

# **ANNUAL REPORT & ACCOUNTS**

## **2022-23**

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

# **CORPORATE INFORMATION**

## **Board of Directors**

Shri Virendra Kumar Charoria  
Shri Rajendra Kumar Agrawal  
Smt. Manju Gupta

## **Chief Executive Officer**

Shri Anil Shankar Bhatnagar

## **Chief Financial Officer**

Mr. Sunil Kumar Sahu

## **Company Secretary**

Ms. Sanchi Sharma

## **Auditors**

M.L. Garg & Co.

## **Registered Office**

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

**THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED****CIN: L65100DL1920PLC099621****Registered office:** Hindustan Times House, Mezzanine Floor, 18-20, Kasturba Gandhi Marg, New Delhi -110001Tel: 011- 66561206; Email: [secretarial.ht@rediffmail.com](mailto:secretarial.ht@rediffmail.com) Fax : 011- 66561206website: [www.birlacotton.com](http://www.birlacotton.com)**DIRECTOR'S REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the Financial Statement for the year ended 31<sup>st</sup> March, 2023.

**Standalone Financial summary:****(Amount in Lacs)**

<b>Particulars</b>	<b>2022-2023</b>	<b>2021-2022</b>
Total Income	497.09	492.07
Less: Expenses	46.49	61.86
Profit/(Loss) before Tax	450.60	430.21
Less: Tax Expense		
1) Current Tax	77.27	87.22
2) Tax for earlier years	1.67	-
3) Deferred tax expense/(income)	55.46	(71.31)
Profit/(Loss) after Tax	316.20	414.30
Add: Other comprehensive Income		
(i) Item will be reclassified to Profit or loss		
(a) Equity instrument through other comprehensive income	308.75	321.30
(ii) Income tax relating to items that will not be reclassified to profit and loss	(35.32)	(71.51)
Total Comprehensive income for the period	589.63	664.09
Less: Transfer to Statutory Reserve	63.24	82.85

**Dividend**

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

**Deposits**

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

**Reserve**

During the year under review the Company had transferred 63.24 Lacs to statutory reserve pursuant to section 45-IC of the Reserve Bank of India (Amendment) Act, 1997.

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

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

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

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

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

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

### **Risk Management Policy**

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

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

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

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

#### **Directors**

The Board in its meeting held on 01st September, 2023 and on the recommendation of Nomination & Remuneration Committee appointed Shri Ankush Singhal as an additional non-executive director of the Company whose term shall expire on ensuing Annual General Meeting. Further Board recommends appointment of Shri Ankush Singhal as Non Executive Director of the Company.

Also Ms. Silky Gupta have resigned from the position of Company Secretary with effect from 19.08.2022 and the Company has appointed Ms. Sanchi Sharma as Company Secretary and Compliance Officer with effect from 01.09.2022.

Further, also Mr. Vishal Jain & Ms. Pratiksha Agrawal have resigned from the positions of Chief Executive Officer (CEO) and Chief Financial Officer respectively with effect from 30.11.2022 and Company has appointed Mr. Anil Shankar Bhatnagar as Chief Executive Officer and Mr. Sunil Kumar Sahu as Chief Financial Officer as Key Managerial Personnel of the Company with effect from 14.02.2023.

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

The Statement regarding opinion of the board with regard to integrity, expertise and experience of the Independent directors is not applicable as company has not appointed any independent director during the year

### **Audit Reports and Auditors**

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

The members of the Company in their Annual General Meeting held on 30th September, 2022 appointed, M/s M.L. Garg & Co. 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 2027.

In terms of requirements under Section 139, 141 and other applicable provisions of the Companies Act, 2013 M/s M.L Garg & Co, Chartered Accountants, (FRN 001604N), have confirmed their eligibility for appointment as statutory auditor of the Company.

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

**B. Secretarial Audit Report:**

Pursuant to the provision of section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed Shri Arun Kumar Soni Company Secretary-in-practice, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit report is annexed as “Annexure- A”.

**C. Cost Audit**

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

**Related Party Transactions**

All related party transactions that were entered into during the year ended 31st March, 2023 were in compliance with Section 177 and 188 of the Companies Act, 2013.

**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, 2023, 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, 2023; and of the profit of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) internal financial controls were in place and that such internal financial control were adequate operating effectively.
- (f) systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**Internal Financial Control Systems and their adequacy**

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

**Material changes and commitments**

There were no material changes and commitments, affecting the financial position of the Company, which have occurred after closure of financial year except during the year.

**Disclosures under Companies Act, 2013**

**(I) Annual Return**

The abstract of annual return shall be available at the website of the company i.e. [www.birlacotton.com](http://www.birlacotton.com).

(II) **Borrowings and Debt Servicing:** During the year ended on 31<sup>st</sup> March, 2023, the Company has made no borrowings and Debt.

(III) **Particulars of loans given, investments made, guarantees /securities given:** The Company has complied with the provisions of Section 185 and 186 of Companies Act, 2013 in respect of loan granted and investment made.

(IV) **Board Meetings:** During the financial year ended on March 31, 2023, the Board met eight times on April 26, 2022, 30<sup>th</sup> May 2022, August 12, 2022, September 01, 2022, November 14, 2022, November 30, 2022, February 14, 2023 and 31<sup>st</sup> March 2023.

(V) **Audit Committee**

The Audit Committee of the Board presently comprises of, Shri. Virendra Kumar Charoria, Smt. Manju Gupta, Shri. Rajendra Kumar Agrawal.

During the year, the Committee met Six times respectively on April 01, 2022, May 30, 2022, August 12, 2022, November 14, 2022, February 14, 2023 and March 31, 2023.

(VI) **Nomination and Remuneration Committee**

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

During the year, the meeting of the committee held on August 12, 2022, September 01, 2022 and February 14, 2023.

(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

During the year, the meeting of the committee held on May 30, 2022, August 12, 2022, November 14, 2022 and February 14, 2023.

(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. The provision of Corporate Social Responsibility (CSR) were not applicable during the year.

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

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

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

(X) **Remuneration Policy**

The Board on the recommendation of the Nomination and Remuneration Committee, framed a policy on Directors' appointment and remuneration including criteria for

determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

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

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

**A) Conservation of energy:**

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

**(B) Technology absorption**

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

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

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

**(XII) Formal Annual Evaluation**

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

**(XIII) Managerial Remuneration**

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

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

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

## **Corporate Governance & Management Analysis Report**

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

## **Certificate on Corporate Governance**

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

## **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. Anil Shankar Bhatnagar is annexed as “Annexure-F”.

## **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.

## **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.

## **Other information’s**

- 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 not issued equity shares with differential rights, sweat equity shares and employees stock options during the year.
- There was no change in the share capital of the Company during the year under review.
- There is no proceeding pending under Insolvency and Bankruptcy Code, 2016.
- The Company has not entered into any one time settlement with any Bank or Financial Institutions, therefore there is no difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from Bank or Financial Institutions.

## **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:01.09.2023

Sd/-  
**Virendra Kumar Charoria**  
Director  
DIN-00046895

Sd/-  
**Rajendra Kumar Agrawal**  
Director  
DIN-00043371



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**  
**[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  
Hindustan Times House, Mezzanine Floor,  
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, 2023 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, 2023 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, 2018\*;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021\*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 \*;
  - (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, 2021\*;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*;

*\* 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 (i) Secretarial Standards with respect to meeting of the Board of Directors(SS-1) and General Meeting(SS-2) issued by The Institute of Company Secretaries of India and (ii) Listing Agreement entered into by the Company with Calcutta Stock Exchange read with the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

**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 was 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 carried following specific events/action having major bearing on the Company affairs

- a) Approval of Material related party transaction for five financial year i.e. from 2022-2023 to financial year 2026-27 in aggregate to Rs.100 crores for each financial year.

Sd/-  
Arun Kumar Soni  
ACS No. 5441  
CP No.: 1726

**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, 2023: 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:

<b>Name of the KMP &amp; Designation</b>	<b>Remuneration (Amt in lacs)</b>	<b>% increase in Remuneration in the F.Y. 2022-2023</b>	<b>Ratio to median remuneration</b>	<b>Comparison of the Remuneration of the KMP against the performance of the Company</b>
Mr. Vishal Jain(01.04.2022 – 29.11.2022)  Chief Executive Officer	7.23	20%	N.A	Profit before Tax increased by 4.73 % and Profit After Tax decreased by 23.67%
Mr. Anil Shankar Bhatnagar(14.02.2023- 31.03.2023)  Chief Executive Officer	0.60	-		
Ms. Silky Gupta (01.04.2022- 18.08.2022) Company Secretary	1.85	-	N.A	
Ms. Sanchi Sharma (01.09.2022-31.03.2023) Company Secretary	2.45	-		
Ms. Pratiksha Agrawal (01.04.2022-29.11.2022)  Chief Financial Officer	2.89	37%	N.A	

Mr. Sunil Kumar Sahu (14.02.2023- 31.03.2023)	1.94	-		
Chief Financial Officer				

2. There was 9.17 %increase in the median remuneration paid to the employees as compared to the financial year 2022-23.
3. There were 8 permanent employees on the rolls of the Company.
4. The average percentage increase made in the salaries of total employees other than Key Managerial Personnel for financial year 2023 was around 27.64%, while the percentage increase in the remuneration of the Key Managerial Personnel was 25%.
5. The Remuneration paid is as per the Company's policy.

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

<b>Name of the employee</b>	<b>Designation</b>	<b>Remuneration (in Lacs)</b>	<b>Nature of employment, whether contractual or otherwise</b>	<b>Qualification &amp; experience</b>	<b>Date of commencement of employment</b>	<b>Age (Years)</b>	<b>Last employment held</b>	<b>Percentage of equity shares held</b>	<b>Whether relative of director or manager</b>
Vishal Jain(01.04.2022 -30.11.2022)	CEO	7.23	Employment	Graduate, 27 Years	13.03.1995	53	Gopal Mittal & Associates, Chartered Accountant	Nil	Nil
Anil Shankar Bhatnagar (w.e.f 14.02.2023)	CEO	0.60	Employment	B.com 50 years	14.02.2023	75	Hindustan Benevolent Trust	Nil	Nil
Kedar Singh Chauhan	Manager	4.20	Employment	Graduate, 25 Years	16.08.2016	51	Hotal Grace, Mount, Mussoorie	Nil	Nil
Pratiksha Agarwal(01.04. 2022- 30.11.2022)	CFO	2.89	Employment	Graduate, 8 Years	05.03.2014	31	First employment	Nil	Nil
Sunil Kumar Sahu (CFO w.e.f 14.02.2023)	CFO	1.94	Employment	Graduate, 23 years	01.12.2022	48	Earthstone Holding (Three) LLP	Nil	Nil
Pawan Kumar Sharma	Cook	3.45	Employment	8 <sup>th</sup> pass, 25 years	01.05.2010	43	Shree Services & Trading Co. Ltd.	Nil	Nil
Kamla Rathore	Telephone Operator	3.23	Employment	Graduate, 26 years	01.05.2010	51	Shree Services & Trading Co. Ltd.	Nil	Nil
Pradeep Jena	Driver	3.29	Employment	10 <sup>th</sup> Pass, 32 years	01.05.2010	56	Shree Services & Trading Co. Ltd.	Nil	Nil
Khushi Ram	Electrician	2.73	Employment	12 <sup>th</sup> + ITI Diploma, 28 years	01.05.2010	51	Shree Services & Trading Co. Ltd.	Nil	Nil
Silky Gupta (01.04.2022 –	Company Secretary	1.85	Employment	B.Com, Company Secretary,	01.07.2020	29	Artemis Medicare Services Limited	Nil	Nil

19 08.2022)									
Sanchi Sharma (w.e.f. 01.09.2022) Company Secretary	Company Secretary	2.45		LLB B.com(H), Company Secretary		30	Swastik Pipes Limited	Nil	Nil

## **REPORT ON CORPORATE GOVERNANCE**

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

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

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2023. The annual report of the Company contains a certificate by the CEO in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, and Senior Management of the Company. The Certificate is enclosed as “Annexure-G”

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

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

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

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

The Composition of the Board during the yearended on 31<sup>st</sup> March, 2023 is as follows:

<b>S.No</b>	<b>Name of Director</b>	<b>Category</b>	<b>Relationship between Directors</b>
1.	Shri. Virendra Kumar Charoria	Non-executive Independent director	None
2.	Smt. Manju Gupta	Non-executive Independent director	None
3.	Shri Rajendra Kumar Agrawal	Non-executive Independent director	None

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

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

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

- (I) During the financial year ended 31<sup>st</sup> March 2023 Eight Board meetings were held on April 26, 2022, 30<sup>th</sup> May 2022, August 12, 2022, September 01, 2022, November 14, 2022, November 30, 2022, February 14, 2023 and 31<sup>st</sup> March 2023.

Attendance record of the directors at the above Board Meetings and at previous Annual General Meetings (AGM) along with the name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the The Companies Act, 2013. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.



Name of the Director	No. Of Board meetings attended during FY 22-23	Attendance at the last AGM held on 30.09.2022	Committee positions held in other companies		Number of other directorship held (private and section 8 companies excluded)	Directorship in other listed companies
			Chairman	Member		
Shri. Virendra Kumar Charoria	8	Yes	-	1	5	None
Smt. Manju Gupta	1	No	-	-	3	2
Shri Rajendra Kumar Agrawal	8	Yes	-	-	6	None

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

1. Strategy and Planning Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
2. Governance Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

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

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

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

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

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

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

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

Name of the Director	Position in the Committee	Number of meetings attended
Shri. Virendra Kumar	Chairman	6

Charoria		
Smt. Manju Gupta	Member	1
Shri Rajendra Kumar Agrawal	Member	6

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

During the year ended March 31, 2023 Six meetings of Audit Committee were held. The said meetings were held on April 01, 2022, May 30, 2022, August 12, 2022, November 14, 2022, February 14, 2023 and March 31, 2023.

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

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

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

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

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

The composition of Nomination and Remuneration Committee is as follows:

<b>Name of the Director</b>	<b>Position in the Committee</b>
Shri. Virendra Kumar Charoria	Chairman
Smt. Manju Gupta	Member
Shri Rajendra Kumar Agrawal	Member

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

The Meeting of Nomination & Remuneration Committee was held during the year dated August 12, 2022, September 01, 2022 and February 14, 2023 Shri. Virendra Kumar Charoria and Shri Rajendra Kumar Agrawal members of the Committee were present in all 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 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.

## **5B. SENIOR MANAGAEMENT**

The Board in its meeting held on 01st September, 2023 and on the recommendation of Nomination & Remuneration Committee appointed Shri Ankush Singhal as an additional director of the Company whose term shall expire on ensuing Annual General Meeting. Further Board recommends appointment of Shri Ankush Singhal as Non Executive Director of the Company.

Also, during the year Mr. Vishal Jain & Ms. Pratiksha Agrawal have resigned from the positions of Chief Executive Officer (CEO) and Chief Financial Officer respectively with effect from 30.11.2022 and Company has appointed Mr. Anil Shankar Bhatnagar as Chief Executive Officer and Mr. Sunil Kumar Sahu as Chief Financial Officer as Key Managerial Personnel of the Company with effect from 14.02.2023.

#### **A. 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

#### **B. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

<b>Name of the Director</b>	<b>Position in the Committee</b>
Shri. Virendra Kumar Charoria	Chairman
Smt. Manju Gupta	Member
Shri Rajendra Kumar Agrawal	Member

B. Name and designation of Compliance Officer: Ms. Sanchi Sharma Company Secretary/ Compliance Officer.

C. No Complaint was received from the shareholder during the financial year 2022-23

#### **C. GENERAL BODY MEETINGS**

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

<b>Date &amp; Time</b>	30 <sup>th</sup> December 2020 at 11.30 A.M.	30 <sup>th</sup> September 2021 at 11.30 A.M.	30 <sup>th</sup> September 2022 at 11.30 A.M.
<b>Venue</b>	Hindustan Times House, 9th Floor, 18-20, K.G. Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G. Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G. Marg, New Delhi-110001
<b>Special resolution passed</b>	No Special resolution were passed	No Special resolution were passed	Two Special Resolution passed: 1. To re-appoint Shri Rajendra Kumar Agrawal, Independent Director of the Company for a further term of 5(five) years. 2. To approve existing as well as new material related party transactions

#### **D. MEANS OF COMMUNICATION**

The quarterly and annual financial results etc. are published in The financial express(English newspaper ) and Jansatta(Hindi newspaper) and are also available on Company's website: [www.birlacotton.com](http://www.birlacotton.com)

#### **E. GENERAL SHAREHOLDER INFORMATION**

a) 127<sup>th</sup> Annual General Meeting

Day, date and time– Saturday, 29<sup>th</sup> September, 2023 at 11.30 A.M

Venue – Hindustan Times House, Mezzanine Floor, 18-20, K.G. Marg,

New Delhi-110001.

b) Financial Year

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

c) Listing on Stock Exchange

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

Address: The Calcutta Stock Exchange Limited

7, Lyons Range,

Calcutta – 700001

The annual listing fee for the financial year 2023-24 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 19<sup>th</sup> 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 31<sup>st</sup> March 2023 on the Stock Exchange, where Company equity shares are listed.

f) Registrars & Share Transfer Agents

Zuari Finserv Limited :- Address:- Zuari House, Plot No. 2, Community Centre Zamrudpur, Kailash Colony, New Delhi 110048

g) Share Transfer System

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

h) Distribution of shareholding as on 31<sup>st</sup> March 2023:

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	277868	24.29
(c)	Individuals	59823	5.22
(d)	Insurance Company	41330	3.61
(d)	Others	551	0.05
	Total Public Shareholding	380255	33.24
	<b>TOTAL (A)+(B)</b>	<b>1144129</b>	<b>100.00</b>

i) Dematerialization of Shares:

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

Status of Dematerialization as on March 31, 2023:

Particulars	No. of equity Shares	% to total equity share capital
National Securities Depository Limited	1076157	94.06
Central Depository Services (India)	Nil	Nil
Total Dematerialized	1076157	94.06

Physical*	67972	5.94
Grand Total	1144180	100.00

\* The Subscribed Ordinary Shares 1144180 includes 44 Shares remaining to be allotted against surrender of shares in merged Company and 21 fractional certificates of one-third each not yet surrendered for consolidation into fully paid ordinary shares.

j) Plant Location : Not Applicable

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

#### **F. DISCLOSURES**

- a) During the year ended on 31<sup>st</sup> March 2023, there were no materially significant transactions with related parties viz. promoters and their relatives or the management that may have potential conflict with the interest of the Company at large. The policy on materiality of related party transactions & dealing with related parties as approved by the Board may be accessed on the Company's website- [www.birlacotton.com](http://www.birlacotton.com)
- b) During the last three years there were no strictures or penalties imposed by either Securities and Exchange Board of India (SEBI) or the Stock Exchanges or any Statutory Authority, on the Company, for non-compliance of any matter related to the capital market.
- c) The Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of the company's code of conduct or ethics policy and no personnel has been denied access to the Audit Committee. Further, no case was reported under the vigil mechanism during the year ended March 2023.
- d) The Company is complying with all the mandatory requirements of Companies Act and all other laws and Regulations applicable to the Company.
- e) Policy for determining 'material' subsidiaries and policy on dealing with related party transactions are placed on the website of the Company i.e. [www.birlacotton.com](http://www.birlacotton.com).
- f) The Company has obtained a certificate from Practicing Company Secretary that none of the Directors on the Board of Company has been debarred or disqualified from being appointed as or continuing as Director of Company by SEBI , MCA or any other statutory authority.

#### **G. 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.

#### **H. CORPORATE GOVERNANCE REQUIREMENTS**

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

#### **I. SEXUAL HARRASMENT**

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.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members,  
The Birla Cotton Spinning & Weaving Mills Limited  
Hindustan Times House, Mezzanine Floor,  
18-20, Kasturba Gandhi Marg  
New Delhi - 110001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Birla Cotton Spinning & Weaving Mills Limited having CIN - **L65100DL1920PLC099621** and having registered office at Hindustan Times House, Mezzanine Floor, 18-20, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter referred to as 'the Company') and produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the [Securities Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Virendra Kumar Charoria	00046895	02/05/1994
2.	Rajendra Kumar Agrawal	00043371	30/05/2018
3	Manju Gupta	00124974	31/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date:01.09.2023  
Place: New Delhi

Sd/-  
Arun Kumar Soni  
ACS No. 5441  
CP No.: 1726

## **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. lakhs as compared to Rs. 492.07 lakhs in the previous year. During the year under review Profit before tax amounts to Rs. lakhs as compared to Rs. 430.21lakhs in the previous year.

### **2. Industry structure and Developments**

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

### **3. Opportunities and Threats**

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

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

### **4. Segment-Wise Performance**

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

### **5. Future Prospects and Outlook**

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

The NBFC's industry witnessed testing times with global economic slowdown and weakening profitability and tightening of financial conditions from foreign and non-

bank sources. The Company has demonstrated its ability to withstand the challenges posed by the current environment and has emerged as a strong player in registering growth and profitability.

#### **6. Risks and concerns**

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

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

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

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

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

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

#### **8. Human Resources**

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

#### **9. Cautionary Statement**

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



#### 10. **Ratio Analysis**

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

<b>Ratio</b>	<b>FY 23</b>	<b>FY 22</b>
Debtors Turnover Ratio	1.14:1	0.88:1
Inventory Turnover	Not applicable	<i>Not applicable</i>
Interest Coverage Ratio	-	-
Current Ratio	106.43:1	81.55:1
Debt Equity Ratio	-	-
Operating Profit Margin (%)	90.65%	87.43%
Net Profit Margin (%)	63.61%	84.20%

**CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE**

**The Members,  
The Birla Cotton Spinning & Weaving Mills Limited,  
Hindustan Times House, Mezzanine Floor,  
18-20 Kasturba Gandhi Marg, New Delhi-110001**

I have examined the compliance of conditions of Corporate Governance by **The Birla Cotton Spinning and Weaving Mills Limited**, for the period ended on 31<sup>st</sup> March, 2023, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied, in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations for the period 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.

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.

Date:01.09.2023  
Place: New Delhi

**Sd/-**  
**ArunKumar Soni**  
Company Secretary-in-Practice  
CP No. 1726

**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, 2023, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Executive Officer, Chief Financial Officer and Company Secretary/ Compliance Officer as on 31<sup>st</sup> March, 2023.

Sd/-

Anil Shankar Bhatnagar  
Chief Executive Officer

Place: New Delhi

Date:01.09.2023

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED**

#### **I. Report on the Audit of Financial Statements for the year ended 31<sup>st</sup> March, 2023**

##### **1. Opinion**

- A. We have audited the Financial Statements of **THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **2. Basis for Opinion**

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

##### **3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters

were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

#### **4. Information Other than the Financial Statements and Auditor's Report thereon**

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Responsibilities of Management and Those Charged with Governance for the Financial Statements**

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of company Act. 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.
- B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

- v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- D. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- E. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The financial statements of the Company for the year ended March 31, 2022, were audited by predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2022.

Our opinion is not modified in respect of this matter.

## **II. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
- d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

(B) 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 Statements (Refer Note 20 to the financial statement)
- ii) The Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
- iii) The company did not have any dues in respect of Investor Education and Protection Fund.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act,:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

(D)(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.

(E) The company has neither declared or nor paid any dividend during the year.

(F) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules 2014 is not applicable for the financial year ended March 31, 2023.

**FOR M.L. GARG & CO.**

**CHARTERED ACCOUNTANTS  
FRN 001604N**

**(M.L. GARG )  
PARTNER  
M.NO. 008850  
UDIN :**

**DATED: 30<sup>th</sup> MAY, 2023**

**PLACE : NEW DELHI**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph II point 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED of even date)

- i) (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.  
  
B. As the Company does not hold any intangible assets, reporting under clause 3(i) of the Order is not applicable.
- (b) As explained to us, physical verification of Property, Plant and Equipment 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) There is no inventory held by the Company, hence, paragraph 3 (ii) of the Order is not applicable to Company.  
  
(b) The Company has not been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, at any points of time during the year, from banks or

financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.

(b) Based on our examination of the books of accounts and other records of the Company and based on the information and explanation provided by the management, the terms and conditions of the grant of all loans, investment made and advances in the nature of loans are not prima facie prejudicial to the Company's interest. The Company has not provided guarantees or security to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.

(c) The Company has granted loans which are payable on demand. Having regard to the fact that the loans given are repayable on demand, in our opinion, the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below).

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount outstanding as at the balance sheet date.

(e) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has granted Loans which are repayable on demand, details of which are given below:

Particulars	(Rupees in Lakhs)		
	All Parties	Others	Related Parties and Promoter
Aggregate of loans - Repayable on demand (A)	1963.28	1963.28	-
Total (A)	1963.28	1963.28	-
Percentage of loans in nature of loans to total loans	100%	100%	-

iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable. The Company has not provided any guarantee or securities that are covered under the provisions of sections 185 and 186 of the Companies Act, 2013.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi) The Central Government has not prescribed the maintenance of cost records under Sub Section (1) of Section 148 of the Companies Act, 2013 for any of the products/services of the Company.

vii) (a) According to the records examined by us , the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, Goods and Service Tax sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues wherever applicable.

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

(b) According to the records of the Company, there was no dues in respect of income tax, Goods and Service Tax, 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 except the below:

Name of Statute	Nature of Dues	Forum where case is pending	Period to which the Amount Relates	Amount (INR in Lakhs)
THE NEW DELHI MUNICIPAL COUNCIL ACT, 1994	House Tax	High Court Delhi	2004-05 to 2022-23	297.72/-

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authorities.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company has not raised funds on short-term basis, hence reporting under clause (d) of the Order is not applicable.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (f) of the Order is not applicable.

x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(C) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of report.

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 Ind AS.

xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv) On the basis of records made available to us and according to information and explanations given to us and based on the examination of the records of the

Company, the Company has not entered into non-cash transactions with the directors or persons connected with him covered within the meaning of section 192 of the Act. Accordingly, paragraph 3(xv) of the order is not applicable.

- xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.
  - (b) The Company has conducted non-banking financial activities with valid Certificate of Registration from Reserve Bank of India and company is not dealing with housing finance activities.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - (d) According to the information and explanation given to us by the management, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) Section 135 of the Companies Act, 2013 is not applicable to the Company.  
Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**FOR M.L. GARG & CO.**

**CHARTERED ACCOUNTANTS  
FRN 001604N**

**(M.L. GARG )  
PARTNER  
M.NO. 008850  
UDIN :**

**DATED: 30<sup>th</sup> MAY, 2023**

**PLACE : NEW DELHI**

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph II point 2 A (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED ("the Company") as of March 31, 2023 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

### **Meaning of Internal Financial Controls with reference to the financial statements**

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 with reference to the financial statements**

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as of March 31, 2023, based on the internal financial controls with reference to the financial statements 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.

**FOR M.L. GARG & CO.**

**CHARTERED ACCOUNTANTS  
FRN 001604N**

**(M.L. GARG )**  
**PARTNER**  
**M.NO. 008850**  
**UDIN :**

**DATED: 30<sup>th</sup> MAY, 2023**

**PLACE : NEW DELHI**

**The Birla Cotton Spinning & Weaving Mills Limited**

**Balance Sheet as at March 31, 2023**

		(Rupees in Lakhs)	
Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Financial Assets</b>			
(a) Cash and cash equivalents	3	2,833.05	1,884.46
(b) Bank balances other than (a) above	4	-	2.99
(c) Loans	5	1,963.28	2,530.00
(d) Investments	6	2,127.46	1,818.71
(e) Other financial assets	7	133.20	135.76
		<b>7,056.99</b>	<b>6,371.92</b>
<b>Non Financial Assets</b>			
(a) Current tax assets (net)		6.02	7.27
(b) Property, plant, and equipment	8	195.86	196.58
(c) Other Non Financials assets	9	7.80	7.49
		<b>209.68</b>	<b>211.34</b>
<b>Total Assets</b>		<b>7,266.67</b>	<b>6,583.26</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Payables			
(1) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Borrowings (other than Debt Securities)		-	-
(c) Other financial liabilities	10	20.78	18.38
		<b>20.78</b>	<b>18.38</b>
<b>Non Financial Liabilities</b>			
(a) Provisions	11	6.10	5.13
(b) Deferred tax liabilities (Net)	12	139.01	48.24
(c) Other Non Financials liabilities	13	1.12	1.48
		<b>146.23</b>	<b>54.85</b>
<b>Equity</b>			
(a) Equity share capital	14	114.42	114.42
(b) Other Equity	15	6,985.24	6,395.61
<b>Total Equity</b>		<b>7,099.66</b>	<b>6,510.03</b>
<b>Total Liabilities and Equity</b>		<b>7,266.67</b>	<b>6,583.26</b>

The accompanying notes are integral part of the financial statements.

As per our attached Report of even date

**For M. L. Garg & Company**  
Chartered Accountants  
FRN 001604N

**(M .L Garg)**  
Partner  
M. NO. 008850

Place: New Delhi  
Date: 30th May 2023

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

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

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

**Anil Shankar Bhatnagar**  
(Chief Executive Officer)

**Sunil Kumar Sahu**  
(Chief Financial Officer)

**Sanchi Sharma**  
(Company Secretary)

**The Birla Cotton Spinning & Weaving Mills Limited**

**Statement of Profit & Loss for the year ended March 31, 2023**

Particulars	Note No.	(Rupees in Lakhs)	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from Operations</b>			
i) Interest income	16	141.05	143.95
ii) Dividend Income		69.79	87.99
iii) Net Gain on fair value changes		75.85	70.51
iv) Other income	17	34.40	13.62
<b>I Total Revenue from operations</b>		<b>321.09</b>	<b>316.07</b>
<b>Other Income</b>			
i) Rental Income		128.00	128.00
ii) Sale of Services		48.00	48.00
<b>II Total Other Income</b>		<b>176.00</b>	<b>176.00</b>
<b>III. Total Revenue (I+II)</b>		<b>497.09</b>	<b>492.07</b>
<b>IV. Expenses</b>			
(a) Employees benefit expenses		36.31	30.22
(b) Depreciation	8	0.72	0.72
(c) Other Expenses	18	9.46	30.92
<b>Total Expenses (IV)</b>		<b>46.49</b>	<b>61.86</b>
<b>V Profit/(loss) before tax (III - IV)</b>		<b>450.60</b>	<b>430.21</b>
<b>VI. Tax Expense</b>	12A		
(a) Current Tax		77.27	87.22
(b) Tax for Earlier Years		1.67	-
(c) Deferred Tax expense/(Income)		55.46	(71.31)
<b>Total tax expense</b>		<b>134.40</b>	<b>15.91</b>
<b>VII. Profit/(loss) for the year (V-VI)</b>		<b>316.20</b>	<b>414.30</b>
<b>VIII. Other comprehensive income / (Loss)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Equity instruments through other comprehensive income		308.75	321.30
(ii) Income tax relating to items that will not be reclassified to profit or loss		(35.32)	(71.51)
<b>Other comprehensive income (i) +(ii)</b>		<b>273.43</b>	<b>249.79</b>
<b>IX. Total comprehensive income for the period (VII + VIII)</b>		<b>589.63</b>	<b>664.09</b>
<b>X. Earnings per share</b>			
(i) Basic	19	27.64	36.21
(ii) Diluted		27.64	36.21

The accompanying notes are integral part of the financial statements.

As per our attached Report of even date

**For M. L. Garg & Company**  
Chartered Accountants  
FRN 001604N

**(M.L Garg)**  
Partner  
M. NO. 008850

Place: New Delhi  
Date: 30th May 2023

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

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

**Anil Shankar Bhatnagar**  
(Chief Executive Officer)

**Sanchi Sharma**  
(Company Secretary)

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

**Sunil Kumar Sahu**  
(Chief Financial Officer)

**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

**Statement of change in equity**

**A. Equity Share Capital**

Particulars	No. of Shares	Amount (Rupees in Lakhs)
Balance as at March 31, 2022	1,144,180	114.42
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2023	1,144,180	114.42

**B. Other Equity**

	Reserves & Surplus							Equity Instruments through other comprehensive income	
Particulars	Capital Reserve	Capital Reserve (Revaluation of Investments)	Capital Redemption Reserve	Statutory Reserve	Share Premium Account	General Reserve	Retained earnings		Total
Balance as at March 31, 2022	180.72	0.10	25.00	1,509.03	4,105.50	1,508.30	(1,153.25)	220.21	6,395.61
Profit/(loss) for the year							316.20		316.20
Transfer to statutory Reserve				63.24			(63.24)		-
Other Comprehensive Income (Net of Tax)							-	273.43	273.43
Balance as at March 31, 2023	180.72	0.10	25.00	1,572.27	4,105.50	1,508.30	(900.29)	493.64	6,985.24

As per our attached Report of even date

**For M. L. Garg & Company**

Chartered Accountants  
FRN 001604N

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

(M. L. Garg)  
Partner  
M. NO. 008850

Virendra Kumar Charoria  
(Director)  
DIN 00046895

Rajendra Kumar Agrawal  
(Director)  
DIN 00043371

Place: New Delhi  
Date: 30th May 2023

Anil Shankar Bhatnagar  
(Chief Executive Officer)

Sunil Kumar Sahu  
(Chief Financial Officer)

Sanchi Sharma  
(Company Secretary)

**The Birla Cotton Spinning & Weaving Mills Limited**

**Cash Flow Statement for the year ended 31st March' 2023**

(Rupees in Lakhs)			
Particulars	Year ended 2022-23		Year ended 2021-22
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
<b>Net Profit before Exceptional Items and Tax as per Statement of Profit and Loss</b>	450.60		430.21
<u>Adjustment for :</u>			
Depreciation	0.72		0.72
Dividend Income	(69.79)		(87.99)
Net Gain on fair value changes	(75.85)		(70.51)
(- )Gain/Loss on sale of Investments	(34.40)		18.36
Interest Income	(141.05)		(143.95)
<b>Operating Profit before working Capital changes</b>	130.23		146.84
Adjustment for changes in working capital:			
(-) Increase/Decrease in financials assets	566.72		70.00
(-) Increase/Decrease in other financials assets	2.56		69.07
(-) Increase/Decrease in other non financials assets	(0.31)		(3.55)
Increase/ (-) Decrease in Other Financials Liabilities	2.40		2.51
Increase/ (-) Decrease in Other non Financials Liabilities	(0.36)		0.48
Increase/ (-) Decrease in Provisions	0.97		(0.42)
Cash Generated from Operations	702.21		284.93
Income Tax paid (Net of refund)	(77.70)		(90.17)
<b>Net Cash from Operating Activities</b>	<b>624.51</b>		<b>194.76</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Dividend Income	69.79		87.99
(-)Gain/Loss on sale of Investments	34.40		(18.36)
Interest Income	141.05		143.95
Fixed Deposits (placed) / redeemed	2.99		(0.06)
(Purchase)/ Sale of Investments	75.85		(944.16)
<b>Net Cash from investing activities</b>	<b>324.08</b>		<b>(730.64)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
<b>Net Cash from Financing activities</b>	-		-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	948.59		(535.88)
Cash and cash equivalents as at (Opening)	1,884.46		2,420.34
<b>Cash and cash equivalents as at (Closing)</b>	<b>2,833.05</b>		<b>1,884.46</b>

**For M. L. Garg & Company**

Chartered Accountants

FRN 001604N

**(M .L Garg)**

Partner

M. NO. 008850

Place: New Delhi

Date: 30th May 2023

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

**Virendra Kumar Charoria**

(Director)

DIN 00046895

**Rajendra Kumar Agrawal**

(Director)

DIN 00043371

**Anil Shankar Bhatnagar**

(Chief Executive Officer)

**Sunil Kumar Sahu**

(Chief Financial Officer)

**Sanchi Sharma**

(Company Secretary)

# **The Birla Cotton Spinning And Weaving Mills Limited**

## **Notes to the financial statements for the Year Ended 31st March 2023**

### **1. Corporate information**

The Birla Cotton Spinning & Weaving Mills Limited is a Public Limited Company Registered in India and incorporated under the provision of Companies Act, 2013. 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.

#### **1.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments and certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### **1.2 Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non– current) is presented in notes to the financial statements.

### **2. Significant accounting policies**

#### **2.1 Financial instruments – initial recognition**

##### **2.1.1 Date of recognition**

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the company (as per the terms of the agreement with the borrowers). The company recognises debt securities and borrowings when funds reach the company.

##### **2.1.2 Initial measurement of financial instruments**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL (Fair value through profit and loss), transaction costs are added to, or subtracted from, this amount.

##### **2.1.3 Measurement categories of financial assets and liabilities**

The company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Amortised cost

FVTPL

FVTOCI

# **The Birla Cotton Spinning And Weaving Mills Limited**

## **Notes to the financial statements for the Year Ended 31st March 2023**

### **2.2 Financial assets and liabilities**

#### **2.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost**

The Company measures Bank balances, Loans, and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

#### **2.2.2 Equity instruments at FVOCI**

Investments in equity shares are initially measured at fair value. Any subsequent fair value gain or loss is recognised through FVOCI.

Gains and losses on these equity instruments are recycled to profit or loss when equity investments will be sold out. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established,

### **2.3 Derecognition of financial assets and liabilities**

#### **Derecognition of financial assets other than due to substantial modification**

##### **Financial assets**

A financial asset is derecognized when the rights to receive cash flows from the financial asset have expired.

##### **Financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

### **2.4 Taxes**

Tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to the items recognized directly in equity in which case it is recognized in other comprehensive income (OCI). The provision for taxation has been made on the basis of the assessable profits determined under the Income Tax Act, 1961 after considering the applicable tax allowances and exemptions. The current tax is calculated in accordance with the Income Tax Act, 1961. Minimum Alternative Tax (MAT) paid in accordance with the tax laws which give rise to future economic benefits in the form of adjustments of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future Taxable income will be available against which such deferred tax assets can be realized.

### **2.5 Property, plant and equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. Property, plant & equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.



## **The Birla Cotton Spinning And Weaving Mills Limited**

### **Notes to the financial statements for the Year Ended 31st March 2023**

The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. In case of assets acquired in exchange for a non-monetary asset, the cost of such an item of property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a regular major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Depreciation on Property, Plant & Equipment**

Depreciation on Property, Plant & Equipment's (PPE) has been provided for on straight-line value method as per rates arrived based on the useful life and manner prescribed under Schedule II of the Companies Act, 2013.

In case of addition/ deletion of PPE during the year, depreciation on those PPE has been provided for on a pro rata basis from the date of such addition or, as the case may be, up to the date of deletion of such asset.

#### **2.6 Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

#### **2.7 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may

# The Birla Cotton Spinning And Weaving Mills Limited

## Notes to the financial statements for the Year Ended 31st March 2023

be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses, are recognised in the statement of profit and loss. Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

### 2.8 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### 2.9 Determination of Fair value

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date
- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or

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## Notes to the financial statements for the Year Ended 31st March 2023

the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

• **Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### 2.10 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the company satisfies a performance obligation.

### 2.11 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

### 2.12 Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a

# **The Birla Cotton Spinning And Weaving Mills Limited**

## **Notes to the financial statements for the Year Ended 31st March 2023**

corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares

### **2.13 Segment Information**

The accounting policies adopted for Segment reporting are in line with the accounting policies of the company with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

### **2.14 Trade receivables**

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

### **2.15 Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgments and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy.

### **2.16 Provisions and other contingent liabilities**

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

<b>3 Cash &amp; Cash Equivalents</b>		<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>	
Cash on hand	3.47	3.70	
<b>Balances with banks</b>			
in current accounts	29.88	36.85	
<b>Short term Liquid Investments</b>			
25,911.063 units (PY 25911.063) of Axis Banking & PSU Debt Fund- Regular Plan- Growth	578.75	554.68	
58,56,232.291 units (PY 58,56,232.291) of HDFC Banking & PSU Debt Fund- Regular Plan- Growth	1,136.16	1,091.74	
286899.214 units (PY 286899.214) of IDFC Banking & PSU Debt Fund- Regular Plan- Growth	59.93	57.43	
NIL units (PY 2712.098) of Nippon India Liquid Fund- Growth Plan- Growth	-	140.06	
2357161.209 units (PY Nil) of ICICI Prudential Banking & PSU Debt Fund- Direct Plan- Growth	671.69	-	
1199.137 units (PY Nil) of HDFC Liquid Fund- Direct Plan- Growth	52.57	-	
1154916.729 units (PY Nil) of ICICI Prudential corporate Bond Fund- Direct Plan- Growth	300.60	-	
<b>Total Short term Liquid Investments</b>	<b>2,799.70</b>	<b>1,843.91</b>	
<b>Total- Cash and cash equivalents</b>	<b>2,833.05</b>	<b>1,884.46</b>	
<b>4 Other Bank Balances</b>		<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>	
Long Term Deposits with maturity more then 3 months but less then 12 months	-	2.99	
<b>Total - Other Bank Balances</b>	<b>-</b>	<b>2.99</b>	
<b>5 Loans</b>		<b>(Rupees in Lakhs)</b>	
	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>	
<b>Term Loans :-</b>			
Krishna Shobhana Bhartia Family Trust	1,630.00	1,780.00	
KK Sec Financial Services Private Ltd.	-	495.00	
The Tingamira Tea Seed Co. Ltd.	330.00	255.00	
other	3.28	-	
	<b>1,963.28</b>	<b>2,530.00</b>	

# The Birla Cotton Spinning & Weaving Mills Limited

## Notes to the financial statements for the Year Ended 31st March 2023

(Rupees in Lakhs)

6 investments	As at 31 March, 2023	As at 31 March, 2022
<b><u>Quoted</u></b>		
<b>Investment in fully paid up equity shares</b>		
<b>In Others (at FVTOCI)</b>		
1082 (PY 1082) in Tungabhadra Industries Limited (amount written off in earlier year)	-	-
100000 (PY 100000) in Vardhman Textiles Limited	293.70	436.00
125 (PY 125) in ICICI Bank Limited	1.10	0.91
12900 (PY 12900) in Hindalco Industries Limited	52.29	73.47
250400 (PY 250400) in ITC Limited	960.28	627.62
349200 (PY 349200) in Power Finance Corporation Limited	529.91	393.20
30000 (PY 30000) in Power Grid Corporation Limited (Received as Bonus Share)	67.71	65.04
<b>Total of Quoted Investments</b>	<b>1,904.99</b>	<b>1,596.24</b>
<b><u>Unquoted</u></b>		
<b>Investment in fully paid up equity shares</b>		
<b>In others (at FVTOCI)</b>		
200 (PY 200) in Akhil Bharat Printers Limited (In Liquidation, amount written off in earlier year)	-	-
9750 (PY 9750) in Pramanand Commercial Pvt. Ltd. (Received as Bonus in an earlier year)	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
<b>Investment in fully paid up Preference shares (at FVTPL)</b>		
2,30,000 (PY 230000) in 9% Non Participating , Non Cumulative & Non convertible Redeemable Preference Shares of Pramanand Commercial Private Ltd.	221.47	221.47
	<b>221.47</b>	<b>221.47</b>
<b>Total of UnQuoted Investments</b>	<b>222.47</b>	<b>222.47</b>
<b>Total Investments</b>	<b>2,127.46</b>	<b>1,818.71</b>
Aggregate amount of quoted investments	1,904.99	1,596.24
Market Value of quoted investments	1,904.99	1,596.24
Aggregate amount of unquoted investments	222.47	222.47
Aggregate cost of total investments	1,379.85	1,379.85

**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

		(Rupees in Lakhs)	
<b>7 Other Financial Assets</b>			
		As at 31 March, 2023	As at 31 March, 2022
<b>Particulars</b>			
Interest accrued on ICD		118.68	129.25
Interest accrued on Fixed deposits		-	0.02
<u>Other Advance</u>			
Doubtful		9.64	9.64
Less: Provision for doubtful advance		(9.64)	(9.64)
<u>Security Deposits</u>			
Unsecured, Considered Good		6.49	6.49
Other receivable		8.03	-
		<b>133.20</b>	<b>135.76</b>

		(Rupees in Lakhs)	
<b>8 Property, plant and equipment</b>			
		As at 31 March, 2023	As at 31 March, 2022
<u>Carrying amounts of:</u>			
Freehold Land (Conversion fees)		177.55	177.55
Building		17.94	18.66
Plant & Machinery		0.26	0.26
Office Equipment		0.11	0.11
<b>Sub-total</b>		<b>195.86</b>	<b>196.58</b>

Particulars	Freehold Land (Conversion fees)	Building	Plant & Machinery	Office Equipment	Total
<b>Cost or deemed cost</b>					
Balance as at 31 March, 2022	177.55	47.19	5.08	2.24	232.06
Additions during the year	-	-	-	-	-
Assets disposed / written off during the year	-	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>177.55</b>	<b>47.19</b>	<b>5.08</b>	<b>2.24</b>	<b>232.06</b>
<b>Accumulated depreciation</b>					
Accumulated depreciation as at 31 March, 2022	-	28.53	4.82	2.13	35.48
Charge for the year	-	0.72	-	-	0.72
Depreciation on assets disposed / written off during the year	-	-	-	-	-
<b>Accumulated depreciation as at 31 March, 2023</b>	<b>-</b>	<b>29.25</b>	<b>4.82</b>	<b>2.13</b>	<b>36.20</b>
<b>Carrying amount</b>					
Balance as at 31 March, 2022	177.55	18.66	0.26	0.11	196.58
Balance as at 31 March, 2023	177.55	17.94	0.26	0.11	195.86

# The Birla Cotton Spinning & Weaving Mills Limited

## Notes to the financial statements for the Year Ended 31st March 2023

<b>9 Other Non Financials Assets</b>	<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Advance with government authorities	-	0.11
Prepaid expenses	0.14	0.17
Advances to Employees	5.06	6.73
Advances to others	2.60	0.48
	<b>7.80</b>	<b>7.49</b>
<b>10 Other financial liabilities</b>	<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Liability for expenses	20.78	18.38
	<b>20.78</b>	<b>18.38</b>
<b>11 Provisions</b>	<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Provisions for employees benefits- Leave Encashment	6.10	5.13
<b>Total</b>	<b>6.10</b>	<b>5.13</b>
<b>12 Deferred Tax Liabilities (Net)</b>	<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>Deferred tax liabilities</b>		
Effect of difference in carrying value & tax base of investments	143.07	52.17
<b>Gross deferred tax liabilities</b>	<b>143.07</b>	<b>52.17</b>
<b>Deferred tax assets</b>		
Effect of difference in carrying value & tax base of investments	-	-
Effect of difference in carrying value & tax base of Property, plant & equipment	4.06	3.93
<b>Gross deferred tax assets</b>	<b>4.06</b>	<b>3.93</b>
<b>Net Deferred Tax</b>	<b>139.01</b>	<b>48.24</b>



**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

**(Rupees in Lakhs)**

**12A Income Tax :-**

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
<b>(A) <u>Amounts recognised in Statement of Profit and Loss</u></b>		
Current Tax	77.27	87.22
Adjustments in respect of current income tax of earlier year	1.67	-
<b>Total</b>	<b>78.94</b>	<b>87.22</b>
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	55.46	(71.31)
<b>Income Tax Expense Reported in the Statement of Profit and Loss</b>	<b>134.40</b>	<b>15.91</b>
<b>(B) <u>Income Tax recognised in Other Comprehensive Income</u></b>		
Current Income Tax on Re-measurement Losses on Defined Benefit Plans	-	-
Current Income Tax on Fair value of Equity Instruments	(35.32)	(71.51)
<b>Total</b>	<b>(35.32)</b>	<b>(71.51)</b>
<b>(C) <u>Reconciliation of Effective Tax Rate</u></b>		
<b>Profit before Tax</b>	<b>450.60</b>	<b>430.21</b>
Tax using the domestic tax rate	77.27	87.22
Adjustments in respect of current income tax of earlier year	1.67	-
Non-deductible tax expenses	55.46	(71.31)
<b>Income Tax Expense Reported in the Statement of Profit and Loss</b>	<b>134.40</b>	<b>15.91</b>
<b>(D) <u>Deferred Tax Assets (Net)</u></b>		
<b>Deferred Tax Liabilities</b>		
Effect of difference in carrying value & tax base of investments	143.07	52.17
	<b>143.07</b>	<b>52.17</b>
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		
Effect of difference in carrying value & tax base of investments	(4.06)	(3.93)
	<b>(4.06)</b>	<b>(3.93)</b>
<b>(Deferred Tax Assets)/Liabilities (NET)</b>	<b>139.01</b>	<b>48.24</b>
<b>(E) <u>The Movement in Deferred tax assets and liabilities during the year ended 31st March 2022 and 31st March 2023</u></b>		
Opening Balance	48.24	48.04
Effect of difference in carrying value & tax base of investments and others	90.77	0.20
<b>Closing Balance</b>	<b>139.01</b>	<b>48.24</b>

**13 Other Non financials liabilities**

**(Rupees in Lakhs)**

<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Statutory Liabilities	1.12	1.48
<b>Total other current liabilities</b>	<b>1.12</b>	<b>1.48</b>

**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

**14 Share Capital**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(Rupees in Lakhs)	No. of Shares	(Rupees in Lakhs)
<b>Authorised</b>				
Equity shares of Rs. 10 each	1,750,000	175.00	1,750,000	175.00
Preference shares of Rs. 100 each	25,000	25.00	25,000	25.00
		<b>200.00</b>		<b>200.00</b>
<b>Issued, Subscribed and Paid-up</b>				
Equity shares of Rs. 10 each fully paid	1,144,180	114.42	1,144,180	114.42
		<b>114.42</b>		<b>114.42</b>

**(i) Reconciliation of number of shares**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(Rupees in Lakhs)	No. of Shares	(Rupees in Lakhs)
<b>Equity Shares</b>				
Opening Balance	1,144,180	114.42	1,144,180	114.42
Changes during the year	-	-	-	-
Closing Balance	<b>1,144,180</b>	<b>114.42</b>	<b>1,144,180</b>	<b>114.42</b>

**(ii) Rights, preferences and restrictions attached to shares**

**Equity Shares**

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

**(iii) Details of Promoter's shareholding**

Name of the Promoter	As at March 31, 2023			As at March 31, 2022	
	No. of Shares	% holding of share capital	% change during the year	No. of Shares	% holding of share capital
Earthstone Holding (Two) Private Ltd.	642,290	56.14	-	642,290	56.14
Earthstone Holding (one) Private Ltd.	74,000	6.47	-	74,000	6.47
The Hindustan Times Ltd.	47,584	4.16	-	47,584	4.16

**(iv) Details of Equity shareholders holding more than 5%**

Name of the Shareholders	As at March 31, 2023			As at March 31, 2022	
	No. of Shares	% holding of share capital	% change during the year	No. of Shares	% holding of share capital
Earthstone Holding (Two) Private Ltd. (the holding Company)	642,290	56.14	-	642,290	56.14
Earthstone Holding (one) Private Ltd.	74,000	6.47	-	74,000	6.47
The Punjab Produce & Trading Co. Ltd.	88,000	7.69	-	88,000	7.69

**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

**15 Other Equity**

	<b>(Rupees in Lakhs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Capital Reserve	180.72	180.72
Capital Reserve (Revaluation of Investments)	0.10	0.10
Capital Redemption Reserve	25.00	25.00
Statutory Reserve	1,572.27	1,509.03
Share Premium Account	4,105.50	4,105.50
General Reserve	1,508.30	1,508.30
Retained earnings	(900.29)	(1,153.25)
Other comprehensive income	493.64	220.21
	<b>6,985.24</b>	<b>6,395.61</b>

**Capital Reserve**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>180.72</b>
Changes during the year	-
<b>As at March 31, 2023</b>	<b>180.72</b>

**Capital Reserve (Revaluation of Investments)**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>0.10</b>
Changes during the year	-
<b>As at March 31, 2023</b>	<b>0.10</b>

**Capital Redemption Reserve**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>25.00</b>
Changes during the year	-
<b>As at March 31, 2023</b>	<b>25.00</b>

**Statutory Reserve**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>1,509.03</b>
Transfer from Retained Earnings	63.24
<b>As at March 31, 2023</b>	<b>1,572.27</b>

Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

**Share Premium Account**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>4,105.50</b>
Changes during the year	-
<b>As at March 31, 2023</b>	<b>4,105.50</b>

**General Reserve**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>1,508.30</b>
Changes during the year	-
<b>As at March 31, 2023</b>	<b>1,508.30</b>

**Retained Earnings**

<b>Particulars</b>	<b>Amount</b>
<b>As at March 31, 2022</b>	<b>(1,153.25)</b>
Net Profit for the year	316.20
Transfer to Statutory Reserve	(63.24)
<b>As at March 31, 2023</b>	<b>(900.29)</b>

# The Birla Cotton Spinning & Weaving Mills Limited

## Notes to the financial statements for the Year Ended 31st March 2023

### 16 Interest Income

	(Rupees in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Particulars</b>		
on ICD	140.85	143.62
FDR with Banks	0.12	0.13
Advance paid	0.08	0.20
<b>Total Revenue from Operations</b>	<b>141.05</b>	<b>143.95</b>

### 17 Revenue from operations

	(Rupees in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Particulars</b>		
Profit on sale of investments (net)	34.40	-
profit on sale of derivative	-	13.62
	<b>34.40</b>	<b>13.62</b>

### 18 Other Expenses

	(Rupees in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Particulars</b>		
Auditor remuneration	0.50	0.55
House Tax	3.37	3.37
Legal & Professional charges	1.58	1.60
Rent paid	0.67	0.24
Insurance	0.62	0.78
Loss on sale of Investment	-	18.36
STT Paid	-	2.05
Miscellaneous Expenses	2.72	3.76
Interest paid	-	0.21
	<b>9.46</b>	<b>30.92</b>

### 19 Earnings per share

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Profit/(loss) as per the statement of profit & loss	316.20	414.30
Weighted average number of equity shares of Rs. 10 each outstanding during the year	1144180	1,144,180
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>27.64</b>	<b>36.21</b>

## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

#### 20 Contingent Liability

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of House tax matters under appeals against House Tax Demand	297.72 Lacs	275.91 Lacs

#### 21 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. There is no need of disclosures under section 22 of the said act.

#### 22

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

#### 23 Related Party Disclosure as per Ind AS 24- Related Party Disclosure

Name of Related parties as on March 31, 2023

Holding Company	Earthstone Holding (Two) Private Limited	
Fellow Subsidiaries	Earthstone Holding Overseas Private Limited HT Information Services Limited	
Key Management Personnel	Shri Vishal Jain (Chief Executive Officer upto 30.11.2022) Smt. Pratiksha Agrawal (Chief Financial Officer upto 30.11.2022) Ms. Silky Gupta (Company Secretary upto 19.08.2022)  Shri Anil Shankar Bhatnagar (Chief Executive Officer w.e.f. 14.02.2023) Shri Sunil Kumar Sahu (Chief Financial Officer w.e.f. 14.02.2023) Ms. Sanchi Sharma (Company Secretary w.e.f. 01.09.22)	
Transactions during the year	Mar-23	Mar-22
<u>Key Management Personnel</u>		
Remuneration paid	16.95	16.98
Balance Outstanding at the end of the year	-	-

## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

#### 24 Segment Reporting

In terms of Accounting Standard on Segment Reporting, for the year ended March 31, 2023, the company has two basic Business Segments, namely:

- a. Investments & Finance
- b. Others

Particulars	Year Ended March 31, 2023 (Amount in lacs)			Year Ended March 31, 2022 (Amount in lacs)		
	Investment & finance	Others	Total	Investment & finance	Others	Total
<b><u>Revenue</u></b>						
Turnover	321.09	176.00	497.09	316.07	176.00	492.07
<b>Segment Revenue</b>	<b>321.09</b>	<b>176.00</b>	<b>497.09</b>	<b>316.07</b>	<b>176.00</b>	<b>492.07</b>
<b>Segment Results</b>	304.14	151.05	<b>455.19</b>	280.52	157.50	<b>438.02</b>
Unallocated Corporate expenses			<b>4.59</b>			<b>7.81</b>
<b>Profit before tax from continuing operations</b>			<b>450.60</b>			<b>430.21</b>
Current tax			134.40			15.91
<b>Net profit/(loss) for the year</b>			<b>316.20</b>			<b>414.30</b>
<b>Other Information</b>						
Segment Assets	7,009.12	218.18	7,227.30	6,321.89	210.56	6,532.45
Unallocated Corporate Assets			39.37			50.81
<b>Total Assets</b>			<b>7,266.67</b>			<b>6,583.26</b>
Segment Liabilities	139.01	28.00	167.00	48.24	24.99	73.23
Unallocated Corporate Liabilities			-			-
<b>Total Liabilities</b>			<b>167.00</b>			<b>73.23</b>

## **The Birla Cotton Spinning & Weaving Mills Limited**

### **working of Segment for the year 2022-23**

	<u>2022-23</u>	<u>2021-22</u>
<b><u>Segment Revenue</u></b>		
Investment & Finance	321.09	316.07
Others (Rent & Housekeeping Income)	176.00	176.00
	<b>497.09</b>	<b>492.07</b>

### **Segment Expenses**

#### **Investment & Finance**

Salary- In House	16.95	16.98
Loss on sale of Investment	-	18.36
Interest paid on ICD	-	0.21
	<b>16.95</b>	<b>35.55</b>

#### **Others (Rent & Housekeeping Income)**

Salary- Guest House	19.36	13.24
House Tax	3.37	3.37
Rent paid	0.67	0.24
Insurance	0.62	0.78
Printing & Stationary	0.13	0.07
Courier Expenses	0.07	0.08
Demat Charges	0.01	-
Depreciation	0.72	0.72
	<b>24.95</b>	<b>18.50</b>

### **Segment Results**

Investment & Finance	304.14	280.52
Others (Rent & Housekeeping Income)	151.05	157.50
	<b>455.19</b>	<b>438.02</b>

### **Unallocated Corporate Expenses**

Legal & Professional charges	1.58	1.60
Auditor remuneration	0.50	0.55
STT Paid	-	2.05
Miscellaneous Expenses	2.51	3.61
	<b>4.59</b>	<b>7.81</b>

### **Segment Assets**

#### **Investment & Finance**

Non Current Investment	2,127.46	1,818.71
Loans	1,963.28	2,530.00
Short Term Liquid Investment	2,799.70	1,843.91

Interest accrued on Loans	118.68	129.25
Interest accrued on Fixed Deposit	-	0.02
	<b>7,009.12</b>	<b>6,321.89</b>

**Others**

Fixed Assets	195.86	196.58
Advance with government authorities	-	0.11
Prepaid expenses	0.14	0.17
Advances to Employees	5.06	6.73
Advances to others	2.60	0.48
Security Deposit	6.49	6.49
other receivable	8.03	-
	<b>218.18</b>	<b>210.56</b>

**Unallocated Corporate Assets**

Cash in hand	3.47	3.70
Advance tax (Net of provision)	6.02	7.27
Fixed Deposit Accounts & Bank Balance	29.88	39.84
	<b>39.37</b>	<b>50.81</b>

<b>Total Assets</b>	<b>7,266.67</b>	<b>6,583.26</b>
---------------------	-----------------	-----------------

**Segment Liabilities :-**

**Investment & Finance**

Deferred tax liabilities	139.01	48.24
	<b>139.01</b>	<b>48.24</b>

**Others :-**

Long Term Provision	6.10	5.13
Liabilities for Expenses	20.78	18.38
Statutory Liabilities	1.12	1.48
	<b>28.00</b>	<b>24.99</b>

**Unallocated Corporate Liabilities**

	-	-
	-	-

<b>Total Liabilities</b>	<b>139.01</b>	<b>48.24</b>
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## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

#### 25 Financial risk management objectives & policies

The Company's principal financial liabilities comprise Trade and other payables. The Company's principal financial assets include loans, equity shares, Preference shares, Mutual Funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. A team of qualified finance professionals with appropriate skills and experience provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The policies for managing each of these risks, which are summarised below:-

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the long-term obligations with floating interest rates.

#### The exposure of the financial liabilities as at March 31, 2023 to interest rate risk is as follows:

	Total	Floating rate financial liability	Fixed rate financial liability
Financial Liabilities	-	-	-

#### The exposure of the financial liabilities as at March 31, 2022 to interest rate risk is as follows:

	Total	Floating rate financial liabilities	Fixed rate financial liabilities
Financial Liabilities	-	-	-

##### Interest rate sensitivity

Since the Company does not have any financial obligations, hence no interest rate sensitivity analysis is done.

##### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Exposure to the risk of changes in foreign exchange rates relates primarily to the companies operating activities (when revenue or expense is denominated in a foreign currency), investment & borrowing in foreign currency etc.

There is no outstanding balance in foreign currency as at year end, hence there is no foreign currency risk.

##### Foreign currency sensitivity

There is no foreign currency outstanding balance as at year end, hence no Foreign currency sensitivity analysis is done.

##### Other price risk

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenure of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

##### Equity price risk

The Entity invests in listed and non-listed equity securities which are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Entity manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company also invests in preference shares. Reports on the portfolio are submitted to the senior management on a regular basis.

#### 26 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital and net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2023	March 31, 2022
Borrowing	-	-
Less: Cash & Cash equivalents	2,833.05	1,884.46
Less: Bank balance other than mentioned above	-	2.99
Net debt	(2,833.05)	(1,887.45)
Equity and other equity	7,099.66	6,510.03
Total capital	4,266.61	4,622.58
Gearing ratio	NA	NA

Notes to the financial statements for the Year Ended 31st March 2023

27 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the companies financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b><u>Financial Assets measured at Fair Value</u></b>				
Investments valued at FVTPL	3,021.17	2,065.38	3,021.17	2,065.38
Equity Shares measured at FVTOCI	1,905.99	1,597.24	1,905.99	1,597.24
<b><u>Financial assets measured at Amortised Cost</u></b>				
Cash & Cash Equivalents	33.35	40.55	33.35	40.55
Bank Balance other than mentioned above	-	2.99	-	2.99
Loans (Current)	1,963.28	2,530.00	1,963.28	2,530.00
Other current financial assets	133.20	135.76	133.20	135.76
Total	<b>7,056.99</b>	<b>6,371.92</b>	<b>7,056.99</b>	<b>6,371.92</b>
<b><u>Financial liabilities measured at fair value</u></b>				
	-	-	-	-
<b><u>Financial liabilities measured at amortised cost</u></b>				
Other financial liabilities	20.78	18.38	20.78	18.38
	<b>20.78</b>	<b>18.38</b>	<b>20.78</b>	<b>18.38</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, loans, other current financial asset, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the investment in unquoted equity shares/ debt instruments/ preference shares have been estimated using a DCF model or comparable investment price such as last round of funding made in the investee company. The valuation requires to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments. The valuation has been carried out by independent valuer
- The Entity has investments in quoted mutual funds being valued at Net Asset Value.
- The Entity invests in quoted equity shares valued at closing price of stock on recognized stock exchange.
- The loans are evaluated based on parameters such as interest rate, risk factors, risk characteristics and individual credit-worthiness of the counterparty. Based on this evaluation, no allowances for expected losses are taken into account.
- The Entity has investment in quoted bonds and are recorded at amortised cost. Fair value of quoted bonds are determined basis the closing price of the bonds on recognised stock exchange.

28 Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the companies assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Total			
<b>Assets measured at fair value:</b>				
Investment in liquid mutual funds	2,799.70	2,799.70	-	-
Investment in equity securities	1,905.99	1,904.99	-	1.00
Investment in preference securities	221.47	-	-	221.47

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Total			
<b>Assets measured at fair value:</b>				
Investment in liquid mutual funds	1,843.91	1,843.91	-	-
Investment in equity securities	1,597.24	1,596.24	-	1.00
Investment in preference securities	221.47	-	-	221.47

## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

#### 29 Other Statutory Information

- a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b. There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f. The Company does not any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- g. The company does not have any investments through more than two layers of investment companies as per section 2(87) (d) and section 186 of Companies Act, 2013.
- h. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## **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)

**(Amount Rupees in Lakhs)**

	Particulars		
	<b>Liabilities side :</b>		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured		
	(other than falling within the meaning of public deposits)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
	<b>Assets side :</b>		
		<b>Amount outstanding</b>	
(2)	<b>Break-up of Loans and Advances including bills receivables [other</b>		
	(a) Secured	NIL	
	(b) Unsecured	1963.28	
(3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
(4)	<b>Break-up of Investments :</b>		
	<b>Current Investments :</b>		
	1. <u>Quoted</u> :		
	(i) Shares : (a) Equity	1,904.99	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please specify)	Nil	
	2. <u>Unquoted</u> :		
	(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	
	<b>Long Term Investments :</b>		
	1. <u>Quoted</u> :		
	(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	

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2. <u>Unquoted</u> :	
(i) Shares : (a) Equity	1.00
(b) Preference	221.47
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil

(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b>		
	Category	Amount net of provisions	
		<b>Secured</b>	<b>Unsecured</b>
			<b>Total</b>
	<b>1. Related Parties</b>	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the Same Group	NIL	NIL
	(c) Other related Parties	NIL	NIL
	<b>2. Other than Related Parties</b>	NIL	1963.28
	<b>Total</b>	NIL	1963.28

(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both</b>		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	<b>1. Related Parties</b>		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	2127.46	2127.46
	<b>Total</b>	<b>2127.46</b>	<b>2127.46</b>

(7)	<b>Other Information</b>		
	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

## The Birla Cotton Spinning & Weaving Mills Limited

### Notes to the financial statements for the Year Ended 31st March 2023

#### 31. Ratio

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio	Numerator	Denominator	2022-23	2021-22	% Change	Reason for Change of more than 25%
Current ratio (in times)	Total current assets	Current liabilities = Total current liabilities - Current maturities of long term borrowings	106.43	81.55	30.51%	Increase in Current Assets
Debt-Equity ratio (in times)	Total debts	Total equity	-	-	-	
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes+ Depreciation + Other non-cash adjustments	Debt service = Interest on term loan and + Term loan Principal repayments	-	-	-	
Return on equity ratio (in %)	Net Profit after tax for the year	Average total equity	4.65%	6.71%	-30.71%	Increase in tax expenses
Inventory Turnover ratio (in times)	Net Turnover (exclude excise duty)	Average Inventory	-	-	-	
Trade receivables turnover ratio (in times)	Net Turnover (exclude excise duty)	Average trade receivables	1.14	0.88	29.47%	Reduction in Trade Receivable
Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	-	-	-	
Net capital turnover ratio (in times)	Net Turnover (exclude excise duty)	Average working capital (i.e. Total current assets less current liabilities)(Current liabilities = Total current liabilities - Current maturities of long term borrowings)	0.20	0.24	-18.09%	
Net profit ratio (in %)	Net Profit after tax for the year	Net Turnover (exclude excise duty)	64%	84%	-24.45%	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debts + Deferred tax liabilities	6.22%	6.56%	-5.15%	
Return on investment (in %)	Income generated from invested funds	Average invested funds	5.81%	5.63%	3.18%	

**The Birla Cotton Spinning & Weaving Mills Limited**

**Notes to the financial statements for the Year Ended 31st March 2023**

**32** The figures of the previous period/year have been restated/regrouped wherever necessary, to make them comparable.

As per our report of even date attached

**For M. L. Garg & Company**  
Chartered Accountants  
FRN 001604N

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

**(M .L Garg)**  
**Partner**  
M. NO. 008850

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

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

Place: New Delhi  
Date: 30th May 2023

**Anil Shankar Bhatnagar**  
(Chief Executive Officer)

**Sunil Kumar Sahu**  
(Chief Financial Officer)

**Sanchi Sharma**  
(Company Secretary)