	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total(A)(1):-</b>	-	763874	763874	66.76	-	763874	763874	66.76	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI's Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter=(A)(1)+(A)(2)</b>	-	763874	763874	66.76	-	763874	763874	66.76	-

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

Category of shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	%of total shares	
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	883	883	0.08	-	683	683	0.06	(0.02)
c) Central Gov.									
d) State gov.									
e) Venture Capital Funds									
f) Insurance Companies	-	41330	41330	3.61		41330	41330	3.61	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital fund	-	-	-	-	-	-	-	-	-
i) other (specify)(Trust)	-	-	-	-	-	-	-	-	-
<b>Sub Total(B)(1)</b>	-	<b>42213</b>	<b>42213</b>	<b>3.69</b>		<b>42013</b>	<b>42013</b>	<b>3.67</b>	<b>(0.02)</b>
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp									
i) Indian	-	228268	228268	19.95		228268	228268	19.95	-
ii) Overseas									
b) Individual									
i) Individual shareholder holding nominal share capital upto Rs.1Lakh		54800	54800	4.79		59757	59757	5.22	0.43
ii) Individual shareholder holding nominal share capital in excess of Rs.1Lakh									
c) Other s(Trust)		54974	54974	4.80		50217	50217	4.39	(0.41)
<b>Sub Total(B)(2)</b>	-	<b>338042</b>	<b>338042</b>	<b>29.54</b>		<b>338242</b>	<b>338242</b>	<b>29.56</b>	<b>0.02</b>
<b>Total Public shareholding(B)=(B)(1)+(B)(2)</b>	-	<b>380255</b>	<b>380255</b>	<b>33.24</b>		<b>380255</b>	<b>380255</b>	<b>33.24</b>	-
c. Share held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>1144129</b>	<b>1144129</b>	<b>100</b>	-	<b>1144129</b>	<b>1144129</b>	<b>100</b>	-

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to Total Shares	
1	Earthstone Holding (Two) Private Limited	642,290	56.14	NIL	642,290	56.14	NIL	NIL
2	The Hindustan Times Limited	47584	4.16	NIL	47854	4.16	NIL	NIL
3	Earthstone Holding (One) Private Limited	74000	6.47	NIL	74000	6.47	NIL	NIL

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Name	Shareholding at the Beginning (01/04/2018)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative shareholding during the year (01.04.2018) to (01.04.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	No Change	No Change	No Change	No Change	No Change	No Change	No Change	No Change

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name	Shareholding at the beginning (01.04.2018) /end of the year (31.03.2019)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative shareholding during the year (01.04.2018) to (31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	The Punjab Produce & Trading Co. Limited	88000	7.69	-	-	-	88000	7.69
2	Kolkata Medical Institute	49666	4.34	-	-	-	49666	4.34
3	Shekhavati Investment & Traders Limited	46600	4.07	-	-	-	46600	4.07
4	Life Insurance Corporation of India	31830	2.78	-	-	-	31830	2.78
5	Jaipur Finance & Dairy Products Private Limited	23332	2.04	-	-	-	23332	2.04
6	Amer Investments (Delhi) Limited	21000	1.84	-	-	-	21000	1.84
7	Central India Industries Limited	18882	1.65	-	-	-	18882	1.65
8	Industry House Limited	10000	0.87	-	-	-	10000	0.87
9	National Insurance Co. Limited	8500	0.74	-	-	-	8500	0.74
10	Mrs. Meenakshi Mohta & Anurag Mohta	6066	0.53	-	-	-	6066	0.53

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Director and Key Managerial Person				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase /Decrease in shareholding during the year specifying the reason for increase/ Decrease	NIL	NIL	NIL	NIL
	At the end of the year(or on date of separation, if separated during the year)	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

Indebtedness of the company including interest outstanding/accrued but not due for payment

Indebtedness on the beginning of the Financial year 2018-2019	Secured Loan Excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal amount	NIL	500.00 lacs	NIL	500.00 lacs
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due	NIL	NIL		NIL
	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>500 Lacs</b>	<b>NIL</b>	<b>500 Lacs</b>
Change in Indebtedness during the financial year 2018-2019				
Addition	NIL	Nil	NIL	NIL
Reduction	NIL	500 Lacs	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>(500 Lacs)</b>	<b>NIL</b>	<b>NIL</b>

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

Indebtedness on the beginning of the Financial year 2018-2019	Secured Loan Excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the end of the financial year 2018-2019				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) interest accrued but not due	NIL	NIL	NIL	
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:\***

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission -as % of profit -others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NI
6	Total(A)	NIL	NIL	NIL
Ceiling as per Act		<i>Not applicable as the Company has not paid any remuneration to Directors during the year</i>		

*\*The Company do not have any Managing Director/ Whole Time Director/and or Manager.*

**B. Remuneration to other directors:**

Particular of Director	Name of the Director				Total Amount
	Chairman		Independent Directors		
Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	NIL	NIL
Commission	NIL	NIL	NIL	NIL	NIL
Total B	NIL	NIL	NIL	NIL	NIL
Total Managerial remuneration	NIL	NIL	NIL	NIL	NIL
Overall ceiling as per Act	<i>Not applicable as the Company has not paid any remuneration to Directors during the year</i>				

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD**

S. No.	Particulars of Remuneration	Amount(in Lacs) per annum	Amount(in Lacs) per annum	Amount(in Lacs) per annum
1	<b>Gross Salary</b>	<b>Mr. Vishal Jain (Chief Executive Officer)</b>	<b>Ms. Pratiksha Agrawal (Chief Financial Officer)</b>	<b>Neha Jain (Company Secretary)</b>
	(a)Salary as per Provisions contained section 17(1) of the Income Tax Act,1961	8.21	2.93	1.65
	(b) Value of Perquisites u/s 17(2) Income Tax Act,1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission As % of Profit Others, specify	NIL	NIL	NIL
5	Others, Please Specify	NIL	NIL	NIL
	<b>Total</b>	<b>8.21</b>	<b>2.93</b>	<b>1.65</b>

**VII. Penalties/Punishment/Compounding of Offences.**

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any(give Details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

**For The Birla Cotton Spinning and Weaving Mills Limited**

Place: New Delhi  
Date: 14<sup>th</sup> August, 2019

**V.K Charoria**  
Director  
DIN-00046895

**Rajendra Kumar Agrawal**  
Director  
DIN- 00043371



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2019

### 1. Opinion

- A. We have audited the accompanying Financial Statements of **The Birla Cotton Spinning & Weaving Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, the profit (financial performance) and its cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance ethical with the Code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **3. Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **4. Management's Responsibility and those charged with Governance for the Financial Statements**

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
- B. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## 5. Auditor's Responsibilities for the Audit of the Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation .
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Statement of Cash Flow 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - H. 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, as amended 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 litigation on its financial position in its financial statement Refer Note 23 to the financial statement.
    - ii) The Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
    - iii) The company did not have any dues in respect of Investor Education and Protection fund.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

PLACE : NEW DELHI  
DATE : 28<sup>th</sup> May, 2019

**FOR K.N. GUTGUTIA & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN304153E  
**(B.R. GOYAL)**  
PARTNER  
M. NO. 12172

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

(Referred to in paragraph (II 1F) under ‘Report on other Legal and Regulatory Requirements’ of our report of even date)

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OUR FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of **The Birla Cotton Spinning & Weaving Mills Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

PLACE : NEW DELHI  
DATE : 28<sup>th</sup> May, 2019

**FOR K.N. GUTGUTIA & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN304153E  
**(B.R. GOYAL)**  
PARTNER  
M. NO. 12172

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The **Annexure "B"** referred to in paragraph II (2) of our report of even date to the members of **The Birla Cotton Spinning & Weaving Mills Limited** on the Financial Statements for the year ended 31<sup>st</sup> March, 2019.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, physical verification of fixed assets has been carried out by the Company and no discrepancy was noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
  - (c) Title deed of an immovable property of the Company is held in the name of the Company.
- ii) There is no inventory held by the Company, hence, paragraph 3 (ii) of the Order is not applicable to Company.
- iii) According to the information and explanations given to us, the Company has, during the year not granted any loans, secured or unsecured to companies, firm Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has neither given any loans, guarantee and security covered under Section 185 and 186 of the Act during the year under audit, however Investments made by the Company during the year are in compliance with the provisions of Section 186 of the Act.
- v) The Company has not accepted any deposits during the year and hence paragraph 3 (v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under Sub Section (1) of Section 148 of the Companies Act, 2013 for any of the products/services of the Company.
- vii) (a) According to the records examined by us , the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, Goods and Services Tax (GST) sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues wherever applicable.

According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last date of the financial year for a period of more than six months from the date they became payable.

  - (b) According to the records of the Company, there was no dues in respect of income tax, Goods and Services Tax (GST) Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory duties which have not been deposited on account of disputes.

- viii) Based on our audit procedures and according to the information given the management, the Company has not taken any loans or borrowings from any financial institution, banks, government or have no dues of debentures holders during the year. Accordingly paragraph 3 (viii) of the Order is not applicable to the Company.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan and has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year and hence paragraph 3(ix) of the Order is not applicable to the Company.
- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid managerial remuneration in compliance with provision 197 read with schedule V to the Companies Act, 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion the transactions with the related parties are in Compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv) According to the records the company, the Company has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable to the Company
- xvi) The Company is duly registered under section 45-1A of the Reserve Bank of India Act, 1934.

PLACE : NEW DELHI  
DATE : 28<sup>th</sup> May, 2019

**FOR K.N. GUTGUTIA & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN304153E  
**(B.R. GOYAL)**  
PARTNER  
M. NO. 12172



THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(Amount Rupees in Lakhs)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	114.42	114.42
(b) Reserves and Surplus	3	4,101.89	4,000.15
		<u>4,216.31</u>	<u>4,114.57</u>
<b>Non current liabilities</b>			
(a) Long term Borrowings	4	-	500.00
(b) Long term Provisions	5	5.04	4.75
		<u>5.04</u>	<u>504.75</u>
<b>Current liabilities</b>			
Other Current Liabilities	6	13.14	64.17
	<b>TOTAL</b>	<b><u>4,234.49</u></b>	<b><u>4,683.49</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets- Tangible Assets	7	199.96	200.68
(b) Non-current investments	8	230.00	330.00
(c) Deferred tax assets (net)	9	5.49	5.69
(d) Long-term loans and advances	10	6.29	6.30
		<u>441.74</u>	<u>542.67</u>
<b>Current assets</b>			
(a) Cash and Cash equivalents	11	3,779.12	3,551.50
(b) Short term loans and advances	12	13.61	521.22
(c) Other current assets	13	0.02	68.10
		<u>3,792.75</u>	<u>4,140.82</u>
	<b>TOTAL</b>	<b><u>4,234.49</u></b>	<b><u>4,683.49</u></b>

Notes forming intergal part of the financial statement 1 to 26

As per our Report of even date

**For K. N. Gutgutia & Company**

Chartered Accountants

FRN 304153E

(B .R Goyal)

Partner

M. NO. 12172

Place: New Delhi

Date: 28th May, 2019

**For and on behalf of Board of Directors**

**Virendra Kumar Charoria**

(Director)

DIN 00046895

**Rajendra Kumar Agrawal**

(Director)

DIN 00043371

**Vishal Jain**  
(Chief Executive Officer)

**Neha Jain**  
(Company Secretary)

**Pratiksha Agarwal**  
(Chief Financial Officer)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amount Rupees in Lakhs)

Particulars	Note No.	for the year 2018-19	for the year 2017-18
<b>Income :</b>			
Revenue from operations	14	132.09	57.69
Other income	15	173.00	173.00
<b>Total Revenue</b>		<b>305.09</b>	<b>230.69</b>
<b>Expenses:</b>			
Employee benefits expense		28.92	29.28
Interest		40.18	37.50
House Tax		3.37	3.37
Legal & Professional Charges		5.71	14.50
Depreciation	7	0.72	3.93
Contribution for CSR Activities		75.00	4.00
Other expenses	16	9.54	5.45
<b>Total expenses</b>		<b>163.44</b>	<b>98.03</b>
<b>Profit before Tax</b>		<b>141.65</b>	<b>132.66</b>
<b>Tax Expense:</b>			
(1) Current tax	17	50.94	29.50
Less: MAT Credit		(11.23)	-
		39.71	29.50
(2) Deferred tax charge		0.20	(1.59)
		<b>39.91</b>	<b>27.91</b>
<b>Profit/(Loss) for the period</b>		<b>101.74</b>	<b>104.75</b>
Earnings per equity share (in Rs.):			
(1) Basic		8.89	9.16
(2) Diluted		8.89	9.16

Notes forming integral part of the financial statement 1 to 26

As per our Report of even date

**For K. N. Gutgutia & Company**

Chartered Accountants

FRN 304153E

(B .R Goyal)

Partner

M. NO. 12172

Place: New Delhi

Date: 28th May, 2019

**For and on behalf of Board of Directors**

**Virendra Kumar Charoria**

(Director)

DIN 00046895

**Rajendra Kumar Agrawal**

(Director)

DIN 00043371

**Vishal Jain**

(Chief Executive Officer)

**Neha Jain**

(Company Secretary)

**Pratiksha Agarwal**

(Chief Financial Officer)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2019**

(Amount Rupees in Lakhs)

PARTICULARS	for the year 2018-19	for the year 2017-18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Exceptional Items and Tax as per Statement of Profit and Loss</b>	141.65	132.66
Adjustment for :		
Depreciation	0.72	3.93
Interest paid to Income Tax Department	0.45	-
Interest Income	(58.88)	(57.69)
Dividend	(0.01)	-
Gain on sale of Investment	(73.20)	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>10.73</u>	<u>78.90</u>
Adjustment for :		
Trade & other receivables	566.17	(37.47)
Trade & other payables	(550.74)	<u>33.16</u>
<b>Cash Generated from Operations</b>	26.16	74.59
Direct Taxes Paid (Net)	(29.87)	(28.57)
<b>Net Cash from Operating Activities</b>	<u>(3.71)</u>	<u>46.02</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	58.12	57.69
Dividend	0.01	-
Gain on sale of Investments	73.20	-
Sale of Investments	100.00	-
<b>Net Cash from investing activities</b>	<u>231.33</u>	<u>57.69</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	-	-
<b>Net Cash from Financing activities</b>	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	227.62	103.71
Cash and cash equivalents as at (Opening)	3,551.50	3,447.79
Cash and cash equivalents as at (Closing)	<u>3,779.12</u>	<u>3,551.50</u>

**NOTES:**

- i) Cash & Cash Equivalents include readily saleable Units in Liquid Mutual Fund of Rs 3731.94 lacs (Previous year Rs 3537.88 lacs)
- ii) Statement of Cash Flow has been prepared using the indirect method as set out in the Accounting Standard

**For K. N. Gutgutia & Company**

Chartered Accountants

FRN 304153E

(B .R Goyal)

Partner

M. NO. 12172

Place: New Delhi

Date: 28th May, 2019

**For and on behalf of Board of Directors**

**Virendra Kumar Charoria**

(Director)

DIN 00046895

**Rajendra Kumar Agrawal**

(Director)

DIN 00043371

**Vishal Jain**  
(Chief Executive Officer)

**Neha Jain**  
(Company Secretary)

**Pratiksha Agarwal**  
(Chief Financial Officer)

**Notes on Financial Statements for the Year Ended 31st March 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Nature of operations**

The Birla Cotton Spinning & Weaving Mills Limited is a Public Limited Company Registered in India and incorporated under the provision of Companies Act, 1913. Its Shares are listed on Calcutta Stock exchange. The Company is registered as Non Banking Finance Company with Reserve Bank of India and its primary business comprises of Investment in Securities and to provide finance to parties.

**2. Statement of Significant Accounting Policies**

**(i) Basis of Preparations**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**(ii) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any change in the accounting estimates is adjusted prospectively in the current and future periods.

**(iii) Fixed Assets**

Fixed assets are stated at cost (including qualifying interest on borrowing for acquisition) less accumulated depreciation.

**(iv) Depreciation**

Depreciation on all Fixed Assets is provided to the extent of depreciable amount on the straight-line method (SLM) Method. Depreciation is provided based on useful life of the assets as prescribed vide Schedule II to the Companies Act, 2013.

## Notes on Financial Statements for the Year Ended 31st March 2019

### (v) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there is no uncertainty as to realisability.

#### (a) Dividend

Dividend income is accounted for when right to receive is established.

#### (b) Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

### (vi) Investment

Investments in Shares and Securities and units are accounted for in accordance with Accounting Standard "Accounting for Investments". Non Current Investments are stated at cost and partly at revalued amount as per revaluation during in the year 1988-89. Decline in the market value of any quoted investments if considered, if permanent in nature and is provided for. Current Investments are stated at lower of cost or net realizable value.

### (vii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (viii) Taxes on Income

Provision for current tax is determined on the income for the year chargeable to tax as per the provisions of Income Tax Act, 1961.

Provision for deferred tax is recognized on timing differences arising between the taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods using the tax rates and law enacted or substantively enacted as on the Balance Sheet Date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other Deferred tax assets are recognized, if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

**Notes on Financial Statements for the Year Ended 31st March 2019**

**(ix) Retirement Benefits**

Liability on account of leaves standing to the credit of employees as at the year end as ascertained on the basis of last drawn salary of the respective employees is provided for in the accounts. Liability for gratuity is accounted for on payment basis

**(x) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**(xi) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (a) possible obligation which will be confirmed only by future events not wholly within the control of the company or (b) present obligations arising from past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statement.

**Notes to Financial Statements for the year ended 31st March, 2019**

**2 SHARE CAPITAL**

(Amount Rupees in Lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>2.1 Authorised</b>		
17,50,000 (Previous year 17,50,000) equity shares of Rs. 10 each	175.00	175.00
25,000 (Previous year 25,000) preference shares of Rs. 100 each	25.00	25.00
	<u>200.00</u>	<u>200.00</u>
<b>2.2 Issued, Subscribed and Paid up</b>		
11,44,180 (Previous Year 11,44,180) equity shares of Rs. 10 each fully paid	<u>114.42</u>	<u>114.42</u>

**2.3 Reconciliation of number of shares**

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
<b>Equity shares</b>				
Opening Balance	1,144,180	114.42	1,144,180	114.42
Changes during the year	-	-	-	-
Closing Balance	<u>1,144,180</u>	<u>114.42</u>	<u>1,144,180</u>	<u>114.42</u>

**2.4 Rights, Preferences and restrictions attached to shares**

**Equity Shares**

The Company has one class of equity shares having a par share value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes to Financial Statements for the year ended 31st March, 2019

### 2.5 Details of shreholders holding more than 5%

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	No of shares	% holding of share capital	No of shares	% holding of share capital
Earthstone Holding (Two) Private Ltd. (the holding Company)	642,290	56.14	642,290	56.14
Earthstone Holding (one) Private Ltd.	74,000	6.47	74,000	6.47
The Punjab Produce & Trading Co. Ltd.	88,000	7.69	88,000	7.69

### 3 RESERVES AND SURPLUS (Amount Rupees in Lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>3.1 Capital Reserve</b>		
As per last Balance Sheet	180.72	180.72
<b>3.2 Capital Reserve (Revaluation of Investments)</b>		
As per last Balance Sheet	0.10	0.10
<b>3.3 Capital Redemption Reserve</b>		
As per last Balance Sheet	25.00	25.00
<b>3.4 Statutory Reserves</b>		
As per last Balance Sheet	1,250.50	1,229.50
Add: Transfer from Statement of Profit & Loss	29.00	21.00
	<u>1,279.50</u>	<u>1,250.50</u>
(In accordance with Section 45-IC of the Reserve Bank of India (Amendment) Act 1997, twenty percent of the profit after taxation has been transferred to Statutory Reserves)		
<b>3.5 Share Premium Account</b>		
As per Last Balance Sheet	4,105.50	4,105.50
<b>3.6 General Reserve</b>		
As per last Balance Sheet	1,508.30	1,508.30
<b>3.7 Surplus/(Deficit)</b>		
As per last Balance Sheet	(3,069.97)	(3,153.72)
Profit for the year	101.74	104.75
	<u>(2,968.23)</u>	<u>(3,048.97)</u>
Less:- Appropriations		
Transfer to Statutory Reserve	(29.00)	(21.00)
<b>Surplus/(Deficit) carried to Balance Sheet</b>	<u>(2,997.23)</u>	<u>(3,069.97)</u>
<b>Total</b>	<b>4,101.89</b>	<b>4,000.15</b>



**Notes on Financial Statements for the Year Ended 31st March 2019**

**4 LONG TERM BORROWINGS** (Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Loan from Related Party	-	500.00

**5 LONG TERM PROVISIONS** (Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions for employees benefits- Leave Encashment	5.04	4.75

**6 OTHER CURRENT LIABILITIES** (Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Liabilities	13.14	64.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

7 Fixed Assets

Description of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2018	As at Additions/ (Deductions) 31.03.2019 during the year	As at 01.04.2018	Provided during the year	As at 31.03.2019	As at 31.03.2018
<b>Tangible Assets:</b>						
Freehold Land (Conversion fees)	177.55	- 177.55	-	-	177.55	177.55
Building	47.19	- 47.19	25.64	0.72	20.83	21.55
Plant & Equipment	5.08	- 5.08	4.83	-	0.25	0.25
Vehicle	24.36	- 24.36	23.14	-	1.22	1.22
Office Equipment	2.24	- 2.24	2.13	-	0.11	0.11
Total	256.42	- 256.42	55.74	0.72	199.96	200.68
Previous year	256.42	- 256.42	51.81	3.93	200.68	

**Notes on Financial Statements for the Year Ended 31st March 2019**

**8 NON CURRENT INVESTMENTS**

(Amount Rupees in Lakhs)

Particulars	Face Value	No. of shares	As at March 31, 2019	No. of shares	As at March 31, 2018
<b>QUOTED</b>					
<b>In fully paid up Equity Shares</b>					
In Others:-					
Tungabhadra Industries Ltd. (amount written off in earlier year)	10	1082	-	1082	-
<b>UNQUOTED</b>					
<b>In fully paid up Equity Shares</b>					
In Others:-					
Akhil Bharat Printers Limited (In Liquidation, amount written off in earlier year)	100	200	-	200	-
Pramanand Commercial Pvt. Ltd. (Received as Bonus in an earlier year)	10	9750	-	9750	-
<b>In Fully paid up Preference Shares</b>					
0.01% Non Cumulative Redeemable Preference Shares of Goldmerry Investment & Trading Co. Ltd.					
	100		-	100000	100.00
9% Non Participating, Non Cumulative & Non convertible Redeemable Preference Shares of					
Pramanand Commercial Private Ltd.	100	230,000	230.00	230,000	230.00
<b>Total Net Preference Shares</b>			<u>230.00</u>		<u>330.00</u>
<b>Total Non Current Investments</b>			<b>230.00</b>		<b>330.00</b>
Aggregate value of quoted Non Current investment			-		-
Aggregate value of unquoted Non Current investment			230.00		330.00

**Notes on Financial Statements for the Year Ended 31st March 2019**

**9 DEFERRED TAX**

Deferred Tax Assets (Net) of Rs. 0.20 lacs arising on account of temporary difference for the current year have been adjusted in the Profit & Loss account

Calculation of deferred tax assets as on 31st March 2019 and 31st March, 2018 is as given below:-

	(Amount Rupees in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b><u>Deferred Tax Assets in respect of</u></b>		
(i) Provision for Interest	2.08	2.08
(ii) Provision for doubtful loans	0.57	0.57
(iii) Provision for Leave encashment	1.39	1.31
(iv) provision for Bonus	0.17	0.17
	4.21	4.13
Difference between books & Tax depreciation	1.28	1.56
Deferred Tax Assets (Net)	5.49	5.69

**10 LONG TERM LOANS AND ADVANCES**

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Security Deposits</b>		
Unsecured, Considered Good	6.29	6.30
<b>(b) Advance</b>		
Doubtful	9.64	9.64
Less: Provision for doubtful advance	(9.64)	(9.64)
<b>Total</b>	6.29	6.30

Notes on Financial Statements for the Year Ended 31st March 2019

11 CASH & CASH EQUIVALENTS

(Amount Rupees in Lakhs)

Particulars	Face Value	No. of shares	As at March 31, 2019	No. of shares	As at March 31 2018
<b>Balances with Bank:-</b>					
(i) In Current Accounts			40.39		6.81
(ii) Other Bank Balances			2.87		2.80
			<u>43.26</u>		<u>9.61</u>
Cash in hand			3.92		4.01
<u>Short Term Liquid Investments</u> (treated as cash Equivalent)					
HDFC Liquid Fund- Growth	1000	70576.457	1,827.91	70576.457	1,827.91
HDFC Liquid Fund- Growth	1000	733.173	26.33	-	-
HDFC Cash Management Fund- Saving Plan- Growth	1000	2761.578	100.00	-	-
SBI Liquid Fund Growth	1000	11308.218	310.00	-	-
Reliance Liquid Fund-Treasury Plan- Growth	1000	35769.190	1,175.30	35769.190	1,175.30
Reliance Liquid Fund-Treasury Plan- Growth	1000	2775.885	110.00	2775.885	110.00
Aditya Birla Sunlife Cash Manager Fund- Growth	100	11018.006	40.00	11018.006	40.00
Aditya Birla Sunlife Cash Manager Fund- Growth	100	30728.465	112.00	30728.465	112.00
Aditya Birla Sunlife Cash Manager Fund- Growth	100		-	74928.724	242.27
Aditya Birla Sunlife Cash Manager Fund- Growth	100	7898.728	30.40	7898.728	30.40
			<u>3,731.94</u>		<u>3,537.88</u>
<b>Total</b>			<b>3,779.12</b>		<b>3,551.50</b>

12 SHORT TERM LOANS AND ADVANCES

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Inter-Corporate Deposit	-	500.00
Advance Income Tax (Net of provision)	9.79	19.32
Others	3.82	1.90
<b>Total</b>	<b>13.61</b>	<b>521.22</b>

## Notes on Financial Statements for the Year Ended 31st March 2019

**13 OTHER CURRENT ASSETS** (Amount Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receivable on Inter Corporate Deposit	-	68.08
Others	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>68.10</b>

**14 REVENUE FROM OPERATION** (Amount Rupees in Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
Dividend - Current Investments	0.01	-
Interest Income	58.88	57.69
Gain on Sale/Redemption of Investments	73.20	-
<b>Total</b>	<b>132.09</b>	<b>57.69</b>

**15 OTHER INCOME** (Amount Rupees in Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
Rent	125.00	125.00
Housekeeping Services Income	48.00	48.00
<b>Total</b>	<b>173.00</b>	<b>173.00</b>

**16 OTHER EXPENSES** (Amount Rupees in Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
Insurance	0.54	0.66
Rent	0.24	0.51
<u>Auditor Remuneration:</u>		
As Auditors	0.22	
For Tax Audit	0.06	
For Other Matters	0.18	
Miscellaneous Expenses	8.30	3.85
<b>Total</b>	<b>9.54</b>	<b>5.45</b>

**17 CURRENT TAX** (Amount Rupees in Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
Current Tax for the year	52.00	29.50
Excess Provision of Income Tax relating to earlier year	(1.06)	-
<b>Total</b>	<b>50.94</b>	<b>29.50</b>

## Notes on Financial Statements for the Year Ended 31st March 2019

18 **Related party Disclosure**

Information relating to related party transaction as per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India is given below-

**A. Name of related Party****Holding Company:-**

Earthstone Holding (Two) Private Limited  
(formerly known as Earthstone Holding (Two) Limited)

**Fellow Subsidiaries:-**

(With whom transactions have occurred during the year)  
The Hindustan Times Limited

**Key Management Personnel**

Vishal Jain (Chief Executive Officer)  
Pratiksha Agrawal (Chief Financial Officer)  
Neha Jain (Company Secretary)

**B. Transaction during the year**

**(Amount rupees in Lakhs)**  
**2018-19**                      **2017-18**

- With Fellow Subsidiary companies –

**Rent Paid**

The Hindustan Times Ltd.

0.24                              0.51

**Receipt of Housekeeping Services Income**

The Hindustan Times Ltd.

7.20                              5.40

**Unsecured loan (refunded)**

The Hindustan Times Ltd.

(500.00)                              -

**Interest on Unsecured Loan**

The Hindustan Times Ltd.

40.18                              37.50

- With Key Management Personnel –

**Remuneration paid to Key managerial personnel**

Vishal jain

8.21                              7.72

Pratiksha Agrawal

2.92                              2.76

Neha Jain

1.65                              1.44

**C. Balance outstanding at the end of the year****Unsecured loan**

The Hindustan Times Ltd. (Payable)

-                                      500.00

**Interest Payable on Unsecured Loan**

The Hindustan Times Ltd.

-                                      54.18

## Notes on Financial Statements for the Year Ended 31st March 2019

### 19. Segment Reporting

**Business Segment:** Based on the activities and contribution towards the revenue of the Company, the Company has classified its operations into two business segments namely Investment & Financing and others.

**Investment & Financing:** The Company is registered as Non-Banking Finance Company with Reserve Bank of India and its primary business comprises of investment in securities and finance to parties.

**Others:** Renting & Housekeeping Activities

#### SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Amount Rupees In Lakhs)

PARTICULARS	2018-19	2017-18
<b>1. Segment Revenue (Net Sale/ Income From)</b>		
a) Segment – Investment and Financing	132	58
b) Segment – Others	173	173
Total	<u>305</u>	<u>231</u>
<b>2. Segment Result</b>		
Profit before interest and Tax for each segment		
a) Segment – Investment and Financing	79	8
b) Segment – Others	149	139
Total	<u>228</u>	<u>147</u>
Less: Other Un-allocable expenditure net off		
Un-allocable income	<u>86</u>	<u>14</u>
<b>Total Profit Before Tax</b>	<u>142</u>	<u>133</u>
<b>3 Segment Assets</b>		
a) Segment – Investment and Financing	3962	4436
b) Segment – Others	210	209
Total	<u>4172</u>	<u>4645</u>
Add: Un-allocable Capital employed	62	39
<b>Total</b>	<u>4234</u>	<u>4684</u>
Segment Liabilities		
a) Segment – Investment and Financing	-	554
b) Segment – Others	18	15
Total	<u>18</u>	<u>569</u>
Add: Un-allocable Capital employed	-	-
<b>Total</b>	<u>18</u>	<u>569</u>



**Notes on Financial Statements for the Year Ended 31st March 2019**

**20. Earning Per Share**

	Year ended 31st March, 2019	Year ended 31st March, 2018
A Profit after tax as per the Profit and Loss Account (in Lakhs.)	101.74	104.75
B Weighted average number of equity shares of Rs.10 each outstanding during the year	11,44,180	11,44,180
C Earning per share (in Rs.)		
Basic	8.89	9.16
Diluted	8.89	9.16

**21. Contribution for CSR Activities**

During the year Rs. 75 lakhs has been contributed towards CSR activities to Shine Foundation. The Company is required to spent Rs. 2.73 lacs during the year based upon past three years average profit.

**22. Micro, Small and Medium Enterprises**

"The company during the year has not entered into transactions with the vendors registered under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore there is no need of disclosures under Section 22 of the said Act".

**23. Contingent liability (not provide for)**

- i) In respect of Income Tax matters under appeals against Income Tax Demand of Rs. 97.84 lakhs (previous year Rs. 97.84 lakhs)
- ii) In respect of House Tax matters under appeals against House Tax Demand of Rs. 204.16 lakhs (previous year Rs. 188.67 lakhs)

**24.** Other additional information as required under part II of schedule III of Companies Act, 2013 is not applicable

**25.** Previous year figures have been re-grouped/re-arranged where ever found necessary to make them comparable with the current year's figures.

As per our Report of even date  
**For K. N. Gutgutia & Company**  
 Chartered Accountants  
 FRN 304153E  
 (B .R Goyal)  
 Partner  
 M. NO. 12172  
 Place: New Delhi  
 Date: 28th May, 2019

**For and on behalf of Board of Directors**

**Virendra Kumar Charoria**  
 (Director)  
 DIN 00046895

**Rajendra Kumar Agrawal**  
 (Director)  
 DIN 00043371

**Vishal Jain**  
 (Chief Executive Officer)

**Pratiksha Agarwal**  
 (Chief Financial Officer)

**Neha Jain**  
 (Company Secretary)

## The Birla Cotton Spinning & Weaving Mills Ltd.

### 26. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Amount Rupees in lakhs)

Particulars	Amount out-standing	Amount overdue
<b>Liabilities side :</b>		
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	NIL	NIL
: Unsecured (other than falling within the meaning of public deposits)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
<b>Assets side :</b>		
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a) Secured	NIL	
(b) Unsecured	NIL	
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	



(6) **Investor group-wise classification of all investments  
(current and long term) in shares and securities  
(both quoted and unquoted):**

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	<u>230.00</u>	<u>230.00</u>
<b>Total</b>	<b><u>230.00</u></b>	<b><u>230.00</u></b>

(7) **Other Information**

Particulars	Amount
(I) Gross Non- performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt.	NIL

As per our report of even date attached

**For K. N. Gutgutia & Company**

Chartered Accountants  
FRN 304153E

(B .R Goyal)  
Partner  
M. NO. 12172

**For and on behalf of Board of Directors**

**Virendra Kumar Charoria**  
(Director)  
DIN 00046895

**Rajendra Kumar Agrawal**  
(Director)  
DIN 00043371

Place: New Delhi  
Date: 28th May, 2019

**Vishal Jain**  
(Chief Executive Officer)

**Pratiksha Agarwal**  
(Chief Financial Officer)

**Neha Jain**  
(Company Secretary)