

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED
CORPORATE INFORMATION

Board of Directors

Virendra Kumar Charoria
Tolaram Chachan
Manju Gupta
Rajendra Kumar Agrawal

Chief Executive Officer

Vishal Jain

Chief Financial Officer

Pratiksha Agrawal

Company Secretary/Compliance Officer

Neha Jain

Auditors

K.N. Gutgutia & Company

Registered Office

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

THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED

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

CIN: L95000DL1920PLC099621

Phone: 011-66561206

Email: secretarial.ht@rediffmail.com

Website: www.birlacotton.com

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Financial Statement for the financial year ended March 31, 2018.

Standalone Financial summary:

(Amount in Lacs)

Particulars	2017-2018	2016-2017
Total Income	230.69	283.74
Less: Expenses	98.03	183.88
Profit/(Loss) before Tax	132.66	99.86
Less: Tax Expense		
1) Current Tax	29.50	19.17
2) Deferred tax charge	(1.59)	(0.77)
Profit/(Loss) after Tax	104.75	81.46
Less: Transfer to Statutory Reserve	21.00	17.00
Balance brought forward from previous years	(3153.72)	(3218.18)
Balance carried to Balance Sheet	(3069.97)	(3153.72)

Dividend

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

Reserve

During the year under review the Company had transferred Rs. 21.00 Lacs to statutory reserve pursuant to section 45-IC of the Reserve Bank of India (Amendment) Act, 1997.

Company's working & State of Company's affair

The performance of the Company during the financial year was satisfactory.

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

There was no significant or material order 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 Statement during the preceding financial year.

The Company has not issued equity shares with differential rights, sweat equity shares and employee stock options during the year.

Subsidiary/Joint Ventures/Associate Companies/Body Corporate

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

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

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

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

Material changes and commitments

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between 31st March, 2018 and the date of the report i.e. 14th August, 2018.

Disclosures under Companies Act, 2013

(I) Annual Return

The annual return shall be available at the website of the company i.e. www.birlacotton.com.

(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 constantly been emphasizing an optimization of energy consumption in every possible area and creating awareness amongst all employees to prevent misuse of energy at all levels i.e. all air conditioners, lights and computers are being switched off after office hours.
- (ii) the steps taken by the company for utilising alternate sources of energy; The Company is exploring the possibility of using the solar energy.
- (iii) the capital investment on energy conservation equipments; The Company has not incurred any capital expenses on energy conservative equipment as same is not required considering the present business activities.

B) Technology absorption

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

(C) Foreign exchange earnings and Outgo

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

(III) Directors and Key Managerial Personnel:

There were no changes in the directors during the year.

Shri Virendra Kumar Charoria, Shri Tolaram Chachan and Smt. Manju Gupta, 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 and regulation 25 of SEBI (Listing Obligation and Disclosure Requirements), 2015.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, in its meeting held on 30.05.2018 appointed Shri Rajendra Kumar Agrawal, as an additional independent director.

The Board in its meeting held on 14th August, 2018 on the recommendation of the Nomination and Remuneration Committee proposed the re-appointment of Shri Virendra Kumar Charoria, as an Independent Director of the Company for 2nd consecutive term of 5 years (whose 1st term will be completed on 31st March, 2019) with effect from 1st April, 2019.

(IV) Number of meetings of the Board of Directors

The Board of Director duly met 5 times respectively on 11th April 2017, 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018 **during the financial year 2017-18.**

(V) Audit Committee

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

During the year, the Committee met four times respectively on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

(VI) Nomination and Remuneration Committee

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

During the year, the meeting of the committee held on 14th August, 2017.

(VII) Stakeholder Relationship Committee

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

During the year, the meeting of the committee held on 14th February, 2018.

(VIII) Corporate Social Responsibility Committee

The CSR Committee of the Board presently comprises of Shri Virendra Kumar Charoria, Smt. Manju Gupta, Shri Rajendra Kumar Agrawal (with effect from 30th May, 2018) and Shri Tolaram Chachan (upto 30th May, 2018). The Company has performed the

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

activity as prescribed under Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility (CSR) activities are being undertaken through Shine Foundation as implementing agency for CSR activities of your Company. The disclosure pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed with the report as “**Annexure-A**”. The provisions relating to CSR of the Companies Act 2013 are not applicable to the Company during the preceding financial year. However, the Company is contributing to CSR Activity as per the Rule 3(2) of Companies (CSR Policy) Rules, 2014.

During the year, the meetings of the committee were held on 14th August, 2017 and 14th February, 2018.

(IX) Loans, guarantees or investments under section 186 of the Companies Act, 2013

The details of loans, guarantees or investment pursuant to section 186 of Companies Act, 2013 are provided in financial statements.

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

All related party transactions that were entered into during the year ended 31st March, 2018 were on arm’s length basis and in the ordinary course of business. There was 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.

(XI) Formal Annual Evaluation

Pursuant to the provisions of Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual independent directors through collective feedback.

The evaluation criteria for Independent Directors are as under:-

- Relevant Knowledge, Expertise and Experience.
- Devotion of time and attention to the Company’s long term strategic issues.
- Addressing the most relevant issues for the Company
- Professional Conduct, Ethics and Integrity
- Understanding the Duties, Roles and Function as Independent Director.

Managerial Remuneration

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

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

The information required to be disclosed pursuant to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not attached with the report and the same may be obtained from the Company at its registered office by any shareholder.

Corporate Governance & Management Analysis Report

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with all mandatory requirements on Corporate Governance. The report on Corporate Governance and Management Discussion & Analysis Report forms part of the Annual Report as “**Annexure-C**” and “**Annexure-D**” respectively.

Details of establishment of vigil mechanism for Directors and Employees

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

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

Remuneration Policy

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

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

Secretarial Audit Report:

Pursuant to the provision of section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed Shri Arun Kumar Soni Company Secretary–in-practice, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2017-18. 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.

Cost Audit

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

Certificate on Corporate Governance

As required by SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015, a certificate on corporate governance is enclosed as “**Annexure-F**” to the Board Report.

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.

Code of Conduct

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management have affirmed the compliance of the said code. A declaration to the effect signed by the CEO Sh. Vishal Jain is annexed as “**Annexure-G**”.

Internal Complaint Committee

Company directly and indirectly has not employed more than 10 (Ten) employees. Therefore, the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 are not applicable to the Company.

Further, during the year under review, no complaints were reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Secretarial Standards

The Directors state that applicable revised secretarial standards i.e. SS-1 and SS-2 relating to meetings of “Board of Directors” and “General Meetings” respectively have been duly complied by the Company.

Directors’ Responsibility Statement

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

- (a) in the preparation of the annual accounts for the Financial year ended on March 31, 2018, the applicable accounting standards have been followed and there are no material departures;
- (b) such accounting policies have been selected and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the company as on March 31, 2018; and of the profit of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) internal financial controls were in place and that such internal financial control were adequate operating effectively.
- (f) 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 place on record their deep appreciation for the committed services of Executives, staff and workers of your Company.

For and on behalf of the Board of Directors
For The Birla Cotton Spinning and Weaving Mills Limited

Place: New Delhi
Date: 14th August, 2018

Virendra Kumar Charoria
Director
DIN-00046895

Manju Gupta
Director
DIN- 00124974

ANNEXURE–A to Board’s Report

Annual Report on Corporate Social Responsibility for financial year 2017-18

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

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

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

- (2) Average net profit of the company for last three financial years: Rs. 186.43 Lacs
- (3) Prescribed CSR Expenditure (two per cent of the amount as in item 2 above): Rs. 3.73 Lacs
- (4) Details of CSR spent during the financial year.
- (a) Total amount spent for the financial year;:- Rs. 4 Lacs
- (b) Amount unspent, if any;: Nil
- (c) Manner in which the amount spent during the financial year is detailed below

(Amount in Rs. Lacs)

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

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

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

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

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

Virendra Kumar Charoria
Chairman of CSR Committee

Manju Gupta
Member of the CSR Committee

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, 2018: Company is not paying any Remuneration to its Directors.
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the KMP & Designation	Remuneration (Amt in lacs)	% increase in Remuneration in the F.Y. 2017-2018	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
Mr. Vishal Jain Chief Executive Officer	7.72	9.97%	N.A	Profit before Tax increased by 32.85% and Profit After Tax increased by 28.59%
Ms. Neha Jain Company Secretary	1.44	-	N.A	
Ms. Pratiksha Agrawal Chief Financial Officer	2.76	-	N.A	

- There was 20.71% increase in the median remuneration paid to the employees as compared to the financial year 2016-17.
- There were 9 permanent employees on the rolls of the Company.
- The average percentage increase made in the salaries of total employees other than Key Managerial Personnel for fiscal 2018 was around 1.95%, while the percentage increase in the remuneration of the Key Managerial Personnel was 6.24%.
- The Remuneration paid is as per the Company's policy.

REPORT ON CORPORATE GOVERNANCE

1. OUR CORPORATE GOVERNANCE PHILOSOPHY

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

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2018. The annual report of the Company contains a certificate by the CEO in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, and Senior Management of the Company. The Certificate is enclosed as “Annexure-G”

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

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

3. BOARD OF DIRECTORS

A) Composition of the Board

The Composition of the Board during the year ended on 31st March, 2018 is as follows:

S.No.	Name of Director	Category	Relationship between Directors
1.	Shri V. K. Charoria	Non-executive Independent director	None
2.	Shri T.R.Chachan	Non-executive Independent director	None
3.	Smt. Manju Gupta	Non-executive Independent director	None

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

B) Board meetings & Attendance at Board Meetings

During the financial year ended 31st March 2018, five Board meetings were held on 11th April 2017, 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Attendance record of the directors at the above Board Meetings and at previous Annual General Meetings (AGM) & Extra-ordinary General Meeting along with the number of other positions held by them in other companies, are as follows:

Name of the Director	No. of Board meetings attended during FY 17-18	Attendance at the last AGM held on 22.09.2017	Committee positions held in other companies		Number of other directorship held
			Chairman	Member	
Shri V.K.Charoria	5	Yes	-	2	14
Shri T.R.Chachan	1	No	-	2	11
Smt. Manju Gupta	5	No	-	-	6

All Independent Directors inducted into the Board attend an orientation programme. The details of training and familiarization programme is available on the website of the Company www.birlacotton.com

4. AUDIT COMMITTEE

A. Terms of Reference

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

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

B. Composition of Audit committee

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

Name of the Director	Position in the Committee	Number of meetings attended
Shri V.K.Charoria	Chairman	4
Shri T.R.Chachan (upto 30 th May, 2018)	Member	0
Smt. Manju Gupta	Member	4
Shri Rajendra Kumar Agrawal (with effect from 30 th May, 2018)	Member	-

C. Meeting and Attendance

During the year ended March 31, 2018 four meetings of Audit Committee were held. The said meetings were held on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

5. NOMINATION AND REMUNERATION COMMITTEE

A. Terms of reference

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

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

B. Composition of Nomination & Remuneration Committee

The composition of Nomination and Remuneration Committee is as follows:

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

C. Meeting & Attendance

The Meeting of Nomination & Remuneration Committee was held during the year dated 14th August, 2017. Shri V.K. Charoria and Smt. Manju Gupta, members of the Committee were present in the meeting.

D. Performance evaluation criteria for Independent Directors

The performance of the Independent Directors and Board was assessed on select parameters related to roles, responsibilities and obligations of the Board and

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

6. REMUNERATION OF DIRECTORS

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

7. STAKEHOLDERS GRIEVANCE COMMITTEE

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

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

- B. Name and designation of Compliance Officer: Ms. Neha Jain, Company Secretary/ Compliance Officer.
- C. No Complaints were received from shareholders during the financial year 2017-18.

8. GENERAL BODY MEETINGS

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

Date & Time	29 th September 2015 at 10.00 A.M.	30 th September, 2016 at 09.30 A.M.	22 nd September, 2017 at 10.00 A.M.
Venue	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001
Special resolution passed	No Special resolution passed	No Special resolution passed	No Special resolution passed

No special resolution was passed through postal ballot in last three preceding financial year

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

a) 122nd Annual General Meeting

Day, date and time – Friday, 28th September, 2018 at 10.00 A.M

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

b) Financial Year

1st April of each year to 31st March of next year.

c) Listing on Stock Exchange

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

Address: The Calcutta Stock Exchange Limited

7, Lyons Range, Calcutta – 700001

The annual listing fee for the financial year 2018-19 has been paid to Calcutta Stock Exchange.

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

d) Scrip Code

The Calcutta stock exchange Limited stock exchange Scrip Code '12196'

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

There is no trading during the year ended 31st March 2018 on the Stock Exchange, where Company equity shares are listed.

f) Registrars & Share Transfer Agents

Company has in house facilities at its Registered office for transfer of shares.

g) Share Transfer System

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

h) Distribution of shareholding as on 31st March 2018:

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

i) Dematerialization of Shares:

The Company is in process for dematerialization of its equity shares.

Status of Dematerialization as on March 31, 2018:

Particulars	No. of equity Shares	% to total equity share capital
National Securities Depository Limited	Nil	Nil
Central Depository Services (India) Limited	Nil	Nil
Total Dematerialized	Nil	Nil
Physical	1144129	100.00
Grand Total	1144129	100.00

Plant Location : Not Applicable

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

11. DISCLOSURES

- a) During the year ended on 31st March 2018, there were no materially significant transactions with related parties viz. promoters and their relatives or the management that may have potential conflict with the interest of the Company at large. The policy on materiality of related party transactions & dealing with related parties as approved by the Board may be accessed on the Company's website- www.birlacotton.com
- b) During the last three years there were no strictures or penalties imposed by either Securities and Exchange Board of India (SEBI) or the Stock Exchanges or any Statutory Authority, on the Company, for non-compliance of any matter related to the capital market.
- c) The Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of the company's code of conduct or ethics policy and no personnel has been denied access to the Audit Committee. Further, no case was reported under the vigil mechanism during the year ended March 2018.
- d) The Company is complying with all the mandatory requirements of Companies Act and all other laws and Regulations applicable to the Company.
- e) Policy for determining 'material' subsidiaries and policy on dealing with related party transactions are placed on the website of the Company i.e. www.birlacotton.com.

12. DISCRETIONARY REQUIREMENTS

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

13. CORPORATE GOVERNANCE REQUIREMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Operating Results & Financial Performance

The Birla Cotton Spinning & Weaving Mills Limited is a registered NBFC. The mainstay of Company's operations continued to be investments in various companies, under which steady dividend income flows into the Company coupled with constant commission income. The company's total income for the year is Rs. 230.69 lakhs as compared to Rs. 283.74 lakhs in the previous year. During the year under review Profit before tax amounts to Rs. 132.66 lakhs as compared to Rs. 99.86 lakhs in the previous year.

2. Industry structure and Developments

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

3. Opportunities and Threats

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

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

4. Segment-Wise Performance

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

5. Future Prospects and Outlook

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

The NBFC's industry witnessed testing times with global economic slowdown and weakening profitability and tightening of financial conditions from foreign and non-bank sources. The Company has demonstrated its ability to withstand the challenges posed by the current environment and has emerged as a strong player in registering growth and profitability.

6. **Risks and concerns**

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

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

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

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

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

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

8. **Human Resources**

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

9. **Cautionary Statement**

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

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2018**

[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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I report that

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED _____

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

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

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

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

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that Company is in process to enter into agreement with a depository for dematerialization of securities & appointment of Registrar & Transfer Agent.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

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 not carried any specific events/action having major bearing on the Company affairs.

Place : New Delhi
Date: August 14th , 2018

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

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

The Members,

The Birla Cotton Spinning & Weaving Mills Limited,

New Delhi

I have examined the compliance of conditions of Corporate Governance by **The Birla Cotton Spinning and Weaving Mills Limited**, for the period ended on 31st March, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied, in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations for the period 01st April, 2017 to 31st March, 2018.

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

Arun Kumar Soni

Company Secretary-in-Practice

CP No. 1726

Place: New Delhi

Date: 14th August, 2018

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

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

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Company Secretary/ Compliance Officer as on 31st March, 2018.

Vishal Jain
Chief Executive Officer

Place: New Delhi
Date: 14th August, 2018

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of **THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. (herein after referred to as financial statements)

Management's responsibility for the Financial Statements

2. 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

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

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

Opinion

6. 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirement

7. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the said Order.
8. 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 the law have been kept by the Company, so far as appears from our examination of those books,
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements dealt with by the this report comply with the Accounting Standards referred to in section 133 of the Companies

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of section 164(2) of the Companies Act ,2013
- f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in “Annexure B”; and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors)Rules,2014,in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement Refer Note 24 to the financial statement;
 - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31st March 2018; and
 - iii. The Company did not have any dues which were required to be transferred by the Company to the Investor Education and Protection Fund.

PLACE : New Delhi
DATE : 30th May, 2018

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E
(B. R. GOYAL)
PARTNER
M. NO. 12172

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure "A" referred to in paragraph 7 of our report of even date on the financial statements for the year ended 31st March, 2018 to the members of **The Birla Cotton Spinning & Weaving Mills Limited**

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

According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last date of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there was no dues in respect of income tax, Good Service Tax (GST) Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory duties which have not been deposited on account of disputes.

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

PLACE : New Delhi
DATE : 30th May, 2018

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E
(B. R. GOYAL)
PARTNER
M. NO. 12172

**ANNEXURE “B” REFERRED TO IN PARAGRAPH 8(f) TO THE OUR INDEPENDENT
AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE BIRLA
COTTON SPINNING & WEAVING MILLS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of
the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **The Birla Cotton Spinning & Weaving Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

PLACE : New Delhi
DATE : 30th May, 2018

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B. R. GOYAL)
PARTNER
M. NO. 12172

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount Rupees in Lakhs)

Particulars	Note No.	As At	
		March 31, 2018	March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	114.42	114.42
(b) Reserves and Surplus	3	4,000.15	3,895.40
		<u>4,114.57</u>	<u>4,009.82</u>
Non current liabilities			
(a) Long term Borrowings	4	500.00	500.00
(b) Long term Provisions	5	4.75	4.25
		<u>504.75</u>	<u>504.25</u>
Current liabilities			
Other Current Liabilities	6	64.17	31.51
	TOTAL	<u>4,683.49</u>	<u>4,545.58</u>
ASSETS			
Non-current assets			
(a) Fixed assets- Tangible Assets	7	200.68	204.61
(b) Non-current investments	8	330.00	330.00
(c) Deferred tax assets (net)	9	5.69	4.10
(d) Long-term loans and advances	10	6.30	6.30
		<u>542.67</u>	<u>545.01</u>
Current assets			
(a) Trade receivables	11	-	-
(b) Cash and Cash equivalents	12	3,551.50	3,447.79
(c) Short term loans and advances	13	521.22	521.43
(d) Other current assets	14	68.10	31.35
		<u>4,140.82</u>	<u>4,000.57</u>
	TOTAL	<u>4,683.49</u>	<u>4,545.58</u>

Notes forming Integral part of the financial statements

1 to 27

As per our Report of even date

For K. N. Gutgutia & Company

Chartered Accountants

FRN 304153E

(B .R Goyal)

Partner

M. NO. 12172

Place: New Delhi

Date: 30th May, 2018

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)

DIN 00046895

Vishal Jain

(Chief Executive Officer)

Neha Jain

(Company Secretary)

Manju Gupta

(Director)

DIN 00124974

Pratiksha Agarwal

(Chief Financial Officer)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount Rupees in Lakhs)

Particulars	Note No.	for the year 2017-18	for the year 2016-17
Income :			
Revenue from operations	15	57.69	108.20
Other income	16	173.00	175.54
Total Revenue		230.69	283.74
Expenses:			
Employee benefits expense		29.28	41.73
Interest		37.50	22.71
House Tax		3.37	19.89
Legal & Professional Charges		14.50	16.61
Depreciation	7	3.93	3.93
Donation		-	65.00
Contribution for CSR Activities		4.00	5.00
Other expenses	17	5.45	9.01
Total expenses		98.03	183.88
Profit before Tax		132.66	99.86
Tax Expense:			
(1) Current tax	18	29.50	21.62
Less: MAT Credit		-	(2.45)
		29.50	19.17
(2) Deferred tax charge (credit)		(1.59)	(0.77)
		27.91	18.40
Profit/(Loss) for the period		104.75	81.46
Earnings per equity share (in Rs.):			
(1) Basic		9.16	7.14
(2) Diluted		9.16	7.14

Notes forming Integral part of the financial statements

1 to 27

As per our Report of even date

For K.N. Gutgutia & Company

Chartered Accountants

FRN 304153E

(B.R Goyal)

Partner

M.NO. 12172

Place: New Delhi

Date: 30th May, 2018

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)

DIN 00046895

Vishal Jain

(Chief Executive Officer)

Neha Jain

(Company Secretary)

Manju Gupta

(Director)

DIN 00124974

Pratiksha Agarwal

(Chief Financial Officer)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2018

(Amount Rupees in Lakhs)

PARTICULARS	for the year 2017-18	for the year 2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Exceptional Items and Tax as per Statement of Profit and Loss	132.66	99.86
Adjustment for :		
Depreciation	3.93	3.93
Interest	(57.69)	(35.03)
Dividend	-	(0.02)
Gain on sale of Investment	-	(73.15)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	78.90	(4.41)
Adjustment for :		
Trade & other receivables	(37.47)	(471.84)
Trade & other payables	33.16	523.95
Cash Generated from Operations	74.59	47.70
Direct Taxes Paid (Net)	(28.57)	(43.57)
Net Cash from Operating Activities	46.02	4.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest	57.69	35.03
Dividend	-	0.02
Gain on sale of Investments	-	73.15
Purchase of Investments	-	(70.72)
Sale of Investments	-	80.43
Net Cash from investing activities	57.69	117.91
C. CASH FLOW FROM FINANCING ACTIVITIES:	-	-
Net Cash from Financing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	103.71	122.04
Cash and cash equivalents as at (Opening)	3,447.79	3,325.75
Cash and cash equivalents as at (Closing)	3,551.50	3,447.79

NOTES:

- i) Cash & Cash Equivalents include readily saleable units in Liquid Mutual Fund of Rs 3537.88 lacs (Previous year Rs 3427.88 lacs)
- ii) Statement of Cash Flow has been prepared using the indirect method as set out in the Accounting Standard

For K. N. Gutgutia & Company

Chartered Accountants
FRN 304153E

(B.R. Goyal)

Partner
M. NO. 12172

Place: New Delhi
Date: 30th May, 2018

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)
DIN 00046895

Vishal Jain
(Chief Executive Officer)

Neha Jain
(Company Secretary)

Manju Gupta

(Director)
DIN 00124974

Pratiksha Agarwal
(Chief Financial Officer)

Notes on Financial Statements for the Year Ended 31st March 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of operations

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

2. Statement of Significant Accounting Policies

(i) Basis of Preparations

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

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

(ii) Use of Estimates

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

(iii) Fixed Assets

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

(iv) Depreciation

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

Notes on Financial Statements for the Year Ended 31st March 2018

(v) Revenue Recognition

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

(a) Dividend

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

(b) Interest

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

(vi) Investment

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

(vii) Earnings per share

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

(viii) Taxes on Income

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

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

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

Notes on Financial Statements for the Year Ended 31st March 2018

(ix) Retirement Benefits

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

(x) Impairment

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

(xi) Provisions, Contingent Liabilities and Contingent Assets

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

Notes to Financial Statements for the year ended 31st March, 2018

2 SHARE CAPITAL

(Amount Rupees in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
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 11,44,180) equity shares of Rs. 10 each fully paid	<u>114.42</u>	<u>114.42</u>

2.3 Reconciliation of number of shares

Particulars	As at		As at	
	March 31, 2018		March 31, 2017	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
<u>Equity shares</u>				
Opening Balance	1,144,180	114.42	1,144,180	114.42
Changes during the year	-	-	-	-
Closing Balance	<u>1,144,180</u>	<u>114.42</u>	<u>1,144,180</u>	<u>114.42</u>

2.4 Rights, Preferences and restrictions attached to shares

Equity Shares

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

Notes on Financial Statements for the Year Ended 31st March 2018

2.5 Details of shreholders holding more than 5%

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	No of shares	% holding of share capital	No of shares	% holding of share capital
Earthstone Holding (Two) Private Ltd. (the holding Company) (formerly known as Earthstone Holding (Two) Ltd.)	642,290	56.12	642,290	56.12
Earthstone Holding (one) Private Ltd.	74,000	6.47	74,000	6.47
The Punjab Produce & Trading Co. Ltd.	88,000	7.69	88,000	7.69

3 RESERVES AND SURPLUS

(Amount Rupees in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
3.1 Capital Reserve		
As per last Balance Sheet	<u>180.72</u>	<u>180.72</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	1,229.50	1,212.50
Add: Transfer from Statement of Profit & Loss	21.00	17.00
	<u>1,250.50</u>	<u>1,229.50</u>
(In accordance with Section 45-IC of the Reserve Bank of India (Amendment) Act 1997, twenty percent of the profit after taxation has been transferred to Statutory Reserves)		
3.5 Share Premium Account		
As per Last Balance Sheet	<u>4,105.50</u>	<u>4,105.50</u>
3.6 General Reserve		
As per last Balance Sheet	<u>1,508.30</u>	<u>1,508.30</u>
3.7 Surplus/(Deficit)		
As per last Balance Sheet	(3,153.72)	(3,218.18)
Profit for the year	104.75	81.46
	<u>(3,048.97)</u>	<u>(3,136.72)</u>
Less:- Appropriations		
Transfer to Statutory Reserve	21.00	17.00
Surplus/(Deficit) carried to Balance Sheet	<u>(3,069.97)</u>	<u>(3,153.72)</u>
Total	4,000.15	3,895.40

Notes on Financial Statements for the Year Ended 31st March 2018

4 LONG TERM BORROWINGS		(Amount Rupees in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
Unsecured Loan from Related Party	<u>500.00</u>	<u>500.00</u>	

5 LONG TERM PROVISIONS		(Amount Rupees in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
Provisions for employees benefits- Leave Encashment	<u>4.75</u>	<u>4.25</u>	

6 OTHER CURRENT LIABILITIES		(Amount Rupees in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
Other Liabilities	<u>64.17</u>	<u>31.51</u>	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

7 Fixed Assets

Description of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2017	As at Additions/ (Deductions) during the year 31.03.2018	As at 01.04.2017	Provided during the year 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible Assets:						
Freehold Land (Conversion fees)	177.55	-	-	-	177.55	177.55
Building	47.19	-	24.92	0.72	21.55	22.27
Plant & Equipment	5.08	-	4.83	-	0.25	0.25
Vehicle	24.36	-	19.93	3.21	1.22	4.43
Office Equipment	2.24	-	2.13	-	0.11	0.11
Total	256.42	-	51.81	3.93	200.68	204.61
Previous year	256.42	-	47.88	3.93	204.61	

Notes on Financial Statements for the Year Ended 31st March 2018

8 NON CURRENT INVESTMENTS

(Amount Rupees in Lakhs)

Particulars	Face Value	No. of shares	As at March 31, 2018	No. of shares	As at March 31, 2017
QUOTED					
In fully paid up Equity Shares					
In Others:-					
Tungabhadra Industries Ltd.	10	1082	-	1082	-
(amount written off in earlier year)					-
UNQUOTED					
In fully paid up Equity Shares					
In Others:-					
Akhil Bharat Printers Limited	100	200	-	200	-
(In Liquidation, amount written off in earlier year)					
Pramanand Commercial Pvt. Ltd.	10	9750	-	9750	-
(Received as Bonus in an earlier year)			-		-
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	230,000	230.00
Total Net Preference Shares			330.00		330.00
Total Non Current Investments			330.00		330.00
Aggregate value of quoted Non Current investment			-		-
Aggregate value of unquoted Non Current investment			330.00		330.00

Notes on Financial Statements for the Year Ended 31st March 2018

9 DEFERRED TAX

Deferred Tax Assets (Net) of Rs. 1.59 lakhs 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 2018 and 31st March, 2017 is as given below :

(Amount Rupees in Lakhs)		
	As at March 31, 2018	As at March 31, 2017
<u>Deferred Tax Assets in respect of</u>		
(i) Provision for Interest	2.08	2.34
(ii) Provision for doubtful loans	0.57	0.64
(iii) Provision for Leave encashment	1.31	-
(iv) provision for Bonus	0.17	-
	4.13	2.98
Difference between books & Tax depreciation	1.56	1.12
Deferred Tax Assets (Net)	5.69	4.10

10 LONG TERM LOANS AND ADVANCES

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Security Deposits		
Unsecured, Considered Good	6.30	6.30
(b) Advance		
Doubtful	9.64	9.64
Less: Provision for doubtful advance	(9.64)	(9.64)
Total	6.30	6.30

11 TRADE RECEIVABLES

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Outstanding for more than six months		
Unsecured, Considered Good		
Doubtful	-	1.50
Provision for doubtful	-	(1.50)
Total	-	-

Notes on Financial Statements for the Year Ended 31st March 2018

12 CASH & CASH EQUIVALENTS

(Amount Rupees in Lakhs)

Particulars	Face Value	No. of Units	As at March 31, 2018	No. of Units	As at March 31, 2017
Balances with Bank:-					
(i) In Current Accounts			6.81		13.07
(ii) Other Bank Balances			2.80		2.82
			<u>9.61</u>		<u>15.89</u>
Cash in hand			4.01		4.02
Short Term Liquid Investments (treated as cash Equivalent)					
HDFC Liquid Fund- Growth	1000	70576.457	1,827.91	70576.457	1,827.91
Reliance Liquid Fund-Treasury Plan- Growth	1000	38545.075	1,285.30	35769.190	1,175.30
Aditya Birla Sunlife Cash Manager Fund- Growth	100	124573.923	424.67	124573.923	424.67
			<u>3,537.88</u>		<u>3,427.88</u>
Total			3,551.50		3,447.79

13 SHORT TERM LOANS AND ADVANCES

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Inter-Corporate Deposit	500.00	500.00
Advance Income Tax (Net of provision)	19.32	20.25
Others	1.90	1.18
Total	<u>521.22</u>	<u>521.43</u>

14 OTHER CURRENT ASSETS

(Amount Rupees in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Receivable on Inter corporate Deposit	68.08	31.33
others	0.02	0.02
Total	<u>68.10</u>	<u>31.35</u>

Notes to Financial Statements for the year ended 31st March, 2018

15 REVENUE FROM OPERATION

(Amount Rupees in lakhs)

Particulars	for the year 2017-18	for the year 2016-17
Dividend from Current Investments	-	0.02
Interest Income	57.69	35.03
Gain on Sale of Investments (Net)	-	73.15
Total	57.69	108.20

16 OTHER INCOME

(Amount Rupees in lakhs)

Particulars	for the year 2017-18	for the year 2016-17
Rent	125.00	125.03
Housekeeping Services Income (Net)	48.00	50.10
Unspent Liability written back	-	0.41
Total	173.00	175.54

17 OTHER EXPENSES

(Amount Rupees in lakhs)

Particulars	for the year 2017-18	for the year 2016-17
Insurance	0.66	0.73
Rent	0.51	1.31
Provision for Doubtful Debts	-	1.50
Bad Debts written off	1.50	
Less: Provision for doubtful written back	(1.50)	-
<u>Auditor Remuneration:</u>		
As Auditors	0.22	
For Tax Audit	0.06	
For Other Matters	0.15	
Miscellaneous Expenses	3.85	5.07
Total	5.45	9.01

18 CURRENT TAX

(Amount Rupees in lakhs)

Particulars	for the year 2017-18	for the year 2016-17
Current Tax for the year	29.50	23.00
Excess Provision of Income Tax relating to earlier year	-	(1.38)
Total	29.50	21.62

Notes on Financial Statements for the Year Ended 31st March 2018

20. Segment Reporting

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

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

Others: Renting & Housekeeping Activities

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS	(Amount Rupees In Lakhs)	
	2017-18	2016-17
1. Segment Revenue (Net Sale/ Income From)		
a) Segment – Investment and Financing	58	108
b) Segment – Others	173	176
Total	231	284
2. Segment Result		
Profit before interest and Tax for each segment		
a) Segment – Investment and Financing	8	74
b) Segment – Others	139	110
	147	184
Less: Other Un-allocable expenditure net off Un-allocable income	14	84
Total Profit Before Tax	133	100
3. Segment Assets		
a) Segment – Investment and Financing	4436	4289
b) Segment – Others	209	212
Total	4645	4501
Add: Un-allocable Capital employed	39	44
Total	4684	4545
4. Segment Liabilities		
a) Segment – Investment and Financing	554	520
b) Segment – Others	15	15
Total	569	535
Add: Un-allocable Capital employed	-	-
Total	569	535

Notes on Financial Statements for the Year Ended 31st March 2018

21. Earning Per Share

	Year ended 31st March, 2018	Year ended 31st March, 2017
A Profit after tax as per the Profit and Loss Account (in Lakhs.)	104.75	81.46
B Weighted average number of equity shares of Rs.10 each outstanding during the year	11,44,180	11,44,180
C Earning per share (in Rs.)	9.16	7.14
Basic	9.16	7.14
Diluted		

22. Contribution for CSR Activities

During the year Rs. 4 lacs has been contributed towards CSR activities to Shine Foundation. The Company is required to spent Rs. 3.73 lacs during the year based upon past three years average profit.

23. 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”.

24. Contingent liability (not provide for)

- i) In respect of Income Tax matters under appeals against Income Tax Demand of Rs. 97.84 lacs (previous year Rs. 97.84 lakhs)
- ii) In respect of House Tax matters under appeals against House Tax Demand of Rs. 188.67 lacs (previous year Rs. 166.86 lakhs)

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

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

As per our Report of even date

For K.N. Gutgutia & Company

Chartered Accountants

FRN 304153E

(B .R Goyal)

Partner

M. NO. 12172

Place: New Delhi

Date: 30th May, 2018

For and on behalf of Board of Directors

Virendra Kumar Charoria

(Director)

DIN 00046895

Vishal Jain

(Chief Executive Officer)

Neha Jain

(Company Secretary)

Manju Gupta

(Director)

DIN 00124974

Pratiksha Agarwal

(Chief Financial Officer)

The Birla Cotton Spinning & Weaving Mills Ltd.

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

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

(Amount Rupees in lakhs)

Particulars	Amount out-standing	Amount overdue
Liabilities side :		
(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	500	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	500	
(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	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	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	Nil
(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	500	500
Total	NIL	500	500

**(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	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	<u>330.00</u>	<u>330.00</u>
Total	<u>330.00</u>	<u>330.00</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. N. Gutgutia & Company
Chartered Accountants
FRN 304153E

For and on behalf of Board of Directors

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

Virendra Kumar Charoria
(Director)
DIN 00046895

Manju Gupta
(Director)
DIN 00124974

Place: New Delhi
Date: 30th May, 2018

Vishal Jain
(Chief Executive Officer)

Pratiksha Agarwal
(Chief Financial Officer)

Neha Jain
(Company Secretary)