

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Board of Directors

Virendra Kumar Charoria
Tolaram Chachan
Manju Gupta

Chief Executive Officer

Vishal Jain

Chief Financial Officer

Pratiksha Agrawal

Company Secretary/ Compliance Officer

Neha Jain

Auditors

K.C Gupta & Associates

Registered Office

Hindustan Times House, 9th Floor
18-20, Kasturba Gandhi Marg
New Delhi-110001
Tel.: +91-11-6656 1206
Fax: +91-11-6656 1206
Email: secretarial.ht@rediffmail.com
Website: www.birlacotton.com

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Regd Office:9th Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110 001

CIN: L95000DL1920PLC099621

Phone:011- 66561206

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

Standalone Financial Performance (In Lacs)

Particulars	2014-2015	2013-2014
Total Income	320.58	2,302.86
Less:Total Expenses	(37.95)	(2,033.40)
Profit/(Loss) before Tax	282.63	269.46
Less: Exceptional Items	–	(3,907.05)
Less: Tax Expense		
Current Tax	54.04	33.48
Deferred tax charge	(0.43)	(0.07)
Profit/(Loss) after Tax	229.02	(3,671.00)
Transfer to Statutory Reserve	(46.00)	–
Balance brought forward from previous years	(3,514.14)	156.86
Balance carried to Balance Sheet	(3,331.12)	(3,514.14)

Dividend:

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

Company's working & State of Company's affair

The performance of the Company during the financial year was satisfactory. The Company during the year had transferred 46 Lacs to Statutory Reserve.

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The Company during the year had made investments and also provided House Keeping Services in order to enhance the profitability of the business.

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

There was no material changes or commitments affecting the financial position of the Company which have occurred since end of the financial year.

There was no significant or material order was passed by the regulators or courts imparting the going concern status and company's operation in future.

There was an adequacy of Internal financial control system with reference to the financial Statements during the preceding financial year.

The Company has issued 74000 equity shares of Rs 10 each at a premium of Rs 1190 to Earthstone Holding (One) Private Limited and 75000 equity shares of Rs 10 each at a premium of Rs 1190 to Earthstone Holding (Two) Limited on conversion of warrants into equity shares.

Subsidiary Companies

The performance and financial position of each of the Subsidiary Company are annexed to the financial statement in Form AOC-1 and included in the consolidated financial statements.

Deposits

The Company has not accepted any deposits during the year and no deposits have been remained unpaid or unclaimed at the end of the year.

The Company has not defaulted in repayment of deposits or payment of interest thereon during the year

Statutory Auditors

The members of the Company in their Annual General Meeting held on September 30, 2014 appointed M/s. K.C. Gupta & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office, till the conclusion of the AGM to be held in calendar year 2017, subject to ratification of their appointment at every AGM to be held during the intervening period. In terms of the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, it is proposed to ratify the appointment of M/s. K.C. Gupta & Associates, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the AGM to be held in calendar year 2017. The Company has received a certificate from M/s. K.C. Gupta & Associates, Chartered Accountants to the effect that the ratification of their appointment as Statutory Auditors shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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

Disclosures under Companies Act, 2013

(I) Extract of Annual Return

The extract of the annual return in Form No. MGT - 9 is annexed as "Annexure- A"

(II) 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 started replacing traditional bulbs with LED lights to improve energy consumption.
- (ii) the steps taken by the company for utilising alternate sources of energy; **The Company is exploring to utilize alternate sources of 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, and size of the company.

(B) Technology absorption:

The Company has not obtained technology, hence provisions are **Not Applicable.**

(C) Foreign exchange earnings and Outgo:

During the year neither there was any Foreign Exchange Earned nor incurred any expenditure on foreign Exchange.

(III) Particulars of Employees:

In accordance with the provisions Section 197 (12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company has been paid any amount by way of remuneration which exceeds five lacs rupees per month if employed for a part of the financial year or sixty lacs rupees if employed throughout the financial year. In accordance with the provisions of section 197 (12) of the companies Act, 2013 and Rule 5(2) 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, 2015 is set out as "Annexure-B".

(IV) Directors:

During the year Shri Priyavrat Bhartia and Shri. Shomit Bhartia resigned as Directors from the Board. The Directors took on record the invaluable contributions made by them, during their tenure as a Directors of the Company.

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Smt Manju Gupta was appointed as an additional director on the Board with effect from 31st March, 2015 to holds office upto the ensuing Annual General Meeting pursuant to provisions of Companies Act, 2013. Your Company has received a notice from a member proposing her candidature for the appointment as an Independent Director for the period of five years along with requisite fees. The Board recommends her appointment as Independent Director.

Mr. Vishal Jain and Ms. Pratiksha Agrawal have been appointed as Key Managerial Personnel and designated as Chief Executive Officer and Chief Financial Officer of the Company respectively w.e.f 31st March, 2015 pursuant to section 203 of the Companies Act, 2013.

The Independent Directors of the Company has given the declaration to the Company that they meet the criteria of Independence as provided in sub-section (6) of section 149 of the Companies Act, 2013

(V) Number of meetings of the Board of Directors

The Board of Director duly met 5 times respectively on 30th May 2014, 12th August 2014, 14th November 2014, 14th February 2015 and 31st March 2015 during the financial year 2014-15.

(VI) Audit Committee

The Audit Committee of the Board presently comprises of, Shri. Tolaram Chachan, Shri. Virendra Kumar Charoria and Smt. Manju Gupta.

During the year, the Committee met four times respectively on 30th May 2014, 12th August, 2014, 14th November, 2014, 14th February, 2015.

(VII) Particulars of loans, guarantees or investments under section 186

The details of loans given, investments made and guarantees/ securities given as applicable, form part of the notes to the financial statement is set out as "Annexure-C".

(VIII) Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into during the year ended 31st March, 2015 were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by your Company during the year and hence no information is required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014

(IX) Formal Annual Evaluation

Pursuant to the provisions of Companies Act, 2013, the formal annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual directors through collective feedback.

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The evaluation criteria for Independent Directors are as under:-

- Relevant Knowledge, Expertise and Experience.
- Addressing the most relevant issues for the company
- Professional Conduct, Ethics and Integrity
- Understanding the Duties, Roles and Function as Independent Director.

Details of establishment of vigil mechanism for directors and employees

Pursuant to clause 49 of the Listing Agreement with Stock Exchange 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.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board presently comprises of Shri. Virendra Kumar Charoria, Shri. Tolaram Chachan and Smt. Manju Gupta.

Remuneration Policy: The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy on appointment of Directors, Key Managerial Personnel and also fixing their Remuneration. The Nomination and Remuneration Policy of the Company is set out as "Annexure-D".

Managerial Remuneration: The Company do not pay any amount by way of remuneration to any Director hence the details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out as "Annexure-B".

Secretarial Audit Report: Pursuant to 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 2014-2015. 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.

Constitution of CSR Committee:

The CSR Committee of the Board presently comprises of Shri Virendra Kumar Charoria, Shri. Tolaram Chachan and Smt Manju Gupta. The Company will perform the activity as prescribed under Schedule VII of Companies Act, 2013. The Corporate Social Responsibility (CSR) activities are being undertaken through Shine Foundation as implementing agency for CSR activities of your Company.

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The disclosures pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed with the report as “Annexure-F”. The provisions relating to CSR of Companies Act, 2013 is not applicable to the Company during the preceeding financial year.

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.

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 March31,2015, 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 judgements 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, 2015; and of the profit and loss 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) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Acknowledgements

Your Directors also place on record their deep appreciation of the committed services of the Executives, staff and workers of your Company.

For and on behalf of the Board of Directors
For THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Place: New Delhi
Date: 14th August, 2015

V.K Charoria
Director
DIN-00046895

Manju Gupta
Director
DIN-00124974

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015**

[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: L95000DL1920PLC099621
ii) Registration Date: 10/03/1920
iii) Name of the Company: The Birla Cotton Spinning & Weaving Mills Limited
iv) Category / Sub-Category of the Company: Company Limited by Shares
v) Address of the Registered office and contact details: Hindustan Times House, 9th Floor, 18-20, Kasturba Gandhi Marg, New Delhi-110001
vi) Whether listed company Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NIL

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	NIC Code of the Product / Service	% of total turnover of the Company
1	Commission Income	-	22.50
2	Investment in securities	-	72.99

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN Subsidiary/	Holding/ Associate	% of shares held	Application Section
1	Earthstone Holding (Two) Limited	U67120UP2008PLC065196	Holding Company	56.14	2(46)
2	BCM Holding Limited	U65993DL2012PLC244287	Subsidiary Company	100	2(87)(ii)
3	Birla Real Estate Limited	U70100DL2012PLC244639	Subsidiary Company	100	2(87)(ii)
4	Earthstone Investment & Finance Limited	U65100DL2012PLC246557	Subsidiary Company	*	2(87)(ii)
5	Ht Interactive Media Properties Limited	U72900DL1999PLC102132	Subsidiary Company	*	2(87)(ii)
4	Go4I Com(India) Private Limited	U72200DL2002PTC116112	Subsidiary Company	*	2(87)(ii)
6	Go4i.com (Mauritius) Limited	N.A	Subsidiary Company	*	2(87)(ii)

* These Companies are step down subsidiary Companies.

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	
A. Promoter									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) state Govts	-	-	-	-	-	-	-	-	-

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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	
d) Bodies. Corp.	-	614874	614874	61.79	-	763874	763874	66.76	4.98
e) Banks	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub total(A)(1):-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI's Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter = (A)(1)+(A)(2)	-	614874	614874	61.78	-	763874	763874	66.76	4.98
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	--	
a) Mutual Funds	-	-	-	-	-	-	-	--	
b) Banks/FI	-	883	883	0.08	-	883	883	0.07	0.01
c) Central Gov.									
d) State gov.									

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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	
e) Venture Capital Funds									
f) Insurance Companies	-	41330	41330	4.15	-	41330	41330	3.62	0.53
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital fund	-	-	-	-	-	-	-	-	-
i) other (specify) (Trust)	-	-	-	-	-	-	-	-	-
Sub Total(B)(1)	-	42213	42213	4.24	-	42213	42213	3.69	0.55
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp									
i) Indian									
ii) 'Overseas	-	228268	228268	22.93	-	228268	228268	19.95	3.88
b) Individual									
i) Individual shareholder holding nominal share capital upto Rs.1Lakh	-	54800	54800	5.50	-	54800	54800	4.79	0.71
ii) Individual shareholder holding nominal share capital in excess of Rs.1Lakh									

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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	
c) Others (Trust)	-	54974	54974	5.52	-	54974	54974	4.80	0.72
Sub Total (B)(2)	-	338042	338042	33.96	-	338042	338042	29.54	4.42
Total Public shareholding (B) = (B)(1)+ (B) (2)	-	380255	380255	38.20	-	380255	380255	33.24	4.96
c. Share held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	995129	995129	100	-	1144129	1144129	100	NIL

(ii) Shareholding of Promoters

SI 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) Limited	567290	57.00	NIL	642290	56.14	NIL	0.86
2	The Hindustan Times Limited	47584	4.79	NIL	47854	4.16	NIL	NIL
3	Earthstone Holding (One) Private Limited	-	-	-	74000	6.46	NIL	6.46

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

S. No.	Name	Shareholding at the Beginning(01/04/2014)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative shareholding during the year (01.04.2014) to (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Earthstone Holding (Two) Limited	567290	57.00	12/08/2014	Increase	Allotment of Equity shares on conversion of warrants	642290	56.14
2	Earthstone Holding (One) Private Limited	NIL	NIL	12/08/2014	Increase	Allotment of Equity shares on conversion of warrants	74000	6.46

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

S. No.	Name	Shareholding at the beginning (01.04.2014)/ end of the year (31.03.2015)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative shareholding during the year (01.04.2014) to (31.03.2015)	
		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	8.84	-	-	-	88000	7.69
2	CALCUTTA MEDICAL INSTITUTE	49666	4.99	-	-	-	49666	4.34

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S. No.	Name	Shareholding at the beginning (01.04.2014)/ end of the year (31.03.2015)		Date	Increase/ Decrease in shareholding	Reasons	Cumulative shareholding during the year (01.04.2014) to (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3	SHEKHAVATI INVESTMENT & TRADERS LIMITED	46600	4.68	-	-	-	46600	4.07
4	LIFE INSURANCE CORPORATION OF INDIA	31830	3.19	-	-	-	31830	2.78
5	JAIPUR FINANCE & DAIRY PRODUCTS PRIVATE LIMITED	23332	2.34	-	-	-	23332	2.03
6	AMER INVESTMENTS (DELHI) LIMITED	21000	2.11	-	-	-	21000	1.83
7	CENTRAL INDIA INDUSTRIES LIMITED	18882	1.89	-	-	-	18882	1.65
8	INDUSTRY HOUSE LIMITED	10000	1.00	-	-	-	10000	0.87
9	NATIONAL INSURANCE Co. LIMITED	8500	0.85	-	-	-	8500	0.74
10	MRS. MEENAKSHI MOHTA & ANURAG MOHTA	6066	0.609	-	-	-	6066	0.53

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(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 2014-2015	Secured Loan Excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year 2014-2015 ● Addition ● Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year 2014-2015 i) Principal Amount ii) Interest due but not paid iii) interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED_____

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		28.24 Lacs (being 10% of the Net Profit of the Company for the financial year 2014-15)		

*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	31.07 Lacs (being 11% of the Net Profit of the Company for the financial year 2014-15)				

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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
1	Gross Salary	Mr. Vishal Jain (Chief Executive Officer)	Ms. Pratiksha Agrawal (Chief Financial Officer)
	(a) Salary as per Provisions contained section 17(1) of the Income Tax Act,1961	5.56	NIL
	(b) Value of Perquisites u/s 17(2) Income Tax Act,1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission <ul style="list-style-type: none"> • As % of Profit • Others, specify 	NIL	NIL
5	Others, Please Specify	NIL	NIL
	Total	5.56	NIL

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

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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)
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 & WEAVING MILLS LIMITED

Place: New Delhi
Date: 14th August, 2015

V.K Charoria
Director
DIN-00046895

Manju Gupta
Director
DIN- 00124974

“Annexure – B”

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, 2015.

Name of the Director and KMP	Remuneration	% increase in Remuneration in the F.Y. 2014-2015	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
Mr. V.K. Charoria	NIL	NIL	NIL	–
Mr. Tolaram Chachan	NIL	NIL	NIL	–
Mrs. Manju Gupta	NIL	NIL	NIL	–
Mr. Vishal Jain	5.56	–	N.A.	Profit before Tax increased by 4.88% and Profit After Tax decreased by 2.9%
Ms. Pratiksha Agrawal	NIL	NIL	N.A.	

*Mr. Vishal Jain was promoted as CEO and Ms. Pratiksha Agrawal was appointed as CFO with effect from March 31, 2015.

- The ratio of the remuneration of each director to the median remuneration of the employee of the Company is not applicable as none of the directors of the company are paid any remuneration.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company.
Total remuneration of Key Managerial Personnel increased by 15% as compared to Financial Year 2013-2014, whereas the Profit before Tax increased by 4.88% as compared to Financial Year 2013-2014, increase in remuneration of KMP considering the rate of inflation, performance of the Company and performance of KMP.
- There were 16 permanent employees on the rolls of the Company.
- Remuneration of other employees remains constant as there is no such increase in the Net Profit of the Company.
- There is neither any variations in the market capitalization of the Company nor any increase or decrease in the price earnings ration, as the price is not quoted in the prevailing market.
- Remuneration of each Key Managerial Personnel during the Financial year is given under (1) above and the performance of the Company during the said financial year is given under (6).
- The Remuneration paid is as per the Companies policy.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT MADE BY THE COMPANY:

Nature of Transaction (Whether Loan/ Guarantee or Investments)	Date of making loans, giving guarantee or making investments	Name and Address of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount (In Rs.)	Purpose of Loan/ Guarantee/ Investment
Investment in Equity	14th November, 2014	Cubical Financial Services Limited 456, Aggarwal Metro Heights, Netaji Subhash Place, Pitampura, Delhi-110034	21,49,982	For Investment
Investment in Preference	17th November, 2014	Paramand commercial Private Limited, Lower Ground Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi-110001	230,00,000	For Investment
Investment in Equity	12th March, 2015	Seamac Limited 9th Floor, A 901-905, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra-400069	478,734	For Investment

REMUNERATION COMMITTEE AND POLICY

1. Introduction

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspiration of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and Rules made thereunder and Listing agreement amended from time to time.

The policy shall act as a guideline for determining, inter-alia, qualification, positive attributes and independence of a Director, appointment and removal of the Directors, Key Managerial Personnel and matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

2. Terms of reference

The terms of reference of the Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive of the Director's & KMP. The recommendations of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, where necessary. The Company Secretary is the Secretary to the Committee.

3. Constitution

As at 31 March, 2015, the Remuneration Committee comprised of three (3) Directors, with Shri V.K Charoria and Shri Tolaram Chahchan are Independent Directors and Smt. Manju Gupta as an Additional director and Shri V.K Charoria as Chairman of the Remuneration Committee

During the year under review, 1 (one) meetings of the Remuneration Committee were held on 31st March, 2015.

The details of composition of the Remuneration Committee along with attendance of the Committee Members at the meetings held during the year under review, is as detailed herein:

Category	Number of Meetings	attended
Smt Manju Gupta	Additional Director	1
Shri Virendra Kumar Charoria	Non Executive - Independent Director	1
Shri Tolaram Chahchan	Non Executive - Independent Director	1

4. Remuneration payable to Executive Directors

The Company do not have any Executive Director on the Board.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

5. Remuneration payable to Non-Executive Directors

The Company is not paying any remuneration to its Non- Executive Directors.

6. Remuneration payable to Key Managerial Personnel(KMP's):-

Your Board had, approved the appointment of Ms. Partiksha Agrawal as Chief Financial Officer with effect from 31st March, 2015 and Mr. Vishal Jain appointed as Chief Executive Officer with effect from 31st March, 2015 of the Company.

The remuneration paid to **Key Managerial Personnel** is subject to the limits laid down under Sections 197 read with Schedule V of the Companies Act, 2013. Their remuneration is recommended by the Remuneration Committee based on factors such as the Company's performance of the **Key Managerial Personnel**.

7. The details of the remuneration paid to Key Managerial Personnel of the Company during the year ended 31 March, 2015 is as under:

[Amount In Lacs per annum]

Particulars	Chief Executive Officer	Chief Financial Officer
Salary & Allowances	5.56	NIL
Perquisites	NIL	NIL
Provident Fund Contribution	NIL	NIL
Total	5.56	NIL

Amendments to the Policy:

This policy is framed under the Companies Act, and rules made there under. The policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to the change in regulation or as may be felt appropriate by the committee. Any changes or modification on the policy as recommendation by the committee would be given for approval of the Board of Directors.

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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
9th 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, 2015 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.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

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, 2015 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;*
 - (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*;
- (vi) The Company has identified the following laws as specifically applicable to the Company:

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

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 the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (are not in force as on the date of this report).
- (ii) The Listing Agreements entered into by the Company with Delhi Stock Exchange and Calcutta Stock Exchange

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 is in process to enter into agreement with a depository for dematerialization of securities & appointment of Registrar & Transfer Agent and Company has not delivered share certificates on allotment of equity shares in accordance with provisions of the Companies Act.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 approved following:

1. Borrowing in excess of aggregate of paid-up share capital and free reserves in terms of Section 180 (1) (c) of the Companies Act, 2013
2. Allotment of equity shares on exercise of option by warrant holders.

Place : New Delhi
Date: August 14, 2015

Arun Kumar Soni
ACS No. 5441
CP No.: 1726

ANNEXURE – F to Board’s Report

Annual Report on Corporate Social Responsibility for financial year 2014-15

- (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, Shri Tolaram Chachan and Smt. Manju Gupta.

- (2) Average net profit of the company for last three financial years: Rs. (2185.35 Lacs)
- (3) Prescribed CSR Expenditure (two per cent. Of the amount as in item 2 above): NIL
- (4) Details of CSR spent during the financial year.
- (a) Total amount to be spent for the financial year;:- Nil
- (b) Amount unspent, if any;: Nil
- (c) Manner in which the amount spent during the financial year is detailed below

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

(Amount in Rs. Lacs)

S.No	Particulars	
(1)	CSR project or activity identified	Promoting primary education, vocational courses and basic healthcare for children and women in rural areas.
(2)	Sector in which the project is covered	Clause (i) & (ii) of Schedule VII Promoting healthcare; promoting education including special education and employment enhancing vocation skills, especially among women.
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Noida Uttar Pradesh
(4)	Amount outlay (budget project or programme wise)	14
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on project or programmes Overheads	1
(6)	Cumulative expenditure up to the reporting period	1
(7)	Amount Spent direct or through implementing agency.	Shine Foundation

(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
Chairperson of CSR Committee

Manju Gupta
Member of the CSR Committee

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED , which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended, and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- (b) In the case of the Statement of profit and loss, of the profit for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts 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, and the statement of Profit and Loss and the cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (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, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

For K.C Gupta & Associates
Chartered Accountants
FRN:021164N

C.A Kailash Gupta
(Partner)
Membership No: 083547

Place: New Delhi
Date: 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
2. The clause regarding physical verification of inventory is not applicable to the Company.
3. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence the questions of reporting whether reasonable steps for recovery of overdue for such loans are taken do not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and payment for expenses & for sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company do not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year but in the immediately preceding financial year, cash loss was Rs. 36.71 crores.
9. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. The Company has not granted loans and advances. Therefore, the provision of clause 3(x) of the order are not applicable to the company.
11. The Company has not raised any funds on term basis. Accordingly, the provision of this is not applicable.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For K.C Gupta & Associates
Chartered Accountants
FRN: 21164N

Place: New Delhi
Date: 30th May 2015

C.A Kailash Gupta
(Partner)
Membership No: 083547

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Lacs)

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	114.42	99.52
(b) Reserves and surplus	3	3,672.50	1,610.38
(c) Money Received against Convertible Warrants	4	—	642.00
		<u>3,786.92</u>	<u>2,351.90</u>
Non current liabilities			
Long Term Provision	5	<u>3.54</u>	<u>3.16</u>
Current liabilities			
(a) Other Current Liabilities	6	7.66	6.74
(b) Short Term Provision	7	9.27	2.22
		<u>16.93</u>	<u>8.96</u>
	TOTAL	<u>3,807.39</u>	<u>2,364.02</u>
ASSETS			
Non-current assets			
(a) Fixed assets- Tangible Assets	8	212.47	216.40
(b) Non-current investments	9	340.00	110.00
(c) Deferred tax assets (net)	10	2.81	2.38
(d) Long-term loans and advances	11	6.30	6.30
		<u>561.58</u>	<u>335.08</u>
Current assets			
(a) Current investments	12	4.71	76.33
(b) Trade receivables	13	21.00	21.75
(c) Cash and Bank Balances	14	3,216.33	1,916.63
(d) Short Term Loans and advances	15	3.75	14.21
(e) Other current assets	16	0.02	0.02
		<u>3,245.81</u>	<u>2,028.94</u>
	TOTAL	<u>3,807.39</u>	<u>2,364.02</u>

Notes on Financial Statement
As per our attached Report of even date

1 to 30

For and on behalf of Board of Directors

For K.C. Gupta & Associates
(Firm Registration No. 021164N)
Chartered Accountants

Virendra Kumar Charoria
(Director)
DIN 00046895

Manju Gupta
(Director)
DIN 00124974

Per Kailash Gupta
(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

Vishal Jain
(Chief Executive Officer)

Pratiksha Agrawal
(Chief Financial Officer)

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Lacs)

Particulars	Note No.	for the year 2014-15	for the year 2013-14
Income:			
Revenue from operations	17	195.55	351.33
Other income	18	125.03	1,951.53
Total Revenue		320.58	2,302.86
Expenses:			
Employee benefits expense		5.56	19.49
Provision for diminution written off		-	1,795.50
Rent Paid		1.43	126.43
Depreciation	8	3.93	3.21
Donation		14.00	-
Other expenses	19	13.03	88.77
Total expenses		37.95	2,033.40
Profit before Exceptional Items and Tax		282.63	269.46
Exceptional Items	20	-	(3,907.05)
Profit before Tax		282.63	(3,637.59)
Tax Expense:			
(1) Current tax	21	54.04	33.48
(2) Deferred tax		(0.43)	(0.07)
		53.61	33.41
Profit/(Loss) for the period		229.02	(3,671.00)
Earnings per equity share (in Rs.):			
(1) Basic		20.02	(368.88)
(2) Diluted		21.01	(411.07)

Notes on Financial Statement 1 to 30

As per our attached Report of even date For and on behalf of Board of Directors

For K.C. Gupta & Associates

Chartered Accountants
(Firm Registration No. 021164N)

Per Kailash Gupta

(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

Virendra Kumar Charoria
(Director)
DIN 00046895

Manju Gupta
(Director)
DIN 00124974

Vishal Jain
(Chief Executive Officer)

Pratiksha Agrawal
(Chief Financial Officer)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2015

(Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Exceptional Items and tax as per Statement of Profit and Loss	282.63	269.46
Adjustment for :		
Depreciation	3.93	3.21
Interest paid to Income Tax Department	1.60	1.70
Interest Income	(0.25)	(1.27)
Dividend Income	(0.15)	(16.80)
Profit on sale of Investment	(142.74)	(126.92)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	145.02	129.38
Adjustment for :		
Trade & other receivables	11.21	15.50
Trade & other payables	1.30	(4.22)
Cash Generated from Operations	157.53	140.66
Direct Taxes Paid (Net)	(48.58)	(20.07)
Net Cash from Operating Activities	108.95	120.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	0.25	1.27
Dividend Received	0.15	16.80
Profit on sale of Investment	142.74	126.92
Purchase of Investment	(256.29)	(3,775.07)
Sale of Investment	97.90	1,248.74
Net Cash provided by investing activities	(15.25)	(2,381.34)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Equity Shares Warrants	1,206.00	1,062.00
Net Cash flow financing activities	1,206.00	1,062.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,299.70	(1,198.75)
Cash and cash equivalents as at (Opening)	1,916.63	3,115.38
Cash and cash equivalents as at (Closing)	3,216.33	1,916.63

For K.C. Gupta & Associates

Chartered Accountants
(Firm Registration No. 021164N)

Per Kailash Gupta

(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)
DIN 00046895

Vishal Jain
(Chief Executive Officer)

Manju Gupta

(Director)
DIN 00124974

Pratiksha Agrawal
(Chief Financial Officer)

Notes on Financial Statements for the Year Ended 31st March 2015

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 Delhi Stock Exchange & 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 finance to parties and also earning commission income on trading in fiber.

2. 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 interest on borrowing for acquisition less accumulated depreciation.

(iv) Depreciation

Depreciation on all other 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 in Schedule II to the Companies Act, 2013.

(v) Inventories

Stocks of finished goods are valued at lower of cost or market rate.

(vi) 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.

Notes on Financial Statements for the Year Ended 31st March 2015

(a) **Dividend**

Dividend income is accounted on receipt basis when right to receipt is established.

(b) **Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest and related income on investment made in the units of fixed maturity plans of Mutual funds is recognized to the extent of reasonable certainty and on maturity.

(vii) **Investment**

Investments of Shares and Securities have been carried over in accordance with Accounting Standard "Accounting for Investments". Long Term 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 to be permanent in nature is provided for. Current Investments are stated at lower of cost or net realizable value.

(viii) **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.

(ix) **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.

(x) **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.

Notes on Financial Statements for the Year Ended 31st March 2015

(xi) 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.

(xii) 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, 2015

2 SHARE CAPITAL (Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
2.1 Authorised		
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
	200.00	200.00
2.2 Issued, Subscribed and Paid up		
11,44,180 (Previous Year 9,95,180) equity shares of Rs. 10 each fully paid	114.42	99.52

2.3 Reconciliation of number of shares

Particulars	March 31, 2015		March 31, 2014	
	No. of shares	Amount in Lacs	No. of shares	Amount in Lacs
Equity shares				
Opening Balance	9,95,180	99.52	8,92,180	89.22
Changes during the year	1,49,000	14.90	1,03,000	10.30
Closing Balance	11,44,180	114.42	9,95,180	99.52

2.4 Rights, Preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a per 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, 2015

2.5 Details of shreholders holding more than 5%

Name of the shareholders	March 31, 2015		March 31, 2014	
	No of shares	% holding of share capital	No of shares	% holding of share capital
Earthstone Holding (Two) Ltd.	642,090	56.12	567,090	56.98
Earthstone Holding (one) Private Ltd.	74,000	6.47	—	—
The Punjab Produce & Trading Co. Ltd.	88,000	7.69	88,000	8.84

3 RESERVES AND SURPLUS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
3.1 Capital Reserve		
As per last Balance Sheet	120.72	120.72
Add: Forfeiture of Application Money on Convertible Warrants Lapsed during the year	60.00	—
	180.72	120.72
3.2 Capital Reserve (Revaluation of Investments)		
As per last Balance Sheet	0.10	0.10
3.3 Capital Redemption Reserve		
As per last Balance Sheet	25.00	25.00
3.4 Statutory Reserves		
As per last Balance Sheet	1,138.00	1,138.00
Add: Transfer from statement of Profit & Loss	46.00	—
	1,184.00	1,138.00
(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)		
3.5 Share Premium Account		
As per Last Balance Sheet	2,332.40	1,106.70
Received during the year on 149000 equity shares (Previous year 103000 equity shares) @ Rs. 1190/- per share	1,773.10	1,225.70
	4,105.50	2,332.40
3.6 General Reserve		
As per last Balance Sheet	1,508.30	1,508.30

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	As at March 31, 2015	As at March 31, 2014
3.7 Statement of Profit & Loss		
As per last Balance Sheet	(3,514.14)	156.86
Profit/ (Loss) for the year	229.02	(3,671.00)
	(3,285.12)	(3,514.14)
Less:- Appropriations		
Transfer to Statutory Reserve	46.00	-
Surplus carried to Balance Sheet	(3,331.12)	(3,514.14)
Total	3,672.50	1,610.38
4 Money Received against Convertible Warrants		(Amount in lacs)
Particulars	As at March 31, 2015	As at March 31, 2014
<u>Opening Balance</u> on 154000 convertible Warrants of Rs. 1200 each, Rs. 300 paid per warrant and 15000 convertible warrants of Rs. 1200 each (Previous year 272000 convertible warrants of Rs. 1200 each, Rs. 300 paid per warrants)	642.00	816.00
<u>Received during the year</u> on 134000 convertible Warrants of Rs. 1200 each, Rs. 900 paid per warrant (Previous year on 118000 convertible warrants of Rs. 1200 each, Rs. 900 paid per warrants)	1,206.00	1,062.00
	1,848.00	1,878.00
<u>Forfeiture of Application Money</u> Application money on 20000 convertible warrants of Rs. 300 each lapsed and forfeited during the year	60.00	-
	1,788.00	1,878.00
<u>Less: Warrant Converted into equity shares</u> 149000 convertible warrants (Previous year 103000 convertible Warrants) @ Rs. 1200 each	1788.00	1,236.00
Total	-	642.00

Notes to Financial Statements for the year ended 31st March, 2015

5 LONG TERM PROVISIONS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provisions for employees benefits- Leave Encashment	3.54	3.16

6 OTHER CURRENT LIABILITIES (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Others payables (statutory dues etc)	7.66	6.74

7 SHORT TERM PROVISION (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision of Income Tax (Net)	9.27	2.22

Notes to Financial Statements for the year ended 31st March, 2015

8 Fixed Assets

(Amount in Lacs)

Description of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2014	As at 31.03.2015	As at 01.04.2014	Provided during the year	Upto 31.03.2015	As at 31.03.2015
Tangible Assets:						
Freehold Land (Conversion fees)	177.55	177.55	-	-	-	177.55
Building	47.20	47.20	22.75	0.72	23.47	24.45
Plant & Equipment	5.07	5.07	4.82	-	4.82	0.25
Vehicle	24.36	24.36	10.32	3.21	13.53	14.04
Office Equipment	2.24	2.24	2.13	-	2.13	0.11
Total	256.42	256.42	40.02	3.93	43.95	212.47
Previous year	288.20	256.42	52.09	3.21	(15.28)	216.40

Notes to Financial Statements for the year ended 31st March, 2015

9 NON CURRENT INVESTMENTS (Amount in Lacs)

Particulars	Face Value	No. of shares/ Units	As at March 31, 2015	No. of shares/ Units	As at March 31, 2014
QUOTED					
In fully paid up Equity Shares					
<u>In Others:-</u>					
Tungabhadra Industries Ltd. (amount written off in earlier year)	10	1082	-	1082	-
			<u>-</u>		<u>-</u>
UNQUOTED					
In fully paid up Equity Shares					
<u>In Subsidiaries Company:-</u>					
Birla Real Estate Ltd.	10	50000	5.00	50000	5.00
BCM Holding Ltd.	10	50000	5.00	50000	5.00
			<u>10.00</u>		<u>10.00</u>
<u>In Others:-</u>					
Hind Cycles Limited (amount written off during the earlier year)	100	440	-	440	-
Mckenzie's Limited (amount written off during the earlier year)	100	26	-	26	-
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	-
			<u>-</u>		<u>-</u>
In Fully paid up Preference Shares					
0.01% Non Cumulative Redeemable Preference Shares of Goldmerry Investment & Trading Co. Ltd.					
	100	100000	100.00	100000	100.00
9% Non Participating, Non Cumulative & Non convertible Redeemable Preference Shares of Pramanand Commercial Private Ltd.					
	100	230,000	230.00	-	-
Total Preference Shares			<u>330.00</u>		<u>100.00</u>
Total Non Current Investments			340.00		110.00
Aggregate value of quoted Non Current investment			-		-
Market value of quoted Non Current investments			-		-
Aggregate value of unquoted Non Current investment			340.00		110.00

Notes to Financial Statements for the year ended 31st March, 2015

10 DEFERRED TAX

Deferred Tax Assets (Net) of Rs. 0.43 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 2015 and 31st March, 2014 is as given below:

Particulars	(Amount in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<u>Deferred Tax Assets</u>		
(i) Provision for Interest	2.34	2.34
(ii) Provision for doubtful loans	<u>0.64</u>	<u>0.64</u>
	2.98	2.98
Difference between books & Tax depreciation	<u>(0.17)</u>	<u>(0.60)</u>
Deferred Tax Assets (Net)	<u>2.81</u>	<u>2.38</u>

11 LONG TERM LOANS AND ADVANCES

(Amount in Lacs)

Particulars	(Amount in Lacs)	
	As at March 31, 2015	As at March 31, 2014
(a) Unsecured Considered Good		
Security Deposits	6.30	6.30
(b) Unsecured Considered doubtful		
Other Loans and advances	9.64	9.64
Less: Provision for doubtful loans and advances	<u>(9.64)</u>	<u>(9.64)</u>
Total	<u>6.30</u>	<u>6.30</u>

Notes to Financial Statements for the year ended 31st March, 2015

12 CURRENT INVESTMENTS (Amount in Lacs)

Particulars	Face Value	No. of shares	As at March 31, 2015	No. of shares	As at March 31, 2014
QUOTED					
In fully paid up equity shares					
In Others					
Cubical Financial Services Ltd.	10		–	12,975	7.60
Vikas Globalone Ltd. (Received as Bonus at the ratio 2 : 3)	1	4,42,350	–	2,94,900	68.73
Seamec Ltd.	10	4,825	4.71	–	–
Total			4.71		76.33
Total Current Investments			4.71		76.33
Agreegate value of quoted Current investments			4.71		76.33
Market value of quoted Current investments			31.82		88.88

13 TRADE RECEIVABLES (Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Over six months	–	–
Others	21.00	21.75
Total	21.00	21.75

14 CASH AND BANK BALANCES (Amount in Lacs)

Particulars	Face Value	No. of Units	As at March 31, 2015	No. of Units	As at March 31, 2014
Balances with Bank:-					
(i) In Current Accounts			104.97		17.27
(ii) Other Bank Balances			2.87		2.94
			<u>107.84</u>		<u>20.21</u>
Cash in hand			0.05		0.03
Short Term Liquid Fund					
Birla Sunlife Cash Manager Fund-Instt Growth	100	–	–	29073.699	48.76
HDFC Liquid Fund- Growth (formerly known as Morgan Stanley Liquid Fund-Growth)	1000	7,057,645.72	1,827.91	119977.621	1,407.85
Reliance Liquid Fund-Treasury Plan- Growth	1000	32550.305	1,065.30	14912.276	439.78
Birla Sunlife Cash Manager Fund-Growth	100	67100.069	215.23	–	–
			<u>3,108.44</u>		<u>1,896.39</u>
Total			3,216.33		1,916.63

Notes to Financial Statements for the year ended 31st March, 2015

15 SHORT TERM LOANS AND ADVANCES (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Advance Paid to Subsidiary Companies	3.16	8.01
Others	0.59	6.20
Total	3.75	14.21

16 OTHER CURRENT ASSETS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Receivable	0.02	0.02
Total	0.02	0.02

17 REVENUE FROM OPERATION (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Dividend from Current Investments	0.15	16.80
Interest Income	0.25	1.27
Commission Income	44.01	56.34
Profit on Sale of Investments	142.74	126.92
Housekeeping Services Income	8.40	150.00
Total	195.55	351.33

18 OTHER INCOME (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Provision for dimution investment written back	-	1,795.50
Rent Received	125.03	156.03
Total	125.03	1,951.53

Notes to Financial Statements for the year ended 31st March, 2015

19 OTHER EXPENSES (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Housekeeping Services	–	24.00
Repair & Maintenance	–	37.02
Insurance	0.76	1.14
Rates & Taxes	0.30	0.38
Legal & Professional Charges	0.77	13.63
Auditor Remuneration:		
As Auditors	0.12	
For Tax Audit	0.04	
For Other Matters	0.32	0.60
Miscellaneous Expenses	10.72	12.00
Total	13.03	88.77

20 EXCEPTIONAL ITEMS (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Loss on Transfer of Shares	–	3,890.55
Loss on Transfer of Fixed Assets	–	16.50
Total	–	3,907.05

21 CURRENT TAX (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Current Tax for the year	58.00	52.00
Short/ (Excess) Provision of Income Tax relating to earlier year	(3.96)	(18.52)
Total	54.04	33.48

Notes on Financial Statements for the Year Ended 31st March 2015

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

Subsidiary Companies

BCM Holding Limited
Birla Real Estate Limited
Earthstone Investment & Finance Limited
HT Interactive Media Properties Limited
Go4i.com (Mauritius) Limited
Go4i.com (India)Private Limited

Fellow Subsidiaries

The Hindustan Times Limited
Earthstone Holding Overseas Private Limited
Paxton Trexim Private Limited

Key Management Personnel

Vishal Jain
(Chief Executive Officer)
Pratiksha Agrawal
(Chief Financial Officer)

B. Transaction during the year

-With Holding company-

Money Received against convertible Warrants

Earthstone Holding(Two) Limited
(formerly known as Earthstone Holding(Two) Private Limited)
for 60,000 warrants @ Rs. 900 per warrant (Previous
year 118000 warrants @ Rs.900/- per warrant)

2014-15

(Amount in Lacs)

2013-14

540.00

1062.00

Warrants Converted into Equity Shares

75000 Equity Shares (Previous year 1,03,000 Equity
Shares) issued to Earthstone Holding (Two) Limited
on conversion of 75000 convertible Warrants

900.00

1236.00

Notes on Financial Statements for the Year Ended 31st March 2015

	(Amount in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
- With Subsidiary companies -		
<u>Advance Given</u>		
BCM Holding Ltd.	–	0.73
Birla Real Estate Ltd.	–	18.92
<u>Advance Refund Received</u>		
Birla Real Estate Ltd.	–	19.24
<u>Rent Paid</u>		
Birla Real Estate Ltd.	–	125.00
<u>Payment for Housekeeping Services</u>		
Birla Real Estate Ltd.	–	24.00
<u>Giftng of Fixed Assets</u>		
Birla Real Estate Ltd.	–	16.50
 B. Transaction during the year		
	(Amount in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
<u>Advance Paid/ (Refund Received)</u>		
Earthstone Investment & Finance Ltd.	(4.87)	2.43
<u>Giftng of Investment</u>		
<u>Earthstone Investment & Finance Ltd.</u>		
– Equity Shares	–	56.33
– Preference Shares	–	94.50
– Tax Free Bonds	–	114.72
– Units of Mutual Funds	–	3625.00
	<hr/>	<hr/>
	–	3890.55
 – With Fellow Subsidiary companies -		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	N.A.	100.00
<u>Rent Paid</u>		
The Hindustan Times Ltd.	1.31	1.31
<u>Dividend Received</u>		
The Hindustan Times Ltd.	–	5.33
<u>Rent Received</u>		
The Hindustan Times Ltd.	–	156.00
Goldmerry Investment & Trading Company Ltd.	N.A.	0.03

Notes on Financial Statements for the Year Ended 31st March 2015

	(Amount in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
<u>Receipt of Housekeeping Services Charges</u>		
The Hindustan Times Ltd.	6.00	167.64
<u>Reimbursement of Repair & maintenance Charges</u>		
The Hindustan Times Ltd.	–	26.66
– With Key Management Personnel		
<u>Remuneration paid to key managerial personnel</u>		
– Vishal Jain	5.56	N.A.
C. Balance outstanding at the end of the year		
	(Amount in Lacs)	
	<u>2014-15</u>	<u>2013-14</u>
– With Subsidiary Company:-		
<u>Investment in Equity Shares</u>		
BCM Holding Ltd.	5.00	5.00
Birla Real Estate Ltd.	5.00	5.00
<u>Advance paid</u>		
BCM Holding Ltd.	3.16	3.16
Earthstone Investment and Finance Ltd.	–	4.87
– With Fellow Subsidiaries companies -		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	N.A.	100.00

23. Segment Reporting

Business Segment: Based on the activities and contribution towards the revenue of the Company, the Company has classified its operations into three business segments namely Investments, Operations 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.

Operations: Commission income on Trading in fibre is operational activity of the Company and contributes a significant portion towards its revenue.

Notes on Financial Statements for the Year Ended 31st March 2015

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS	2014-15	(Rs. In Lacs) 2013-14
1. Segment Revenue (Net Sale/ Income From)		
a) Segment - Investment and Financing	144	145
b) Segment - Operations	44	206
c) Segment - Others	133	1,951
Total	321	2,302
2. Segment Result		
a) Segment - Investment and Financing	125	129
b) Segment - Operations	44	182
c) Segment - Others	128	(27)
Total	297	284
Less: Other Un-allocable expenditure net off Un-allocable income	14	3,922
Total Profit Before Tax	283	(3,638)
3. Capital Employed (Segment Assets-Segment Liabilities)		
a) Segment - Investment and Financing	345	186
b) Segment - Operations	21	22
c) Segment - Others	201	202
Total	567	410
Add: Un-allocable Capital employed	3,220	1,942
Total	3,787	2,352

24. Donation

Donation of Rs. 14 lacs contributed for carrying out CSR activities during the year.

25. During the Previous Year the Company issued 1,69,000 Convertible warrants at the price of Rs. 1200 each. Each warrant of Rs. 10 each convertible into one equity Shares of Rs. 10 each at the option of Warrant Holder with in 18 month from the date of allotment. Warrant Holders paid 25% (i.e. Rs. 300) on allotment of Warrant & 75% (i.e. Rs. 900) was payable at the time of exercise of warrant. During the year 1,49,000 warrants (Previous year 1,03,000 warrants) have been converted into equity shares of Rs. 1200 each including premium of Rs. 1190 per share. Balance 20,000 warrants @ Rs. 300 per warrant have been lapsed and money received on allotment forfeited during the year.

Notes on Financial Statements for the Year Ended 31st March 2015

26. Earning Per Share

	Year ended 31st March, 2015	Year ended 31st March, 2014
A Profit/(Loss) after tax as per the Profit and Loss Account (in Lacs.)	229.02	(3671.00)
B Weighted average number of equity shares of Rs.10 each outstanding during the year	10,89,887	8,93,027
C Earning per share (in Rs.) -		
Basic	20.02	(368.88)
Diluted	21.01	(411.07)

27. 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".

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

29. Previous year figures have been re-grouped/re-arranged where ever found necessary.

As per our Report of even date

For and on behalf of Board of Directors

For K.C. Gupta & Associates

Chartered Accountants
(Firm Registration No. 021164N)

Per Kailash Gupta

(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

Virendra Kumar Charoria

(Director)
DIN 00046895

Manju Gupta

(Director)
DIN 00124974

Vishal Jain

(Chief Executive Officer)

Pratiksha Agrawal

(Chief Financial Officer)

The Birla Cotton Spinning & Weaving Mills Ltd.

30. 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)

(Rs. in Lacs)

<i>Liabilities side:</i>	Particulars	Amount Out-standing	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
(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
Assets side :		Amount outstanding	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:			
(a) Secured		NIL	
(b) Unsecured		NIL	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			
(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	

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

(4) Break-up of Investments :

Current Investments :

1. Quoted :	
(i) Shares : (a) Equity	4.71
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil

Long Term Investments :

1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	10.00
(b) Preference	330.00
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties	NIL	NIL	NIL
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the Same Group	NIL	NIL	NIL
(c) Other related Parties	NIL	NIL	NIL
2. Other than Related Parties	NIL	NIL	NIL
Total	NIL	NIL	NIL

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

**(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)
1. Related Parties		
(a) Subsidiaries	228.37	10.00
(b) Companies in the same Group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	361.82	334.71
Total	<u>590.19</u>	<u>344.71</u>

(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.C. Gupta & Associates
Chartered Accountants
(Firm Registration No. 021164N)
Per Kailash Gupta
(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

For and on behalf of Board of Directors
Virendra Kumar Charoria
(Director)
DIN 00046895

Manju Gupta
(Director)
DIN 00124974

Vishal Jain
(Chief Executive Officer)

Pratiksha Agrawal
(Chief Financial Officer)

INDEPENDENT AUDITOR'S REPORT

To the Members of

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED (herein after referred to as "the holding company"), its subsidiaries (the holding company and its subsidiaries together referred to as the group"), comprising the consolidated Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit & Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the

auditor's judgement including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Holding Company, its subsidiaries as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matter

6. The accompanying consolidated financial statements include total assets of Rs. 7,523.74 lacs as at March 31, 2015, and total revenues and net cash inflows of Rs.1,046.35 lacs and Rs. 1,125.65 lacs respectively for the year on that date, in respect of certain subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.
7. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company, its subsidiaries incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

9. As required by section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the Other Matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the group.
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

For K.C Gupta & Associates

Chartered Accountants

Firm Registration Number: 021164N

C.A Kailash Gupta

Partner

Membership Number: 083547

Place: New Delhi

Date: May 30, 2015

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Referred to in Paragraph 8 of the Independent Auditors' Report of even date to the members of The Birla Cotton Spinning & Weaving Mills Limited on the Consolidated Financial Statements for the the year ended March 31, 2015

Re: The Group, comprising The Birla Cotton Spinning & Weaving Mills Limited (the Holding Company), its subsidiaries and to whom the provisions of the order apply (hereinafter referred to as "the Covered Entities" in this report)

- (i) (a) The Holding Company and the covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In case of certain covered entities of the group there are no fixed assets during the year and accordingly provisions of clause 3(i) are not applicable to those companies.
- (b) All fixed assets have been physically verified by the management of the Holding Company and the covered Entities of the Group. In case of certain covered entities of the group, wherein physical verification is not performed during the current year but there is a regular program of verification which, in our opinion and as reported by the other auditors who audited the financial statements of those covered entities, is reasonable having regard to the size of such covered entities of the Group and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Holding Company and the covered entities of the Group have no inventories, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and covered entities of the Group.
- (iii) (a) In respect of loans granted by the Holding Company and the covered entities to two parties covered in the register maintained under section 189 of the Companies Act, 2013 repayment of the principal amount is as stipulated and payment of interest has been regular.
- (b) There is no overdue amount of loans granted by the Holding Company and the covered entities to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanation given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, there is an adequate internal control system commensurate with the size of holding company and the entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the businesses of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of certain covered entities of the Group no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and the covered entities of the Group of the company in respect of these areas.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

- (v) The Holding Company and the covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of certain covered entities of the Group the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Holding Company and the covered entities of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities by the Holding Company and the covered entities.
- (b) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, there are no dues of sales-tax, wealth-tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the investor education and protection fund by the holding company and other covered entities, in accordance with the relevant provisions the companies Act, 1956 (I of 1956) and rules made there under.
- (viii) The Holding Company and the certain covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year. In case of certain covered entities of the Group the accumulated losses at the end of the financial year are more than fifty percent of its net worth and they have incurred cash Losses in the current and immediately preceding financial year. Also in case of certain covered entities of the group, the clause is not applicable as they have been registered for a period of less than five years.
- (ix) Based on our audit procedures and as per the information and explanation given by the management and as reported by the other auditor who audited the financial statements of the certain covered entities, of the Group, do not have borrowings from any financial institution or bank nor have issued any debentures as at the balance sheet date, the provision of clause 3(ix) of the order are not applicable to the Group.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

- (x) According to the information and explanations given to us, the Holding Company and the covered entities of the Group have not granted loans and advances. Therefore, the provision of clause 3(x) of the order are not applicable.
- (xi) Based on the information and explanation given to us by the management and the report other auditors who audited the financial statements of certain covered entities of the Group, they have not raised any funds on terms basis. Accordingly the provisions is not applicable.
- (xii) Bases upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanation given by the management and reports of the other auditors who audited the financial statements of other covered entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the covered entities of the Group have been noticed or reported during the year.

For K.C Gupta & Associates

Chartered Accountants

Firm Registration Number: 021164N

C.A Kailash Gupta

Partner

Membership Number: 083547

Place: New Delhi

Date: May 30, 2015

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Consolidated Balance Sheet as at 31st March, 2015

(Amount in Lacs)

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	114.42	99.52
(b) Reserves and surplus	3	10,571.92	7,497.91
(c) Money Received against Convertible Warrants	4	—	642.00
		<u>10,686.34</u>	<u>8,239.43</u>
Non current liabilities			
(a) Long Term Borrowings	5	118.46	—
(b) Other Non Current Liabilities	6	1.31	—
(c) Long Term Provision	7	5.23	3.25
		<u>125.00</u>	<u>3.25</u>
Current liabilities			
(a) Short Term Borrowings	8	6.73	—
(b) Other Current Liabilities	9	12.29	8.08
(c) Short Term Provision	10	16.28	10.31
		<u>35.30</u>	<u>18.39</u>
TOTAL		<u>10,846.64</u>	<u>8,261.07</u>
II. ASSETS			
Non-current assets			
(a) Fixed assets- Tangible Assets	11	228.46	232.65
(b) Non-current investments	12	4,775.13	5,777.80
(c) Deferred tax assets (net)	13	2.81	2.38
(d) Long-term loans and advances	14	6.30	6.30
		<u>5,012.70</u>	<u>6,019.13</u>
Current assets			
(a) Current investments	15	1,353.49	200.11
(b) Trade receivables	16	21.00	21.75
(c) Cash and Bank Balances	17	4,448.74	2,012.08
(d) Short Term Loans and advances	18	9.14	7.98
(e) Other current assets	19	1.57	0.02
		<u>5,833.94</u>	<u>2,241.94</u>
TOTAL		<u>10,846.64</u>	<u>8,261.07</u>

Notes on Financial Statement
As per our attached Report of even date

1 to 33

For K.C. Gupta & Associates
(Firm Registration No. 021164N)
Chartered Accountants
Per Kailash Gupta
(Prop.)

Membership No.-83547
New Delhi
30th May, 2015

For and on behalf of Board of Directors
Virendra Kumar Charoria
(Director)
DIN 00046895

Vishal Jain
(Chief Executive Officer)

Manju Gupta
(Director)
DIN 00124974

Pratiksha Agrawal
(Chief Financial Officer)

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2015

(Amount in Lacs)

Particulars	Note No.	for the year 2014-15	for the year 2013-14
Revenue from operations	20	1,116.33	530.83
Other income	21	250.60	1,951.53
Total Revenue		1,366.93	2,482.36
Expenses:			
Employee benefits expense		26.38	23.68
Provision for diminution written off		–	1,795.50
Rent Paid		1.43	1.43
Depreciation	11	4.19	3.46
Donation		20.75	–
Other expenses	22	18.03	77.26
Total expenses		70.78	1,901.33
Profit before tax		1,296.15	581.03
Tax Expense:			
(1) Current tax	23	86.81	71.38
(2) Deferred tax	13	(0.43)	(0.07)
		<u>86.38</u>	<u>71.31</u>
Profit for the period		1,209.77	509.72
Earnings per equity share (in Rs.):			
(1) Basic		105.73	51.22
(2) Diluted		111.00	57.07

Notes on Financial Statement

1 to 33

As per our attached Report of even date

For K.C. Gupta & Associates

(Firm Registration No. 021164N)

Chartered Accountants

Per Kailash Gupta

(Prop.)

Membership No.-83547

New Delhi

30th May, 2015

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)

DIN 00046895

Manju Gupta

(Director)

DIN 00124974

Vishal Jain

(Chief Executive Officer)

Pratiksha Agrawal

(Chief Financial Officer)

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Consolidated Cash Flow Statement for the Year Ended 31st March' 2015

(Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Statement of Profit and Loss	1,296.15	581.03
Adjustment for :		
Depreciation	4.19	3.46
Interest paid to Income Tax Department	1.60	1.70
Preliminary Expenses written off during the year	-	4.31
Interest Income	(9.57)	(9.53)
Dividend Income	(860.50)	(184.10)
Profit on sale of Investment	(166.52)	(130.86)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	265.35	266.01
Adjustment for :		
Trade & other receivables	6.26	16.55
Trade & other payables	(3.44)	(3.16)
Cash Generated from Operations	268.17	279.40
Direct Taxes Paid (Net)	(81.15)	(49.88)
Net Cash from Operating Activities	187.02	229.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	9.57	9.53
Dividend Received	860.50	184.10
Profit on sale of Investment	166.52	130.86
Purchase of Investment	(706.79)	(3,977.81)
Sale of Investment	702.53	1,248.74
Net Cash provided by investing activities	1,032.33	(2,404.58)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Equity Shares Warrants	1,206.00	1,062.00
Net Cash provided by financing activities	1,206.00	1,062.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,425.35	(1,113.06)
Cash and cash equivalents as at (Opening)	2,012.08	3,125.14
Add: Cash for the subsidiaries acquired during the year	11.31	-
	2023.39	3125.14
Cash and cash equivalents as at (Closing)	4,448.74	2,012.08

For K.C. Gupta & Associates

(Firm Registration No. 021164N)

Chartered Accountants

Per Kailash Gupta

(Prop.)

Membership No.-83547

New Delhi

30th May, 2015

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)

DIN 00046895

Manju Gupta

(Director)

DIN 00124974

Vishal Jain

(Chief Executive Officer)

Pratiksha Agrawal

(Chief Financial Officer)

Notes to the consolidated on Financial Statements for the Year Ended 31st March 2015

1. Nature of Operations

The Birla Cotton Spinning & Weaving Mills Group comprises of The Birla Cotton Spinning & Weaving Mills Limited and its subsidiaries (hereinafter referred to the Group).

The Group is engaged in the business of investment in Securities and finance to parties, Real Estate and also earning commission income on trading in fiber.

2. Basis of preparation

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group 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 Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries have been accounted for in accordance with Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27. The Consolidated Financial Statements have been prepared on the following basis;

- (i) Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered if any.
- (ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the rate prevailing at the end of the year. All assets and liabilities are converted at rates prevailing at the end of the year.
- (iii) The difference of the cost to the Company of its investment in subsidiaries over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (iv) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- (v) Investment in entities in which the Group has significant influence but not the controlling interest, are reported according to the equity method i.e. the investment is initially recorded in at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associates. The consolidated statement of profit and loss includes the Company's share of the result of the operations of the associate.

Notes to the consolidated on Financial Statements for the Year Ended 31st March 2015

- (vi) As far as possible, the CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (vii) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of profit & loss as the profit or loss on disposal of investment in subsidiary.

2.1 Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(b) Fixed Assets

Fixed Assets are stated at Cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(c) 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 amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets 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. After impairment, depreciation is provided on the revised carrying amount of asset over its remaining useful life.

(d) Depreciation

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

(e) Investments

Investments of Shares and Securities have been carried over in accordance with Accounting Standard "Accounting for Investments". Dividends are accounted for on receipt basis. Long Term Investments are stated at cost. Decline in the market value of any quoted investments if considered to be permanent in nature is provided for. Current Investments are stated at lower of cost or net realizable value.

Notes to the consolidated on Financial Statements for the Year Ended 31st March 2015

(f) Inventories

Stocks of finished goods are valued at lower of cost or market rate.

(g) 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.

Dividend

Revenue is recognized when the shareholder's right to receive payment is established by the balance sheet date.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest and related income on investment made in the units of fixed maturity plans of mutual funds is recognized to the extent of reasonable certainty and on maturity.

Rent and Service charges from properties

Revenue is recognized based upon the terms of contract with the tenants for the period the property has been let out.

(h) 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.

(i) 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

(j) Income Tax

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to the consolidated on Financial Statements for the Year Ended 31st March 2015

reasonable certainty that there will be sufficient future taxable income available to realize such assets.

(k) 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.

2.2. The Subsidiary Companies which are included in the consolidation and the Parent Company holding therein are as under:

Name of Subsidiary Companies	Country of Incorporation	Percentage of Ownership as at March 31, 2015
BCM Holding Limited	India	100.00
Birla Real Estate Limited	India	100.00
Earthstone Investment & Finance Limited (Refer Note a below)	India	100.00
HT Interactive Media Properties Limited (Refer Note b below)	India	100.00
Go4i.com (Mauritius) Limited (Refer Note c below)	Mauritius	100.00
Go4i.com (India) Private Limited (Refer Note d below)	India	100.00

Footnotes:

- a) The Company is subsidiary of The Birla Cotton Spinning & Weaving Mills Ltd. through its wholly owned subsidiary BCM Holdings Limited
- b) The Company is subsidiary of BCM Holding Ltd. through its wholly owned subsidiary Earthstone Investment & Finance Limited
- c) The Company is subsidiary of Earthstone Investment & Finance Limited through its wholly owned subsidiary HT Interactive Media Properties Limited.
- d) The Company is subsidiary of HT Interactive Media Properties Limited through its wholly owned subsidiary Go4(Mauritius) Limited.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

2 SHARE CAPITAL

(Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
2.1 Authorised		
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>
2.2 Issued, Subscribed and Paid up		
11,44,180 (Previous Year 9,95,180) equity shares of Rs. 10 each fully paid	114.42	99.52

2.3 Reconciliation of number of shares

Particulars	March 31, 2015		March 31, 2014	
	No. of shares	Amount in Lacs	No. of shares	Amount in Lacs
Equity shares				
Opening Balance	9,95,180	99.52	8,92,180	89.22
Changes during the year	1,49,000	14.90	1,03,000	10.30
Closing Balance	<u>11,44,180</u>	<u>114.42</u>	<u>9,95,180</u>	<u>99.52</u>

2.4 Rights, Preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a per 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.

2.5 Details of shareholders holding more than 5%

Name of the shareholders	March 31, 2015		March 31, 2014	
	No of shares	% holding of share capital	No of shares	% holding of share capital
Earthstone Holding (Two) Ltd.	6,42,090	56.12	5,67,090	56.98
Earthstone Holding (one) Private Ltd.	74,000	6.47	-	-
The Punjab Produce & Trading Co. Ltd.	88,000	7.69	88,000	8.84

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

3 RESERVES AND SURPLUS

(Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
3.1 Capital Reserve		
As per last Balance Sheet	120.72	120.72
Add: forfeiture of application money on convertible warrants lapsed during the year	60.00	–
Add: Capital Reserve for the subsidiaries acquired during the year	7.94	–
Add: Capital Reserve on consolidation	23.90	–
	<u>212.56</u>	<u>120.72</u>
3.2 Capital Reserve (Revaluation of Investments)		
As per last Balance Sheet	<u>0.10</u>	<u>0.10</u>
3.3 Capital Redemption Reserve		
As per last Balance Sheet	<u>25.00</u>	<u>25.00</u>
3.4 Statutory Reserves		
As per last Balance Sheet	1,138.00	1,138.00
Add: Transfer from statement of Profit & Loss	46.00	–
	<u>1,184.00</u>	<u>1,138.00</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		
3.5 Share Premium Account		
As per Last Balance Sheet	2,332.40	1,106.70
Received during the year on 149000 equity shares (Previous year 103000 equity shares) @ Rs. 1190 per share	1,773.10	1,225.70
	<u>4,105.50</u>	<u>2,332.40</u>
3.6 General Reserve		
As per last Balance Sheet	<u>1,508.30</u>	<u>1,508.30</u>
3.7 Statement of Profit & Loss		
As per last Balance Sheet	2,373.39	1,863.67
Less: Loss for the subsidiaries acquired during they year	(0.70)	–
	<u>2,372.69</u>	<u>1,863.67</u>
Profit for the year	1,209.77	509.72
	<u>3,582.46</u>	<u>2,373.39</u>
Less:- Appropriations		
Transfer to Statutory Reserve	46.00	–
Surplus carried to Balance Sheet	<u>3,536.46</u>	<u>2,373.39</u>
Total	10,571.92	7,497.91

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

4 Money Received against Convertible Warrants (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Opening Balance</u> on 154000 convertible Warrants of Rs. 1200 each, Rs. 300 paid per warrant and 15000 convertible warrants of Rs. 1200 each (Previous year 272000 convertible warrants of Rs. 1200 each, Rs. 300 paid per warrants)	642.00	816.00
<u>Received during the year</u> on 134000 convertible Warrants of Rs. 1200 each, Rs. 900 paid per warrant (Previous year on 118000 convertible warrants of Rs. 1200 each, Rs. 900 per warrants)	1,206.00 <u>1,848.00</u>	1,062.00 <u>1,878.00</u>
<u>Forfeiture of Application Money</u> Application money on 20000 convertible warrants of Rs. 300 each lapsed and forfeited during the year	60.00 <u>1,788.00</u>	— <u>1,878.00</u>
<u>Less: Warrant Converted into equity shares</u> 149000 convertible warrants (Previous year 103000 convertible Warrants) @ Rs. 1200 each	1788.00 <u>—</u>	1,236.00 <u>642.00</u>
Total	—	642.00

5 LONG TERM BORROWINGS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Loan for subsidiary acquired during the year	118.46 <u>—</u>	<u>—</u>

6 OTHER NON CURRENT LIABILITIES (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Others payables	1.31 <u>—</u>	<u>—</u>

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

7 LONG TERM PROVISIONS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provisions for employees benefits-Leave Encashment	<u>5.23</u>	<u>3.25</u>

8 SHORT TERM BORROWINGS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Loan for subsidiary acquired during the year	<u>6.73</u>	<u>—</u>

9 OTHER CURRENT LIABILITIES (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Others payables (statutory dues etc)	<u>12.29</u>	<u>8.08</u>

10 SHORT TERM PROVISION (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision of Income Tax (Net)	<u>16.28</u>	<u>10.31</u>

Notes to Consolidated financial Statements for the year ended 31st March, 2015

11 Fixed Assets

(Amount in Lacs)

Description of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2014	Deductions/ Adjustments during the year	As at 01.04.2014	Provided during the year	As at 31.03.2015	As at 31.03.2014
Tangible Assets:						
Freehold Land						
(Conversion fees)	177.55	-	-	-	177.55	177.55
Building	75.73	-	35.29	0.98	39.46	40.44
Plant & Equipment	8.32	-	7.81	0.01	0.50	0.51
Vehicle	24.36	-	10.32	3.20	10.84	14.04
Office Equipment	2.24	-	2.13	-	0.11	0.11
	288.20	-	55.55	4.19	228.46	232.65
Previous year	288.20	-	52.09	3.46	232.65	

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

12 NON CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	Face Value	No. of shares/ Units	As at March 31, 2015	No. of shares/ Units	As at March 31, 2014
QUOTED					
In fully paid up Equity Shares					
In Others					
Tungabhadra Industries Ltd. (amount written off in earlier year)	10	1,082	–	1082	–
Texmaco Infrastructure & Holdings Ltd.	1	10,070	1.43	10070	1.43
Chambal Fertilisers & Chemicals Limited	10	8,424,515	1,528.68	8424515	1,528.68
Duke Commerce Limited	10	392,200	39.22	392200	39.22
Texmaco Rail & Engineering Ltd.	1	10,070	2.02	10070	2.02
HT Media Ltd.		22,600	27.44	–	–
			<u>1,598.79</u>		<u>1,571.35</u>
In Tax Free Bonds					
Secured, Tax Free, Non-convertible, Non-cumulative Redeemable 8.10% Housing and Urban Development Corpn Ltd., 2022 Tax Free Series B (Option 1) Bonds	1000	9,000	90.00	9000	90.00
Secured, Tax Free, Non-convertible, Redeemable 8.20% National highways Authority of India, 2022 Tax Free Tranche 1 (Series 1(1)) Bonds	1000	2,472	24.72	2472	24.72
			<u>114.72</u>		<u>114.72</u>
In Units of Mutual Fund					
HDFC FMP 384D March 2014(1) Series 29-Growth	10	1,000,000	100.00	1000000	100.00
Axis Mutual Fund FTP SR 59- 391 D-Regular Growth	10	–	–	4000000	400.00
Birla Sunlife Mutual Fund Fixed Term Plan Series FE Growth	10	–	–	1000000	100.00
Birla Sunlife Mutual Fund FTP SR KO (399D) Regular Growth	10	6,000,000	600.00	6000000	600.00
Birla Sunlife Mutual Fund FTP SR KP (405D) Regular Growth	10	3,000,000	300.00	3000000	300.00
Birla Sunlife Mutual Fund FTP SR KT (380D) Regular Growth	10	1,000,000	100.00	1000000	100.00
Birla Sunlife Mutual Fund FTP SR KH (406D) Regular Growth	10	1,000,000	100.00	1000000	100.00
HDFC Mutual Fund FMP 400D Mar 2014(1) Sr 29 Regular Growth	10	6,000,000	600.00	6000000	600.00

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

(Amount in Lacs)

Particulars	Face Value	No. of shares/ Units	As at March 31, 2015	No. of shares/ Units	As at March 31, 2014
ICICI Prudential Mutual Fund FMP SR 63-3 Year PL K	10	-	-	1250000	125.00
IDBI Mutual Fund FMP SR IV 542D (Feb 2014) F Reg Growth	10	-	-	3000000	300.00
LIC Nomura Mutual Fund FMP Series 78 Regular Plan Growth	10	-	-	4000000	400.00
Reliance Mutual Fund Fixed Horizon FD XXV SR 30 Growth	10	4,000,000	400.00	4000000	400.00
Religare Invesco Mutual Fund FMP SR 23 A Regular Growth	10	2,000,000	200.00	2000000	200.00
LIC Nomura Mutual Fund FMP Series 82 Regular Plan Growth	10	1,000,000	100.00	-	-
			<u>2,500.00</u>		<u>3,725.00</u>
UNQUOTED					
In fully paid up Equity Shares					
In Others					
Hind Cycles Limited	100	440	-	440	-
(amount written off during the earlier year)		-	-		
Mckenzie's Limited	100	26	-	26	-
(amount written off during the earlier year)		-	-		
Akhil Bharat Printers Limited	100	200	-	200	-
(In Liquidation, amount written off in earlier year)		-	-		
Eastern Economist Limited	100	372	0.37	372	0.37
The Hindustan Times Limited	10	532,800	114.59	532800	114.59
Paxton Estate Management Services Limited	10	9,000	0.91	10000	1.01
Goldmerry Investment & Trading Co.Limited	10	84,000	8.43	114000	11.44
Pramanand Commercial Pvt. Ltd.	10	58,50	0.60	48750	0.60
(9750 Equity Shares received as Bonus shares during the previous year)		-	-		
Mehul Finvest Pvt. Limited	10	250,000	21.37	250000	21.37
VPC Financial Services Pvt. Limited	10	252,700	20.28	252700	20.28
Jubilant E & P Ventures Private Ltd.	10	-	-	100000	1.01
Daily Marketing & Services Private Ltd.	100	507	0.51	-	-
			<u>167.06</u>		<u>170.67</u>

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

(Amount in Lacs)

Particulars	Face Value	No. of shares/ Units	As at March 31, 2015	No. of shares/ Units	As at March 31, 2014
In Fully paid up Preference Shares					
<u>In Others</u>					
Non-Convertible reedeemable Preference Shares of Earthstone Holding (Two) Ltd.	10	258,000	64.56	258000	64.56
0.01% Non Cumulative Redeemable Preference Shares of Goldmerry Investment & Trading Co. Ltd.	100	100,000	100.00	100000	100.00
9% Non Participating, Non Cumulative & Non convertible Redeemable Preference Shares of Pramanand Commercial Private Ltd.	100	230,000	230.00	–	–
14% cumulative non-convertibe preference shares of Jubilant Enpro Private Ltd.	10	–	–	6000000	31.50
Total Preference Shares			<u>394.56</u>		<u>196.06</u>
Total Non Current Investments			4,775.13		5,777.80
Aggregate value of quoted Non Current investment			4,213.51		5,411.07
Market value of quoted Non Current investments			8,637.57		7,187.99
Aggregate value of unquoted Non Current investment			561.62		366.73

13 DEFERRED TAX

Deferred Tax Assets (Net) of Rs. 0.43 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 2015 and 31st March, 2014 is as given below:

(Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Deferrred Tax Assets</u>		
(i) Provision for Interest	2.34	2.34
(ii) Provision for doubtful loans	0.64	0.64
	<u>2.98</u>	<u>2.98</u>
Difference between books & Tax depreciation	<u>(0.17)</u>	<u>(0.60)</u>
Deferred Tax Assets (Net)	2.81	2.38

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

14 LONG TERM LOANS AND ADVANCES (Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Unsecured Considered Good		
Security Deposits	6.30	6.30
(b) Unsecured Considered doubtful		
Other Loans and advances	9.64	9.64
Less: Provision for doubtful loans and advances	(9.64)	(9.64)
	6.30	6.30

15 CURRENT INVESTMENTS (Amount in Lacs)

Particulars	Face Value	No. of shares	As at March 31, 2015	No. of shares	As at March 31, 2014
QUOTED					
In fully paid up equity shares					
<u>In others</u>					
The Federal Bank Ltd.	2	88,500	23.78	88,500	23.78
Cubical Financial Services Ltd.	10	-	-	12,975	7.60
Vikas Globalone Ltd. (Received as Bonus at the ration 2 : 3)	1	442,350	-	294,900	68.73
Seamec Ltd.	10	4,825	4.71	-	-
			28.49		100.11
In Units of Mutual Funds					
Axis Mutual Fund FTP SR 59- 391 D- Regular Growth	10	4,000,000	400.00	-	-
LIC Nomura Mutual Fund FMP Series 78 Regular Plan Growth	10	4,000,000	400.00	-	-
Birla Sunlife Mutual Fund Fixed Term Plan Series FE Growth	10	1,000,000	100.00	-	-
ICICI Prudential Mutual Fund FMP SR 63-3 Year PL K	10	1,250,000	125.00	-	-
IDBI Mutual Fund FMP SR IV 542D (Feb 2014) F Reg Growth	10	3,000,000	300.00	-	-
HDFC Mutual Fund FMP 24M Apr 2012 (1) SR XX Growth	10	-	-	1000000	100
Total			1,325.00		100.00
TOTAL CURRENT INVESTMENTS			1,353.49		200.11
Agreegate value of quoted Current investment			1,353.49		200.11
Market value of quoted Current investments			1,644.29		292.64

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

16 TRADE RECEIVABLES (Amount in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Over six months	–	–
Others	21.00	21.75
Total	21.00	21.75

17 CASH AND BANK BALANCES (Amount in Lacs)

Particulars	Face Value	No. of Units	As at March 31, 2015	No. of Units	As at March 31, 2014
Balances with Bank:-					
(i) In Current Accounts			121.83		38.72
(ii) Other Bank Balances			2.87		2.94
			<u>124.70</u>		<u>41.66</u>
Cash in hand			0.13		0.09
Short Term Liquid Fund					
Birla Sunlife Cash Manager Fund- Instt Growth	100	–	–	29073.699	48.76
HDFC Liquid Fund- Growth (formerly known as					
Morgan Stanley Liquid Fund- Growth	1000	7,057,645	1,827.91	119977.621	1,407.85
Reliance Liquid Fund-Treasury Plan- Growth	1000	32,969	1,078.68	14912.273	439.78
Birla Sunlife Cash Manager Fund- Growth	100	103,134	332.23		
Baroda Pioneer Liquid Fund- Plan A Growth	1000	5,261	73.94	5260.595	73.94
ICICI Prudential Saving Fund- Growth	100	415,468	842.81	–	–
Union KBC Liquid Fund- Growth	1000	11,883	160.00	–	–
LIC Nomura MF Liquid Fund- Growth	1000	458	8.34	–	–
			<u>4,323.91</u>		<u>1,970.33</u>
Total			4,448.74		2,012.08

18 SHORT TERM LOANS AND ADVANCES (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Advance Income Tax	7.52	–
Others	1.62	7.98
Total	9.14	7.98

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2015

19 OTHER CURRENT ASSETS (Amount in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Receivable	1.57	0.02

20 REVENUE FROM OPERATION (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
<u>Dividend Income:-</u>		
Dividend from Non Current Investments	858.58	165.71
Dividend from Current Investments	1.92	18.39
	<u>860.50</u>	<u>184.10</u>
Interst Income	9.57	9.53
Commission Income	44.01	56.34
Profit on Sale of Investments	166.52	130.86
Housekeeping Services Income	35.73	150.00
Total	<u>1,116.33</u>	<u>530.83</u>

21 OTHER INCOME (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Provision for dimution investment written back	0.50	1,795.50
Liability for expenses written back	0.07	-
Rent Received	250.03	156.03
Total	<u>250.60</u>	<u>1,951.53</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

22 OTHER EXPENSES (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Housekeeping Services	–	6.96
Repair & Maintenance	–	37.02
Insurance	1.09	1.14
Rates & Taxes	0.38	0.38
Legal & Professional Charges	2.37	14.40
Auditor Remuneration:		
As Auditors	1.29	
For Tax Audit	0.22	
For Other Matters	0.31	0.83
Miscellaneous Expenses	12.37	16.53
Total	18.03	77.26

23 CURRENT TAX (Amount in Lacs)

Particulars	for the year 2014-15	for the year 2013-14
Current Tax for the year	90.77	89.90
Short/ (Excess) Provision of Income Tax relating to earlier year	(3.96)	(18.52)
Total	86.81	71.38

Notes on Consolidated Financial Statements for the Year Ended 31st March 2015

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

Fellow Subsidiaries

The Hindustan Times Limited
Earthstone Holding Overseas Private Limited
Paxton Trexim Private Limited

Key Management Personnel

Vishal Jain
(Chief Executive Officer)
Paratiksha Agrawal
(Chief Financial Officer)

B. Transaction during the year

	(Amount in Lacs)	
	2014-15	2013-14
-With Holding company-		
<u>Money Received against convertible Warrants</u>		
<u>Earthstone Holding (Two) Limited</u>		
<u>(formerly known as Earthstone Holding (Two) Private Limited)</u>		
for 60,000 warrants @ Rs. 900 per warrant (Previous year 118000 warrants @ Rs.900/- per warrant)	540.00	1062.00
<u>Warrants Converted into Equity Shares</u>		
75000 Equity Shares (Previous year 1,03,000 Equity Shares) issued to Earthstone Holding (Two) Limited on conversion of 75000 convertible Warrants	900.00	1236.00
- With Fellow Subsidiary companies -		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	N.A.	100.00
<u>Rent Paid</u>		
The Hindustan Times Ltd.	1.31	1.31
<u>Dividend Received</u>		
The Hindustan Times Ltd.	5.33	5.33

Contd.

Notes on Consolidated Financial Statements for the Year Ended 31st March 2015

B. Transaction during the year	(Amount in Lacs)	
	2014-15	2013-14
<u>Rent Received</u>		
The Hindustan Times Ltd.	–	156.00
Goldmerry Investment & Trading Company Ltd.	N.A.	0.03
<u>Receipt of Housekeeping Services Charges</u>		
The Hindustan Times Ltd.	17.97	167.64
<u>Reimbursement of Repair & maintenance Charges</u>		
The Hindustan Times Ltd.	–	26.66
– With Key Management Personnel		
<u>Remuneration paid to key managerial personnel</u>		
– Vishal Jain	5.56	N.A.
C. Balance outstanding at the end of the year	(Amount in Lacs)	
	2014-15	2013-14
- With Fellow Subsidiaries companies-		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	N.A.	100.00
<u>Investment in Equity Shares</u>		
The Hindustan Times Ltd.	114.59	114.59

25. Segment Reporting

Business Segment: Based on the activities and contribution towards the revenue of the Group, the Group has classified its operations into three business segments namely Investments, Operations 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.

Operations: Commission income on Trading in fibre is operational activities of the Company and contributes a significant portion towards its revenue.

Notes on Consolidated Financial Statements for the Year Ended 31st March 2015

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS	2014-15	(Rs. In Lacs) 2013-14
1. Segment Revenue (Net Sale/ Income From)		
a) Segment - Investment and Financing	1189	325
b) Segment - Operations	44	206
c) Segment - Others	134	1951
Total	1367	2482
2. Segment Result		
a) Segment - Investment and Financing	1148	307
b) Segment - Operations	44	184
c) Segment - Others	129	111
	1321	602
Less: Other Un-allocable expenditure net off Un-allocable income	25	(21)
Total Profit Before Tax	1296	581
3. Capital Employed (Segment Assets-Segment Liabilities)		
a) Segment - Investment and Financing	6129	5978
b) Segment - Operations	21	22
c) Segment - Others	201	202
Total	6351	6202
Add: Un-allocable Capital employed	4335	2037
Total	10686	8239

26. **Donation**

Donation of Rs. 14 lacs contributed for carrying out CSR activities during the year.

27. During the Previous Year the Company issued 1,69,000 Convertible warrants at the price of Rs. 1200 each. Each warrant of Rs. 10 each convertible into one equity Shares of Rs. 10 each at the option of Warrant Holder with in 18 month from the date of allotment. Warrant Holders paid 25% (i.e. Rs. 300) on allotment of Warrant & 75% (i.e. Rs. 900) was payable at the time of exercise of warrant. During the year 1,49,000 warrants (Previous year 1,03,000 warrants) have been converted into equity shares of Rs. 1200 each including premium of Rs. 1190 per share. Balance 20,000 warrants @ Rs. 300 per warrant have been lapsed and money received on allotment forfeited during the year.

Notes on Consolidated Financial Statements for the Year Ended 31st March 2015

28. Earning Per Share

	Year ended 31st March, 2015	Year ended 31st March, 2014
A Profit/(Loss) after tax as per the Profit and Loss Account (in Lacs.)	1209.77	509.72
B Weighted average number of equity shares of Rs.10 each outstanding during the year	10,89,887	8,93,027
C Earning per share (in Rs.)		
Basic	105.73	51.22
Diluted	111.00	57.07

29. Micro, Small and Medium Enterprises

"The Group 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".

30. Impairment of assets

AS-28 Impairment of Assets issued by the Institute of Chartered Accountants of India is not applicable to the Group as there are no such assets which comes under the definition of impairable assets.

31. Merger of HT Interactive Media Properties Ltd.

Earthstone Investment & Finance Limited which is a subsidiary company of The Birla Cotton Spinning & Weaving Mills Limited through BCM Holding Limited has acquired HT Interactive Media Properties Limited during the year. Hence Go4i.com (Mauritius) Ltd. (Subsidiary of HT Interactive Media Properties Limited and Go4i.com (India) Ltd. (Subsidiary of Go4i.com (Mauritius) Ltd.) have also been consolidated in the Financial Statements.

32. Previous year's figures have been regrouped/rearranged wherever considered necessary.

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

As per our Report of even date

For K.C. Gupta & Associates
(Firm Registration No. 021164N)
Chartered Accountants
Per Kailash Gupta
(Prop.)
Membership No.-83547
New Delhi
30th May, 2015

For and on behalf of Board of Directors
Virendra Kumar Charoria
(Director)
DIN 00046895

Manju Gupta
(Director)
DIN 00124974

Vishal Jain
(Chief Executive Officer)

Pratiksha Agrawal
(Chief Financial Officer)