

**ANNUAL REPORT & ACCOUNTS**  
**2013-2014**

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

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

**DIRECTORS** : Shri Priyavrat Bhartia  
Shri Shamit Bhartia  
Shri V. K. Charoria  
Shri Tolaram Chachan

**AUDITORS** : K. C. GUPTA & ASSOCIATES  
Chartered Accountants

**REGISTERED OFFICE** : Hindustan Times House  
9th Floor,  
18-20, Kasturba Gandhi Marg,  
New Delhi - 110 001

## DIRECTORS' REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting their Report and the audited accounts of the Company for the year ended 31st March 2014.

### *Financial Results*

(Amount in Lacs)

Particulars	2013-2014	2012-2013
Total Income	2302.86	413.93
Profit before extraordinary items & Tax	269.46	362.71
Exceptional Items	(3907.05)	(1708.28)
Profit/(Loss) before tax	(3637.59)	(1345.57)
Less: Tax Expenses		
Deferred Tax	(0.07)	0.01
Current Tax	33.48	32.29
Profit (Loss) after tax	(3671.00)	(1377.87)
Balance brought forward from previous years	156.86	1534.73
Profit available for appropriation	(3514.14)	156.86
Appropriations:		
Transfer to Statutory Reserve	—	—
Balance carried to Balance-sheet	(3514.14)	156.86

### *Dividend*

No dividend has been recommended for the financial year ended 31st March 2014.

### *Subsidiary Companies*

During the year the Company has transferred its Investments to its subsidiary, Earthstone Investment & Finance Limited and real estate assets to wholly owned subsidiary, Birla Real Estate Limited for the purpose of carrying out their respective business.

### *Directors*

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Priyavrat Bhartia, Director of the Company retire by rotation being eligible have offered themselves for re-appointment.

***Consolidated Financial Statements***

The consolidated Financial Statements are attached with the Annual Report, pursuant to clause 32 of the Listing Agreement with Stock Exchanges.

***Auditors***

The Statutory Auditors of your Company, M/s. K. C. Gupta and Associates, Chartered Accountants (Registration No-021164N), are due to retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. In terms of the requirement of Section 139 & 141 of the Companies Act, 2013, and Rule 4 of Companies(Audit and Auditor's) rules 2014, the retiring Auditors have given a Certificate regarding their eligibility for re-appointment as Auditors of the Company.

Further that M/s. K. C. Gupta and Associates, if appointed as Statutory Auditors , shall hold their office upto the conclusion of the Annual General Meeting to be held in calendar 2017 , subject to the rectification by the shareholders at every Annual General Meeting, held in intervening period.

***Appointment of Independent Directors***

Shri Tolaram Chachan (holding DIN 00050558) and Shri Virendra Kumar Charoria (DIN 00046895), Directors of the Company who has submitted a declaration that they meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, have offered themselves for re-appointment as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019

***Appointment of Director on the Board of Material Non-Listed Indian Subsidiary Company***

Pursuant to the provisions of the clause 49 of the listing agreement atleast one Independent Director on the Board of Directors of the Holding Company shall be the director on the Board of the material non listed Indian subsidiary company.

Accordingly, Shri V.K.Charoria, an Independent Director of the Company is holding office of director in material non listed Indian subsidiary company.

***Compliance Certificate***

Pursuant to the Provisions of Section 383A of the Companies Act, 1956, Certificate has been obtained from M/s G. D. Agrawal & Co., Practising Company Secretaries, confirming compliance of the various applicable provisions of the Companies Act, 2013 and is attached as annexure to the Directors Report as per requirements of the Act.

***Corporate Governance***

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

***Constitution of Whistle Blower Mechanism***

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

Accordingly, this Whistle Blower Mechanism ("the Policy") has been formulated with a view to provide a mechanism for employees to report concerns about unethical behavior actual and suspected, fraud or violation of the Company's code of conduct or ethics policy and the whistle blowing mechanism established also provide for an adequate safeguard against victimization of director(s) /employee(s) who avails of the above said mechanism and direct access of the whistle blower to the Chairman of the Audit Committee in exceptional cases.

***Statutory Information***

During the year, there was no employee falling under Section 217(2A) of the Companies Act, 1956. The information, pursuant to sub section (1)(e) of Section 217 of the Companies Act, 1956, regarding Conservation of Energy, Technology Absorption are either nil or not applicable to Company as Company is a Non-banking Finance Company. Company has neither earned and nor incurred Foreign Exchange.

The Company has not accepted any deposit from the Public during the year. There is no unclaimed or unpaid deposit as on 31st March 2014.

As regards, observations made by the Auditors in their Report, the relevant Notes on the Accounts are self-explanatory.

The audited statement of accounts, alongwith the report of the Directors and Auditor of the subsidiary of the Company is attached to this report pursuant to the provisions of Section 212 of the Companies Act, 1956.

***Directors' Responsibility Statement***

Pursuant to section 217(2AA) of the Companies Act, 1956 (as amended) your Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That such accounting policies have been selected, applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the year ended 31st March, 2014.

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

3. That proper and sufficient care have been taken 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.
4. That the annual accounts have been prepared on a going concern basis.

**Acknowledgement**

The Board appreciates and acknowledges the support of everyone.

**For and on behalf of the Board**

Place: New Delhi  
Date: 12th August 2014

**(Priyavrat Bhartia)**  
Director  
DIN-00020603

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

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

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

The net aggregate amount of the profits/(Loss) of the Subsidiary company for the last as well as the previous years which concern the members of the Company but have not been dealt with in or for the purpose of the accounts of the company are given below:

S.No.	Name of the Subsidiary Company	Extent of holding (%)	Financial year ended of the Subsidiary	Amount of Profit/ (Loss) of the Subsidiary Company's Last Financial Year (Rs. in Lacs)	Aggregate amount of Profit/ Loss for the previous financial year of the Subsidiary Company (Rs. in lacs)
1	BCM Holdings Limited	100.00	31.03.2014	(2.20)	(0.61)
2	Birla Real Estate Limited	100.00	31.03.2014	105.69	(0.22)
3	Earthstone Investment & Finance Ltd. *	-	31.03.2014	170.18	(0.64)

\* The Company is wholly owned subsidiary of BCM Holdings Limited

**For and on behalf of the Board**

Place: New Delhi  
Date: 12th August 2014

**(Priyavrat Bhartia)**  
Director  
DIN-00020603

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

## COMPLIANCE CERTIFICATE

Registration no. of the Company : 55-99621  
Nominal Capital : Rs. 2.00 Crore

To,  
The Members  
The Birla Cotton Spinning & Weaving Mills Limited  
Hindustan Times House, 9th Floor  
18-20, Kasturba Gandhi Marg,  
New Delhi - 110 001

We have examined the registers, records, books and papers of The Birla Cotton Spinning & Weaving Mills Limited (hereinafter referred to as "the Company") as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Associations of the Company for the financial year ended on 31st March, 2014 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, NCT of Delhi & Haryana within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company having the minimum prescribed paid up capital, no comments are required.
4. The Board of Directors duly met 7 (Seven) times respectively on 20/04/2013, 30/04/2013, 30/05/2013, 13/08/2013, 12/11/2013 11/02/2014 and 28/03/2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 23.09.2013 to 30.09.2013 (both days inclusive) during the financial year and has duly complied with the provisions of section 154 of the Act.
6. The annual general meeting for the financial year ended on 31.3.2013 was held on 30th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the provisions of sections 297 and 299 of the Act.



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

10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. During the financial year there were no matters falling under section 314 of the Act for the Company to obtain any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on allotment of Equity Shares and on lodgment of equity shares for transfer in accordance with the provisions of the Act.  
(ii) The Company has not deposited any amount of dividend in a separate Bank account as no dividend was declared during the financial year.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.  
(iv) There was no unpaid dividend, application money due for refund, matured deposits, and matured debentures remaining unclaimed or unpaid for a period of seven years.  
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any managing director/ whole time director/ manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year;
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year;
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued and allotted 1,03,000 Equity shares of Rs. 10/- each, fully paid up during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares during the financial year.
22. There was no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the provisions of Section 58A of the Act during the financial year.
24. The Company has not borrowed any amount from directors, members, banks and others during the financial year.
25. The Company has not made any loans or given guarantees or provided securities to other bodies corporate or investment in shares of other bodies corporate during the financial year.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year.

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

- 29 The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year.
- 30 The Company has not altered its articles of association during the financial year.
- 31 There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year under the Act.
- 32 The Company has not received any money as security from its employees during the financial year.
- 33 The Company has not deducted any contribution towards Provident Fund during the financial year.

For G D Agrawal & Co.,  
Company Secretaries

Place: New Delhi  
Date: 30th May, 2014

(G D Agrawal)  
Sole Proprietor  
C.P. No.4275 FCS - 213

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

**ANNEXURE–A**

**Registers as maintained by the Company**

1. Register of Members u/s 150.
2. Register of charges u/s 143
3. Register of Directors' shareholdings u/s 307.
4. Register of contracts u/s 301.
5. Register of Loans, Investments etc u/s 372A.
6. Copies of Annual Returns u/s 159 with certificates specified u/s 161.
7. Minutes Book of Board Meetings u/s 193.
8. Minutes Book of General Meetings u/s 193.
9. Books of Accounts u/s 209.
10. Register of Directors etc. u/s 303.
11. Register of Transfer of shares.
12. Fixed Assets Register

**ANNEXURE–B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2014.

Sl. No.	Form No.	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether required additional fee was paid. Yes/No
1	23AC & ACA	220	31.03.2013	22.10.2013	Yes	N.A.
2	66	383A	31.03.2013	22.10.2013	Yes	N.A.
3	20B	159	30.09.2013	28.11.2013	Yes	N.A.

For G D Agrawal & Co.,  
Company Secretaries

Place : New Delhi  
Date : 30th May, 2014

(G D Agrawal)  
Sole Proprietor  
C.P. No.4275 FCS - 213

## REPORT ON CORPORATE GOVERNANCE

The Management of The Birla Cotton Spinning & 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.

### 1. BOARD OF DIRECTORS

#### A) Composition of the Board

The Composition of the Board during the year-ended 31.03.2014 is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
1	Shri. Priyavrat Bhartia	Non executive director	Promoter Group
2	Shri. Shamit Bhartia	Non-executive director	Promoter Group
3	Shri. V.K.Charoria	Non-executive director	Independent
4	Shri. T.R.Chachan	Non-executive director	Independent

In accordance with the requirements of Clause 49 of the Listing Agreement of Stock Exchanges (Clause 49), half of the Board of Directors comprises of Non Executive Directors and Independent Directors.

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

#### B) BOARD MEETINGS & ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETING

During the financial year ended 31st March 2014, Seven Board meetings were held on 20th April 2013, 30th April 2013, 30th May 2013, 13th August,2013, 12th November 2013, 11th February,2014 and 28th March 2014

Attendance record of the directors at the above Board Meetings and at last Annual General Meetings (AGM) along with the number of other positions held by them in other companies, are as follows

<b>Name of the Director</b>	<b>No. of Board meetings attended during FY 13-14</b>	<b>Attendance at the last AGM held on 30.09.2013</b>	<b>No. of other Directorships held</b>	<b>Committee positions held in other companies</b>	
				<b>Chairman</b>	<b>Member</b>
Shri. Priyavrat Bhartia	7	Yes	14	2	7
Shri. Shamit Bhartia	7	No	14	1	2
Shri. V.K.Charoria	7	Yes	11	2	1
Shri. T.R.Chachan	Nil	No	10	0	0

\*Excluding directorships in Private Limited Companies and Companies under section 25.

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED \_\_\_\_\_

### 2. AUDIT COMMITTEE

During the year ended March 31, 2014 four meetings of Audit Committee were held. The said meetings were held on 30th May 2013, 30th July 2013, 31st October, 2013, 30th January 2014.

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

Name of the Director	Position in the Committee	Number of meetings attended
Shri. V.K.Charoria	Chairman	4
Shri. Priyavrat Bhartia	Member	4
Shri. T.R.Chachan	Member	4

### • SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

No Meeting was held during the year.

The composition of Shareholders/Investors Grievance Committee is as follows:

Name of the Director	Position in the Committee
Shri. V.K.Charoria	Chairman
Shri. T.R.Chachan	Member

### • GENERAL BODY MEETINGS

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

Date & Time	30th September 2011 at 10.00 A.M	29th September 2012 at 10.00 A.M.	30th September 2013 at 10.00 A.M.
Venue	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001	Hindustan Times House, 9th Floor, 18-20, K.G.Marg, New Delhi-110001
Special resolution passed	No Special resolution passed	Special resolution was passed: <ul style="list-style-type: none"><li>• Under section 81(1A)</li><li>• Allotment of shares and warrants</li><li>• Alteration in object clause of Memorandum of Association</li><li>• Alteration in Articles of Association</li></ul>	No Special resolution passed

• **DISCLOSURES**

- a) During the year ended on 31st March 2014, 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 required disclosures on related parties and transactions with them, is appearing in Para 21 to the notes to the financial statement.
- 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 for non-compliance of any matter related to the capital markets.

• **MEANS OF COMMUNICATION**

The notices, quarterly and annual financial results etc. of the company are published in Mint (English) and Rashtrya Sahara (Hindi).

**7. GENERAL SHAREHOLDER INFORMATION**

**118th Annual General Meeting**

**Day, date and time** -Tuesday, 30th September 2014 at 10.00 A.M

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

**1. Financial Year**

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

**2. Share Transfer System**

All requests for transfer of shares in physical form are processed and the duly transferred share certificates are returned to the transferee within the time prescribed by law in the said behalf, subject to the share transfer documents being valid and complete in all respects.

As required under Clause 47(c) of the Listing Agreement of Stock Exchanges, the Company obtains a certificate on half-yearly basis from a Company Secretary-in-practice, regarding share transfer formalities, copy of which is filed with the Stock Exchange.

**3. Registrars & Share Transfer Agents**

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

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**4. Distribution of shareholding as on 31st March 2014:**

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF			SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
Rs.		Rs.	Number	% to Total	In Rs.	% to Total
(1)			(2)	(3)	(4)	(5)
Upto	–	5,000	177	80.46	220940	2.23
5,001	–	10,000	14	6.36	108230	1.09
10,001	–	20,000	9	4.10	148330	1.49
20,001	–	30,000	2	0.90	53000	0.53
30,001	–	40,000	4	1.82	139970	1.41
40,001	–	50,000	2	0.90	93320	0.93
50,001	–	1,00,000	3	1.36	245660	2.47
1,00,001 and above			9	4.10	8941840	89.85
<b>TOTAL</b>			<b>220</b>	<b>100</b>	<b>9951290</b>	<b>100</b>

**5. Shareholding Pattern of the Company as on 31st March 2014:**

Category	No. of shares held	Percentage of shareholding %
(A) Shareholding of Promoters and Promoter's Group	614874	61.78
(B) Public Shareholding:		
(a) Financial Institutions/Banks	883	0.09
(b) Bodies Corporate	228268	22.94
(c) Individuals	54800	5.51
(d) Others	96304	9.68
Total Public Shareholding	380255	38.22
TOTAL (A)+(B)	995129	100.00

**a. Dematerialization of Shares:**

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

**b. Dividend**

No dividend has been recommended for the financial year ended 31st March 2014.

**8. Status of Dematerialization as on March 31, 2014:**

<b>Particulars</b>	<b>No. of equity Shares</b>	<b>% to total equity share capital</b>
National Securities Depository Limited	Nil	Nil
Central Depository Services (India)	Nil	Nil
Total Dematerialized	Nil	Nil
Physical	995129	100.00
Grand Total	995129	100.00

**9. Listing on Stock Exchange**

- a). The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1, Asaf Ali Road,  
New Delhi 110 002
  
- b). The Calcutta Stock Exchange Association Ltd.  
7, Lyons Range,  
Calcutta 700 001

**10. Scrip Code**

Company's shares are not traded due to non-working of trading facilities in the Stock Exchange.

**11. Plant Location : N.A**

**12. Market Price Data: Average monthly High and Low price:**

There is no trading of any scrip during the year ended 31st March 2014 on both the Stock Exchanges, where Company equity shares are listed.

**13. Address for correspondence:**

9th Floor, Hindustan Times House,  
18-20, Kasturba Gandhi Marg,  
New Delhi-110001



THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED\_\_\_\_\_

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

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

CIN-L95000DL1920PLC099621

Phone-+91-11-66561206

**Declaration of compliance with 'Code of Conduct for Directors and Key Managerial Personnel' of the Company**

I, Virendra Kumar Charoria, Director of the Company, do hereby confirm that all the members of Board and the Key Managerial Personnel of the Company have complied with the 'Code of Conduct for the Directors and Key Managerial Personnel', during the financial year 2013-2014.

This declaration is based on and is in pursuance of the individual affirmations received in writing from the members of Board and the Key Managerial Personnel of the Company.

Place: New Delhi  
Date: 12th August, 2014

Sd/-  
V.K. Charoria  
(Director)  
DIN:00046895  
Address: C-305,  
Agrasen Apartments,  
66 I.P Extention,  
Patparganj  
Delhi-110092

**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 under review is Rs.2302.86 lakhs as compared to Rs.413.93 lakhs in the previous year. During the year under review Loss before tax amounts to 3637.59 lakhs as compared to 1345.57 lakhs in the previous year.

**2. Industry Trends and Business Analysis:**

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. 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.

**5. 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.

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED \_\_\_\_\_

The company has significant quoted investments which are exposed to fluctuations in stock prices. These investments represent a substantial portion of the Company's core capital, and are vulnerable to fluctuations in stock markets. Any decline in these quoted investments may severally impact its financial position and results of operations.

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.

### **6. 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.

### **7. Human Resources:**

The company has adequate human resources, which is commensurate with the current volume of activity.

### **8. 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.

## INDEPENDENT AUDITOR'S REPORT

To the Members of

### THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) In the case of the Statement of profit and loss, of the loss for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, We report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from the examination of those books.
  - (c) The Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement with the Accounting Standards referred to in Section 211(3C) of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: New Delhi  
Date: 30th May, 2014

C.A Kailash Gupta  
**(Prop.)**  
Membership No. : 083547

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

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED. on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) All Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed no material discrepancies were noticed on such verification. The fixed assets have not been revalued during the year.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. The clause regarding physical verification of inventory is not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loan, secured or unsecured, to/from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Hence the questions of reporting whether reasonable steps for recovery/repayment of over dues for such loans are taken does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arise.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory

## THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

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dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has no accumulated losses at the end of the financial year ending on 31st March, 2014, however the Company has incurred cash loss during the financial year of Rs.36.71 crore and preceding year cash loss was Rs. 13.77 crore.
  11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
  14. According to information and explanations given to us, the Company is trading in Shares, Mutual Funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
  15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
  16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
  17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
  18. The Company has made preferential allotment of 1,03,000 Equity Shares of Rs.10 each at a premium of Rs. 1190 per share in conversion of convertible warrants of 1,03,000 @ Rs.1200 and issued 118000 convertible warrants @ Rs.900 per warrant (Rs.900 paid during the year)
  19. The Company has no outstanding debentures during the period under audit.
  20. The Company has not raised any money by public issue during the year.
  21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place: New Delhi  
Date: 30th May, 2014

C.A Kailash Gupta  
**(Prop.)**  
Membership No. : 083547

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

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(Amount in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	99.52	89.22
(b) Reserves and surplus	3	1,610.38	4,055.68
(c) Money Received against Convertible Warrants	4	642.00	816.00
		<u>2,351.90</u>	<u>4,960.90</u>
<b>Non current liabilities</b>			
Long Term Provision	5	3.16	2.56
<b>Current liabilities</b>			
(a) Other current liabilities	6	6.74	11.56
(b) Short Term Provision	7	2.22	-
		8.96	11.56
	<b>TOTAL</b>	<u><b>2,364.02</b></u>	<u><b>4,975.02</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets- Tangible Assets	8	216.40	236.11
(b) Non-current investments	9	110.00	600.55
(c) Deferred tax assets (net)	10	2.38	2.31
(d) Long-term loans and advances	11	6.30	19.19
		<u>335.08</u>	<u>858.16</u>
<b>Current assets</b>			
(a) Current investments	12	76.33	950.00
(b) Trade receivables	13	21.75	43.70
(c) Cash and Bank Balances	14	1,916.63	3,115.38
(d) Short Term Loans and advances	15	14.21	6.25
(e) Other current assets	16	0.02	1.53
		<u>2,028.94</u>	<u>4,116.86</u>
	<b>TOTAL</b>	<u><b>2,364.02</b></u>	<u><b>4,975.02</b></u>

Notes on Financial Statement 1 to 28

As per our attached Report of even date

**For K.C. GUPTA & ASSOCIATES**

(Firm Registration No. 021164N)

Chartered Accountants

**Per KAILASH GUPTA**

(Prop.)

Membership No.-83547

New Delhi

30th May, 2014

For and on behalf of Board of Directors

**(Priyavrat Bhartia)**

Director

DIN-00020603

**(V.K.Charoria)**

Director

DIN-00046895



THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in Lacs)

Particulars	Note No.	for the year 2013-14	for the year 2012-13
Revenue from operations	17	351.33	406.10
Other income	18	1,951.53	7.83
<b>Total Revenue</b>		<b>2,302.86</b>	<b>413.93</b>
<b>Expenses:</b>			
Employee benefits expense		19.49	4.40
Provision for diminution written off		1,795.50	-
Rent Paid		126.43	1.43
Depreciation	8	3.21	3.81
Other expenses	19	88.77	41.58
<b>Total expenses</b>		<b>2,033.40</b>	<b>51.22</b>
<b>Profit before tax</b>		<b>269.46</b>	<b>362.71</b>
Tax Expense:			
(1) Current tax	20	33.48	32.29
(2) Deferred tax	10	(0.07)	0.01
		33.41	32.30
<b>Profit after tax</b>		<b>236.05</b>	<b>330.41</b>
Exceptional Items	21	(3,907.05)	(1,708.28)
Profit/(Loss) after Tax & Exceptional items		(3,671.00)	(1,377.87)
Earnings per equity share (in Rs.):			
(1) Basic		(411.07)	(169.92)
(2) Diluted		(411.07)	(169.92)

Notes on Financial Statement 1 to 28

As per our attached Report of even date

For and on behalf of Board of Directors

**For K.C. GUPTA & ASSOCIATES**

(Firm Registration No. 021164N)

Chartered Accountants

**Per KAILASH GUPTA**

(Prop.)

Membership No.-83547

New Delhi

30th May, 2014

**(Priyavrat Bhartia)**

Director

DIN-00020603

**(V.K.Charoria)**

Director

DIN-00046895

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(Amount in Lacs)

Particulars	for the year 2012-13	for the year 2011-12
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax as per Statement of Profit and Loss	269.46	362.71
Adjustment for :		
Depreciation	3.21	3.81
Interest paid to Income Tax Department	1.70	1.39
Investment Written off	-	0.14
Interest Income	(1.27)	(12.87)
Dividend Income	(16.80)	(212.15)
Profit on sale of Investment	(126.92)	(94.15)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>129.38</b>	<b>48.88</b>
Adjustment for :		
Trade & other receivables	15.50	(8.65)
Trade & other payables	(4.22)	4.38
Cash Generated from Operations	140.66	44.61
Direct Taxes Paid (Net)	(20.07)	(38.49)
<b>Net Cash from Operating Activities</b>	<b>120.59</b>	<b>6.12</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	1.27	11.34
Dividend Received	16.80	212.15
Profit on sale of Investment	126.92	94.15
Purchase of Investment	(3,775.07)	(435.00)
Sale of Investment	1,248.74	655.00
<b>Net Cash provided by investing activities</b>	<b>(2,381.34)</b>	<b>537.64</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of Equity Shares	-	1,116.00
Proceeds from issuance of Equity Shares Warrants	1,062.00	816.00
	<b>1,062.00</b>	<b>1,932.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,198.75)</b>	<b>2,475.76</b>
Cash and cash equivalents as at (Opening)	3,115.38	639.62
Cash and cash equivalents as at (Closing)	1,916.63	3,115.38

**For K.C. GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 021164N)

**Per KAILASH GUPTA**

(Prop.)  
Membership No.-83547  
New Delhi  
30th May, 2014

For and on behalf of Board of Directors

**(Priyavrat Bhartia)**

Director  
DIN-00020603

**(V.K.Charoria)**

Director  
DIN-00046895

**Notes on Financial Statements for the Year Ended 31st March 2014**

**1: SIGNIFICANT ACCOUNTING POLICIES**

**(i) Basis of Accounting**

The financial statements have been prepared and presented except as stated in clause (vii) below, under the historical cost convention method on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles ("GAAP"), and Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the presentation requirements of relevant provisions of the Companies Act, 1956, to the extent applicable.

**(ii) Use of Estimates**

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

**(iii) Fixed Assets**

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

**(iv) Depreciation**

Depreciation is provided on straight-line method in terms of section 205(2) (b) of the Companies Act, 1956. The rates of depreciation considered are on the following basis:

- a) On fixed Assets installed upto 31st March, 1987, at the rates corresponding to the rates applicable under the Income Tax Rules in force at the time of acquisition / purchase of respective assets.
- b) On fixed Assets installed after 31st March 1987, at the rates specified in Schedule XIV of the Companies Act, 1956 as applicable at the time of acquisition of the respective assets.

**(v) Inventories**

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

**(vi) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Notes on Financial Statements for the Year Ended 31st March 2014**

**(a) Dividend**

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

**(b) Interest**

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

**(vii) Investment**

Investments of Shares and Securities have been carried over in accordance with Accounting Standard "Accounting for Investments". Long Term Investments are stated at cost and partly at revalued amount as per revaluation during in the year 1988-89. Decline in the market value of any quoted investments if considered to be permanent in nature is provided for. Current Investments are stated at lower of cost or net realizable value.

**(viii) Earnings per share**

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

**(ix) Taxes on Income**

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

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

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

**(x) Retirement Benefits**

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

**Notes on Financial Statements for the Year Ended 31st March 2014**

**(xi) Impairment**

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

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

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

**Notes on financial Statements for the year ended 31st March, 2014**

**2 SHARE CAPITAL**

(Amount in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>2.1 Authorised</b>		
17,50,000 (Previous year 17,50,000) equity shares of Rs. 10 each	175.00	175.00
25,000 (Previous year 25,000) preference shares of Rs. 100 each	25.00	25.00
	<u>200.00</u>	<u>200.00</u>
<b>2.2 Issued, Subscribed and Paid up Equity Shares</b>		
9,95,180 (Previous year 8,92,180) equity shares of Rs. 10 each fully paid	99.52	89.22

**2.3 Reconciliation of number of shares**

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	Amount in Lacs	No. of shares	Amount in Lacs
<b>Equity shares</b>				
Opening Balance	892,180	89.22	799,180	79.92
Changes during the year	103000	10.30	93,000	9.30
Closing Balance	<u>995180</u>	<u>99.52</u>	<u>892,180</u>	<u>89.22</u>

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

**Equity Shares**

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

**Notes on financial Statements for the year ended 31st March, 2014**

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

Name of the shareholders	March 31, 2014		March 31, 2013	
	No of shares	% holding of share capital	No of shares	% holding of share capital
Earthstone Holding (Two) Ltd.	567090	56.98	–	–
Britex (India) Ltd.	–	–	75,714	8.49
Calcutta Medical Institute	49,666	4.99	49,666	5.57
HTL Investment & Trading Co. Ltd.	–	–	75,000	8.41
Shradhanjali Investment & trading Co. Ltd.	–	–	65,784	7.37
Shekhavati Investments & Traders Ltd.	46,600	4.68	46,600	5.22
The Hindustan Times Ltd.	47,584	4.78	47,584	5.33
The Punjab Produce & Trading Co. Ltd.	88,000	8.84	88,000	9.86
Usha Flowell Ltd.	–	–	77,292	8.66
Udit (India) Ltd.	–	–	77,500	8.69
Earthstone Holding Private Ltd.	–	–	93,000	10.42

**3 RESERVES AND SURPLUS**

(Amount in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>3.1 Capital Reserve</b>		
As per last Balance Sheet	120.72	120.72
<b>3.2 Capital Reserve (Revaluation of Investments)</b>		
As per last Balance Sheet	0.10	0.10
<b>3.3 Capital Redemption Reserve</b>		
As per last Balance Sheet	25.00	25.00
<b>3.4 Statutory Reserves</b>		
As per last Balance Sheet	1,138.00	1,138.00
Add: Transfer from Profit & Loss Account	-	-
	1,138.00	1,138.00
In accordance with Section 45-IC of the Reserve Bank of India (Amendment) Act 1997, twenty percent of the profit after taxation has been transferred to Statutory Reserves		
<b>3.5 Share Premium Account</b>		
As per Last Balance Sheet	1,106.70	–
Received during the year on 103000 equity shares (Previous year 93000 equity shares) @ 1190/- per share	1,225.70	1,106.70
	2,332.40	1,106.70

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

**Notes on financial Statements for the year ended 31st March, 2014**

<b>3.6 General Reserve</b>		
As per last Balance Sheet	1,508.30	1,508.30
<b>3.7 Profit &amp; Loss A/c</b>		
As per last Balance Sheet	156.86	1,534.73
Profit/ (Loss) for the year	<u>(3,671.00)</u>	<u>(1,377.87)</u>
	(3,514.14)	156.86
Less:- Appropriations		
Transfer to Statutory Reserve	<u>-</u>	<u>-</u>
<b>Surplus carried to Balance Sheet</b>	<u>(3,514.14)</u>	<u>156.86</u>
<b>Total of Reserve &amp; Surplus</b>	<b>1,610.38</b>	<b>4,055.68</b>
<b>4 Money Received against Convertible Warrants</b>		<b>(Amount in Lacs)</b>
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Opening Balance</b>		
272 000 convertible Warrants of Rs. 1200 each, Rs. 300 paid per share	816.00	-
<b>Received during the year</b>		
On 1,18, 000 convertible Warrants of Rs. 1200 each Rs. 900 paid per warrant (Previous year on 2,72,000 convertible warrants of Rs. 1200 each, Rs 300 paid per warrants)	<u>1,062.00</u>	<u>816.00</u>
	1,878.00	816.00
<u>Less: Warrant Converted into equity shares</u>		
103000 convertible Warrants @ Rs. 1200 each	<u>1,236.00</u>	-
	<u><b>642.00</b></u>	<u><b>816.00</b></u>
(Warrants are convertible with in 18 months at the option of warrant holder onpayment of Balance money		
<b>5 LONG TERM PROVISIONS</b>		<b>(Amount in Lacs)</b>
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Provisions for employees benefits- Leave Encashment	<b>3.16</b>	<b>2.56</b>
<b>6 OTHER CURRENT LIABILITIES</b>		<b>(Amount in Lacs)</b>
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Others payables ( statutory dues etc)	<b>6.74</b>	<b>11.56</b>
<b>7 SHORT TERM PROVISION</b>		<b>(Amount in Lacs)</b>
<b>Particulars</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Provision of Income Tax (Net)	<b>2.22</b>	-



**Notes on financial Statements for the year ended 31st March, 2014**

**8 Fixed Assets**

Description of Assets	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 01.04.2013 (Rs.)	Addition/ (Deductions) during the year (Rs.)	As at on 01.04.2013 (Rs.)	Provided during the year (Rs.)	Deductions/ Adjustments during the year (Rs.)	Upto 31.03.2014 (Rs.)	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>Tangible Assets:</b>								
Freehold Land (Conversion fees)	177.55	-	-	-	-	-	177.55	177.55
Building	75.73	(28.53)	34.23	0.82	(12.30)	22.75	24.45	41.50
Plant & Equipment	8.32	(3.25)	7.78	0.02	(2.98)	4.82	0.25	0.54
Vehicle	24.36	-	8.01	2.31	-	10.32	14.04	16.35
Office Equipment	2.24	-	2.07	0.06	-	2.13	0.11	0.17
	288.20	(31.78)	52.09	3.21	(15.28)	40.02	216.40	236.11
Previous year	288.20	-	48.28	3.81	-	52.09	236.11	

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

**Notes on financial Statements for the year ended 31st March, 2014**

**9 NON CURRENT INVESTMENTS**

(Amount in lacs)

Particulars	Face Value	No of shares/ units	As at March 31, 2014	No of shares/ units	As at March 31, 2013
<b>QUOTED-OTHERS</b>					
<b>In fully paid up Equity Shares</b>					
<u>In Others:-</u>					
Tungabhadra Industries Ltd. (amount written off in earlier year)	10	1082	-	1082	-
Texmaco Infrastructure & Holdings Ltd.	1	-	-	10070	1.43
			-		1.43
<u>In Tax Free Bonds:-</u>					
Housing and Urban Development Corpn Ltd.	1000	-	-	9000	90.00
National highways Authority of India	1000	-	-	2472	24.72
			-		114.72
<u>In Units of Mutual Fund</u>					
Birla Sunlife FMP Series FE 36 months	10	-	-	1000000	100.00
HDFC FMP 24 M April 2012 (1) Series XX Growth Option	10	-	-	1000000	100.00
ICICI Prudential FMP Series 63-3 years	10	-	-	1250000	125.00
			-		325.00
<b>UNQUOTED – OTHERS</b>					
<b>In fully paid up Equity Shares</b>					
<u>In Subsidiaries Company:-</u>					
Birla Real Estate Ltd.	10	50000	5.00	50000	5.00
BCM Holding Ltd.	10	50000	5.00	50000	5.00
			10.00		10.00
<u>In Others:-</u>					
Hind Cycles Limited (amount written off during earlier year)	100	440	-	440	-
Mckenzie's Limited (amount written off during earlier year)	100	26	-	26	-
Eastern Economist Limited	100	-	-	372	0.36
Akhil Bharat Printers Limited (In Liquidation, amount written off in earlier year)	100	200	-	200	-
Paxton Estate Management Services Limited	10	-	-	10000	1.01
Goldmerry Investment & Trading Co.Limited	10	-	-	114000	11.42
Pramanand Commercial Pvt. Ltd.	10	-	-	48750	0.59
Pramanand Commercial Pvt. Ltd. (Received during the year as Bonus shares)	10	9750	-	-	-
Mehul Finvest Pvt. Limited	10	-	-	250000	21.30
VPC Financial Services Pvt. Limited	10	-	-	252700	20.22
			-		54.90

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

**Notes on financial Statements for the year ended 31st March, 2014**

(Amount in lacs)

Particulars	Face Value	No of shares/ units	As at March 31, 2014	No of shares/ units	As at March 31, 2013
<b>In Fully paid up Preference Shares</b>					
0.01% Non Cumulative Redeemable Preference Shares of Goldmerry Investment & Trading Co. Ltd.	100	100000	100.00		–
14% Comulative Non-Convertible preference shares of Jubilant Enpro Private Ltd.	10	–	–	6000000	600.00
10% Non-Convertible redeemable Preference Shares of Shradhanjali Investment & Trading Co. Ltd.	10	–	–	238000	1,190.00
10% Non-Convertible redeemable Preference Shares of Britex (India) Ltd.	10	–	–	20000	100.00
			<u>100.00</u>		<u>1,890.00</u>
Less: Provision for diminution in the value of Non Current Investments			–		(1,795.50)
Total Net Preference Shares			<u>100.00</u>		<u>94.50</u>
<b>Total Non Current Investments</b>			<b>110.00</b>		<b>600.55</b>
Aggregate value of quoted Non Current investment			–		441.15
Market value of quoted Non Current investments			–		479.04
Aggregate value of unquoted Non Current investment			110.00		1,954.90
Gross provision for diminution value of Non Current investments			–		(1,795.50)

**10 DEFERRED TAX**

Deferred Tax Assets (Net) of Rs. 0.07 lacs arising on account of temporary difference for the current year have been adjusted in the Profit & Loss account

Calculation of deferred tax assets as on 31st March 2014 and 31st March, 2013 is as given below:-

(Amount in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferrred Tax Assets		
(i) Provision for Interest	2.34	2.34
(ii) Provision for doubtful loans	0.64	0.64
	<u>2.98</u>	<u>2.98</u>
Difference between books & Tax depreciation	(0.60)	(0.67)
Deferred Tax Assets (Net)	<u>2.38</u>	<u>2.31</u>

The Company based on prudence has not recognized Deferred Tax Assets on loss on transfer of shares of Rs. 38.91 crore during the year (previous year Rs. 17.08 crore) and Fixed Assets of Rs. 16.50 lacs based on future profitability projections.

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

**Notes on financial Statements for the year ended 31st March, 2014**

**11 LONG TERM LOANS AND ADVANCES**

(Amount in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) <b>Unsecured Considered Good</b>		
(i) Security Deposits	6.30	6.30
(ii) Advance Income Tax (Net of provision)	-	12.89
(b) <b>Unsecured Considered doubtful</b>		
Other Loans and advances	9.64	9.64
Less: Provision for doubtful loans and advances	(9.64)	(9.64)
	<b>6.30</b>	<b>19.19</b>

**12 CURRENT INVESTMENTS:-**

(Amount in lacs)

Particulars	Face Value	No of shares	As at March 31, 2014	No of shares	As at March 31, 2013
<b>QUOTED:-</b>					
<b>In fully paid up equity shares</b>					
<u>In others</u>					
Cubical Financial Services Ltd.	10	12975	7.60		-
Vikas Globalone Ltd.	1	294900	68.73		-
			<b>76.33</b>		-
<u>In Units of Mutual Funds</u>					
Principal PNB FMP Series A4 Growth	10	-	-	3000000	300.00
ICICI Prudential FMP Series 58-19 Months Plan F	10	-	-	1000000	100.00
Sundaram FTP-BQ 18 months	10	-	-	500000	50.00
Birla Sunlife FMP Series EX- Growth	10	-	-	2000000	200.00
Sundaram FTP Plan CP 370 days	10	-	-	1000000	100.00
LIC Nomura FMP Series 52- 367 days	10	-	-	1000000	100.00
DWS FMP Series 14	10	-	-	1000000	100.00
Total			-		950.00
<b>TOTAL CURRENT INVESTMENTS</b>			<b>76.33</b>		<b>950.00</b>
(i) Aggregate value of quoted Current investment			76.33		950.00
(ii) Market value of quoted Current investments			88.88		1,049.52

**13 TRADE RECEIVABLES**

(Amount in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured, considered good</b>		
Over six months	-	-
Others	21.75	43.70
	<b>21.75</b>	<b>43.70</b>

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED

Notes on financial Statements for the year ended 31st March, 2014

14 CASH AND BANK BALANCES

(Amount in lacs)

Particulars		As at March 31, 2014	As at March 31, 2013
<b>Balances with Bank:-</b>			
(i) In Current Accounts		17.27	59.30
(ii) Other Bank Balances		2.94	0.45
		<u>20.21</u>	<u>59.75</u>
Cash in hand		0.03	0.30
<b>Short Term Highly Liquid Fund</b>			
	<b>Units</b>		
Birla Sunlife Cash Manager Fund- Instt Growth	100 29073.699	48.76	48.76
LIC Nomura MF Liquid Fund- Growth	1000 -	-	181.05
Birla Sunlife MF Daily Dividend	100 -	-	214.12
Birla Sunlife IP Daily Dividend	100 -	-	456.57
LIC MF Liquid Fund- Dividend	1000 -	-	154.84
Morgan Stanley Liquid Fund- Growth	1000 119977.621	1,407.85	600.00
Reliance Money Manager Fund- Growth	1000 14912.276	439.78	700.00
UTI Treasury Advantage Fund- Growth	1000 -	-	700.00
		<u>1896.39</u>	<u>3055.33</u>
<b>Total</b>		<b><u>1,916.63</u></b>	<b><u>3,115.38</u></b>

15 SHORT TERM LOANS AND ADVANCES

(Amount in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Advance paid to Subsidiaries Companies	8.01	5.19
Others	6.20	1.06
<b>Total</b>	<b><u>14.21</u></b>	<b><u>6.25</u></b>

16 OTHER CURRENT ASSETS

(Amount in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest Receivable	0.02	1.53

17 REVENUE FROM OPERATION

(Amount in lacs)

Particulars	For the year 2013-14	For the year 2012-13
<u>Dividend Income:-</u>	-	167.30
Dividend from Non Current Investments	16.80	44.85
Dividend from Current Investments	16.80	212.15
Interest Income	1.27	12.87
Commission Income	56.34	86.93
Profit on Sale of Investments	126.92	94.15
Housekeeping Services Income	150.00	-
<b>Total</b>	<b><u>351.33</u></b>	<b><u>406.10</u></b>

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

**Notes on financial Statements for the year ended 31st March, 2014**

**18 OTHER INCOME** (Amount in lacs)

Particulars	For the year 2013-14	For the year 2012-13
Provision for dimution investment written back	1,795.50	-
Rent Received	156.03	7.83
<b>Total</b>	<b>1,951.53</b>	<b>7.83</b>

**19 OTHER EXPENSES** (Amount in lacs)

Particulars	For the year 2013-14	For the year 2012-13
Housekeeping Services	24.00	-
Repair & Maintenance	37.02	-
Insurance	1.14	1.17
Rates & Taxes	0.38	0.38
Legal & Professional Charges	13.63	22.82
Auditor Remuneration:		
As Auditors	0.12	
For Tax Audit	0.04	
For Other Matters	0.44	0.79
Miscellaneous Expenses	12.00	16.42
<b>Total</b>	<b>88.77</b>	<b>41.58</b>

**20 CURRENT TAX** (Amount in lacs)

Particulars	For the year 2013-14	For the year 2012-13
Current Tax for the year	52.00	33.00
Short/ (Excess) Provision of Income Tax relating to earlier year	(18.52)	(0.71)
<b>Total</b>	<b>33.48</b>	<b>32.29</b>

**21 EXCEPTIONAL ITEMS** (Amount in lacs)

Particulars	For the year 2013-14	For the year 2012-13
Loss on Transfer of Shares *	3,890.55	1,708.28
Loss on Transfer of Fixed Assets *	16.50	-
<b>Total</b>	<b>3,907.05</b>	<b>1,708.28</b>

\* Refer Note No. 24 (A & B) in Notes on Financial Statements

**Notes on Financial Statements for the Year Ended 31st March 2014**

**22 Related party Disclosure**

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

**A. Name of the related Party**

**Holding Company**

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

**Subsidiaries Companies**

1. BCM Holding Limited
2. Birla Real Estate Limited

**Step down Subsidiary Company**

Earthstone Investment & Finance Limited

**Fellow Subsidiaries**

1. CM Airtime Promotion Private Limited
2. Earthstone Holding(Three) Private Limited
3. Goldmerry Investment & Trading Company Limited
4. Mehul Finvest Private Limited
5. Paxton Estate Management Services Limited
6. Pramanand Commercial Private Limited
7. The Hindustan Times Limited
8. Earthstone Holding Overseas Private Limited
9. Paxton Trexim Private Limited
10. VPC Financial Services Private Limited
11. Duke Commerce Limited
12. Daily Marketing and Services Company Private Limited

**B. Transaction during the year**

**(Amount in Lacs)**

**2013-14**

**2012-13**

**With Holding Company:-**

**Money Received against convertible Warrants**

From Earthstone holding (Two) Limited (formely known as Earthstone Holding(Two) Private Limited)

for 1,18,000 Warrants @ Rs. 900/- per warrant

1062.00

–

**Notes on Financial Statements for the Year Ended 31st March 2014**

22 B. Transaction during the year	2013-14	(Amount in Lacs) 2012-13
<u>Warrants Converted into Equity Shares</u>		
1,03,000 Equity Shares issued to Earthstone holding (Two) Limited (Formerly known as Earthstone Holding(Two) Private Limited) on conversion of 1,03,000 convertible Warrants	1236.00	-
<b>- With Subsidiary companies -</b>		
<u>Advance Given</u>		
BCM Holding Ltd.	0.73	2.43
Birla Real Estate Ltd.	18.92	0.32
<u>Advance Refund Received</u>		
Birla Real Estate Ltd.	19.24	-
<u>Rent Paid</u>		
Birla Real Estate Ltd.	125.00	-
<u>Payment for Housekeeping Services</u>		
Birla Real Estate Ltd.	24.00	-
<u>Gifting of fixed Assets</u>		
Birla Real Estate Ltd.	16.50	-
<b>With Step down Subsidiary Company</b>		
<u>Advance Paid</u>		
Earthstone Investment & Finance Ltd.	2.43	2.44
<u>Gifting of Investments</u>		
Earthstone Investment & Finance Ltd.		
- Equity Shares	56.33	1708.28
- Preference Shares	94.50	-
- Tax Free Bonds	114.72	-
- Units of Mutual Funds	3625.00	-
	3890.55	1708.28
<b>- With Fellow Subsidiary companies -</b>		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	100.00	-
<u>Rent Paid</u>		
The Hindustan Times Ltd.	1.31	1.31
<u>Dividend Received</u>		
The Hindustan Times Ltd.	5.33	5.33



**Notes on Financial Statements for the Year Ended 31st March 2014**

22 B. Transaction during the year	(Amount in Lacs)	
	2013-14	2012-13
<u>Rent Received</u>		
The Hindustan Times Ltd.	156.00	-
Goldmerry Investment & Trading Company Ltd.	0.03	-
<u>Receipt of Housekeeping Services Charges</u>		
The Hindustan Times Ltd.	167.64	32.64
<u>Reimbursement of Repair &amp; maintenance Charges</u>		
The Hindustan Times Ltd.	26.66	-
<b>C. Balance outstanding at the end of the year</b>		
<b>With Subsidiary Company:-</b>		
<u>Investment in Equity Shares</u>		
BCM Holding Ltd.	5.00	5.00
Birla Real Estate Ltd.	5.00	5.00
<u>Advance paid</u>		
BCM Holding Ltd.	3.16	2.43
Birla Real Estate Ltd.	-	0.32
<b>With step down Subsidiary Company:-</b>		
<u>Advance paid</u>		
Earthstone Investment and Finance Ltd.	4.87	2.44
<b>With Fellow Subsidiaries companies</b>		
<u>Investment in Preference Shares</u>		
Goldmerry Investment & Trading Company Ltd.	100.00	-
<u>Investment in Equity Shares</u>		
Goldmerry Investment & Trading Company Ltd.	-	11.42

**23. Segment Reporting**

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

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

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

**Notes on Financial Statements for the Year Ended 31st March 2014**

**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

PARTICULARS	2013-14	(Amount In Lacs) 2012-13
<b>1. Segment Revenue (Net Sale/ Income From)</b>		
a) Segment - Investment and Financing	145	319
b) Segment - Operations	206	87
c) Segment - Others	1951	8
<b>Total</b>	<b>2302</b>	<b>414</b>
<b>2. Segment Result</b>		
a) Segment - Investment and Financing	129	298
b) Segment - Operations	188	83
c) Segment - Others	(33)	6
<b>Total</b>	<b>284</b>	<b>387</b>
Less: Other Un-allocable expenditure net off	3922	1732
Un-allocable income		
<b>Total Profit Before Tax</b>	<b>(3638)</b>	<b>(1345)</b>
<b>3 Capital Employed</b>		
(Segment Assets-Segment Liabilities)		
a) Segment - Investment and Financing	186	1551
b) Segment - Operations	22	44
c) Segment - Others	202	219
<b>Total</b>	<b>410</b>	<b>1814</b>
Add: Un-allocable Capital employed	1942	3147
<b>Total</b>	<b>2352</b>	<b>4961</b>

- 24.** During the Year the Company has gifted investments of Rs. 3890.55 Lacs as per details given hereunder to Earthstone Investment & Finance Ltd. (Step down wholly owned subsidiary) and Fixed Assets of Rs. 16.50 lacs as per details given hereunder to Birla Real Estate Ltd. (wholly owned subsidiary)

**A Investment Gifted to Earthstone Investment & Finance Ltd.:-**

No. of Shares/ Units	Name of Script	Rs. in Lacs
	<u>Equity Shares</u>	
10070	Texmaco Infrastructure & Holdings Ltd.	1.43
372	Eastern Economist Limited	0.37
10000	Paxton Estate Management Services Limited	1.01
114000	Goldmerry Investment & Trading Co.Limited	11.41
48750	Pramanand Commercial Pvt. Ltd.	0.59
250000	Mehul Finvest Pvt. Limited	21.30
252700	VPC Financial Services Pvt. Limited	20.22
		<u>56.33</u>

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

**Notes on Financial Statements for the Year Ended 31st March 2014**

	<u>Preference Shares</u>	
6000000	14% Cumulative Non-Convertible Preference Shares of Jubilant Enpro Private Ltd.	30.00
238000	10% Non-Convertible redeemable Preference Shares of Shradhanjali Investment & Trading Co. Ltd.	59.50
20000	10% Non-Convertible redeemable Preference Shares of Britex (India) Ltd.	5.00
		<u>94.50</u>
	<u>Tax Free Bonds</u>	
9000	Housing and Urban Development Corpn Ltd.	90.00
2472	National highways Authority of India	24.72
		<u>114.72</u>
	<u>Units of Fixed Maturity Plan</u>	
4000000	Axis Mutual Fund FTP SR 59- 391 D- Regular Growth	400.00
1000000	Birla Sunlife Mutual Fund Fixed Term Plan Series FR Growth	100.00
6000000	Birla Sunlife Mutual Fund FTP SR KO (399D) Regular Growth	600.00
3000000	Birla Sunlife Mutual Fund FTP SR KP (405D) Regular Growth	300.00
1000000	Birla Sunlife Mutual Fund FTP SR KT (380D) Regular Growth	100.00
6000000	HDFC Mutual Fund FMP 400D Mar 2014(1) Sr 29 Regular Growth	600.00
1000000	HDFC Mutual Fund FMP 24M Apr 2012 (1) SR XX Growth	100.00
1250000	ICICI Prudential Mutual Fund FMP SR 63-3 Year PL K	125.00
3000000	IDBI Mutual Fund FMP SR IV 542D (Feb 2014) F Reg Growth	300.00
4000000	LIC Nomura Mutual Fund FMP Series 78 Regular Plan Growth	400.00
4000000	Reliance Mutual Fund Fixed Horizon FD XXV SR 30 Growth	400.00
2000000	Religare Invesco Mutual Fund FMP SR 23 A Regular Growth	200.00
		<u>3,625.00</u>
	<b>Grand Total</b>	<b><u>3890.55</u></b>

**B Fixed Assets Gifted to Birla Real State Ltd.**

Building & Machinery 16.50

25. During the Previous Year the Company issued 272000 Convertible warrants at the price of Rs. 1200 each on 14th February 2013. Each warrant of Rs. 10 each convertible into one equity Shares of Rs. 10 each at the option of Warrant Holder with in 18 month from the date of allotment. Warrant Holders paid 25% (i.e. Rs. 300) on allotment of Warrant & 75% (i.e. Rs. 900) is payable at the time of exercise of warrant. During the year 1,03,000 warrants have been converted into equity shares of Rs. 1200 each including premium of Rs. 1190 per share

**Notes on Financial Statements for the Year Ended 31st March 2014**

**26. Earning Per Share**

<b>Particulars</b>	<b>Year ended 31st March, 2014</b>	<b>Year ended 31st March, 2013</b>
Profit/(Loss) after tax as per the Profit and Loss Account (amount in Lacs.)	(3671.00)	(1377.87)
Weighted average number of equity shares of Rs. 10 each outstanding during the year	8,93,027	8,10,901
Earning per share - Basic and diluted (in Rs.)	(411.07)	(169.92)

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

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

**28.** Previous year figures have been re-grouped/re-arranged where found necessary.

As per our Report of even date

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

Per KAILASH GUPTA  
Proprietor  
Membership No.-83547  
New Delhi  
May 30, 2014

For and on behalf of the Board of Directors

**(Priyavrat Bhartia)**  
Director  
DIN-00020603

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

THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED \_\_\_\_\_

**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)

<b>(Rs. in Lacs)</b>			
<b>Liabilities side:</b>	<b>Particulars</b>	Amount Out-standing	Amount Overdue
<b>(1)</b>	<b>Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-Corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Other Loans (specify nature)	Nil	Nil
<b>Assets side :</b>		Amount outstanding	
<b>(2)</b>	<b>Break-up of Loans and advances including bills Receivables [other than those included in (4) below]:</b>		
	(a) Secured		Nil
	(b) Unsecured		Nil
<b>(3)</b>	<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

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

**(4) Break-up Investments :**

***Current Investments:***

1. Quoted :		
(i) Shares : (a) Equity	76.33	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Other (please specify)	Nil	
2. Unquoted :		
(i) Shares : (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (please specify)	Nil	

***Long Term Investments :***

1. Quoted :		
(i) Shares : (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(vi) Other (please specify)	Nil	
2. Unquoted :		
(i) Shares : (a) Equity	10.00	
(b) Preference	100.00	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (please specify)	Nil	

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
Total	Nil	Nil	Nil

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

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

Category	Market Value/ Break-up or Fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	129.15	10.00
(b) Companies in the same Group	Nil	Nil
(c) Other related parties	100.00	100.00
2. Other than related parties	88.88	76.33
<b>Total</b>	<b><u>318.03</u></b>	<b><u>186.33</u></b>

**(7) Other Information**

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

As per our report of even date attached

For and on behalf of the Board of Directors

**For K.C. GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 021164N)

**Per KAILASH GUPTA**

Proprietor  
Membership No.-83547  
New Delhi  
30th, May 2014

**(Priyavrat Bhartia)**

Director  
DIN-00020603

**(V.K. Charoria)**

Director  
DIN-00046895