

**K.N. GUTGUTIA & CO.**

**CHARTERED ACCOUNTANTS**

**NEW DELHI : KOLKATA**

11-K, GOPALA TOWER, 25, RAJENDRA PLACE,  
NEW DELHI-110008

Phones : 25713944, 25788644, 25818644

E-mail : brg1971@cakng.com, kng1971@yahoo.com

Website : www.cakng.com

## INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED**

### REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL RESULTS

#### Opinion

1. We have audited the accompanying annual financial results of **THE BIRLA COTTON SPINNING & WEAVING MILLS LIMITED** (hereafter referred to as the "Company") for the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:
  - (a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31st March 2020.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules 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 annual financial results.

#### Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.



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4. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

7. Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.
8. 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 annual financial results, 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 through a separate report on the complete set of financial statement on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



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- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by management and Board of Directors.
- iv) Conclude on the appropriateness of management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

#### **Other Matters**

11. The annual financial results includes the results for the quarter ended 31 March 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**FOR K.N. GUTGUTIA & CO.  
CHARTERED ACCOUNTANTS  
FRN 304153E**



**(B.R. GOYAL)  
PARTNER  
M.NO. 12172  
UDIN : 20012172AAAAOC5801  
DATED: 30<sup>th</sup> JUNE, 2020  
PLACE : NEW DELHI**



**THE BIRLA COTTON SPINNING & WEAVING MILLS LTD.**

Corporate Identity Number: L65100DL1920PLC099621

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

Phone: 011-66561206, Email: secretarial.ht@rediffmail.com, Website: www.birlacotton.com

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

(Rupees in lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20 Audited	31-Dec-19 Unaudited	31-Mar-19 Audited	31-Mar-20 Audited	31-Mar-19 Audited
1	<b>Income</b>	61	63	173	181	474
a	Income from Operations	43	43	43	173	173
b	Other Income					
	<b>Total Revenue (a+b)</b>	<b>104</b>	<b>106</b>	<b>216</b>	<b>354</b>	<b>647</b>
2	<b>Expenses</b>	10	8	9	32	29
a	Employees benefits expenses			10		40
b	Financial Cost				1	1
c	Depreciation	1				
d	Other Expenses :-			75		75
	Contribution to CSR Activities		9	2	11	6
	Legal & Professional Charges		1	1	3	3
	House Tax		1	2	10	10
	Others	5				
	<b>Total Expenses (a+b+c+d+e)</b>	<b>16</b>	<b>19</b>	<b>99</b>	<b>57</b>	<b>164</b>
3	<b>Profit/(Loss) before exceptional and extraordinary items and tax (1 - 2)</b>	<b>88</b>	<b>87</b>	<b>117</b>	<b>297</b>	<b>483</b>
4	Exceptional items					
5	<b>Profit/(Loss) before extraordinary items and tax (3-4)</b>	<b>88</b>	<b>87</b>	<b>117</b>	<b>297</b>	<b>483</b>
6	Extraordinary items					
7	<b>Profit/(Loss) before tax (5-6)</b>	<b>88</b>	<b>87</b>	<b>117</b>	<b>297</b>	<b>483</b>
8	<b>Tax Expenses :-</b>					
	Current Tax	64	55	3	200	40
	Deferred Tax charge/(credit)	(2)	1	8	(356)	77
	<b>Total Tax Expenses</b>	<b>62</b>	<b>56</b>	<b>11</b>	<b>(156)</b>	<b>117</b>
9	<b>Net Profit/(Loss) for the period (7- 8)</b>	<b>26</b>	<b>31</b>	<b>106</b>	<b>453</b>	<b>366</b>
10	<b>Other Comprehensive Income (OCI)</b>					
i)	a) Items that will not be reclassified to Profit or loss	(163)			(163)	
	b) Income tax effect on above	36			36	
ii)	a) Items that will be reclassified to Profit or loss					
	b) Income tax effect on above					
	<b>Total other comprehensive income (i+ii)</b>	<b>(127)</b>			<b>(127)</b>	
11	<b>Total comprehensive income for the period (9+10)</b>	<b>(101)</b>	<b>31</b>	<b>106</b>	<b>326</b>	<b>366</b>
12	Paid-up equity share capital (Face value of the share : Rs. 10/-)	114	114	114	114	114
13	Earnings per share Face value (of Rs. 10/- each) (not annualised except year Ended)					
a	Basic (Rs.)	2.27	2.71	9.26	39.56	32.02
b	Diluted (Rs.)	2.27	2.71	9.26	39.56	32.02

**STATEMENT OF SEGMENTWISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

(Rupees in lakhs)

PARTICULARS	Quarter ended			Year ended	
	31-Mar-20 Audited	31-Dec-19 Unaudited	31-Mar-19 Audited	31-Mar-20 Audited	31-Mar-19 Audited
<b>1 Segment Revenue</b>					
a) Investment and Financing	61	63	173	181	474
b) Others	43	43	43	173	173
<b>Total</b>	<b>104</b>	<b>106</b>	<b>216</b>	<b>354</b>	<b>647</b>
<b>2 Segment Result Profit/(Loss) before Interest and Tax</b>					
a) Investment and Financing	57	59	158	167	420
b) Others	34	38	37	147	149
<b>Total</b>	<b>91</b>	<b>97</b>	<b>195</b>	<b>314</b>	<b>569</b>
Less: Other un-allocable expenditure net of un-allocable income	3	10	78	17	86
<b>Total Profit Before Tax</b>	<b>88</b>	<b>87</b>	<b>117</b>	<b>297</b>	<b>483</b>
<b>3 Segment Assets</b>					
a) Investment and Financing	4,111	5,377	5,249	4,111	5,249
b) Others	220	212	210	220	210
<b>Total</b>	<b>4,331</b>	<b>5,589</b>	<b>5,459</b>	<b>4,331</b>	<b>5,459</b>
Add: Un-allocable	1,354	37	57	1,354	57
<b>Total</b>	<b>5,685</b>	<b>5,626</b>	<b>5,516</b>	<b>5,685</b>	<b>5,516</b>
<b>4 Segment Liabilities</b>					
a) Investment and Financing	194			194	
b) Others	20	48	18	20	18
<b>Total</b>	<b>214</b>	<b>48</b>	<b>18</b>	<b>214</b>	<b>18</b>
Add: Un-allocable			353		353
<b>Total</b>	<b>214</b>	<b>48</b>	<b>371</b>	<b>214</b>	<b>371</b>



The Birla Cotton Spinning & Weaving Mills Limited

Statement of Audited Assets & Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
<b>Financial Assets</b>		
(a) Cash and cash equivalents	1,623	5,064
(b) Bank balances other than (a) above	3	3
(c) Trade receivables	8	-
(d) Loans	3,000	-
(e) Investments	703	229
(f) Other financial assets	103	6
	<b>5,440</b>	<b>5,302</b>
<b>Non Financial Assets</b>		
(a) Current tax assets (net)	1	10
(b) Deferred tax assets (net)	39	-
(c) Property, plant, and equipment	198	200
(d) Other Non Financials assets	7	4
	<b>245</b>	<b>214</b>
	<b>5,685</b>	<b>5,516</b>
<b>Total Assets</b>		
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
(a) Payables		
(I) 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	194	-
(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) Other financial liabilities	13	8
	<b>207</b>	<b>8</b>
<b>Non Financial Liabilities</b>		
(a) Provisions	6	5
(b) Deferred tax liabilities (Net)	-	353
(c) Other Non Financials liabilities	1	5
	<b>7</b>	<b>363</b>
<b>Equity</b>		
(a) Equity share capital	114	114
(b) Other Equity	5,357	5,031
<b>Total Equity</b>	<b>5,471</b>	<b>5,145</b>
<b>Total Liabilities and Equity</b>	<b>5,685</b>	<b>5,516</b>



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

**STATEMENT OF CASH FLOW FOR THE YEAR**

(Rupees in Lakhs)

Particulars	For the year 2019-20	For the year 2018-19
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Exceptional Items and Tax as per Statement of Profit and Loss	297	483
Adjustment for:		
Depreciation	1	1
Loss on sale of vehicle	1	-
Discounting on preference shares	7	1
Dividend Income	(4)	-
Gain/Loss on sale of Investments	(49)	(146)
Interest Income	(108)	(59)
<b>Operating Profit before working Capital changes</b>	<b>145</b>	<b>280</b>
Adjustment for changes in working capital:		
(-) Increase/Decrease in Trade & other receivables	(9)	-
(-) Increase/Decrease in financials assets	(3,000)	500
(-) Increase/Decrease in other financials assets	(97)	68
(-) Increase/Decrease in other non financials assets	(3)	(2)
Increase/ (-) Decrease in Trade & other payables	194	-
Increase/ (-) Decrease in Borrowings	-	(500)
Increase/ (-) Decrease in Other Financials Liabilities	5	(51)
Increase/ (-) Decrease in Other non Financials Liabilities	(4)	-
Increase/ (-) Decrease in Provisions	1	1
Cash Generated from Operations	(2,768)	296
Income Tax paid (Net of refund)	(191)	(30)
<b>Net Cash from Operating Activities</b>	<b>(2,959)</b>	<b>266</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Income	4	-
Gain on sale of Investments	49	73
Interest Income	108	58
Fixed Deposits (placed) / redeemed	-	-
Sale of Investments	-	100
Sale of Fixed Assets	-	-
Purchase of Investments	(643)	-
<b>Net Cash from investing activities</b>	<b>(482)</b>	<b>231</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Net Cash from Financing activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,441)</b>	<b>497</b>
Cash and cash equivalents as at (Opening)	5,064	4,567
<b>Cash and cash equivalents as at (Closing)</b>	<b>1,623</b>	<b>5,064</b>



## THE BIRLA COTTON SPINNING & WEAVING MILLS LTD.

Corporate Identity Number: L65100DL1920PLC099621

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

### Notes:

1. The above Audited Financial Results for the quarter and Year ended March 31, 2020 have been reviewed by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on June 30, 2020.
2. The ministry of home affairs vide order no.40-3/2020 dated 24.03.2020 notified first ever nation- wide lockdown in India to contain the outbreak of COVID-19. The Country faced a national lockdown from March 25, 2020 to May 31, 2020. The reduction in the stock markets valuations on account of the COVID-19 pandemic, have impacted the valuation of Company's investments and profitability. During the quarter and year ended March 31, 2020, the sharp decrease in fair value of investments between March 1 to March 31, 2020, as a result of changes in their prices, has resulted in to accounting of net loss on fair value changes of Rs 157.73 lakhs, as at March 31, 2020. This has also impacted the calculation of Net Owned Funds (NOF) of the Company as at March 31, 2020. The Company will continue to monitor closely any| material changes to the future economic conditions on a continuous basis.
3. The Company has adopted Indian Accounting Standard (Ind-AS) effective 1<sup>st</sup> April, 2019 (transition date is 1<sup>st</sup> April, 2018) and accordingly audited financial results for the quarter and year ended March 31, 2020 are in compliance with Ind-AS prescribed under Section 133 of the Companies Act, 2013 read together with the companies (Indian-Accounting Standards) Rules, 2015 (as amended), and accordingly, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the quarter and Year ended March 31, 2019, have been restated to make the results comparable. The format for audited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 13 Nov, 2015 has been modified suitably to comply with requirements of SEBI's circular dated 5<sup>th</sup> July, 2016, Ind-AS and Schedule III (Division III) to the Companies Act, 2013 applicable to company that are required to comply with Ind-AS.
4. The above financial results have been prepared in accordance with the Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.



5. Reconciliation of the net profit for the comparative quarter and Year ended March 31, 2019 as reported under previous IGAAP and as restated under Ind-AS is as under:

(Rs. in Lakhs)

Particulars	Quarter ended 31st March 2019	Year ended 31st March, 2019
Profit after tax reported in previous Indian GAAP	(41)	102
<u>Adjustment:</u>		
Fair value effect of Preference shares	74	-
Fair value on liquid Mutual Fund	82	342
Income Tax effect on above	(9)	(78)
Profit after tax as per Ind-AS	106	366

- 6 i) Investment in Equity shares have been measured and classified under "Fair Value through Other Comprehensive Income" as per option available under Ind-AS and Schedule III (Division-III) to the Companies Act.
- ii) Investments in Mutual Funds and others have been measured and classified under "Fair Value through Profit & Loss."
7. The figure for the quarter ended 31st March 2020 & 31st March 2019 are the balancing figure between audited figure in respect of full financial year and unaudited year to date figure upto 3rd quarter of the respective years.
8. The figures of the corresponding quarter and year ended have been regrouped /reclassified, whenever necessary to confirm to current quarter classification / presentation.

By Order of the Board  
For THE BIRLA COTTON SPINNING &  
WEAVING MILLS LTD.



Rajender Kumar Agrawal  
(Director)  
DIN - 00043371

Place New Delhi  
Date: June 30, 2020

