# CENTURY TEXTILES AND INDUSTRIES LIMITED

## 121st Annual Report & Accounts

## 2017-2018

# CHAIRMAN'S STATEMENT

**Dear Shareholders,**

The Indian economy, which is now the 7th largest and one of the fastest growing economies of the world, has shown a remarkable resilience in adjusting with structural reforms. With the Government's continuing efforts for reforms and initiatives for ease of doing business, it is expected that in the coming years, the growth of the economy will further accelerate. RBI's efforts on controlling inflation are continuing. However, the regime of low cost lending may not continue for more time. In view of the various proposals contained in the Union Budget 2018-19, the rural economy is likely to see an improvement and with the hope of acceleration in the growth of our economy, overall demand should improve.

Due to better performance of the Cement, Pulp & Paper Divisions and reduced interest cost, the profitability of the Company has shown a very good improvement during 2017-18. Efforts for reducing costs on all fronts to the maximum extent possible are continuing for achieving further operational efficiencies. In view of the expected growth in the economy, demand and prices for products of our Company should improve in future. During the year, the Company had undertaken a business restructuring exercise, so as to focus on the businesses which have the potential for growth and to reduce the interest cost to the Company to the extent possible.

I would like to extend my gratitude to all our stakeholders, including shareholders, customers, lenders and our loyal, hard working and committed employees, for their unstinted support and faith in the Company.

**B. K. Birla**
Chairman

# BOARD OF DIRECTORS
(as on 02/05/2018)

**Shri B. K. Birla**, Chairman

**Shri Kumar Mangalam Birla**, Vice-Chairman

**Smt. Rajashree Birla**

**Shri Pradip Kumar Daga**, Independent Director

**Shri Yazdi P. Dandiwala**, Independent Director

**Shri Rajan A. Dalal**, Independent Director

**Shri Sohanlal K. Jain**, Independent Director

**Shri D. K. Agrawal**, Whole-time Director

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Notice for Annual General Meeting is being sent separately through Speed post / Registered post / e-mail as required under the Companies Act, 2013 & Rules made thereunder.

Company's Grievance Redressal Division's e-mail id for investors: investorrelations@centurytext.com

# TEAM OF SENIOR EXECUTIVES AS ON 02/05/2018

## TEXTILES

### Century Textiles and H.O.

| | |
|---|---|
| Shri R.K. Dalmia | Senior President & C.F.O. |
| Shri Nilay Rathi | Senior Vice President (Commercial) |
| Shri Abhay Nahar | Vice President (Finance) |

## BIRLA CENTURY

| | |
|---|---|
| Shri R.C. Panwar | Joint President (Marketing) |
| Shri Anurag Sharma | Chief Marketing Officer (Home Textiles) |
| Shri Sanjay Khimesra | Joint President (Works) |

## CEMENT

### Century, Maihar, Manikgarh and Sonar Bangla Cements

| | |
|---|---|
| Shri Jayant Dua | Senior President & Chief Executive Officer |
| Shri Rajesh K Shah | Head-Finance & Commercial |
| Shri Vibhu Goyle | Chief Marketing Officer |

### Century Cement & Sonar Bangla Cement

| | |
|---|---|
| Shri Anish Agarwal | President & Unit Head |

### Maihar Cement Units I & II

| | |
|---|---|
| Shri Sanjay Joshi | President & Unit Head |

### Manikgarh Cement Units I & II

| | |
|---|---|
| Shri Rajendra Kabra | President & Unit Head |

## PAPER

### Century Pulp & Paper

| | |
|---|---|
| Shri J. P. Narain | Chief Executive Officer |
| Shri Bijay Dhimaan | Chief Accounts Officer |
| Dr. Alok Prakash | Chief Sales Officer |

## BIRLA ESTATES

| | |
|---|---|
| Shri K.T. Jithendran | Chief Executive Officer |
| Shri Manoj Fitkariwala | Head - Finance & Accounts |
| Shri Gaurav Jain | Head - Operations and Business Development |
| Shri Shodhan Kembhavi | Head - Legal |

## CORPORATE

| | |
|---|---|
| Shri D.K. Agrawal | President (Corporate Affairs) |
| Shri Atul K. Kedia | Vice President (Legal) & Company Secretary |
| Shri Arun Gaur | Chief Human Resources Officer |

## AUDITORS

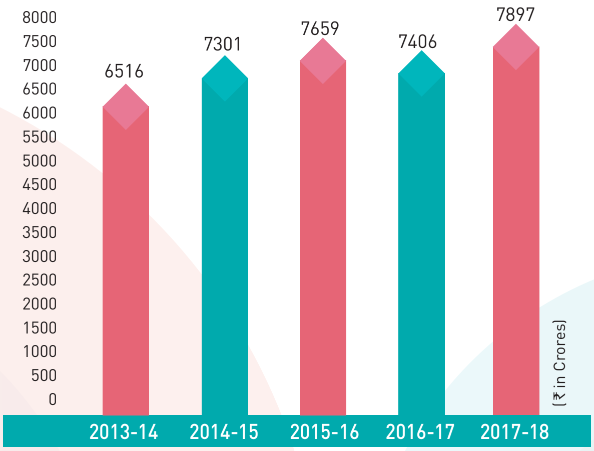
SRBC & CO. LLP, Mumbai

## REGISTERED OFFICE

Century Bhavan
Dr. Annie Besant Road
Worli, Mumbai 400 030

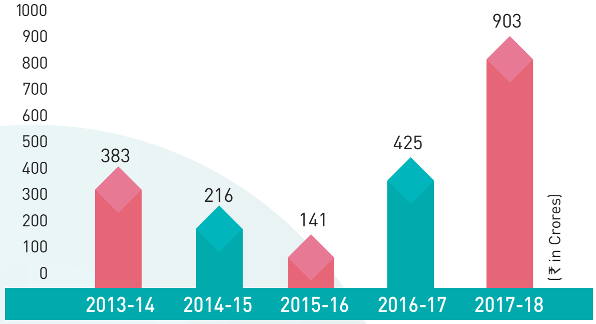
# PERFORMANCE HIGHLIGHTS

## NET SALES* & RENT FROM LEASED PROPERTIES #



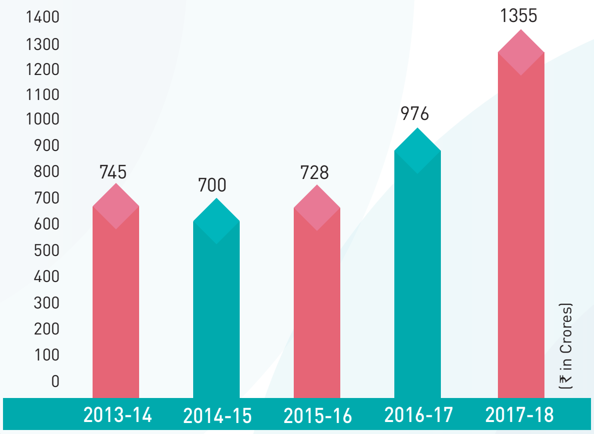

*Net Sales are net of excise duty

## GROSS PROFIT AFTER INTEREST #




## EBITDA#

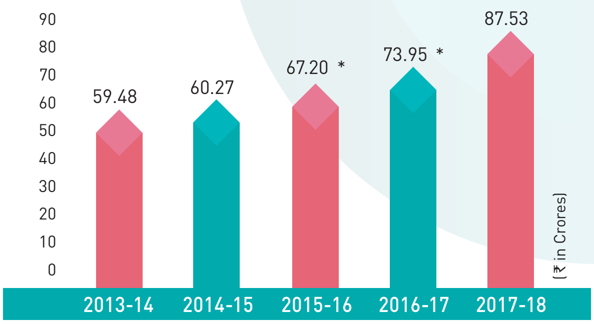
(Earning before Interest, Tax, Depreciation and Amortisation)




#In respect of the above, the figures for the years 2013-14 & 2014-15 are as per previous GAAP and for the years 2015-16 to 2017-18 are as per Ind-AS

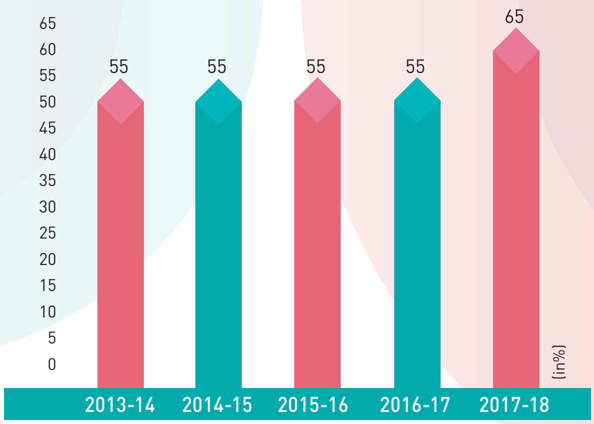
## AMOUNT OF DIVIDEND

(including tax on it)




*Due to increase in share capital

## RATE OF DIVIDEND



## BIRLA CENTURY

### LEED (Leadership in Energy and Environmental Design) v4 Certification

BIRLA CENTURY has been awarded U.S. Green Building Council's (USGBC) LEED v4 Gold certification by Green Business Certification Inc. (GBCI). It is the 1st Manufacturing project in India and 2nd in the World to achieve it using the LEED v4 Gold for Building Operation and Maintenance committed towards safe & sustainable manufacturing to overcome challenges like pollution, social responsibility, safe workplace, transparency in supply chain, avoiding use of toxic and hazardous chemicals.


## WATER MANAGEMENT

Birla Century has installed "4th Stage RO Plant" to meet out the prime criteria of "Zero Liquid Discharge" (ZLD) to be maintained and to overcome the major problems of waste water treatment to reduce the reject load. This has increased the water recovery from 88% to 94% of the plant. It also helped us to preserve the environment and continuous improvement on sustainability and our commitments towards best quality with green and clean manufacturing process. It is a major stride towards the Environment preservation as well as reduction in utilization of fresh water from natural resources and steam consumption.

## NCQC & ACQC AWARDS

### National Convention on Quality Concepts NCQC 2017

Birla Century participated in the 31st National Convention on Quality Concepts (NCQC 2017) held at Mysore and have won Two Excellence Awards, One Best Award in Kaizen Competition, First Prize in Model and Skit in Quality Circle.

### Annual Convention on Quality Concepts ACQC 2017

Birla Century participated in 5th Annual Convention on Quality Concepts (ACQC-2017) held at Ankleshwar and have won a Gold Trophy in Quality Circle, First Prize for Best Model and Poster Competition.

Birla Centurion

Built on the values of trust and transparency, Birla Estates has forayed into the real estate arena with an aim to deliver exceptional residential and commercial spaces which are thoughtfully designed keeping in mind the principles of delivering unmatched experience and value.

The two commercial properties at Worli, Birla Aurora and Birla Centurion, both Platinum certified buildings, have been built with the same thought process and in a short span of time have attained an iconic status in the commercial property fraternity. Birla Centurion has won five awards over the course of last year at prestigious award ceremonies. This certainly paves the way for what Birla Estates would deliver in the years to come.

**Commercial Property of the Year**
DNA Real Estate & Infrastructure Round Table & Awards

**Green Project of the Year**
National Infrastructure & Construction Awards

**Green Building Project of the Year**
Times Network National Awards for Marketing Excellence - For excellence in real estate & infrastructure

**Green Building Project of the Year**
ET Now Real Estate Awards 2018



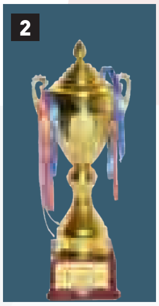
**Commercial Property of the Year**
ET Now Real Estate Awards 2018

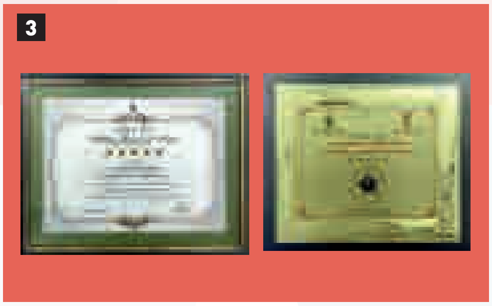
# AWARDS

## Various Cement Division of the Company have received notable awards as mentioned below.

### CENTURY CEMENT

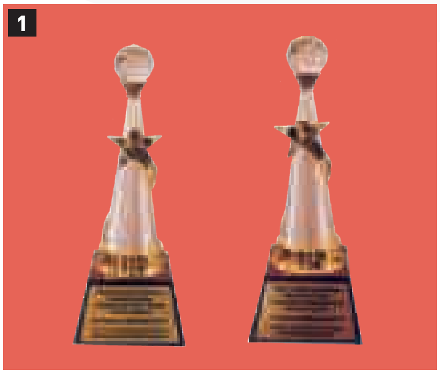
1. First Prize for "Overall Performance", "General Workings" and "Training & Safety Performance" for its limestone mines during Annual Safety Celebrations–2017 held under the aegis of Directorate General of Mines Safety, Bilaspur and Raigarh Region.
2. First Prize for "Reclamation & Rehabilitation" for its limestone mines in the category of mechanized mines, Chhattisgarh during the Mines Environment and Mineral Conservation Week, Raipur Region 2017-18 held under aegis of Indian Bureau of Mines, Raipur Region.
3. Five Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India to its limestone mines for exemplary performance in implementation of Sustainable Development Framework during 2016-17 assessed under the Star Rating Systems during 3rd National Conclave on Mines & Minerals held at New Delhi.






### MAIHAR CEMENT

1. First Prize for "Systematic & Scientific Development" and "Waste Dump Management" for its limestone mines in the category of fully mechanized mines during "Mines Environment & Mineral Conservation Week 2017-18" from the Khan Khanij Pradushan Niyantran Evam Paryavaran Vikas Samiti, Jabalpur Region.
2. Five Star rating awarded for "Sustainable Development Framework" to its limestone mines during "Mines Environment & Mineral Conservation Week 2017-18" from the Khan Khanij Pradushan Niyantran Evam Paryavaran Vikas Samiti, Jabalpur Region.
3. Five Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India to its limestone mines for exemplary performance in implementation of Sustainable Development Framework during 2016-17 for the second consecutive year assessed under the Star Rating Systems during 3rd National Conclave on Mines & Minerals held at New Delhi.



## MANIKGARH CEMENT

First Prize for the "Sustainable Development" for its limestone mines in the category of mechanised mines during the Mines Environment and Mineral Conservation Week 2017-18 held under the aegis of Indian Bureau of Mines, Nagpur Region.

Five Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India to its limestone mines for exemplary performance in implementation of Sustainable Development Framework during 2016-17 for the second consecutive year assessed under the Star Rating Systems during 3rd National Conclave on Mines & Minerals held at New Delhi.

Gold award received by Power Quality Circle for their case study – "To Reduce Fluctuation in De aerator Tank Level due to Frequent starting of Hotwell Pump" during 28th Nagpur Chapter Level Convention and Competition on Quality Circles held at Nagpur on 8th October 2017 and was honoured with Excellence Award in the National Convention on Quality Concepts (NCQC) – 2017 held at Mysore.

# PULP AND PAPER

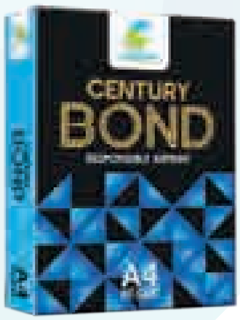
## EXPANDING HORIZONS

Under "Go-to-market" strategy, Century Pulp & Paper always focused at 'serving customers to utmost satisfaction'. Thus in November 2017, Century Pulp & Paper opened a new facility at Sonipat and started the commercial production with present capacity of 1000 Mt per month. This is the third of its kind by the company, the other two are at Bharuch & Baddi.

The enhanced production is enabling us to cater especially the small lot orders with quickest delivery time in the significant NCR market.

## BOND WITH THE BEST

Along with our determination to grow and expand through delivering best in experience paper, this year we have introduced our new development "Century Bond".




A premium category water mark paper that promises to deliver "Responsible Imprint" to office documents of the consumer.

In addition to maintaining robust performance standards, Century Bond is highly preferred for Project reports, Presentations, Business Stationery, Desktop printing, Resumes, Creative writing etc.With this Century Pulp & Paper take another leap towards setting up a standard as a leader in the segment of business paper.

## Energy Management Award :

With strong inculcated philosophy of "Energy saved, is energy generated", it is our endeavor to exceed the prescribed norms through best environmental management practices.

Effective use of energy management practices remain on the top priority for Century Pulp & Paper plant. As a result, consecutively for third time, Century Pulp & Paper, Lalkua has won "National Energy Efficient Unit" award in Paper sector, by Confederation of Indian Industry (CII), in its 18th National competition held for "Excellence in Energy Management – 2017".

## Energy Conservation Award :

Century Pulp & Paper focused approach towards best practices on environment management have been recognized by renowned institutions. Our manufacturing unit at Lalkuan has a clear objective - "Energy is life, conserve it".

This objective facilitated the unit, to be assessed as 'Best Performer' unit of energy saving under the "Perform, Achieve and Trade (PAT) Scheme-I" in Pulp & Paper sector, by the Bureau of Energy Efficiency, Ministry of Power, Government of India. And, the plant has been awarded with the National Energy Conservation Award-2017.

## Agro-Industrial Exhibition Award :

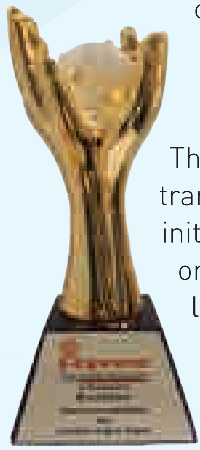
In the 102nd & 103rd "Agro-Industrial Exhibition-2017" and "Agro-Industrial Exhibition-2018" respectively, organised by and held at G B Pant University of Agriculture & Technology, Uttrakhand, Century Pulp & Paper has received First prize.

During last thirteen consecutive exhibitions, twelve times Century Pulp & Paper adjudged First position.


## Paperex Award:

Paperex is an internationally renowned series of exhibitions and conferences focusing on Paper, Pulp and all Allied Industries, held biennially in India. It has participation from all major players in Paper, Pulp & allied industries.

Century Pulp & Paper, Lalkuan, has been awarded 1st position in recognition of "Excellence" under Green Concept Display category in the 13th International Exhibition & conference on Pulp, Paper and Allied Industries (PaperEx) held in Nov, 2017.



The theme for the event has translated the CPP's various Green initiative to portray the common organization ideology "Touching lives in more ways than one..."

Dear Shareholders,

We have pleasure in presenting the 121st Annual Report of the Company along with the audited statement of accounts for the year ended 31st March, 2018. The overall profitability for the financial year 2017-18 has improved substantially as compared to the last year after charging all expenses, interest costs etc. The summarised financial results are given below.

## 1. SUMMARISED FINANCIAL RESULTS (Standalone):

(₹ in crores)

| | **2017-18** | 2016-17 |
|---|---|---|
| Earnings before finance cost, tax, depreciation and amortisation (EBITDA) | **1404.55** | 1004.69 |
| Less: | | |
| Finance Cost | **451.69** | 550.75 |
| Profit after Finance Cost | **952.86** | 453.94 |
| Less: | | |
| Depreciation | **313.75** | 313.34 |
| Profit before tax | **639.11** | 140.60 |
| Less: | | |
| Deferred Tax Debit | **230.65** | 16.71 |
| Profit after tax from continuing operations | **408.46** | 123.89 |
| Loss after tax from discontinued operations | **(36.80)** | (18.90) |
| Net Profit for the year | **371.66** | 104.99 |
| Other Comprehensive Income | **3.27** | 6.11 |
| Total Comprehensive Income for the year | **374.93** | 111.10 |
| Retained Earnings | | |
| Balance brought forward | **129.18** | 74.14 |
| Total comprehensive Income for the year | **374.93** | 111.10 |
| Equity Dividend | **(61.43)** | (61.43) |
| Tax on equity dividend | **(12.52)** | (12.52) |
| Transfer to/from Debenture Redemption Reserve | **60.42** | 17.89 |
| Balance carried forward | **369.74** | 129.18 |

The performance of each business segment of the Company has been comprehensively discussed in the Management Discussion and Analysis Report (forming part of this Directors' Report) based on the reports of the Senior President/ CEO of each of the units of the Company.

## 2. DIVIDEND:

The Board of Directors has recommended a dividend of 65% i.e. ₹ 6.50 (Rupees six and paise fifty) per share, of the face value of ₹10/- each, for the approval of the shareholders. Last year the dividend was paid @ 55%. This dividend will be paid when declared by the shareholders, in accordance with law and will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax plus applicable surcharge, education cess and/or any other cess applicable on the dividend distribution tax at the time of declaration and payment of dividend.

## 3. TRANSFER TO RESERVES:

Your Company proposes to transfer ₹ 60.42 Crore to Debenture Redemption Reserves out of retained earnings.

## 4. SHARE CAPITAL:

There is no change in the Share Capital of the Company during the year under review.

## 5. EXPORTS:

The total exports of the Company amounted to ₹ 510 crore (Previous year ₹ 454 crore) representing about 6 percent of the gross sales.

## 6. CENTURY YARN AND CENTURY DENIM:

During the year under review, the Company sold its Century Yarn and Century Denim Divisions, whose turnover was less than 5% of the total turnover of the Company. This will help the management to concentrate on growth oriented businesses of the Company. However, the workers of the said Divisions have challenged the said sale and the Company is taking the requisite legal steps to protect its interest and the matter is sub-judice.

## 7. CENTURY RAYON, TYRECORD AND CHEMICALS:

With effect from 1st February, 2018, the Company has granted Grasim Industries Ltd. (GIL) the right and the responsibility to manage and operate the Viscose Filament Yarn business of the Company {without the Company transferring the underlying immoveable and moveable assets (other than current assets)}, which comprises of the manufacturing and sale of viscose filament yarn (including pot spun yarn and continuous spun yarn), rayon tyre cord and chemicals, including caustic soda, sodium sulphide, sulphuric acid, carbon-di-sulphide, liquid chlorine, hydrochloric acid and compressed hydrogen M3, for a duration of 15 years, for a commuted royalty of ₹ 600 crore. GIL has also provided to the Company ₹ 200 crore as an interest free, refundable, security deposit and also paid consideration for the transfer of Century Rayon's working capital to GIL, at actuals. This has enabled the Company to reduce its loan obligations and also to reduce its interest liability, which will help the Company to improve its performance. The reduction in loans will improve the Company's financial ratios and pave the way for improving the Company's ratings by the rating agencies which has in fact improved by one notch to **'AA'** as against **'AA-',** for long term loans.

## 8. EXPANSION & MODERNISATION:

Modernisation & Technological upgradation programmes continue at all the units of the Company, to maintain competitiveness and achieve better quality. Stringent cost control measures remain in place in all possible areas and are regularly reviewed. Special emphasis is being given to water and energy conservation.

## 9. DIRECTORS:

**(a)** Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri B.K. Birla (DIN 00055856) retires by rotation, as Director, at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

### (b) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire, each in line with the circular issued by SEBI, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority Shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

**(c) Meetings**

During the year, seven Board meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 10. AWARDS, CERTIFICATES, PRIZES:

Various Divisions of the Company have received notable awards / certificates as mentioned below:-

**(a) Birla Century:**

- 1st Manufacturing facility in India & 2nd in World to receive Gold Leed Certification.
- Membership and certification i.e. "BCI" – (Better Cotton Initiative) received from Switzerland, "Fair Trade" from Germany and "Cotton USA" from USA for supplying and sourcing of value added sustainable products.
- Certificate SA 8000 received from Bureau Veritas for Global Social Accountability covering compliances as per ILO guidelines.
- Upgraded the latest version of Oeko-Tex-Standard 100 from Hohenstein, Germany – for fabrics to meet the requirements of sustainability as per guidelines of ZDHC (Zero Discharge Hazardous Chemicals) and Detox.

**(b) Century Cement:**

- First Prize for "Overall Performance", "General Workings" and "Training & Safety Performance" for its limestone mines during Annual Safety Celebrations – 2017 held under the aegis of Directorate General of Mines Safety, Bilaspur and Raigarh Region.
- First Prize for "Reclamation & Rehabilitation" for its limestone mines in the category of mechanized mines, Chhattisgarh, during the Mines Environment and Mineral Conservation Week, Raipur Region 2017-18, held under the aegis of Indian Bureau of Mines, Raipur Region.
- 5 Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India to its limestone mines, for exemplary performance in implementation of Sustainable Development Framework during 2016-17, assessed under the Star Rating Systems during 3rd National Conclave on Mines & Minerals held at New Delhi.

**(c) Maihar Cement:**

- First Prize for "Systematic & Scientific Development" and "Waste Dump Management" for its limestone mines, in the category of fully mechanized mines during "Mines Environment & Mineral Conservation Week 2017-18", from the Khan Khanij Pradushan Niyantran Evam Paryavaran Vikas Samiti, Jabalpur Region.
- 5 Star rating awarded for "Sustainable Development Framework" to its limestone mines, during "Mines Environment & Mineral Conservation Week 2017-18", from the Khan Khanij Pradushan Niyantran Evam Paryavaran Vikas Samiti, Jabalpur Region.
- 5 Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India, to its limestone mines for exemplary performance in implementation of Sustainable Development Framework during 2016-17 for the second consecutive year, assessed under the Star Rating Systems during 3rd National Conclave on Mines & Minerals held at New Delhi.

**(d) Manikgarh Cement:**

- First Prize for the "Sustainable Development" for its limestone mines, in the category of mechanised mines, during the Mines Environment and Mineral Conservation Week 2017-18, held under the aegis of Indian Bureau of Mines, Nagpur Region.
- 5 Star rating awarded by Indian Bureau of Mines, Ministry of Mines, Government of India, to its limestone mines, for exemplary performance in implementation of Sustainable Development Framework during 2016-17, for the second consecutive year, assessed under the Star Rating Systems, during 3rd National Conclave on Mines & Minerals held at New Delhi.

- Gold award received by Power Quality Circle for their case study –"To Reduce Fluctuation in Deaerator Tank Level due to Frequent starting of Hotwell Pump" during 28th Nagpur Chapter Level Convention and Competition on Quality Circles, held at Nagpur on 8th October 2017 and was honoured with Excellence Award in the National Convention on Quality Concepts (NCQC) – 2017 held at Mysore.

### (e) Century Pulp & Paper:

- Energy Efficient Unit Award : During last 3 years, consecutively for third time in a row, won "National Energy Efficient Unit" award in Paper sector, by Confederation of Indian Industry (CII), in its 18th National competition held for "Excellence in Energy Management – 2017".
- Best Performer Unit Award : Assessed as 'Best Performer' unit for energy saving under the "Perform, Achieve and Trade (PAT) Scheme-I" in Pulp & Paper sector, by the Bureau of Energy Efficiency, Ministry of Power, Government of India. And, the plant has been awarded with the National Energy Conservation Award-2017.
- Agro-Industrial Exhibition Award: In the 102nd & 103rd "Agro-Industrial Exhibition-2017" and "Agro-Industrial Exhibition-2018" respectively, organised by and held at G B Pant University of Agriculture & Technology, Uttrakhand, the Division has received First prize. During the last thirteen consecutive exhibitions, twelve times Century Pulp & Paper was adjudged First position.

### (f) Birla Estates:

- Birla Centurion was adjudged the Commercial Property of the Year for 2 consecutive years - at the DNA Real Estate & Infrastructure Round Table & Awards held in 2017 and ET Now Real Estate Awards 2018.
- The Platinum rated Birla Centurion was also conferred with the prestigious Green building Project of the year award for 2 consecutive years - At the National Infrastructure & Construction Awards held in 2017 and at the ET Now Real Estate Awards 2018.
- At the Times Network National Awards for Marketing Excellence - For excellence in real estate & infrastructure, Birla Centurion was awarded the Green Building Project of the Year in 2017.

## 11. AUDITORS:

SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003), who are Statutory Auditors of the Company were appointed as the Statutory Auditors for a term of 5 years at the Annual General Meeting of the Company held on 28th July, 2016. They have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder, for their appointment as Auditors of the Company. The Board recommends to the Shareholders ratification for their term of appointment as mentioned above in terms of the resolution proposed to be passed at the ensuing Annual General Meeting of the Company.

## 12. AUDITORS' REPORT:

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

## 13. COST AUDITORS AND COST AUDIT REPORT:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company, in respect of various manufacturing activities, are required to be audited. The cost audit report for the financial year 2016-17 was filed with the Ministry of Corporate Affairs on 4th September, 2017. M/s. R. Nanabhoy & Co., Cost Accountants, were nominated as the Company's Lead Cost Auditor.

Your Directors have, on the recommendation of the Audit Committee, appointed M/s. R. Nanabhoy & Co., Cost Accountants, to audit the cost accounts of the Cement, Paper and Textile products of the Company on a remuneration of ₹ 3.40 lacs for the year 2018-19.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking the members' ratification for the remuneration payable to M/s. R. Nanabhoy & Co., Cost Auditors, is included in the Notice convening the Annual General Meeting of the Company.

## 14. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Gagrani & Gagan, Company Secretaries in practice (CP No.1388), to undertake the Secretarial Audit of the Company for the year ending 31st March, 2019. The Secretarial Audit Report for the year ended 31st March, 2018 is annexed herewith as **'Annexure–I'** to this Report. The Company has complied with all applicable Secretarial Standards. The Secretarial Audit Report does not contain any adverse qualification, reservation or remark.

## 15. FIXED DEPOSITS:

During the year, the Company has not accepted any deposits from the public and there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

## 16. LOANS, GUARANTEES AND INVESTMENTS:

It is the Company's policy not to give loans, directly or indirectly, to any person or other body corporate or give any guarantee or provide any security in connection with a loan to any other body corporate or person. The details of the investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the consolidated and standalone Financial Statements.

## 17. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March, 2018 and state that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 18. KEY MANAGERIAL PERSONNEL:

During the year, there was no change in the Key Managerial Personnel.

## 19. CORPORATE GOVERNANCE:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with the Corporate Governance norms stipulated, is annexed to the Report on Corporate Governance.

## 20. AUDIT COMMITTEE, VIGIL MECHANISM & RISK MANAGEMENT:

Audit Committee comprises of four members and all members are Independent Directors. The Company Secretary is the Secretary of the Committee. All transactions with related parties are on an arm's length basis. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of the Company's policies or Rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the

Company is affected or is likely to be affected and formally reported by whistle blowers. The Policy provides that all Protected Disclosures can be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee / Whole-time Director in exceptional cases. All protected disclosures under this policy will be recorded and thoroughly investigated. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website www.centurytextind.com

### RISK MANAGEMENT

Your Company has constituted a Risk Management Committee, mandated to review the risk management plan/ process of your Company. The Risk Management Committee identified potential risks and assessed their potential impact with the objective of taking timely action to mitigate the risks.

The Audit Committee has also been delegated with the responsibility of monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

The key risks identified by the Company include, competition, financial risk and compliance of all applicable statutes and regulations. The Company has well defined policies/mechanism to mitigate competition and financial risks. The Company reviews the policies/mechanism periodically to align with the changes in market practices and regulations. Compliance risks have been mitigated through periodical monitoring and review of the regulatory framework to ensure complete compliance with all applicable statutes and regulations.

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR Committee comprises of four members. Three members of the Committee are Independent Directors.

Due to the average net profit for last three years being negative, your Company was not required to spend any amount on CSR activities during the year under review.

The Committee met once during the year to review the Corporate Social Responsibility Policy. The Annual Report on CSR containing the particulars specified in the Annexure to the Companies (CSR Policy) Rules, 2014 is annexed as '**Annexure-II'** and forms a part of this Report.

## 22. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of five members of which four, including the Chairman of the Committee, are Independent Directors.

The Company's Remuneration Policy is attached as '**Annexure-III'** and forms a part of this Report.

## 23. RELATED PARTY TRANSACTIONS:

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (Ind-AS 24) has been made in the notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval, on a quarterly basis.

The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Solicitors for the Company, M/s. Mulla & Mulla & Craigie Blunt & Caroe, provides the legal services required by the Company from time to time. The transactions with the said firm are on an arm's length basis and in the ordinary course of business. Shri Yazdi P. Dandiwala, one of the Directors of the Company is a Senior Partner in the said firm of Solicitors.

## 24. DECLARATION BY INDEPENDENT DIRECTORS:

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of independence under sub-section (6) of Section 149 of the Companies Act, 2013.

## 25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

As disclosed in the last year's report, the Competition Appellate Tribunal ("COMPAT") by its order dated 11th December, 2015 set aside the order of Competition Commission of India ("CCI") dated 20th June, 2012 and remitted the matter to CCI for fresh adjudication of the issues. The amount of penalty deposited by the Company in compliance with the interim order by COMPAT was subsequently refunded. CCI on hearing the arguments, by its order dated August 31, 2016, once again held that the cement companies and the Cement Manufacturers' Association (CMA) are guilty and in violation of the Sections 3(1) read with 3(3)(a) and 3(3)(b) of the Competition Act and imposed the penalty which in the case of the Company works out to ₹ 274.02 crore. The order for cease and desist was also imposed. The Company thereafter approached the COMPAT, which by its order dated November 7, 2016 stayed the operation of the CCI order subject to a deposit of 10% of the penalty amount within one month. The Company has accordingly deposited the said amount in December, 2016 in the form of Fixed Deposit in favour of COMPAT on behalf of the Company. Subsequently, changes have been made in the constitution and operations of Tribunals by the Government, under which all matters with COMPAT have been transferred to the National Company Law Appellate Tribunal (NCLAT). Hearing of order dated 31.08.2016 is completed at NCLAT and order is awaited.

## 26. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial control systems, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the operations was observed. The Company has appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year under review, the Company has not come across any incidence of fraud. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 27. SUBSIDIARY & ASSOCIATE COMPANIES:

During the year 2017-18, the Company has incorporated a Wholly Owned Subsidiary viz. 'Birla Estates Private Ltd.' for the purpose of undertaking Real Estate Development Projects.

In view of no business left to undertake, the Board of Bander Coal Company Private Ltd., your Company's associate, has commenced the process of voluntary liquidation of the said associate and has already appointed a liquidator under the applicable provisions of law.

Industry House Ltd., in which your Company holds about 35% shares, is an Associate Company. Despite this fact, the accounts of Industry House Ltd. have not been consolidated with that of the Company as there is no requirement for the same as per the IND-AS 28.

## 28. CONSOLIDATED FINANCIAL STATEMENT:

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and other applicable laws, if any. A separate statement containing the salient features of its subsidiary and associates in the prescribed form AOC-1 is annexed separately.

## 29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed herewith as **'Annexure-IV'**.

## 30. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 31. BUSINESS RESPONSIBILITY REPORTING:

A separate section of Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 32. PARTICULARS OF EMPLOYEES:

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **'Annexure-V'** and forms a part of this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31$^{st}$ March, 2018 is given in a separate Annexure to this Report.

The said Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 121$^{st}$ Annual General Meeting and up to the date of the said Annual General Meeting during the business hours on working days.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

## 33. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **'Annexure-VI'**.

## 34. ACKNOWLEDGEMENTS:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company's well-being.

Registered Office:
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai – 400 030

Dated: 2$^{nd}$ May, 2018

On behalf of the Board,

| D.K. AGRAWAL | Y.P. DANDIWALA |
|---|---|
| Whole-time Director | Director |
| DIN: 00040123 | DIN: 01055000 |

This report covers the operations and financial performance of the Company for the year ended 31st March, 2018 and forms part of the Directors' Report.

## 1. Overall Review:

During the year under review, earnings before interest, tax and depreciation (EBITDA) of the Company has shown very good improvement over the previous year. Better performance of the Cement and Pulp & Paper Divisions has mainly contributed to the improved profitability. Other Divisions viz. Textiles, including VFY, and Real Estate have also contributed to the profitability despite various constraints. There have been three important developments during the year under review viz. (a) with effect from 1st February, 2018, the Company has granted Grasim Industries Ltd. (GIL) the right and responsibility to manage, operate, use and control the viscose filament yarn business of Century Rayon Division of the Company for 15 years, for a commuted royalty of Rs. 600 crore, interest free, refundable, security deposit of Rs. 200 crore and Century Rayon's working capital to GIL at actuals. The above amount is used for reducing its outstanding loan liability which results in improvement in the Company's financial ratios and rating for long term loans. The rating of the Company has been raised from April, 2018 from **'AA-'** to **'AA'** which is a one notch improvement over the previous rating, which will help in further reduction in the interest rate, (b) formation of a 100% Wholly Owned Subsidiary for the purpose of real estate development and in particular for undertaking joint venture projects with other parties and (c) sale of Company's Yarn and Denim units in the Textiles segment situated at Khargone Dist. in Madhya Pradesh which were not contributing to the growth. All the aforesaid steps will strengthen the Company's performance in future.

The drive for increasing operational efficiency and cost control measures continued unabated. It is gratifying to mention that interest cost has gone down by about ₹ 99 crore during the year as compared to the previous year, mainly because of reduction of high cost debts, better treasury management, improved working capital management and soft interest regime prevailing in the larger part of the year.

The demand for cement may continue to be driven further by the pick-up in the infrastructure projects viz. bridges, roads, ports, metro rails and low budget housing segment, bringing opportunities for growth in this sector. The long term outlook for cement is expected to be positive. In the paper segment, no additional capacities are expected in the near future in India. However, the growth in paper consumption is expected to increase. Considering the present domestic and international economic scenario, the long term outlook for the Indian paper industry appears to be strong and positive. The Government's thrust for housing for all is very positive for both our Cement and Real Estate Divisions. In view of the global and domestic growth, demand for and prices of textile products may improve in the coming years.

The circumstances prevailing in each of the business segments of the Company are separately discussed hereunder. Efforts to further improve the performance of the Company across the various segments are continuing.

## 2.1 Business Segment – Textiles (Cotton fabrics, Denim cloth, Yarn, Viscose Filament Yarn & Tyre Yarn) Cotton Textiles, Yarn and Denim:

### a) Industry structure & Development:

The textile Industry, in general, had a negative impact due to the after effects of structural transformation that took place in the form of implementation of demonetization and GST. Further, post GST, import duty has come down sharply, thus making imports cheaper for the domestic industry which has placed pressure on selling prices for the textile industry as a whole. Consumers' preference to go in for e-commerce / on-line sales and reduction in export benefits have reduced margins, thus hindering the promotion of exports.

### b) Opportunities & Threats:

China's slow investment in textiles and shift to high tech industries will have a positive impact on Indian exports in the coming years.

Further, USA's withdrawal from Trans-Pacific Partnership (TPP) and chances of termination of North American Free Trade Agreement (NAFTA) between USA – Canada – Mexico for free trade will increase their cost due to application of import duties amongst their countries. Consequently, Indian industry should have opportunity to promote its own exports.

The international brands like Marks & Spencer, IKEA, Zara, H & M, Walmart etc. who have multiple sources to cover fabrics and convert into garments in Bangladesh, Vietnam and Cambodia etc. for retailing in India at better prices will make it difficult for Indian textile industry to compete with them apart from e-commerce / online business and cheaper imports.

**c) Segmental Review and Analysis:**

The financial performance of our textile unit at Bharuch in Gujarat has been adversely affected due to weak market conditions in domestic as well as export markets. Due to low demand and pressure on prices, the margins have been under pressure. Demand for cotton fabrics from ready-made garment manufacturers, converters doing job works and small traders has been going down because of the cash crunch which is still persisting in textile hubs including Bhiwandi, Gandhinagar, Erode, Bellary etc. Unless the general market improves all over the country, including small towns, the situation will remain challenging.

We have taken various steps to offset the challenges in the competitive business scenario by focusing on direct sales to brands / retailers, introduction of new markets, penetration in Out to Out business module by offering niche products with sustainable finishes, and reduction in product and utility costs.

It is heartening to mention that our unit, Birla Century, has been awarded LEED (Leadership in Energy and Environmental Design) v4 Certification and has become the first manufacturing unit in the country and second in the world to achieve, and also MIG (Made in Green) tag which is also first in the country, which should provide an advantage to our Company in brand building for the purpose of exports as American / European customers do give importance to such certification for the purpose of importing textile products from India.

**d) Risks and Concerns:**

GST has led to reduction in import duties across the segments, leading to a serious threat of imports from China, Indonesia, Thailand and Bangladesh. Downward revision in duty drawback rates has added to the woes of the Indian Textile sector. The poor global retail sales and slow down of business in the domestic market, are matters of concern for the industry.

**e) Outlook:**

We are considering opening of a branch for textiles in USA for our home textiles segment for doing direct business with renowned brands, retailers to eliminate wholesalers, traders to improve upon business margin. The focus is on cost optimization, introduction of new markets and offering of new product development with special fiber, other than cotton, with sustainable finishes.

**Century Rayon – Viscose Filament Yarn (VFY) [Pot Spun Yarn (PSY) & Continuous Spun Yarn (CSY)] and Rayon Tyre Yarn.**

Our Company has granted the right to manage, operate and control the above business, to Grasim Industries Ltd. effective from 1st February, 2018 for 15 years. In the current year, the operations of this business have formed part of our accounts for a period of ten months only. In view of this, instead of giving separate heading-wise information, we are giving hereunder a note covering all issues affecting this business during the period the operations were controlled by our Company.

Global demand of VFY continues to witness the increasing trend for more consumption of super fine deniers in India, China & Pakistan and has paved the way for the VFY industry to optimally utilize their capacity.

Pakistan continues to be a fast growing consumption centre of VFY, offering better realization to Chinese producers, that is getting reflected with their more exports to Pakistan and maintaining steady tonnage of 10K -11K Tons/ annum to the Indian market.

The industry has seen increased consumption of rayon tyre yarn due to steady demand globally for ultra high performance and run-flat tyres, where rayon is preferred as reinforcement material. Like in filament yarn, no new capacity is likely to come up due to various entry barriers. The industry expects to achieve 100% capacity utilization in the foreseeable future.

The Unit has been able to maintain cost control by undertaking a detailed comparison of cost vis-à-vis that of its competitors, based on the published data, and had started conducting trials of different varieties of pulp, to cut down the cost during the period the plant was under the Company's operations.

The Unit strived to remain ahead of competition, by offering new variants of VFY and has further strengthened its presence with the introduction of air texturising yarn in the silk fabric segment. There appears to be potential to come up with new variants in dope dyed yarn and the Unit would continue to promote the specialty yarns through its channel partners.

Continuous Spun Yarn (CSY) is a preferred yarn over other variants, due to its distinct technical properties and has the opportunity for expanding its capacities, but raises concern in consumption of PSY. The Unit has commissioned a comprehensive study to understand the likely emergence of consumption over a period of the next 5/10 years.

Due to 100% capacity utilization across product segments i.e. VFY, Rayon Tyre Yarn and Chemicals, the Unit has been able to maintain its operating margins.

### 2.2 Business Segment – Cement (Cement & Clinker)

#### a) Industry Structure and Development:

India is the second largest producer of cement in the world after China, with a capacity of more than 433 million tonnes. India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly.

The past 6-7 years have been difficult for India's cement sector. Compared to the Compounded Annual Growth Rate (CAGR) of 10% over FY05 – FY10, the Indian cement demand growth declined to a 4% CAGR over FY10 – FY17. The weak macroeconomic situation, slowed pace of infrastructure and housing growth, relatively weak rural economy and reduced government spending, hurt cement demand, while capacities added were much higher.

The cement sector may witness incremental demand outpacing incremental supply in the next three fiscals. However, the demand-supply gap will remain, considering the excess installed capacities.

Cement production in India in FY 2017-18 is expected to be approximately 297 million tonnes as compared to 280 million tonnes in the FY 2016-17, witnessing a growth of 6.07% in FY 2017-18 as against de-growth of 1.23% in FY 2016-17.

The first quarter of FY 2017-18 witnessed a drop of 3.30% in cement production due to shortage of sand, slowdown in real estate activity, drought (in a few States) and transitional issues related to the implementation of the Real Estate (Regulation and Development) Act (RERA) . Cement demand in the second quarter of FY 2017-18 was adversely impacted by the implementation of the Goods and Service Tax (GST), continued sand shortage, intermittent and irregular rainfall in different areas resulting in a meagre growth of 0.62%. However, during the third quarter (Oct to Dec) of FY 2017-18 cement production witnessed a growth of 11.38% year-on-year, while growth during the fourth quarter (Jan to March) would be about 16%, mainly due to low base in FY 2016-17 on account of the impact of demonetisation.

With strong government focus on housing and infrastructure development, the outlook for overall cement demand in FY 2018-19 appears to be positive with demand expected to grow at 6-7% p.a. However, low utilization levels coupled with increasing power & fuel costs will continue to pose challenges.

#### b) Opportunities and Threats:

The per capita consumption of cement in India is very low at around 225 kg as compared to the world average of about 540 kg and 800 kg in developed countries. The potential for higher consumption of cement is therefore huge, as India's per capita consumption grows closer to the world average.

The housing sector is the biggest demand driver of cement, accounting for about 65 per cent of the total consumption in India. Growth in cement demand from the housing sector over the next five years is expected to be led by increased urbanization and higher government investment in rural and semi-urban housing projects.

Focus on infrastructure investments is likely to increase, as impetus will likely be on visible delivery ahead of 2019 general elections. Budgetary allocations to cement-intensive segments like roads and railways are increasing. In addition, the government is targeting several initiatives that are cement intensive, like smart cities, metro projects and dedicated freight and industrial corridors.

#### c) Segmental Review and Analysis:

During FY 2017-18, our cement division manufactured 9.93 million tonnes of cement as compared to 9.91 million tonnes in the previous year.

Despite the pressure from increase in input costs, mainly from power and fuel, the division has been able to improve its performance by delivering higher profitability. This was enabled by rich dividends yielded from its brand building exercises, enhanced productivity measures implemented across the organization and smart buying. Concerted efforts throughout the year resulted in reduction in variable cost per bag along with higher realizations from the market. Numerous initiatives on the procurement front, enabled the Company to moderate the impact of increasing input costs.

The Company continues to focus on optimizing costs, improving operational efficiency and further strengthening the brand.

### d) Risks and Concerns:

The Indian Cement industry is grappling with lower capacity utilisation while operating at levels of about 68 per cent. Higher power, fuel and freight costs have been putting pressure on margins and the situation has further worsened due to the uncertainty regarding usage of pet coke. Headwinds for Cement industry are expected to continue with companies unable to fully pass on the cost escalations to consumers. In addition, high incidence of taxes and duties on this core sector is also a matter of concern for the industry.

### e) Outlook:

Cement demand is being supported by the government's focus on affordable housing and infrastructure, especially spending on roads, railways and urban development. Improved rural incomes, higher rural credit and increased allocation for rural, agriculture and allied sectors, are likely to increase the demand for rural housing, which in turn, will result in the increased demand for cement. The government's bank recapitalization plan is expected to improve credit availability which will be a boost for construction activity and cement consumption.

## 2.3 Business Segment –Pulp and Paper (Pulp, Writing & Printing Paper, Tissue Paper and Multilayer Packaging Board)

### a) Industry Structure & Development:

During the recent past, the Indian economy had witnessed challenges like demonetisation and implementation of GST and in the respective quarters, the Indian paper industry had experienced short-term impact of these economical changes. However, the Indian economy is expected to have long-term benefits in the future from these structural reforms.

Under the present scenario, it looks, the Indian paper industry will grow positive along with the economy, on a medium to long-term perspective.

### b) Opportunities and Threats:

China has recently imposed regulatory restrictions on its local Mills, which has opened up the gateway of opportunity for low-margin exports from India mainly to the Gulf and European countries. Education being the primary focus by the Government, demand for paper remains positive.

Availability of cheaper imported pulp & paper products from ASEAN (Association of South East Asian Nations) countries, mainly in selective coastal cities, is a threat for the domestic industry.

However, Century Pulp & Paper, with its combined marketing & product development strategy with improved operational efficiency, is able to counter any short-term threats.

### c) Segmental Review and Analysis:

Century Pulp & Paper Division continued to improve its operational as well as financial performance, month over month, during the financial year 2017-18.

During first half of the year, implementation of GST had a negative impact on the Indian economy as well as the Paper Industry. However, during the period under review, Century Pulp & Paper has achieved a Y-o-Y growth of 3% and 5% on its sales volume and sales revenue, respectively.

With improved order booking position and increasing demand for our value added products, we are optimistic of having further improvement in the contribution margins.

### d) Risks and Concerns:

Interrupted availability and frequent price escalation in the raw materials, mainly imported pulp and coal, are major concerns for the Indian paper industry.

### e) Outlook:

Under the present economy scenario, the medium to long-term outlook of the Indian paper industry looks strong and is expected to grow in line with the country's economy.

## 2.4 Business Segment – Real Estate

### a) Industry Structure and Development:

India is one of the fastest growing real-estate markets in the world, which is not only attracting domestic real-estate developers, but also foreign investors to invest in multi-dimensional projects, including commercial as well as residential. Moreover, the real-estate industry in India is addressing the demand for built-up space, from a variety of property segments, such as offices, housing units, shopping malls, hospitality industry, manufacturing sector and logistics parks, in which the housing sector is undergoing a significant growth.

India's rank in the Global House Price Index has jumped 13 spots to reach the 9th position among 55 international markets, on the back of increasing prices in the mainstream residential sector.

The Indian real estate market is expected to touch US$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). The market size of this sector is expected to increase further. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

### b) Opportunities and Threats:

The Government of India has taken a series of reforms by bringing RERA, GST, Insolvency and Bankruptcy Code, demonetization and other initiatives towards affordable housing. The impact of various reforms is now visible on the Indian economy and especially on the real estate sector. Business cycles have been affected this year due to buyers holding back purchases, in anticipation of effective implementation of regulatory changes and sales are still witnessing a slowdown. However, signs of recovery are being observed as the effects of demonetisation, RERA and GST have begun to shape up the sector, with new standards of delivery, accountability and transparency. The sector is witnessing a consolidation phase whereby more joint ventures/ joint developments are in the pipe line with financially distressed developers being taken over by larger players and presenting the industry with a fresh line up of players. The Government's efforts to boost "affordable housing" by announcing various tax incentives will continue to attract more prominent developers to realign their strategies to compete in this category.

While the sector has largely relied on refinancing to meet its debt servicing obligations, the same would become increasingly difficult due to revival in sales not being up to the mark.

Market instability and uncertainty may create a slight fluster in the industry. The recent reforms, which are good from the long-term perspective, however in the short-term can, hamper the industry growth.

### c) Segment Review and Analysis:

The landmark commercial projects "Birla Aurora" and "Birla Centurion" are fully leased out. The Company has made significant progress in finalising master planning for development of existing land parcels at Worli and Kalyan. With the announcement of new Development Plan of 2034, the Company will be approaching the relevant authorities for project approvals in due course. The Company through its subsidiary is at an advanced stage to finalise a few joint venture deals with other land owners.

### d) Risk And Concerns:

The sector is largely dependent on government approvals for development. Any delay in grant of approvals, shortage of material or labour could affect the project execution and affect profitability.

The RBI has set sectoral caps for the total maximum exposure of loans and lending to developers for construction, which is low. This may hamper the growth of the sector. In the absence of economical funding options, developers are exploring other options which do not offer competitive rate of interest. Increase in interest rates may dampen the growth rate of the sector.

### e) Outlook:

Real estate market is going through a transitional and consolidation phase. The recovery process in the sector has begun which is sustainable and backed by stronger market fundamentals than ever before. The inventory overhang has reduced in major markets and new launches have dropped drastically, which are expected to help in recuperating the demand in coming few months.

## 3. Internal control systems and their adequacy:

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of the follow-up action required. The Company conducts its business with integrity and high standards of ethical behaviour and in compliance with the all applicable laws and regulations that govern its business.

## 4. Highlights of the Company's Financial Performance (Standalone):

(₹ in crores)

| Particulars | 2017-18 | 2016-2017 |
|---|---|---|
| 1. Revenue from Operations | **8385.01** | 8398.86 |
| 2. Earnings before finance cost, tax, depreciation and Amortization (EBITDA) | **1404.55** | 1004.69 |
| 3. Less: Finance Cost | **451.69** | 550.75 |
| 4. Profit before depreciation, amortisation and taxation. | **952.86** | 453.94 |
| 5. Less: Depreciation and amortization | **313.75** | 313.34 |
| 6. Profit before taxation | **639.11** | 140.60 |
| 7. Less: Deferred Tax Debit / (Credit) | **230.65** | 16.71 |
| 8. Profit after tax from continuing operations | **408.46** | 123.89 |
| 9. Loss after tax from discontinued operations | **(36.80)** | (18.90) |
| 10. Net Profit for the year | **371.66** | 104.99 |

EBITDA of the Company has increased as compared to last year by 39.80% mainly on account of cost control measures and initiatives taken for reduction in cost at all levels across the Company. Finance cost has also gone down because of easy liquidity as well as lower interest rate regime pursued by Reserve Bank of India. For the Company as a whole, the technical performance of all the plants has been satisfactory.

## 5. Human Resource Development / Industrial Relations:

The total no. of employees as on 31st March, 2018 was 6928 (12868 as on 31st March, 2017). The total no. of employees reduced by 5940 as during the year the Company has sold its Yarn & Denim Divisions and has granted right to manage and operate Century Rayon's business for 15 years to Grasim Industries Ltd. The industrial relations in all units of the Company continue to be cordial. The Company carries out various programmes for development of its employees at all levels. During the year under review, the focus continued to be on the development of leadership capability and talent management with a view to ensure alignment to the overall business strategy.

## 6. Health and Safety Measures:

Health, Safety, Security and environment are key priorities for the Company. Our goals are: no untoward incident, no harm to people and no damage to environment. The health, safety and security of everyone who works for the Company are ensured.

## 7. Cautionary Statement:

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand-supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**ANNEXURE - I**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Century Textiles and Industries Limited
Century Bhavan,
Dr. Annie Besant Road, Worli,
Mumbai - 400030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Century Textiles and Industries Limited (hereinafter called the "Company" CIN: L17120MH1897PLC000163). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we hereby report that** in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

  We have also examined compliance with the applicable clauses of the following:

  (i) Secretarial Standards with respect to meetings of Board of Directors (SS-1 upto 30th September, 2017 and Revised SS-1 w.e.f. 1st October, 2017) and General Meetings (SS-2 upto 30th September, 2017 and Revised SS-2 w.e.f. 1st October, 2017) issued by The Institute of Company Secretaries of India and approved by the Central Government;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that having regard to the compliance systems prevailing in the Company and on examination of the relevant documents, reports and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company :

1. The Mines and Minerals (Development and Regulation) Act, 1957.
2. Real Estates (Regulations and Development) Act, 2016.

**We further report that**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in case of meeting called at a short notice for urgency of business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period -

(i) the Company has incorporated a wholly owned subsidiary 'Birla Estates Private Limited' for the purpose of undertaking real estate development projects.

(ii) the Company has entered into an agreement with Grasim Industries Limited (GIL) pursuant to which GIL has been granted w.e.f. 1st February, 2018 the right and responsibility to manage, operate, use and control its Viscose Filament Yarn business, Rayon Tyre Cord and Chemicals business for a duration of 15 years for a commuted royalty, interest free refundable security deposit and transfer of Century Rayon's working capital to GIL at actuals.

(iii) the Company has sold its 'Century Yarn' and 'Century Denim' Divisions whose turnover was less than 5% of the total turnover of the Company.

**For Gagrani & Gagan**
Company Secretaries

**Gagan B. Gagrani**
M.No. : FCS 1772
CP No. : 1388

Place : Mumbai
Dated: May 02, 2018

**ANNEXURE - II**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated 27th February, 2014 issued by the Ministry of Corporate Affairs under the said Section. The policy is framed for undertaking activities as may be found beneficial and feasible for betterment of critical social, environmental and economic development of the weaker sections of the society, preferably locally, near to the factory sites of the Company. This CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of marginalized / underprivileged sections of the society.

   Under the provisions of section 135 of the Companies Act, 2013, a Company is required to spend on CSR activities, an amount equivalent to at least 2% of the average net profits of the company made during the three immediately preceding financial years. Since the Company does not have any such "average net profit" as on date, the Company is not required to spend any amount on CSR activities. As and when in future, the Company has any "average net profit" as contemplated in section 135, the scheme will be suitably modified by the CSR Committee to identify specific projects, as also the modalities of execution, implementation schedule and monitoring process of such projects.

   **CSR Policy can be perused on the following weblink -**
   **Web-link: www.centurytextind.com**

2. The Composition of the CSR Committee as on 02.05.2018.

| | | | |
|---|---|---|---|
| 1 | Shri Yazdi P. Dandiwala | - | Independent Director |
| 2 | Shri Pradip Kumar Daga | - | Independent Director |
| 3 | Shri Rajan A. Dalal | - | Independent Director |
| 4 | Shri D. K. Agrawal | - | Whole-time Director |

3. Average net profit of the company for last three financial years:

   **The Company has incurred average net loss during the last three financial years as under:**

| **Year** | **Profit/Loss (-) Amount (₹ in crores)** |
|---|---|
| 2014-15 | (-) 34.69 |
| 2015-16 | (-) 137.14 |
| 2016-17 | 102.93 |
| **Total** | **(-) 68.90** |

   **Average net profit of previous 3 years ₹ (-) 22.97 Crores.**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

**The Company is not required to spend any amount in view of average net loss during the last three financial years.**

5. Details of CSR spent during the financial year:
   a) Total amount to be spent for the financial year; **NIL**
   b) Amount unspent, if any; **N.A.**
   c) Manner in which the amount spent during the financial year is detailed below.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads. | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |

======== N.A. ========

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report**: --- N.A. ---**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company**: --- N.A. ---**

**D.K. Agrawal**
Whole-time Director
DIN: 00040123

**Y.P. Dandiwala**
**Chairman**
CSR Committee
DIN: 01055000

**ANNEXURE- III**

## Extract From Nomination and Remuneration Policy:

## POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, NON-EXECUTIVE/INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

**General:**

a. The remuneration / compensation / commission etc. to the Whole-time Director, Non-Executive/Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013, and the Rules made thereunder.

c. Increments to the existing remuneration / compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d. The Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the management, whilst fixing the remuneration of any such key personnel must consider the following:

   1. The Industry practice for the same level of employment/office.
   2. Past performance/seniority of the concerned appointee.
   3. The nature of duties and responsibilities cast upon such person by reason of his holding that office.
   4. The remuneration should be such that it provides adequate incentive to the person to give his best to the Company and feel essence of high satisfaction with his employment.
   5. The perquisites to be given to Whole-time Director/s, KMP & Senior Management Personnel will be as per industry practice and as may be recommended by the Committee to the Board.

**Remuneration to Whole-time Director, KMP and Senior Management Personnel:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

**Remuneration to Non- Executive / Independent Director:**

a. Remuneration / Commission:

   The Committee noted that in the past the Company has paid remuneration to Non-Executive Directors by way of commission and if the Company's net profits computed for the purpose under the applicable provisions of the Companies Act, 2013 so permits in future, that practice should be restored.

   Commission may be paid within the monetary limit fixed and approved by the Board subject to the overall limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

b. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amount prescribed in this behalf by the Central Government from time to time. So far as the Sitting Fees are concerned, presently, for meetings of the various Committees, the same are at par for all the Committees. It should be suitably modified in due course keeping in mind the time and work involved for each of the Committees and the industry practice.

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014.

## a. CONSERVATION OF ENERGY:

### (i) the steps taken or impact on conservation of energy

**Textile Division**

- Installation of 4th Stage RO in ETRP.
- Installed energy efficient Pumps & Motors in Process Machineries.
- Replacement of low temperature water by high temperature in Sizing Machine.

**Rayon, Tyre Cord & Chemicals Divisions**

- VFD's (Variable Frequency Drives) for Dissolver caustic lye pump, CT & NEP pumps, Boiler Stocker Drive.
- Replaced LED lights in place of Conventional lights.

**Cement Divisions**

- Upgraded Kiln-2 cooler, tertiary air duct and kiln hood at Century Cement.
- Upgraded secondary firing system at Maihar Cement Unit No.1.
- Conversion of raw mill no. 3 & 4 and cement mill no. 3 in mono chamber mills at Century Cement.

**Pulp & Paper Division**

- Electrical line loss reduction through:
  - Star delta conversion of motors to save opportunity based energy usage,
  - Installed energy efficient pumps & motors, and
  - Interlocking to prevent idle running of motors.
- To get more heat recovery, modified Effluent Heat Exchanger in the Fiber line plant.
- Installed 28 Nos. of VFDs.

### (ii) the steps taken by the unit for utilizing alternate sources of energy

- Use of Bio & Agro Waste, Carbon Black and Briquettes in kiln firing system as an alternate fuel.
- Continuous usage of Black Liquor (Bio mass product) for steam generation to run 21 MW & 16 MW turbine resulted a saving of approx. 1100 KW per hour.
- Use of battery operated fork lift in place of diesel.

### (iii) the capital investment on energy conservation equipments: Rs.16.05 crore

## b. TECHNOLOGY ABSORPTION:

### (i) the efforts made towards technology absorption

- Web base (QR code enabled MIG tag) solution for traceability of product introduced in supply chain function of Birla Century.
- Cottonised flex – 55 flex / 45 Cotton intimate blended yarn and fabric for niche product.
- Installation of new Saurer Alma Corder and Dornier Air Jet Loom for Rayon Tyre Cord Fabric.
- Replaced drag chain conveyors into deep pan conveyors in Kiln area for better availability and power savings in the Cement plant.
- Installed homo polymer acrylic bags in place of ordinary polyester filter bags to reduce pressure drop and increase bag life in the Century Cement.

- Adoption of improved human-machine interface technology in raw mill and cement mill areas at Maihar Cement Unit No.1.
- Upgradation of AC drives of dryer sections of Board machine.
- Parallel operation of VFD & Starters for boiler fans by introducing new star delta starters.

**(ii) the benefits derived as a result of above efforts**

- Enter into new markets and product segments.
- Quality and productivity improvement.
- Reduction in Thermal and Electrical energy consumption & cost.
- Improved pollution free atmosphere in the plants.

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

| | |
|---|---|
| • the details of technology imported<br>• the year of import<br>• whether the technology has been fully absorbed<br>• if not fully absorbed, areas where absorption has not taken place, and reasons thereof | NIL |

**(iv) the expenditure incurred on Research and Development**

| | | (₹ in crores) |
|---|---|---|
| (a) | Capital | 2.03 |
| (b) | Recurring (including contribution) | 12.53 |
| (c) | Total | 14.56 |
| (d) | Total R&D expenditure as a percentage of total turnover | 0.17 |

## c. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

| | (₹ in crores) |
|---|---|
| Foreign Exchange earned (inflow) | 412.68 |
| Foreign Exchange used (outflow) | 691.44 |

On behalf of the Board,

Dated:2nd May, 2018

**D.K. AGRAWAL**
Whole-time Director
DIN: 00040123

**Y.P. DANDIWALA**
Director
DIN: 01055000

**ANNEXURE-V**

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/ KMP for financial year 2017-18 (₹ in lacs) | % increase in Remuneration in the Financial year 2017-18 | Ratio of remuneration of each Director / to median remuneration of employees |
|---|---|---|---|---|
| 1 | Shri B. K. Birla, Chairman | 21.63 | 42 | 5.39 |
| 2 | Shri Kumar Mangalam Birla | 21.63 | 49 | 5.39 |
| 3 | Smt. Rajashree Birla | 21.83 | 43 | 5.44 |
| 4 | Shri Pradip Kumar Daga | 23.73 | 47 | 5.92 |
| 5 | Shri Yazdi P. Dandiwala | 24.03 | 46 | 5.99 |
| 6 | Shri Rajan A. Dalal | 24.13 | 50 | 6.02 |
| 7 | Shri Sohanlal K. Jain | 24.03 | 54 | 5.99 |
| 8 | Shri D. K. Agrawal (Whole-time Director) | 344.18 | 22 | 85.83 |
| 9 | Shri R. K. Dalmia (Chief Financial Officer) | 380.47 | 9 | N.A. |
| 10 | Shri Atul K. Kedia (Company Secretary) | 71.19 | 26 | N.A. |

(ii) The median remuneration of employees of the Company during the financial year was ₹ 4.01 Lakhs.

(iii) In the financial year, there was an increase of 25% in the median remuneration of employees.

(iv) There were 6928 permanent employees on the roll of Company as on March 31, 2018.

(v) Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2017-18 was 28%* whereas the increase in the managerial remuneration for the same financial year was 29%.

(vi) There are no variable component of remuneration availed by the directors except the Whole-time Director which is based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

* Strictly not comparable in view of reduction of employees in the Financial Year 2017-18 due to transfer of employees of Rayon Division to Grasim Industries Limited and sale of Yarn & Denim units.

ANNEXURE 'VI'

# FORM NO. MGT 9
# EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I REGISTRATION AND OTHER DETAILS:

| | | | |
|---|---|---|---|
| i) | CIN | : | L17120MH1897PLC000163 |
| ii) | Registration Date | : | 20th October, 1897 |
| iii) | Name of the Company | : | Century Textiles and Industries Limited |
| iv) | Category/Sub-category of the Company | : | Public Limited Company / Limited by Shares. |
| v) | Address of the Registered office and contact details | : | "Century Bhavan", Dr. Annie Besant Road, Worli, Mumbai - 400030<br>Phone: +91-22-24957000 Fax: +91-22-24309491/24361980<br>Email: centextho@centurytext.com<br>Website: www.centurytextind.com |
| vi) | Whether listed company | : | Yes., BSE Limited and National Stock Exchange of India Limited. |
| vii) | Name, Address and contact details of the Registrar and Transfer Agent, if any. | : | Link Intime India Private Limited<br>Unit: Century Textiles and Industries Limited.<br>C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400083<br>Phone: +91-22-49186000, Fax: +91-22-49186060<br>Email: rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in<br>Website: www.linkintime.co.in |

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| Sl. No | Name and Description of main products/services | NIC Code of the Product / service* | % to total turnover of the company# |
|---|---|---|---|
| 1 | Fabrics | 13121 & 13131 | 5.60 |
| 2 | Viscose Filament Yarn & Viscose Tyre Yarn @ | 20303 | 9.13 |
| 3 | Cement & Clinker | 23941 / 23942 | 53.21 |
| 4 | Wood / Bagasse / Recycle based paper | 17013 | 13.84 |
| 5 | Multilayer packaging board | 17016 | 10.10 |

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

# On the basis of Gross Turnover.

@ Company has approved the grant of the Right to Manage and Operate the Viscose Filament Yarn (VFY) business to Grasim Industries Limited w.e.f 1st February, 2018.

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Bander Coal Co. Pvt. Limited*<br>Century Bhavan, Worli, Mumbai - 400030 | U10200MH2009PTC193985 | Associate | 37.50 | Section 2(6) |
| 2 | Industry House Limited<br>Industry House, 159, Churchgate Reclamation, Mumbai - 400020 | U99999MH1952PLC008941 | Associate | 35.28 | Section 2(6) |
| 3 | Birla Estates Private Limited#<br>Birla Aurora, Level 8, Dr. Annie Besant Road, Worli, Mumbai - 400030 | U70100MH2017PTC303291 | Subsidiary | 100 | Section 2(87) |

* applied for voluntary liquidation

# Incorporated on 26th December, 2017

## IV SHAREHOLDING PATTERN (Equity Share Capital break up as percentage of total equity)

### (I) Category-wise Shareholding

| Sl. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A.** | **PROMOTERS** | | | | | | | | | |
| **(1)** | **Indian** | | | | | | | | | |
| a) | Individual/HUF | 207,970 | - | 207,970 | 0.18 | 199,800 | - | 199,800 | 0.18 | - |
| b) | Central Government | - | - | - | - | - | - | - | - | - |
| c) | State Government | - | - | - | - | - | - | - | - | - |
| d) | Bodies Corporates | 53,132,070 | - | 53,132,070 | 47.57 | 55,878,170 | - | 55,878,170 | 50.03 | 2.46 |
| e) | Bank/Financial Institution | - | - | - | - | - | - | - | - | - |
| f) | Any other | - | - | - | - | - | - | - | - | - |
| | **SUB TOTAL(A) (1):** | **53,340,040** | **-** | **53,340,040** | **47.75** | **56,077,970** | **-** | **56,077,970** | **50.21** | **2.46** |
| **(2)** | **Foreign** | | | | | | | | | |
| a) | NRI - Individuals | - | - | - | - | - | - | - | - | - |
| b) | Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) | Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| e) | Any other | - | - | - | - | - | - | - | - | - |
| | **SUB - TOTAL (A)(2):** | - | - | - | - | - | - | - | - | - |
| | **Total Shareholding of Promoter (A )= (A)(1) + (A)(2)** | **53,340,040** | **-** | **53,340,040** | **47.75** | **56,077,970** | **-** | **56,077,970** | **50.21** | **2.46** |
| **B.** | **PUBLIC SHAREHOLDING** | | | | | | | | | |
| **(1)** | **Institutions** | | | | | | | | | |
| a) | Mutual Funds | 12,763,633 | 14,240 | 12,777,873 | 11.44 | 16,127,194 | 11,170 | 16,138,364 | 14.45 | 3.01 |
| b) | Banks/Financial Institutions | 3,291,657 | 60,664 | 3,352,321 | 3.00 | 2,460,150 | 57,634 | 2,517,784 | 2.25 | - 0.75 |
| c) | Central Government(s) | 11 | 2580 | 2,591 | 0.00 | 11 | 2580 | 2,591 | 0.00 | - |
| d) | State Government(s) | - | - | - | - | - | - | - | - | - |
| e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) | Insurance Companies | 782,115 | - | 782,115 | 0.70 | 602,115 | - | 602,115 | 0.54 | - 0.16 |
| g) | Foreign Institutional Investors (FIIs) | 756,686 | 1,050 | 757,736 | 0.68 | 20,512 | 300 | 20,812 | 0.02 | - 0.66 |
| h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| | Others (specify) | | | | | | | | | |
| I) | Foreign Porfolio Investors - Corporate | 9,403,922 | - | 9,403,922 | 8.42 | 9,606,499 | - | 9,606,499 | 8.60 | 0.18 |
| | **SUB TOTAL (B)(1):** | **26,998,024** | **78,534** | **27,076,558** | **24.24** | **28,816,481** | **71,684** | **28,888,165** | **25.86** | **1.62** |

| Sl. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |

## (2) Non-institutions

| Sl. No. | Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| a) | Bodies corporates | | | | | | | | | |
| | i) Indian | 10,011,488 | 49,420 | 10,060,908 | 9.01 | 6,638,348 | 45,660 | 6,684,008 | 5.98 | - 3.03 |
| | ii) Overseas Bodies Corporate | 365,820 | - | 365,820 | 0.33 | 365,820 | - | 365,820 | 0.33 | - |
| b) | Individuals | | | | | | | | | |
| | i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 11,198,416 | 1,344,890 | 12,543,306 | 11.23 | 10,677,914 | 1,083,637 | 11,761,551 | 10.53 | - 0.70 |
| | ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh | 5,570,441 | 647,860 | 6,218,301 | 5.57 | 5,725,928 | 615,820 | 6,341,748 | 5.68 | 0.11 |
| c) | Others (specify) | | | | | | | | | |
| | 1) NRIs | 462,920 | 23,150 | 486,070 | 0.44 | 480,458 | 20,510 | 500,968 | 0.45 | 0.01 |
| | 2) Foreign Nationals | 450 | - | 450 | 0.00 | 450 | - | 450 | 0.00 | 0.00 |
| | 3) Clearing Member | 908,371 | - | 908,371 | 0.81 | 158,736 | - | 158,736 | 0.14 | - 0.67 |
| | 4) Trust | 26,223 | - | 26,223 | 0.02 | 21,343 | - | 21,343 | 0.02 | 0.00 |
| | 5) Directors / Relatives | 160 | - | 160 | 0.00 | 160 | - | 160 | 0.00 | 0.00 |
| | 6) HUF | 669,473 | - | 669,473 | 0.60 | 633,297 | - | 633,297 | 0.57 | - 0.03 |
| | 7) IEPF | - | - | - | - | 261,464 | - | 261,464 | 0.23 | 0.23 |
| | **SUB-TOTAL (B)(2):** | **29,213,762** | **2,065,320** | **31,279,082** | **28.01** | **24,963,918** | **1,765,627** | **26,729,545** | **23.93** | **- 4.08** |
| | **Total Public Shareholding (B) = (B)(1) + (B)(2)** | **56,211,786** | **2,143,854** | **58,355,640** | **52.25** | **53,780,399** | **1,837,311** | **55,617,710** | **49.79** | **- 2.46** |

## C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS

| Sl. No. | Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | % change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| 2 | Public | - | - | - | - | - | - | - | - | - |
| | **Grand Total (A + B + C)** | **109,551,826** | **2,143,854** | **111,695,680** | **100.00** | **109,858,369** | **1,837,311** | **111,695,680** | **100.00** | **-** |

## (ii) Shareholding of Promoters

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Pilani Investment And Industries Corporation Limited | 34,220,520 | 30.64 | 0.00 | 34,220,520 | 30.64 | 0.00 | 0.00 |
| 2 | Aditya Marketing and Manufacturing Limited | 7,560,900 | 6.77 | 0.00 | 7,560,900 | 6.77 | 0.00 | 0.00 |
| 3 | Prakash Educational Society | 128,000 | 0.11 | 0.00 | 128,000 | 0.11 | 0.00 | 0.00 |
| 4 | Birla Educational Institution | 44,000 | 0.04 | 0.00 | 44,000 | 0.04 | 0.00 | 0.00 |
| 5 | IGH Holdings Private Limited | 11,150,000 | 9.98 | 0.00 | 11,150,000 | 9.98 | 0.00 | 0.00 |
| 6 | Manav Investment & Trading Co. Limited | 11,950 | 0.01 | 0.00 | 11,950 | 0.01 | 100.00 | 0.00 |
| 7 | Padmavati Investment Limited | 16,700 | 0.01 | 0.00 | 16,700 | 0.01 | 0.00 | 0.00 |
| 8 | Cygnet Industries Limited | 0 | 0.00 | 0.00 | 2,746,100 | 2.46 | 100.00 | 2.46 |
| 9 | Shri Basant Kumar Birla | 199,800 | 0.18 | 0.00 | 199,800 | 0.18 | 0.00 | 0.00 |
| 10 | Shri Ramavatar Makharia* | 1,110 | 0.00 | 26.13 | – | 0.00 | – | 0.00 |
| 11 | Shri Ravi Makharia* | 3,620 | 0.00 | 33.43 | – | 0.00 | – | 0.00 |
| 12 | Smt. Laxmi Devi Makharia* | 3,440 | 0.00 | 100.00 | – | 0.00 | – | 0.00 |
| | **Total** | **53,340,040** | **47.75** | **0.02** | **5,60,77,970** | **50.21** | **2.47** | **2.46** |

* Reclassified from "promoter" category to "non-promoter" category i.e., public category

## (iii) Change in Promoter's Shareholding (please specify if there is no change)

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 53,340,040 | 47.75 | | |
| | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | | | | |
| | 09 Oct 2017 # | (8170) | 0.00 | 5,33,31,870 | 47.75 |
| | 08 Dec 2017* | 1785095 | 1.60 | 5,51,16,965 | 49.35 |
| | 15 Dec 2017* | 961005 | 0.86 | 5,60,77,970 | 50.21 |
| | At the end of the year | 5,60,77,970 | 50.21 | 5,60,77,970 | 50.21 |

* shares purchased by Cygnet Industries Limited

# Due to change in category from "promoter" to "non-promoter"

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

| Sl. No. | Name | Shareholding: No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| 1 | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY FUND | 2,191,760 | 1.96 | 01.04.2017 | | | | |
| | | | | 07.04.2017 | 16,500 | Transfer | 2,208,260 | 1.98 |
| | | | | 14.04.2017 | 363,000 | Transfer | 2,571,260 | 2.30 |
| | | | | 28.04.2017 | 67,900 | Transfer | 2,639,160 | 2.36 |
| | | | | 19.05.2017 | 639,000 | Transfer | 3,278,160 | 2.93 |
| | | | | 26.05.2017 | 54,910 | Transfer | 3,333,070 | 2.98 |
| | | | | 16.06.2017 | 16,500 | Transfer | 3,349,570 | 3.00 |
| | | | | 23.06.2017 | 15,400 | Transfer | 3,364,970 | 3.01 |
| | | | | 28.07.2017 | 25,000 | Transfer | 3,389,970 | 3.04 |
| | | | | 04.08.2017 | 1,619 | Transfer | 3,391,589 | 3.04 |
| | | | | 18.08.2017 | 55,000 | Transfer | 3,446,589 | 3.09 |
| | | | | 25.08.2017 | 41,800 | Transfer | 3,488,389 | 3.12 |
| | | | | 01.09.2017 | 59,400 | Transfer | 3,547,789 | 3.18 |
| | | | | 08.09.2017 | 50,000 | Transfer | 3,597,789 | 3.22 |
| | | | | 15.09.2017 | 18,150 | Transfer | 3,615,939 | 3.24 |
| | | | | 29.09.2017 | (10,000) | Transfer | 3,605,939 | 3.23 |
| | | | | 13.10.2017 | (20,000) | Transfer | 3,585,939 | 3.21 |
| | | | | 20.10.2017 | 25,000 | Transfer | 3,610,939 | 3.23 |
| | | | | 27.10.2017 | 400,000 | Transfer | 4,010,939 | 3.59 |
| | | | | 24.11.2017 | 52,600 | Transfer | 4,063,539 | 3.64 |
| | | | | 01.12.2017 | (36,000) | Transfer | 4,027,539 | 3.61 |
| | | | | 08.12.2017 | 15,000 | Transfer | 4,042,539 | 3.62 |
| | | | | 15.12.2017 | 8,000 | Transfer | 4,050,539 | 3.63 |
| | | | | 05.01.2018 | 140,000 | Transfer | 4,190,539 | 3.75 |
| | | | | 12.01.2018 | 52,866 | Transfer | 4,243,405 | 3.80 |
| | | | | 19.01.2018 | 91,050 | Transfer | 4,334,455 | 3.88 |
| | | | | 26.01.2018 | (52,600) | Transfer | 4,281,855 | 3.83 |
| | | | | 02.02.2018 | (70,000) | Transfer | 4,211,855 | 3.77 |
| | | | | 09.02.2018 | (270,600) | Transfer | 3,941,255 | 3.53 |
| | | | | 16.02.2018 | 100,000 | Transfer | 4,041,255 | 3.62 |
| | | | | 23.02.2018 | 100,000 | Transfer | 4,141,255 | 3.71 |
| | | | | 09.03.2018 | 90,000 | Transfer | 4,231,255 | 3.79 |
| | | | | 16.03.2018 | 169,900 | Transfer | 4,401,155 | 3.94 |
| | | | | 23.03.2018 | 100,000 | Transfer | 4,501,155 | 4.03 |
| | | 4,501,155 | 4.03 | 31.03.2018 | | | 4,501,155 | 4.03 |
| 2 | KOTAK SELECT FOCUS FUND * | 327,800 | 0.29 | 01.04.2017 | | | | |
| | | | | 07.04.2017 | 158,400 | Transfer | 486,200 | 0.44 |
| | | | | 14.04.2017 | (40,700) | Transfer | 445,500 | 0.40 |
| | | | | 28.04.2017 | 7,700 | Transfer | 453,200 | 0.41 |
| | | | | 05.05.2017 | 45,100 | Transfer | 498,300 | 0.45 |

| Sl. No. | Name | Shareholding | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | | | | | No. of Shares | % of total shares of the Company |
| | | | | 12.05.2017 | 15,950 | Transfer | 514,250 | 0.46 |
| | | | | 19.05.2017 | (550) | Transfer | 513,700 | 0.46 |
| | | | | 26.05.2017 | 18,700 | Transfer | 532,400 | 0.48 |
| | | | | 02.06.2017 | (3,850) | Transfer | 528,550 | 0.47 |
| | | | | 09.06.2017 | (1,100) | Transfer | 527,450 | 0.47 |
| | | | | 16.06.2017 | 4,950 | Transfer | 532,400 | 0.48 |
| | | | | 23.06.2017 | 14,950 | Transfer | 547,350 | 0.49 |
| | | | | 30.06.2017 | (11,650) | Transfer | 535,700 | 0.48 |
| | | | | 07.07.2017 | 1,650 | Transfer | 537,350 | 0.48 |
| | | | | 21.07.2017 | (4,950) | Transfer | 532,400 | 0.48 |
| | | | | 28.07.2017 | 4,950 | Transfer | 537,350 | 0.48 |
| | | | | 11.08.2017 | 8,250 | Transfer | 545,600 | 0.49 |
| | | | | 25.08.2017 | (2,200) | Transfer | 543,400 | 0.49 |
| | | | | 08.09.2017 | (1,100) | Transfer | 542,300 | 0.49 |
| | | | | 15.09.2017 | (155,100) | Transfer | 387,200 | 0.35 |
| | | | | 22.09.2017 | (70,400) | Transfer | 316,800 | 0.28 |
| | | | | 29.09.2017 | 19,250 | Transfer | 336,050 | 0.30 |
| | | | | 27.10.2017 | 35,750 | Transfer | 371,800 | 0.33 |
| | | | | 10.11.2017 | (26,400) | Transfer | 345,400 | 0.31 |
| | | | | 17.11.2017 | 24,750 | Transfer | 370,150 | 0.33 |
| | | | | 24.11.2017 | 269,850 | Transfer | 640,000 | 0.57 |
| | | | | 01.12.2017 | 142,950 | Transfer | 782,950 | 0.70 |
| | | | | 08.12.2017 | 21,150 | Transfer | 804,100 | 0.72 |
| | | | | 15.12.2017 | 71,150 | Transfer | 875,250 | 0.78 |
| | | | | 22.12.2017 | 307,476 | Transfer | 1,182,726 | 1.06 |
| | | | | 29.12.2017 | 316,424 | Transfer | 1,499,150 | 1.34 |
| | | | | 05.01.2018 | 2,750 | Transfer | 1,501,900 | 1.34 |
| | | | | 12.01.2018 | 72,000 | Transfer | 1,573,900 | 1.41 |
| | | | | 19.01.2018 | 300,000 | Transfer | 1,873,900 | 1.68 |
| | | | | 26.01.2018 | 198,350 | Transfer | 2,072,250 | 1.86 |
| | | | | 02.02.2018 | (86,620) | Transfer | 1,985,630 | 1.78 |
| | | | | 09.02.2018 | 318,520 | Transfer | 2,304,150 | 2.06 |
| | | | | 16.02.2018 | (17,050) | Transfer | 2,287,100 | 2.05 |
| | | | | 23.02.2018 | 1,100 | Transfer | 2,288,200 | 2.05 |
| | | | | 02.03.2018 | 54,800 | Transfer | 2,343,000 | 2.10 |
| | | | | 09.03.2018 | 1,800 | Transfer | 2,344,800 | 2.10 |
| | | | | 16.03.2018 | (8,800) | Transfer | 2,336,000 | 2.09 |
| | | | | 31.03.2018 | 22,550 | Transfer | 2,358,550 | 2.11 |
| | | 2,358,550 | 2.11 | 31.03.2018 | | | 2,358,550 | 2.11 |
| 3 | LIFE INSURANCE CORPORATION OF INDIA | 3,201,238 | 2.87 | 01.04.2017 | | | | |
| | | | | 28.04.2017 | (78,254) | Transfer | 3,122,984 | 2.80 |
| | | | | 11.08.2017 | (177,289) | Transfer | 2,945,695 | 2.64 |
| | | | | 08.09.2017 | (119,202) | Transfer | 2,826,493 | 2.53 |

| Sl. No. | Name | Shareholding: No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| | | | | 15.09.2017 | (91,148) | Transfer | 2,735,345 | 2.45 |
| | | | | 13.10.2017 | (83,460) | Transfer | 2,651,885 | 2.37 |
| | | | | 20.10.2017 | (40,000) | Transfer | 2,611,885 | 2.34 |
| | | | | 27.10.2017 | (80,729) | Transfer | 2,531,156 | 2.27 |
| | | | | 03.11.2017 | (61,826) | Transfer | 2,469,330 | 2.21 |
| | | | | 10.11.2017 | (41,774) | Transfer | 2,427,556 | 2.17 |
| | | | | 24.11.2017 | (32,535) | Transfer | 2,395,021 | 2.14 |
| | | | | 01.12.2017 | (30,199) | Transfer | 2,364,822 | 2.12 |
| | | | | 08.12.2017 | (10,000) | Transfer | 2,354,822 | 2.11 |
| | | | | 15.12.2017 | (20,000) | Transfer | 2,334,822 | 2.09 |
| | | | | 22.12.2017 | (40,000) | Transfer | 2,294,822 | 2.05 |
| | | | | 29.12.2017 | (35,000) | Transfer | 2,259,822 | 2.02 |
| | | | | 05.01.2018 | (9,019) | Transfer | 2,250,803 | 2.02 |
| | | | | 02.02.2018 | (30,000) | Transfer | 2,220,803 | 1.99 |
| | | 2,220,803 | 1.99 | 31.03.2018 | | | 2,220,803 | 1.99 |
| 4 | L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA PRUDENCE FUND * | 159,500 | 0.14 | 01.04.2017 | | | | |
| | | | | 28.04.2017 | (23,100) | Transfer | 136,400 | 0.12 |
| | | | | 19.05.2017 | (26,400) | Transfer | 110,000 | 0.10 |
| | | | | 26.05.2017 | (2,200) | Transfer | 107,800 | 0.10 |
| | | | | 23.06.2017 | (15,400) | Transfer | 92,400 | 0.08 |
| | | | | 30.06.2017 | (28,050) | Transfer | 64,350 | 0.06 |
| | | | | 14.07.2017 | (550) | Transfer | 63,800 | 0.06 |
| | | | | 21.07.2017 | (10,450) | Transfer | 53,350 | 0.05 |
| | | | | 28.07.2017 | 2,750 | Transfer | 56,100 | 0.05 |
| | | | | 08.09.2017 | 18,700 | Transfer | 74,800 | 0.07 |
| | | | | 15.09.2017 | (18,150) | Transfer | 56,650 | 0.05 |
| | | | | 22.09.2017 | (56,650) | Transfer | - | 0.00 |
| | | | | 27.10.2017 | 11,000 | Transfer | 11,000 | 0.01 |
| | | | | 01.12.2017 | 2,200 | Transfer | 13,200 | 0.01 |
| | | | | 15.12.2017 | (13,200) | Transfer | - | 0.00 |
| | | | | 05.01.2018 | 3,850 | Transfer | 3,850 | 0.00 |
| | | | | 26.01.2018 | 415,857 | Transfer | 419,707 | 0.38 |
| | | | | 02.02.2018 | 520,281 | Transfer | 939,988 | 0.84 |
| | | | | 09.02.2018 | 524,956 | Transfer | 1,464,944 | 1.31 |
| | | | | 16.02.2018 | 128,001 | Transfer | 1,592,945 | 1.43 |
| | | | | 23.02.2018 | 196,855 | Transfer | 1,789,800 | 1.60 |
| | | | | 02.03.2018 | 80,000 | Transfer | 1,869,800 | 1.67 |
| | | | | 09.03.2018 | 143,000 | Transfer | 2,012,800 | 1.80 |
| | | | | 16.03.2018 | (5,500) | Transfer | 2,007,300 | 1.80 |
| | | | | 23.03.2018 | 550 | Transfer | 2,007,850 | 1.80 |
| | | | | 31.03.2018 | 143,833 | Transfer | 2,151,683 | 1.93 |
| | | 2,151,683 | 1.93 | 31.03.2018 | | | 2,151,683 | 1.93 |

| Sl. No. | Name | Shareholding: No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| 5 | HITESH SATISHCHANDRA DOSHI | 1,472,845 | 1.32 | 01.04.2017 | | | | |
| | | | | 07.04.2017 | 12,000 | Transfer | 1,484,845 | 1.33 |
| | | | | 14.04.2017 | 25,000 | Transfer | 1,509,845 | 1.35 |
| | | | | 21.04.2017 | 38,000 | Transfer | 1,547,845 | 1.39 |
| | | | | 28.04.2017 | 39,000 | Transfer | 1,586,845 | 1.42 |
| | | | | 12.05.2017 | 32,654 | Transfer | 1,619,499 | 1.45 |
| | | | | 19.05.2017 | 84,756 | Transfer | 1,704,255 | 1.53 |
| | | | | 25.08.2017 | 15,073 | Transfer | 1,719,328 | 1.54 |
| | | | | 01.09.2017 | 10 | Transfer | 1,719,338 | 1.54 |
| | | | | 13.10.2017 | 54,534 | Transfer | 1,773,872 | 1.59 |
| | | | | 27.10.2017 | 102,077 | Transfer | 1,875,949 | 1.68 |
| | | | | 03.11.2017 | 136,995 | Transfer | 2,012,944 | 1.80 |
| | | | | 10.11.2017 | 58,128 | Transfer | 2,071,072 | 1.85 |
| | | | | 01.12.2017 | (54,998) | Transfer | 2,016,074 | 1.80 |
| | | | | 15.12.2017 | 18,000 | Transfer | 2,034,074 | 1.82 |
| | | | | 29.12.2017 | (63,100) | Transfer | 1,970,974 | 1.76 |
| | | | | 05.01.2018 | 4,500 | Transfer | 1,975,474 | 1.77 |
| | | | | 12.01.2018 | 55,509 | Transfer | 2,030,983 | 1.82 |
| | | | | 19.01.2018 | 21,000 | Transfer | 2,051,983 | 1.84 |
| | | | | 26.01.2018 | 5,064 | Transfer | 2,057,047 | 1.84 |
| | | 2,057,047 | 1.84 | 31.03.2018 | | | 2,057,047 | 1.84 |
| 6 | BIRLA CORPORATION LIMITED | 1,807,660 | 1.62 | 01.04.2017 | | | | |
| | | | | | | NIL movement during the year | | 0.00 |
| | | | | | | | | 0.00 |
| | | 1,807,660 | 1.62 | 31.03.2018 | | | 1,807,660 | 1.62 |
| 7 | RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE EQUITY SAVINGS FUND | 1,097,500 | 0.98 | 01.04.2017 | | | | |
| | | | | 19.05.2017 | 26,450 | Transfer | 1,123,950 | 1.01 |
| | | | | 26.05.2017 | 40,150 | Transfer | 1,164,100 | 1.04 |
| | | | | 02.06.2017 | 198,550 | Transfer | 1,362,650 | 1.22 |
| | | | | 16.06.2017 | (39,950) | Transfer | 1,322,700 | 1.18 |
| | | | | 30.06.2017 | (550) | Transfer | 1,322,150 | 1.18 |
| | | | | 28.07.2017 | (23,100) | Transfer | 1,299,050 | 1.16 |
| | | | | 25.08.2017 | 2,750 | Transfer | 1,301,800 | 1.17 |
| | | | | 10.11.2017 | (25,000) | Transfer | 1,276,800 | 1.14 |
| | | | | 01.12.2017 | 2,200 | Transfer | 1,279,000 | 1.15 |
| | | | | 22.12.2017 | 1,100 | Transfer | 1,280,100 | 1.15 |
| | | | | 12.01.2018 | (349,800) | Transfer | 930,300 | 0.83 |
| | | | | 19.01.2018 | 394,900 | Transfer | 1,325,200 | 1.19 |
| | | | | 02.02.2018 | 349,800 | Transfer | 1,675,000 | 1.50 |
| | | | | 09.02.2018 | (19,250) | Transfer | 1,655,750 | 1.48 |

| Sl. No. | Name | Shareholding | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | | | | | No. of Shares | % of total shares of the Company |
| | | | | 16.02.2018 | (57,200) | Transfer | 1,598,550 | 1.43 |
| | | | | 23.02.2018 | (163,900) | Transfer | 1,434,650 | 1.28 |
| | | | | 16.03.2018 | 25,850 | Transfer | 1,460,500 | 1.31 |
| | | 1,460,500 | 1.31 | 31.03.2018 | | | 1,460,500 | 1.31 |
| 8 | GOLDMAN SACHS INDIA LIMITED | 1,745,256 | 1.56 | 01.04.2017 | | | | |
| | | | | 25.08.2017 | (299,172) | Transfer | 1,446,084 | 1.29 |
| | | | | 01.09.2017 | (50,000) | Transfer | 1,396,084 | 1.25 |
| | | 1,396,084 | 1.25 | 31.03.2018 | | | 1,396,084 | 1.25 |
| 9 | HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017 (1) | 4,094,826 | 3.67 | 01.04.2017 | | | | |
| | | | | 07.04.2017 | 101,900 | Transfer | 4,196,726 | 3.76 |
| | | | | 28.04.2017 | 387,300 | Transfer | 4,584,026 | 4.10 |
| | | | | 05.05.2017 | 148,000 | Transfer | 4,732,026 | 4.24 |
| | | | | 26.05.2017 | 1,650 | Transfer | 4,733,676 | 4.24 |
| | | | | 02.06.2017 | 44,000 | Transfer | 4,777,676 | 4.28 |
| | | | | 09.06.2017 | (1,100) | Transfer | 4,776,576 | 4.28 |
| | | | | 23.06.2017 | 148,300 | Transfer | 4,924,876 | 4.41 |
| | | | | 30.06.2017 | (22,000) | Transfer | 4,902,876 | 4.39 |
| | | | | 18.08.2017 | (100,000) | Transfer | 4,802,876 | 4.30 |
| | | | | 25.08.2017 | 75,000 | Transfer | 4,877,876 | 4.37 |
| | | | | 01.09.2017 | 21,450 | Transfer | 4,899,326 | 4.39 |
| | | | | 15.09.2017 | (4,950) | Transfer | 4,894,376 | 4.38 |
| | | | | 22.09.2017 | (1,650) | Transfer | 4,892,726 | 4.38 |
| | | | | 10.11.2017 | (32,000) | Transfer | 4,860,726 | 4.35 |
| | | | | 17.11.2017 | (131,000) | Transfer | 4,729,726 | 4.23 |
| | | | | 24.11.2017 | (172,000) | Transfer | 4,557,726 | 4.08 |
| | | | | 01.12.2017 | (247,000) | Transfer | 4,310,726 | 3.86 |
| | | | | 08.12.2017 | (5,500) | Transfer | 4,305,226 | 3.85 |
| | | | | 15.12.2017 | (24,200) | Transfer | 4,281,026 | 3.83 |
| | | | | 22.12.2017 | (144,550) | Transfer | 4,136,476 | 3.70 |
| | | | | 29.12.2017 | (83,000) | Transfer | 4,053,476 | 3.63 |
| | | | | 05.01.2018 | (240,000) | Transfer | 3,813,476 | 3.41 |
| | | | | 12.01.2018 | (250,000) | Transfer | 3,563,476 | 3.19 |
| | | | | 19.01.2018 | (248,900) | Transfer | 3,314,576 | 2.97 |
| | | | | 26.01.2018 | (467,000) | Transfer | 2,847,576 | 2.55 |
| | | | | 02.02.2018 | (476,200) | Transfer | 2,371,376 | 2.12 |
| | | | | 09.02.2018 | (101,200) | Transfer | 2,270,176 | 2.03 |
| | | | | 16.02.2018 | (145,100) | Transfer | 2,125,076 | 1.90 |
| | | | | 23.02.2018 | (464,000) | Transfer | 1,661,076 | 1.49 |
| | | | | 09.03.2018 | (80,150) | Transfer | 1,580,926 | 1.42 |
| | | | | 16.03.2018 | (102,300) | Transfer | 1,478,626 | 1.32 |
| | | | | 23.03.2018 | (57,026) | Transfer | 1,421,600 | 1.27 |

| Sl. No. | Name | Shareholding: No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): No. of Shares | % of total shares of the Company |
|---|---|---|---|---|---|---|---|---|
| | | | | 31.03.2018 | (96,400) | Transfer | 1,325,200 | 1.19 |
| | | 1,325,200 | 1.19 | 31.03.2018 | | | 1,325,200 | 1.19 |
| 10 | ORIENT PAPER AND INDUSTRIES LIMITED | 1,545,140 | 1.38 | 01.04.2017 | | | | |
| | | | | 21.04.2017 | (15,000) | Transfer | 1,530,140 | 1.37 |
| | | | | 05.05.2017 | (10,000) | Transfer | 1,520,140 | 1.36 |
| | | | | 07.07.2017 | (10,000) | Transfer | 1,510,140 | 1.35 |
| | | | | 14.07.2017 | (5,000) | Transfer | 1,505,140 | 1.35 |
| | | | | 21.07.2017 | (5,000) | Transfer | 1,500,140 | 1.34 |
| | | | | 28.07.2017 | (16,000) | Transfer | 1,484,140 | 1.33 |
| | | | | 04.08.2017 | (10,000) | Transfer | 1,474,140 | 1.32 |
| | | | | 11.08.2017 | (19,000) | Transfer | 1,455,140 | 1.30 |
| | | | | 08.09.2017 | (10,000) | Transfer | 1,445,140 | 1.29 |
| | | | | 15.09.2017 | (2,500) | Transfer | 1,442,640 | 1.29 |
| | | | | 22.09.2017 | (5,000) | Transfer | 1,437,640 | 1.29 |
| | | | | 06.10.2017 | (5,000) | Transfer | 1,432,640 | 1.28 |
| | | | | 20.10.2017 | (15,000) | Transfer | 1,417,640 | 1.27 |
| | | | | 27.10.2017 | (5,000) | Transfer | 1,412,640 | 1.26 |
| | | | | 03.11.2017 | (25,000) | Transfer | 1,387,640 | 1.24 |
| | | | | 10.11.2017 | (2,500) | Transfer | 1,385,140 | 1.24 |
| | | | | 17.11.2017 | (5,000) | Transfer | 1,380,140 | 1.24 |
| | | | | 24.11.2017 | (5,000) | Transfer | 1,375,140 | 1.23 |
| | | | | 01.12.2017 | (15,000) | Transfer | 1,360,140 | 1.22 |
| | | | | 15.12.2017 | (15,000) | Transfer | 1,345,140 | 1.20 |
| | | | | 22.12.2017 | (20,000) | Transfer | 1,325,140 | 1.19 |
| | | | | 29.12.2017 | (5,000) | Transfer | 1,320,140 | 1.18 |
| | | | | 05.01.2018 | (2,500) | Transfer | 1,317,640 | 1.18 |
| | | | | 12.01.2018 | (12,500) | Transfer | 1,305,140 | 1.17 |
| | | | | 19.01.2018 | (5,500) | Transfer | 1,299,640 | 1.16 |
| | | | | 26.01.2018 | (19,500) | Transfer | 1,280,140 | 1.15 |
| | | | | 02.02.2018 | (5,000) | Transfer | 1,275,140 | 1.14 |
| | | 1,275,140 | 1.14 | 31.03.2018 | | | 1,275,140 | 1.14 |
| 11 | RADHAKISHAN DAMANI # | 1,591,689 | 1.43 | 01.04.2017 | | | | |
| | | | | 11.08.2017 | (305,000) | Transfer | 1,286,689 | 1.15 |
| | | | | 18.08.2017 | (75,000) | Transfer | 1,211,689 | 1.08 |
| | | 1,211,689 | 1.08 | 31.03.2018 | | | 1,211,689 | 1.08 |
| 12 | CAMDEN INDUSTRIES LIMITED # | 2,746,100 | 2.46 | 01.04.2017 | | | | |
| | | | | 08.12.2017 | (1,785,095) | Transfer | 961,005 | 0.86 |
| | | | | 15.12.2017 | (961,005) | Transfer | - | 0.00 |
| | | 0 | 0.00 | 31.03.2018 | | | - | 0.00 |

* Not in the list of Top 10 shareholders as on 01.04.2017. The same have been reflected above since shareholders were among the Top 10 shareholders as on 31.03.2018.

# Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same have been reflected above since shareholders were among the Top 10 shareholders as on 01.04.2017.

**Note:**
Shareholders having shares in different folios/DPIDs, Client IDs, but having the same PAN are clubbed together.

## (V) Shareholding of Directors and Key Managerial Personnel (KMPs).

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| **A.** | **Directors** | | | | | | | |
| 1. | Shri B. K. Birla | 199,800 | 0.18 | 01.04.2017 | 0 | Nil movement during the year | | |
| | | 199,800 | 0.18 | 31.03.2018 | | | 199,800 | 0.18 |
| 2 | Shri Pradip Kumar Daga | 80 | 0.00 | 01.04.2017 | 0 | Nil movement during the year | | |
| | | 80 | 0.00 | 31.03.2018 | | | 80 | 0.00 |
| 3 | Shri D. K. Agrawal | 80 | 0.00 | 01.04.2017 | 0 | Nil movement during the year | | |
| | | 80 | 0.00 | 31.03.2018 | | | 80 | 0.00 |
| **B.** | **KMPs** | | | | | | | |
| 4 | Shri R. K. Dalmia | 7,150 | 0.01 | 01.04.2017 | 0 | Nil movement during the year | | |
| | | 7,150 | 0.01 | 31.03.2018 | | | 7,150 | 0.01 |
| 5 | Shri Atul K. Kedia | 496 | 0.00 | 01.04.2017 | 0 | Nil movement during the year | | |
| | | 496 | 0.00 | 31.03.2018 | | | 496 | 0.00 |

**Note:** Names of only those directors & KMPs who held shares at any time during the year have been mentioned.

## V INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ In Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 4197.22 | 1463.48 | - | 5660.70 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 38.86 | 0.53 | - | 39.39 |
| **Total (i + ii + iii)** | **4236.08** | **1464.01** | **-** | **5700.09** |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | 795.91 | - | - | 795.91 |
| Reduction | (-) 2060.71 | (-) 78.22 | - | (-) 2138.93 |
| **Net Change** | **(-) 1264.80** | **(-) 78.22** | **-** | **(-) 1343.02** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 2938.02 | 1385.04 * | - | 4323.06 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 33.26 | 0.75 | - | 34.01 |
| **Total (i + ii + iii)** | **2971.28** | **1385.79** | **-** | **4357.07** |

* excluding unsecured finance lease obligation amounting to ₹ 12.21 crores

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND / OR MANAGER:

(₹ In Crores)

| Sl. No. | Particulars of Remuneration | Name of the Managing Director / Whole-time Director / Manager | Total Amount |
|---|---|---|---|
| | | Whole-time Director | |
| | | Shri D. K. Agrawal | |
| 1 | **Gross salary** | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 2.92 | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0.44 | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961. | - | 3.36 |
| 2 | Stock option | | - |
| 3 | Sweat Equity | | - |
| 4 | Commission | | |
| | - as % of profit | | - |
| | - others (specify) | | - |
| 5 | Others, please specify | | |
| | Co's Contribution to Provident Fund (exempted) | | 0.08 |
| | **Total (A)** | | 3.44 |
| | Ceiling as per the Act | | 30.28 |

### B. REMUNERATION TO OTHER DIRECTORS:

(₹ In Crores)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1 | **Independent Directors** | **Shri Pradip Kumar Daga** | **Shri Yazdi. P. Dandiwala** | **Shri Rajan A. Dalal** | **Shri Sohanlal K. Jain** | |
| | Fee for attending board / committee meetings. | 0.02 | 0.03 | 0.03 | 0.03 | 0.11 |
| | Commission * | 0.21 | 0.21 | 0.21 | 0.21 | 0.84 |
| | Others, Please Specify. | - | - | - | - | - |
| | **Total (1)** | 0.23 | 0.24 | 0.24 | 0.24 | 0.95 |
| 2 | **Other Non-Executive Directors** | **Shri B. K. Birla** | **Shri Kumar Mangalam Birla** | **Smt. Rajashree Birla** | **-** | |
| | Fee for attending board / committee meetings. | 0.00 $ | 0.00 $ | 0.00 @ | - | 0.00 |
| | Commission * | 0.22 * | 0.22 * | 0.22 * | - | 0.66 |
| | **Others, Please Specify.** | **-** | **-** | **-** | **-** | **-** |
| | **Total (2)** | 0.22 | 0.22 | 0.22 | - | 0.66 |
| | **Total (B) = (1+2)** | - | - | - | - | 1.61 |
| | Total Managerial Remuneration | | | | | **5.05#** |
| | Overall Ceiling as per the Act. | | | | | 36.33 |

# Total remuneration to Whole-Time Director and other Directors (being the total of A and B).

$ Rs. 20,000/- @ Rs. 40,000/-

* Amount being Rs. 21,42,857/- to each of the Directors

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(₹ In Crores)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | |
| | | | Shri Atul K. Kedia | Shri R. K. Dalmia | |
| 1 | **Gross Salary** | Not Applicable | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | 0.55 | 3.60 | 4.15 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | | 0.12 | 0.11 | 0.23 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | - | - | - |
| 2 | Stock Option | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | | - | - | - |
| | - others, specify | | - | - | - |
| 5 | Others, please specify | | | | |
| | Co's Contribution to Provident Fund (exempted), Superannuation (exempted portion) | | 0.04 | 0.09 | 0.13 |
| | **Total** | | **0.71** | **3.80** | **4.51** |

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/COURT) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **B. DIRECTORS** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

# AOC-1 CERTIFICATE

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

### Part A Subsidiary

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. **Name of the subsidiary** : Birla Estates Private Limited
2. **The date since when subsidiary was acquired** : Incorporated on 26th December 2017
3. **Reporting period for the subsidiary concerned, if different from the holding company's reporting period. :**

   Same as reporting period of Century Textiles and Industries Limited
4. **Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.** : Indian Rupees
5. **Share capital** : ₹ 500,000.00
6. **Reserves and surplus** : ₹ (19,200.00)
7. **Total assets** : ₹ 498,300.00
8. **Total Liabilities** : ₹ 498,300.00
9. **Investments** : NIL
10. **Turnover** : NIL
11. **Profit / (Loss) before taxation** : ₹ (19,200.00)
12. **Provision for taxation** : NIL
13. **Profit / (Loss) after taxation** : ₹ (19,200.00)
14. **Proposed Dividend** : NIL
15. **Extent of shareholding (in percentage)** : 100%

**Notes:** The following information shall be furnished at the end of the statement:

1. **Names of subsidiaries which are yet to commence operations** : Birla Estates Private Limited

## Part B Associate and Joint Venture

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| | | |
|---|---|---|
| | **Name of Associates or Joint Ventures** | Industry House Limited |
| **1.** | **Latest audited Balance Sheet Date** | 31 March 2017 |
| **2.** | **Date on which the Associate or Joint Venture was associated or acquired** | 27 November 1952 |
| **3.** | **Shares of Associate or Joint Ventures held by the company on the year end** | |
| | No. | 5625 No. of Shares |
| | Amount of Investment in Associates or Joint Venture | ₹ 0.04 Crore |
| | Extent of Holding (in percentage) | 35.28% |
| **4.** | **Description of how there is significant influence** | No significant influence as per Ind AS 28 |
| **5.** | **Reason why the associate/joint venture is not consolidated** | As the company (Century Textiles and Industries Limited) does not have significant influence over Industry House Limited, the company has not considered it as an associate as per Ind AS 28 "Investment in Associates and Joint Ventures" and hence not consolidated |
| **6.** | **Networth attributable to shareholding as per latest audited Balance Sheet** | ₹ 2.54 crores |
| **7.** | **Profit or Loss for the year attributable to shareholding as per latest audited Balance Sheet** | ₹ 0.30 crores |
| | i. Considered in Consolidation | Nil |
| | ii. Not Considered in Consolidation | ₹ 0.30 crores |

1. Names of associates or joint ventures which are yet to commence operations. : **Nil**
2. Names of associates or joint ventures which have been liquidated or sold during the year. : **Nil**

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

## I. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :-

The Company believes that Corporate Governance is a tool for creation and enhancement of long term sustainable value for stakeholders through ethically driven business processes. Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

## II. BOARD OF DIRECTORS

### (a) Composition of the Board:

As on 31st March, 2018, the Board of Directors comprises eight members consisting of seven Non-executive Directors who account for more than eighty seven percent of the Board's strength as against the minimum requirement of fifty percent as per the Listing Regulations. The Non-executive Directors are eminent professionals, having considerable professional experience in respective fields. The composition is as under:-

| Name of the Directors | Category of Directors | Directorships in other Indian Public Limited Companies | No. of other Board Committee(s) of which he is a member @ | No. of Other Board Committee(s) of which he is a Chairman @ | No. of Shares held in the Company as at 31.03.2018 |
|---|---|---|---|---|---|
| Shri B.K. Birla – Chairman | Promoter – Non Executive | 4 | - | - | 1,99,800 |
| Shri Kumar Mangalam Birla – Vice Chairman | Promoter – Non Executive | 8 | - | - | Nil |
| Smt. Rajashree Birla | Promoter – Non Executive | 6 | - | - | Nil |
| Shri Pradip Kumar Daga | Independent – Non Executive | 4 | 1 | - | 80 |
| Shri Yazdi P. Dandiwala | Independent – Non Executive | 4 | 4 | 1 | Nil |
| Shri Rajan A. Dalal | Independent – Non Executive | 2 | 3 | 1 | Nil |
| Shri Sohanlal K. Jain | Independent – Non Executive | 1 | 2 | 2 | Nil |
| Shri D.K. Agrawal | Executive – Whole-time Director | 3 | - | - | 80 |

@ Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Companies have been considered.

Notes :

1. In terms of provisions of the Companies Act, 2013, Smt. Rajashree Birla is related to Shri B.K. Birla being his son's wife and she is also mother of Shri Kumar Mangalam Birla, except these, no director is related to any other director on the Board.
2. Memberships of the Directors in various Committees are within the permissible limits of the Listing Regulations.
3. Directorship is excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

### (b) Board Meetings and attendance of Directors:

(i) The members of the Board have been provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings.

(ii) Seven Meetings of the Board of Directors were held during the year ended 31st March, 2018. These were held on:-

(1) 12th May, 2017
(2) 12th May, 2017
(3) 8th August, 2017
(4) 22nd August, 2017
(5) 6th November, 2017
(6) 12th December, 2017
(7) 29th January, 2018

(iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2018 and of the last Annual General Meeting is as under:-

| Directors | No. of Board Meetings attended | Attendance at the Last AGM |
|---|---|---|
| Shri B.K. Birla | 1 | No |
| Shri Kumar Mangalam Birla | 1 | Yes |
| Smt. Rajashree Birla | 2 | Yes |
| Shri Pradip Kumar Daga | 5 | Yes |
| Shri Yazdi P. Dandiwala | 6 | Yes |
| Shri Rajan A. Dalal | 6 | Yes |
| Shri Sohanlal K. Jain | 7 | Yes |
| Shri D.K. Agrawal (Whole-time Director) | 7 | Yes |

### (c) Code of Conduct:

The Company has framed a code of conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The said code of conduct is available on the website of the Company. The declaration by Shri D.K. Agrawal, Whole-time Director of the Company regarding compliance by the Board members and Senior Management Personnel, with the said code of conduct is given as Annexure 'A' to this report. In addition to this a separate code of conduct for dealing in equity shares and other securities conferring voting rights in the Company is also in place and has been complied with.

## III. AUDIT COMMITTEE

(i) The Audit Committee was constituted by the Board at its meeting held on 27th May, 2000 and was reconstituted on 5th May, 2014. Member Directors of the Audit Committee presently are as under :-

(1) Shri Yazdi P. Dandiwala
(2) Shri Pradip Kumar Daga
(3) Shri Rajan A. Dalal
(4) Shri Sohanlal K. Jain

All the members of the Audit Committee are Non-Executive Independent Directors and Shri Yazdi P. Dandiwala is the Chairman of the Committee. All the members of Audit Committee are financially literate and one member has accounting and related financial management expertise.

(ii) The Audit Committee meetings were held on 12th May, 2017, 8th August, 2017, 8th August, 2017, 6th November, 2017, 12th December, 2017, 29th January, 2018 and 29th January, 2018. The attendance of each Audit Committee member is as under:-

| Name of the Audit Committee Members | No. of meetings attended |
|---|---|
| Shri Yazdi P. Dandiwala | 6 |
| Shri Pradip Kumar Daga | 6 |
| Shri Rajan A. Dalal | 6 |
| Shri Sohanlal K. Jain | 7 |

(iii) At the invitation of the Company, representatives from various Divisions of the Company, internal auditors, cost auditors, statutory auditors and Company Secretary, who acted as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

(iv) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Listing Regulations as well as in Section 177 of the Companies Act, 2013.

## IV. NOMINATION AND REMUNERATION COMMITTEE

The brief description of Terms of Reference of Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, identifying persons and to recommend/review remuneration of the directors including Whole-time/Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

Nomination and Remuneration Committee has presently five Non-Executive directors as its members comprising of four Independent Directors and one Promoter Director (i.e. Chairperson of the Company) as under :-

1. Shri Pradip Kumar Daga
2. Shri B.K. Birla
3. Shri Yazdi P. Dandiwala
4. Shri Rajan A. Dalal
5. Shri Sohanlal K. Jain

Shri Pradip Kumar Daga is the Chairman of the Committee.

The Nomination and Remuneration Committee meetings were held on 12th May, 2017, 8th August, 2017 and 29th January, 2018. The attendance of each Nomination and Remuneration Committee member is as under:-

| Name of the Nomination and Remuneration Committee Members | No. of meetings attended |
|---|---|
| Shri Pradip Kumar Daga | 3 |
| Shri B.K. Birla | - |
| Shri Yazdi P. Dandiwala | 3 |
| Shri Rajan A. Dalal | 3 |
| Shri Sohanlal K. Jain | 3 |

### Performance evaluation criteria for Independent Directors :

The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them.

## V. REMUNERATION OF DIRECTORS

Remuneration to Non-Executive Directors is decided by the Board of Directors as authorized by the Articles of Association of the Company and within the limits set out in Section 197 of the Companies Act, 2013. The members of the Company have in their meeting held on 9th August, 2017 authorised the Board of Directors of the Company to pay commission to Non-Executive Directors within the limits as set out in section 197(1) of the Companies Act, 2013 for a period of 5 years w.e.f. 01.04.2017. The Board of Directors of the Company each year determine the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year. The Non-Executive Directors are paid sitting fee at the rate of ₹ 20,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of various Committees of the Board.

**Details of sitting fees, commission and remuneration paid/payable to Directors:**

| | Name of the Directors | Remuneration paid/payable for the year 2017-2018 (All figures in Rupees) | | |
|---|---|---|---|---|
| | | Commission payable for the year | Sitting fees paid during the year* | Total |
| (i) | Shri B.K. Birla | 21,42,857 | 20,000 | 21,62,857 |
| | Shri Kumar Mangalam Birla | 21,42,857 | 20,000 | 21,62,857 |
| | Smt. Rajashree Birla | 21,42,857 | 40,000 | 21,82,857 |
| | Shri Pradip Kumar Daga | 21,42,857 | 2,30,000 | 23,72,857 |
| | Shri Yazdi P. Dandiwala | 21,42,857 | 2,60,000 | 24,02,857 |
| | Shri Rajan A. Dalal | 21,42,857 | 2,70,000 | 24,12,857 |
| | Shri Sohanlal K. Jain | 21,42,858 | 2,60,000 | 24,02,858 |
| (ii) | Shri D.K. Agrawal (Whole-time Director) | | | **Remuneration**** |
| | Salary and allowances | — | — | 2,92,02,171 |
| | Contribution to Provident Fund | — | — | 7,58,520 |
| | Perquisites | — | — | 44,22,745 |
| | Total | — | — | 3,43,83,436 |

* Sitting fees for attending meetings of the Board and/or Committee thereof.

** As the employee – wise break up of liability on account of Employee Benefits based on actuarial valuation is not available, the amounts relatable to the Whole-time Director is not considered.

Notes:

1. Commission to Non-Executive Directors including Independent Directors will be paid after the accounts are approved by the shareholders at the Annual General Meeting scheduled to be held on 31st July, 2018.
2. Directors' commission amount is exclusive of applicable Goods and Services Tax (GST) which shall be borne by the Company.
3. None of the non-executives Directors has any material financial interest in the Company apart from the remuneration by way of fees and commission received by them. Certain professional services were rendered to the Company by a firm in which a non-executive director is a partner. In the opinion and judgment of the Board, this did not affect the independence of the said director.

## VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee of the Board comprises of three Non-Executive Independent Directors viz. Shri Rajan A. Dalal, Shri Pradip Kumar Daga, Shri Yazdi P. Dandiwala and one Executive Director viz. Shri D.K. Agrawal. Shri Rajan A. Dalal is the Chairman of the Committee.

The Company Secretary viz. Shri Atul K. Kedia has been designated as the Compliance Officer. During the year ended 31st March, 2018, 20 investor complaints/queries were received and have been resolved. There were no share transfers pending for registration for more than 15 days as on the said date.

## VII. OTHER COMMITTEES OF THE BOARD

1. Corporate Social Responsibility (CSR) Committee

   The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee of the Board presently comprising of three Non-Executive Independent Directors viz. Shri Yazdi P. Dandiwala, Shri Pradip Kumar Daga and Shri Rajan A. Dalal and one Executive Director viz. Shri D.K. Agrawal. Shri Yazdi P. Dandiwala is the Chairman of the Committee.

2. Risk Management Committee

The Board of Directors of the Company has constituted a Risk Management Committee of the Board presently comprising of three Non-Executive Independent Directors viz. Shri Pradip Kumar Daga, Shri Rajan A. Dalal, Shri Sohanlal K. Jain and one Executive Director viz. Shri D.K. Agrawal.

3. Finance Committee

The Board of Directors of the Company has constituted a Finance Committee of the Board presently comprising of three Non-Executive Independent Directors viz. Shri Pradip Kumar Daga, Shri Yazdi P. Dandiwala and Shri Rajan A. Dalal and one Executive Director viz. Shri D.K. Agrawal.

4. Committee of Independent Directors

The Board of Directors of the Company has constituted a Committee of Independent Directors of the Board presently comprising of four Non-Executive Independent Directors viz. Shri Pradip Kumar Daga, Shri Yazdi P. Dandiwala, Shri Rajan A. Dalal and Shri Sohanlal K. Jain.

## VIII. GENERAL BODY MEETINGS

### (a) (i) The details of Annual General Meetings held in the last three years are as under:-

| AGM | Day | Date | Time | Venue |
|---|---|---|---|---|
| $118^{th}$ | Tuesday | 28.07.2015 | 2.30 P.M. | Nehru Centre Auditorium,Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| $119^{th}$ | Thursday | 28.07.2016 | 2.30 P.M. | Nehru Centre Auditorium,Discovery of India Building, Dr. Annie Besant Road, Worli,Mumbai – 400 018 |
| $120^{th}$ | Wednesday | 09.08.2017 | 2.30 P.M. | Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025 |

### (ii) The details of Extra-Ordinary General Meeting held in the last three years are as under :

| Day | Date | Time | Venue |
|---|---|---|---|
| - | - | - | - |

### (b) Whether any special resolutions passed in the previous 3 AGMs/EGMs

Yes, details of which are given hereunder:-

**AGMs**

| Date | Matter |
|---|---|
| 28.07.2015 | Authority for adoption of new set of Articles of Association in place of existing one. |
| | Authority for making offer(s) and/or invitation(s) to subscribe to non-convertible debentures ("NCDs") on a private placement basis for a period of one year within the overall borrowing limits of the Company. |
| 28.07.2016 | Appointment of Shri D.K. Agrawal as Director in the Whole-time employment of the Company. |
| | Authority for making offer(s) and/or invitation(s) to subscribe to non-convertible debentures ("NCDs") on a private placement basis for a period of one year within the overall borrowing limits of the Company. |
| 09.08.2017 | Authority for making offer(s) and/or invitation(s) to subscribe to non-convertible debentures ("NCDs") on a private placement basis for a period of one year within the overall borrowing limits of the Company. |
| | Approval for payment of commission to Non-Whole-time Directors. |

**EGM**

| Date | Matter |
|---|---|
| — | — |

**(c) Whether any special resolution passed last year through postal ballot and details of voting pattern?**

Special Resolution passed at the last Annual General Meeting of the Company were not put through postal ballot.

**(d) Person who conducted the postal ballot exercise?**

Not applicable.

**(e) Whether any special resolution is proposed to be conducted through postal ballot?**

Special Resolution to be passed at the ensuing Annual General Meeting of the Company is not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

**(f) Procedure for postal ballot ?**

The procedure for postal ballot is as per the provisions contained in this behalf in the Companies Act, 2013 and rules made thereunder namely The Companies (Management and Administration) Rules, 2014.

## IX. MEANS OF COMMUNICATION

(a) Quarterly results:

| | |
|---|---|
| (i) Which newspapers normally published in | The Economic Times, Mumbai, Business Standard, Kolkata, Maharashtra Times, Mumbai. |
| (ii) Any web site, where displayed | www.centurytextind.com |
| Whether it also displays official News releases and presentations made to Institutional investors/analysts | Official news releases are displayed on the website. As and when any presentation is made to Institutional investors/analysts the same will be displayed on the website. |

(b) Shareholders' grievances/complaints:

| | |
|---|---|
| Grievance redressal division's E-mail ID for investors | investorrelations@centurytext.com |

## X. GENERAL SHAREHOLDER INFORMATION

**(a) Annual General Meeting to be held:**

Day, Date, Time and Venue:

| | | |
|---|---|---|
| Day | : | Tuesday |
| Date | : | $31^{st}$ July, 2018 |
| Time | : | 2.30 P.M. |
| Venue | : | Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |

| | | |
|---|---|---|
| **(b) Financial Year** | : | **2018-2019** |
| First Quarterly Results | : | On or before $14^{th}$ August, 2018 |
| Second Quarterly Results | : | On or before $14^{th}$ November, 2018 |
| Third Quarterly Results | : | On or before $14^{th}$ February, 2019 |
| Audited Yearly Results for the Year ending $31^{st}$ March, 2019 | : | On or before $30^{th}$ May, 2019 |

## (c) Dates of Book Closure:

24th July, 2018 to 31st July, 2018 (Both days inclusive).

## (d) Dividend payment date:

Dividend on Equity Shares will be made payable from Thursday, the 2nd August, 2018 once approved. In respect of shares held in physical form, the dividend will be paid to such shareholders whose name appear in the Register of Members as at 31st July, 2018. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as per the data to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

## (e) Stock Exchange related information:

(i) Listing on Stock Exchanges:

| **Equity Shares** | **Privately-placed Secured Redeemable Non-Convertible Debentures** |
|---|---|
| BSE Limited,<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai –400 001.<br><br>National Stock Exchange of India Ltd.<br>"Exchange Plaza", Bandra Kurla Complex,<br>Bandra (East), Mumbai – 400 051. | BSE Limited,<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai –400 001. |

(ii) Codes:

| | |
|---|---|
| **i) Equity Shares** | |
| BSE | 500040 |
| National Stock Exchange of India Ltd. | CENTURYTEX |
| **ii) Secured Redeemable Non-Convertible Debentures (privately placed)** | |
| BSE | 954699 |
| BSE | 955276 |

**Notes :-**

i) Listing fees have been paid to the Stock Exchanges for the year 2018-2019.

ii) Depository connectivity:

National Securities Depository Limited and

Central Depository Services (India) Limited

## (f) ISIN No. for the Company's Listed Securities :

| | |
|---|---|
| Equity Shares in Demat Form | INE055A01016 |
| Secured Redeemable Non-Convertible Debentures (privately placed) (XVI Series) | INE055A07070 |
| Secured Redeemable Non-Convertible Debentures (privately placed) (XVII Series) | INE055A07088 |

## (g) Market price Data:

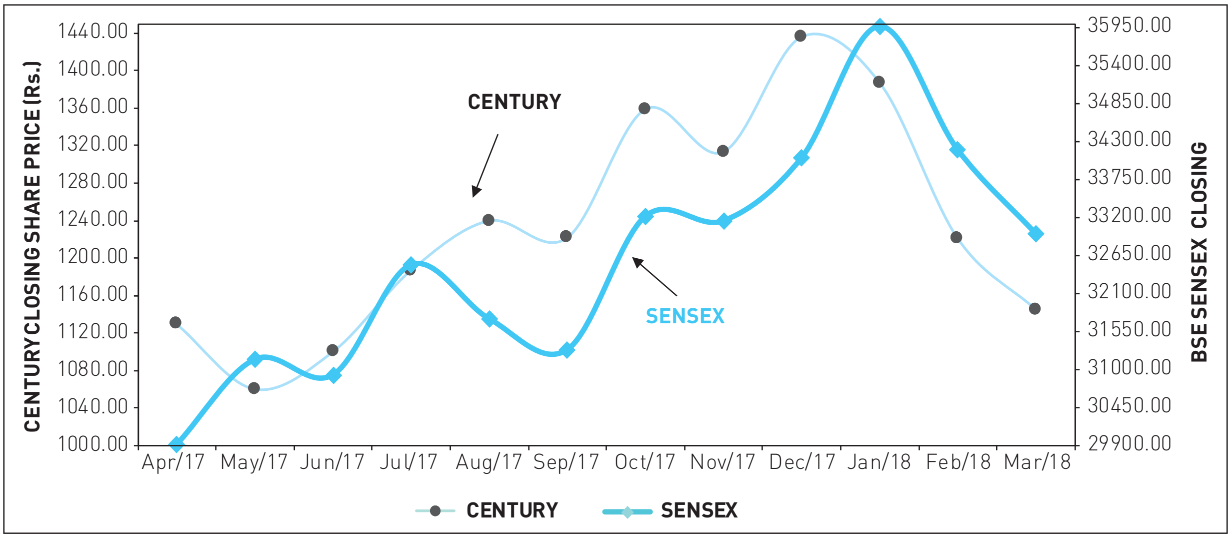
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2017-2018 are as under :-

(In ₹ Per Share)

| | BSE Limited | | National Stock Exchange of India Ltd. | |
|---|---|---|---|---|
| **Month** | **High** | **Low** | **High** | **Low** |
| April, 2017 | 1145.75 | 1055.00 | 1146.10 | 1055.00 |
| May, 2017 | 1197.95 | 1031.30 | 1197.35 | 1031.55 |
| June, 2017 | 1128.60 | 1052.70 | 1131.75 | 1050.30 |
| July, 2017 | 1186.90 | 1120.25 | 1188.20 | 1121.00 |
| August, 2017 | 1282.90 | 1171.20 | 1281.05 | 1170.95 |
| September, 2017 | 1320.75 | 1218.10 | 1320.90 | 1217.90 |
| October, 2017 | 1361.40 | 1228.45 | 1366.05 | 1228.60 |
| November, 2017 | 1413.75 | 1260.40 | 1411.80 | 1260.40 |
| December, 2017 | 1435.45 | 1266.05 | 1437.40 | 1265.60 |
| January, 2018 | 1450.35 | 1383.65 | 1449.40 | 1383.90 |
| February, 2018 | 1384.00 | 1151.40 | 1383.10 | 1149.00 |
| March, 2018 | 1222.50 | 1125.75 | 1223.05 | 1126.70 |

## (h) Performance in comparison to broad based indices :

**CENTURY VS BSE SENSEX**




## (i) Suspension from trading:

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed.

## (j) Registrar and Transfer Agents:

The Company has appointed Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Limited) as its Share Transfer Agent for both physical and demat segments of Equity Shares and Debentures.

**The Address, Telephone no., Fax no. of the Share Transfer Agent is :**

**Link Intime India Pvt. Ltd.** Unit – Century Textiles and Industries Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, (Maharashtra) Telephone No. 022 – 4918 6000, Fax No. 022 – 4918 6060. Please quote on all the correspondence – Unit – Century Textiles and Industries Limited. **For shareholders queries** - **Telephone No. 022 – 4918 6270 Email ID – rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in**

## (k) Share Transfer System:

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorised to approve transfers in addition to the Committee.

## (l) Distribution of shareholding :

The shareholding distribution of equity shares of face value of ₹10/- each as at 31st March, 2018 is given below:-

| Sr. No. | No. of Equity Shares held | No. of Folios | No. of Shares | Percentage of Shareholding |
|---|---|---|---|---|
| 1. | 1 to 100 | 46,257 | 17,63,448 | 1.58 |
| 2. | 101 to 500 | 13,232 | 33,36,462 | 2.99 |
| 3. | 501 to 1000 | 2,708 | 20,80,405 | 1.86 |
| 4. | 1001 to 5000 | 2,259 | 48,33,995 | 4.33 |
| 5. | 5001 to 10000 | 293 | 20,71,852 | 1.85 |
| 6. | 10001 to 100000 | 242 | 67,25,082 | 6.02 |
| 7. | 100001 to 500000 | 51 | 1,32,89,799 | 11.90 |
| 8. | 500001 & above | 24 | 7,75,94,637 | 69.47 |
| **9.** | **Total** | **65,066** | **11,16,95,680** | **100.00** |

## (m) Shareholding pattern as at 31st March, 2018:

| Sr. No. | Category | No. of Folios | % of Folios | No. of shares held | % of share Holding |
|---|---|---|---|---|---|
| 1. | Promoters | 10 | 0.02 | 5,60,77,970 | 50.21 |
| 2. | Resident Individuals | 62226 | 95.64 | 1,87,36,756 | 16.77 |
| 3. | Private Corporate Bodies | 1311 | 2.01 | 71,55,623 | 6.41 |
| 4. | Financial Institutions | 5 | 0.01 | 23,88,033 | 2.14 |
| 5. | Nationalised Banks, Govt. Insurance Companies and Mutual Funds | 107 | 0.16 | 1,68,42,749 | 15.08 |
| 6. | FIIs & Foreign Portfolio Investors (Corporate) | 87 | 0.13 | 96,27,311 | 8.62 |
| 7. | NRIs and OCBs | 1320 | 2.03 | 8,67,238 | 0.78 |
| **8.** | **Total** | **65066** | **100.00** | **11,16,95,680** | **100.00** |

**(n)** 2,61,464 equity shares of the face value of ₹ 10/- each for 1667 folios in respect of which dividend was not encashed for seven consecutive years were transmitted to Investor Education and Protection Fund (IEPF) Authority on 30th November, 2017. The above mentioned shares were transmitted pursuant to requirement under section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

## (o) Dematerialisation of equity shares:

About 98.36% of total equity share capital is held in dematerialised form with NSDL and CDSL.

## (p) Hedging of risk:

Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.

## (q) Plant (Manufacturing Units):

| | | | |
|---|---|---|---|
| i) | BIRLA CENTURY<br>Plot No. 826, GIDC Industrial Estate,<br>Jhagadia – 393 110, Dist. Bharuch (Gujarat). | vi) | MANIKGARH CEMENT UNITS I & II<br>P.O. Gadchandur - 442 908<br>Dist. Chandrapur, (Maharashtra). |
| ii) | CENTURY RAYON *<br>Rayon, Tyre Cord & Chemical Plants,<br>Murbad Road, Kalyan - 421 103,<br>(Maharashtra). | vii) | SONAR BANGLA CEMENT<br>Village : Dhalo, P.O. Gankar,<br>P.S. Raghunathganj, Dist. Murshidabad,<br>West Bengal – 742 227. |
| iii) | CENRAY MINERALS AND CHEMICALS<br>Nawa Nagna, Jamnagar - 361 007,<br>(Gujarat). | viii) | CENTURY PULP & PAPER<br>Ghanshyamdham, P.O. Lalkua - 262 402,<br>Dist. Nainital (Uttarakhand). |
| iv) | CENTURY CEMENT<br>P.O. Baikunth - 493 116, Dist. Raipur,<br>(Chhattisgarh). | ix) | CENTURY PULP & PAPER<br>Plot no. 3, Vilayat Industrial Estate,<br>Dist – Bharuch – 392 001, (Gujarat). |
| v) | MAIHAR CEMENT UNITS I & II<br>P.O. Sarlanagar - 485 772<br>Maihar, Dist. Satna, (Madhya Pradesh). | | |

**Other Unit (Property Development)**
BIRLA ESTATES
Birla Aurora, Level 8, Dr. Annie Besant Road,
Worli, Mumbai – 400 030

* With effect from 1st February, 2018, the Company has granted to Grasim Industries Ltd. (GIL) the right and responsibility to manage, operate, use and control the viscose filament yarn business of Century Rayon Division of the Company for 15 years, for a commuted royalty of ₹ 600 crore, interest free, refundable, security deposit of ₹ 200 crore and Century Rayon's working capital to GIL at actuals.

## (r) Address for correspondence:

Century Textiles and Industries Ltd.
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai- 400 030.

# XI. OTHER DISCLOSURES

(i) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis. Transactions with related parties as per requirements of IND AS 24 – 'Related Party Disclosures' are disclosed in Note 40 to the Financial Statements.

(ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(iii) The Company has established a vigil mechanism/whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further no personnel has been denied access to the Audit Committee.

(iv) Subsidiary Companies

During the year the Company has incorporated a wholly owned subsidiary viz. 'Birla Estates Private Limited' for the purpose of undertaking real estate development projects.

(v) Web-links

1. Familiarization programme for Independent Directors
http://www.centurytextind.com/investor-centre/pdf/others/insidertrading.pdf

2. Related party Transaction Policy
http://www.centurytextind.com/investor-centre/pdf/others/related_prty_transaction_policy.pdf

3. Material subsidiary – N.A.

(vi) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.

(vii) Procedures for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.

(viii) No money was raised by the Company through public issue, rights issue etc. in the last financial year.

(ix) (a) All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company have been disclosed in item V of this report.

(b) The Company has one Whole-time Director on the Board whose appointment and remuneration has been fixed by the Board in terms of a resolution passed by the members and has been further reviewed/approved by the Nomination and Remuneration Committee of the Board. The remuneration paid is mentioned in item V of this report.

(c) The number of shares held by each director is mentioned in item II(a) of this report.

(x) (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required by Regulation 34(3) of the Listing Regulations.

(b) There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of the Listing Regulations where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

## XII NON-COMPLIANCE

There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Listing Regulations.

## XIII. DISCRETIONARY REQUIREMENTS

1. The Board

An office for the use of the Chairman is made available whenever required.

2. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

3. Modified opinion(s) in audit report

There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.

4. Separate posts of chairperson and chief executive officer

The Company has a Whole-time Director in addition to the Non-Executive Chairman of the Board.

5. Reporting of Internal Auditor

Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

## XIV. DISCLOSURE OF COMPLIANCES

The Company has disclosed about the compliance of regulations in respect of Corporate Governance under the Listing Regulations on its website viz. www.centurytextind.com

## XV. COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure – 'B' to this report.

## XVI. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of Listing Regulations, the Whole-time Director and CFO have certified to the Board about compliance by the Company with the requirements of the said sub regulation for the financial year ended 31st March, 2018.

## XVII. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out Reconciliation of Share Capital Audit. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

The above report has been placed before the Board at its meeting held on 2nd May, 2018 and the same was approved.

# FOR SHAREHOLDERS' INFORMATION

## I. DIVIDEND DISTRIBUTION POLICY

**Pursuant to Regulation 43A of the Securities and Exchange Board of India**

**(Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors (the "Board") of Century Textiles and Industries Limited (the "Company") has adopted this Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration the relevant circumstances enumerated hereunder or other factors as may be decided and considered relevant by the Board while recommending dividend, including whilst declaring interim dividend(s). The Policy reflects the intent of the Company to enhance stakeholder value and reward its shareholders by sharing a portion of its profits after retaining sufficient funds for the growth of the Company, based on the following parameters:

### 1. Circumstances under which shareholders may or may not expect dividend

Before recommending dividend, the Board will consider various relevant factors, including the Company's financial needs, keeping in mind the business considerations. The dividend shall usually be paid out of the profits as available, and distributed in accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, other applicable legislation/Regulations, the Articles of Association of the Company as in force and as amended from time to time and/or stipulations by lending banks/institutions, if any.

The Board may consider payment of dividend out of accumulated Profits/ Free Reserves in case of inadequacy or absence of profit for the relevant year, subject to compliance of applicable laws, in line with historical trends. The Board, if the situation so warrants, may not declare the payment of dividend in any financial year, at its sole discretion and retain the earnings for the relevant year for investment towards growth of the Company's business.

### 2. Financial Parameters

i. Adequacy of net profit available for distribution;

ii. Dividend payout ratios viz dividend to net profit, dividend to cash profit etc.;

iii. Other financial ratios viz. debt/equity, interest coverage, return on equity etc.;

iv. Operating cash flow of the Company and commitments to forecasted capital expenditure for the current and projected periods;

v. Cost of borrowings;

vi. Contingent liabilities with financial implications.

### 3. Internal Factors

i. Historical dividend payout trends based on past performance of the Company;

ii. Present and future working capital requirements of the existing business of the Company;

iii. Brand/business acquisition;

iv. Expansion / Modernisation of existing business/diversification into new business;

v. Additional investments in Subsidiaries / Associates of the Company;

vi. Any other relevant factor as may be deemed fit by the Board.

### 4. External Factors

i. State of the economy i.e. the macro economic environment prevailing in the country;

ii. Taxation and other regulatory concerns;

iii. Statutory/Legislative and Executive restrictions;

iv. Global business environment.

### 5. Utilisation of retained earnings

The Board may retain its earning in order to make better use of available funds and increase the stakeholder value in the long run. The decision of utilization of the retained earnings of the Company will be subject to the applicable provisions of the Companies Act and other applicable laws/Regulations. The retained earnings shall be utilized for securing the long term growth objectives of the Company's business including:

i. Diversification / Expansion of the Company's business;

ii. Modernisation of plant and machinery;

iii. Acquisitions;

iv. Repayment of loans;

v. Payment of dividend in future.

### 6. Parameters to be adopted with regard to various classes of shares

At present the Company has only one class of shares i.e. equity shares with equal voting rights and dividend.

### 7. General

The policy is effective henceforth and will be revised / amended as may, in the opinion of the Board, be deemed necessary and will be available on the Company's website www.centurytextind.com and disclosed in the Annual Report.

## II. FILING OF COST AUDIT REPORT

As per section 148 of the Companies Act, 2013 read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, Cost Auditors have to forward Cost Audit Report to the Board of Directors of the Company within a period of 180 days from the closure of financial year and the said report is required to be filed within a period of 30 days from the date of receipt with the Ministry of Corporate Affairs.

Details of the Cost Audit Reports for the financial year 2016-17 filed during the year in compliance of the aforesaid are tabled below :-

| Products | Name of the Cost Auditors | Date of Filing |
|---|---|---|
| Textiles<br>Textiles including Birla Century (Bharuch Unit), Yarn and Denim | M/s. R. Nanabhoy and Co. | 04.09.2017 |
| Rayon and Chemicals<br>Century Rayon, Tyrecord and Chemicals | Mr. Mangat Rijhumal Dudani | 04.09.2017 |
| Cement<br>a) Century Cement<br>b) Maihar Cement Unit I & II<br>c) Manikgarh Cement Unit I & II<br>d) Sonar Bangla | M/s. R. Nanabhoy and Co. | 04.09.2017 |
| Paper<br>Century Pulp and Paper | M/s. R. Nanabhoy and Co. | 04.09.2017 |

## III. DEBENTURE TRUSTEE DETAILS:

Details about Debenture Trustee for Non-Convertible Debentures issued by the Company as per Regulation 53(e) of Listing Regulations :-

| | | |
|---|---|---|
| Name | : | SBICAP Trustee Company Limited |
| Address | : | Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. |
| Telephone No. | : | 022-43025555 |
| Fax No. | : | 022-22040465 |
| E-mail | : | corporate@sbicaptrustee.com |
| Investor Grievance email | : | investor.cell@sbicaptrustee.com |
| Website | : | www.sbicaptrustee.com |
| Contact person | : | Mr. Ajit Joshi<br>(Company Secretary & Compliance Officer)<br>Tel. No. 022-43025503 |
| SEBI Registration No. | : | IND000000536 |

**ANNEXURE 'A'**

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,
Century Textiles and Industries Limited
Century Bhavan,
Dr. Annie Besant Road,
Worli, Mumbai – 400 030

The Company has a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2018.

Mumbai
2nd May, 2018

**D.K. Agrawal**
Whole-time Director
DIN:00040123

ANNEXURE 'B'

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members of Century Textiles and Industries Limited
Century Textiles and Industries Limited
Century Bhavan, Dr. Annie Besant Road
Worli, Mumbai – 400 030

1. The Corporate Governance Report prepared by Century Textiles and Industries Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following meetings held between April 1, 2017 to March 31, 2018:

(a) Board of Directors meetings;

(b) Audit committee meetings;

(c) Annual General meetings;

(d) Nomination and Remuneration Committee meetings;

(e) Stakeholders Relationship Committee meetings;

(f) Independent directors meetings; and

(g) Risk Management Committee meetings;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

## Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 2, 2018

# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

| | | |
|---|---|---|
| 1 | **Corporate Identity Number (CIN)of the Company** | L17120MH1897PLC000163 |
| 2 | **Name of the Company** | Century Textiles and Industries Limited |
| 3 | **Registered Address** | Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai-400 030 |
| 4 | **Website** | www.centurytextind.com |
| 5 | **E-mail ID** | centextho@centurytext.com |
| 6 | **Financial Year Reported** | 01.04.2017 to 31.03.2018 |

7 **Sector(s) that the Company is engaged in (industrial activity code-wise)**

| **Name of the Sector** | **Code** |
|---|---|
| **1. Cement** | 23942 |
| **2. Paper** | |
| i) Wood/Bagasse/Recycle Based Paper | 17013 |
| ii) Multilayer Packaging Board | 17016 |
| **3. Rayon** | |
| Viscose Filament Yarn & Tyre Yarn (Upto 31.01.2018) | 20303 |
| **4. Cotton Textiles** | |
| i) Fabrics | 13121 & 13131 |
| **5. Real Estate** | 4100 |

8 **List three key products/services that the Company manufactures/ provides(as in the balance sheet)**

i) Cement
ii) Wood/Bagasse/Recycle Paper.
iii) Viscose Filament Yarn/Rayon Tyre Yarn.

9. **Total number of locations where business activity is undertaken by the Company**

i. **Number of International Locations (Provide details of major 5): NIL**
ii. **Number of National Locations:**
**8 National Locations have manufacturing units.**

10 **Markets served by the Company.**

| Local | State | National | International |
|---|---|---|---|
| ✓ | ✓ | ✓ | ✓ |

## Section B: Financial Details of the Company

| | | (₹ in Crores) |
|---|---|---|
| 1 | **Paid-up Capital (INR)** | 111.69 |
| 2 | **Total Turnover (INR)** | 8385.01 |
| 3 | **Total Profit after taxes (INR)** | 371.66 |
| 4 | **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** | N.A. |
| 5 | **List of Activities in which expenditure in 4 above has been incurred** | N.A. |

## Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

YES

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

NO

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

   Other entities viz. Suppliers, distributors etc. with whom the Company does business do not participate in the Business Responsibility initiatives of the Company.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

a) **Details of the Director/Directors responsible for implementation of the BR Policy/Policies**

**DIN Number** : 00040123

b) **Name** : Mr. D. K. Agrawal

c) **Designation** : Whole-time Director

d) **Details of the BR Head**

| S. No. | Particulars | Details | | | | |
|---|---|---|---|---|---|---|
| 1. | DIN Number (if applicable) | NA | | | | |
| 2. | Businesses | Cement | Pulp and Paper | Viscose Filament Yarn / Tyre Yarn (Rayon) (Upto 31.01.2018) | Cotton Textiles | Real Estate |
| | Name | Mr. Jayant Dua | Mr. J. P. Narain | Mr. O. R. Chitlange | Mr. R. K. Dalmia | Mr. K.T. Jithendran |
| 3. | Designation | Senior President & CEO | Chief Executive Officer | Senior President | Senior President & CFO | CEO |
| 4. | Telephone number | 022 – 2202 5136 /022 – 2202 3936 | 05945-268044 / 268219 | 0251 – 273 3670 | 022 – 2495 7000 | 022 – 3025 4100 |
| 5. | E-mail-Id | **jayant.dua@centurycement.com** | **jp.narain@centurypaper.org.in** | **orc@cenrayon.com** | **rkdalmia@centurytext.com** | **kt.jithendran@birlaestates.com** |

### 2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

| | |
|---|---|
| P1 | Businesses should conduct and govern themselves with ethics, Transparency and Accountability. |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle. |
| P3 | Businesses should promote the wellbeing of all employees. |
| P4 | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| P5 | Businesses should respect and promote human rights. |
| P6 | Businesses should respect, protect and make efforts to restore the environment. |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| P8 | Businesses should support inclusive growth and equitable development. |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

## 2a. Details of Compliances:

| Sr.No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have policy/policies for... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any National/ International Standards? If yes, specify? (50 Words). | — | | | | | | | | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / Appropriate Board Director? | Yes | | | | | | | | |
| 5. | Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | View restricted to employees. | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies are communicated to key internal stakeholders and it is an ongoing process. | | | | | | | | |
| 8. | Does the Company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | Internal Auditors of the Company from time to time review implementation of these policies. | | | | | | | | |

## 2b. If answer to Sr. No.1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The company has not understood the Principles.- | **Not Applicable** | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

## 3. Governance related to BR

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Business Responsibilities performance is assessed periodically by the management.

**b) Does the Company publish a BR? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Statement forms a part of the Annual Report of the Company and is published annually on the website of the Company – www.centurytextind.com

## Section E: Principle – wise performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**a. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group/ Joint Venture/ Suppliers/ Contractors / NGOs / Others?**

The Company's governance structure guides the organisation on various aspects of doing business, keeping in mind the core values of integrity, commitment, passion, seamlessness and speed.

The Code of Conduct covers the Company and is applicable to all the employees of the Company.

b. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.**

No complaints were received from any of the stakeholders during the year.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**a. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is constantly focused on the development of products and services that help customers build sustainable structures which are more durable, more resource-efficient, more-cost effective and more conducive to human lifestyle. Right since its inception, the company has laid great emphasis on ecological balance and sustainable development so as to provide a green, healthy and pollution free environment. Company's effort in addressing environment concerns includes:

**Cement**

a. Manufacturing of Portland Pozzolona Cement (PPC) and Portland Slag Cement (PSC) using material like fly ash and slag.

b. Use of Chrome free bricks.

c. Installation of highly efficient pollution control equipments i.e. Electrostatic Precipitors (ESPs), Reverse Air Bag House, Hybrid Filters and Bag Houses at every dust generating point in the Plant.

d. Implementation of CEMS (Continuous Emission Monitoring System) for real-time emission tracking and display at State and Central Pollution Control Boards.

**Pulp and Paper**

a) Century Pulp & Paper's products are ECO label and Forest Stewardship Council (FSC) certified.

b) Reduced usage of LPG gas consumption, by self generated Comprehensive Methane Gas (CMG) from waste water of washed Bagasse.

c) Installed censors for 24 hours online control of hazardous chemicals i.e. Chlorine and Sulphur Dioxide.

**Viscose Filament Yarn and Tyre Yarn (Rayon)**

Century Rayon is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly.

Being aware of the obligation relating to social & environmental concerns and risk being in the vicinity of populated areas, stringent emission control & effluent treatment measures have been incorporated at various stages to keep the emissions & effluents well within the environmental norms.

**b. For each such product, provide following details in respect of resource use (energy, water, raw material etc.) as per unit of product (optional):**

**(i) Reduction during sourcing/production/distribution achieved since the previous year through the value chain?**

**Cement**

The Company consumes alternative materials like fly ash, chemical gypsum, slag etc., which helps in conserving natural raw materials used for the cement production. Alternative fuels are also used for thermal generation which helps in the substitution of fossil fuels and allows better management of industrial waste. Recycling water, waste water harvesting and recharging of ground water are standard operating procedures at all our manufacturing sites.

**Pulp and Paper**

(i) Reduction during sourcing/production/distribution achieved since the previous year through the value chain.

a) Energy:

Continued to take several initiatives to reduce power consumption during the production process. As a result, power consumption per ton of paper production has been reduced from 1,212 kwh (2016-17) to 1,185 kwh.

b) Water:

We continued to take multiple initiatives to reduce water consumption during its first use, including re-usage of waste water after tertiarya treatment. As a result, water consumption per ton of paper production has been reduced from 38.17 M3 (2016-17) to 37.25 M3.

c) Raw Material:

By substituting different forms of pulp (wood base, agro base, re-cycle base etc), our pulp usage per ton of paper production has been reduced by 3-5% as per present product mix.

**Viscose Filament Yarn and Tyre Yarn (Rayon)**

The Division has taken several initiatives towards cost optimisation, reduction in input consumption ratio in the process, and has reduced the consumption of major inputs including energy; water etc. by adopting new techniques.

**ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

As the above mentioned three products of the Company are used for a variety of purposes and by a diverse and large number of consumers, it is not feasible to identify the reduction of resource usage by the consumers.

**c. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(iii) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.**

**Cement**

Almost all our limestone requirements for Cement production are being met from captive mines which are adjacent to the cement manufacturing plants which helps us to minimise transportation.

**Pulp and Paper**

a) FSC Certification:

Most of the products of Pulp & Paper plant are FSC certified, which signifies that the product (including inputs) comes from responsible & sustainable source.

b) Clones:

We develop & produce various spices of eucalyptus clones, and distribute among nearby farmers. This help us to ensure, sustainable supply of our future raw material requirements.

c) Local sourcing:

We encourage local sourcing of raw materials, except chemicals.

**Viscose Filament Yarn and Tyre Yarn (Rayon)**

The main raw material for the manufacture of Rayon yarn is Wood Pulp, which comes from sustainable sources. About 50% of the pulp is procured from within the country. Also most of the auxiliary materials, spares etc., required for production and processing are sourced locally.

**d. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company encourages local and small vendors while sourcing for goods and services subject to optimisation of cost and quality of their deliveries. The Company procures most of its goods and services from places near to the operating plants in order to get timely supplies, and this also help in improving/developing Socio-economic conditions including increasing local employment, besides the cost advantage in the sourcing, unless and until there are reasons for specific supplies relating to imported material / quality. The Company also encourages local vendors to develop manufacturing skills to meet its quality and safety standards and for this we share our experiences and documents with them.

**e. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof in 50 words or so.**

**Cement**

The cement manufacturing process does not generate any waste or by-products. However, fly ash generated in our captive thermal power plants is consumed by us while producing blended cement. The Company also consumes fly ash, slag, chemical gypsum etc. that are waste or by-products generated by other industries, while producing blended cement.

**Pulp and Paper**

Pulp & Paper plants have taken various initiatives towards waste management and continued monitoring with a view to ensure reduction in waste generation. Some of those steps are as under:

a) Plants already have one dedicated production line, which can take waste/recycle inputs (paper) as its raw material to manufacture fresh paper. During the year 2017-18 approx. 21% of our sales volume are product of this production line.

b) Wastes like bagasse pith, wood bark dust, are used in boilers as fuel, to generate power. During the year 2017-18, this process contributed approx. 5% of our total steam generation.

c) Plant sludge is being further e-utilised for manufacturing of second grade Multilayer Packaging Board (Grey back).

**Viscose Filament Yarn and Tyre Yarn (Rayon)**

About 63% of Liquid waste viscose is converted to solid waste, for easy disposal. Also, about 15% of the water (effluent) is reused for various purposes. Further, steps for the reduction of fresh water consumption is continuously explored.

The Company strives to continuously improve the internal processes to minimize waste generation at various stages. Initiatives are taken involving workmen on the shop floor to continuously monitor and reduce waste, and recover and recycle wherever possible.

## Principle 3 – Businesses should promote the wellbeing of all employees.

**a. Please indicate the Total number of permanent employees.**

6928

**b. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

**9770**

c. **Please indicate the Number of permanent women employees.**

84

d. **Please indicate the Number of permanent employees with disabilities.**

14

e. **Do you have an employee association that is recognized by management?**

Yes.

f. **What percentage of your permanent employees are members of this recognized employee association?**

Almost all the non-supervisory permanent employees at manufacturing locations are members of recognized employees association.

g. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

The Company does not have any child labour, forced labour or involuntary labour. No complaints for sexual harassment and discriminatory employment were received during the year.

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as at end of the financial year |
|---|---|---|---|
| 1. | Child labour / forced Labour involuntary labour | Nil | N.A. |
| 2. | Sexual harassment | Nil | N.A. |
| 3. | Discriminatory employment | Nil | N.A. |

h. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

(a) Permanent Employees
(b) Permanent Women Employees
(c) Casual/Temporary/Contractual Employees
(d) Employees with Disabilities

Almost all the employees join the Company's safety and skill upgradation programmes and are conscious about its utility and benefits.

**Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

a. **Has the company mapped its internal and external stakeholders? Yes / No.**

Yes.

b. **Out of the above, has the company indentified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes.

c. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof in 50 words or so.**

The Company's plants are generally located in areas where, among others, disadvantaged, vulnerable and marginalized communities with poor socio-economic indicators are living. The Company constantly provides, directly or otherwise, opportunities for livelihood and supply of health care, primary education, women empowerment etc. for these persons.

**Principle 5: Businesses should respect and promote human rights.**

a. **Does the policy of the Company on Human Rights cover only the Company or extends to the Group/Joint Ventures/ Suppliers / Contractors / NGOs / Others?**

The Company has in place a Human Rights Policy which is applicable only to the Company.

b. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No stakeholder complaints were received during the last financial year.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment.**

a. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs /Others?**

The Company has an Environment Policy which is applicable only to the Company.

b. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give hyperlink for webpage etc.**

Yes, The Company is committed to address Global Environmental issues such as climate change, global warming and reducing emission by taking the following steps.

1. Clinker substitution by fly ash / slag in making blended cement.
2. Thermal and electrical energy efficiency.
3. Installation of equipments controlling harmful emissions.

Details are available on Company's website viz – www.centurytextind.com

c. **Does the company identify and assess potential environmental risks? Yes / No.**

Yes, the Company has a Environment Management System in place to identify and assess existing and potential risks across its operations.

Our Pulp and Paper plant continued to access potential environmental risks and to mitigate these, it is one of the Environmental Management System (EMS) complied with the manufacturing location.

d. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof in, about 50 words or so. If yes, whether any environmental compliance report is filed?**

Yes, at present, Pulp & Paper plant is continuing 2 CDM projects;

a) Steam & Power generation by utilizing bagasse pith, and

b) Steam & Power generation by utilizing Pre-hydrolysis Liquor of Rayon Grade Pulp.

e. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Yes / No. If yes, please give hyperlink for web page etc.**

Yes. The Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy. Details of conservation of energy etc. are available on Company's website viz. – www.centurytextind.com

f. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

The emissions / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

g. **Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

a. **Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

The company is a member of several associations viz:

- Federation of Indian Export Organisation.

- The Cotton Textiles Export Promotion Council.
- Indian Paper Manufacturers Association.
- Confederation of Indian Industry.
- National Safety Council.
- Kumaun Gharwal Chamber of Commerce and Industry etc.
- Federation of Indian Minerals & Industries.

**b. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company continuously advocates the use of eco-friendly mining practices, use of alternative fuels, energy conservation and construction of concrete roads.

## Principle 8: Businesses should support inclusive growth and equitable development.

**a. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has an Equitable Development Policy which is applicable only to the Company. It also encourages its Suppliers and Contractors to ensure inclusive growth and equitable development.

**b. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/any other organization?**

All plants of the Company undertake community initiatives for inclusive growth and equitable development in the field of education, health care, promotion of sports and other general areas for their well being on the whole, through its employees and in-house teams.

**c. Have you done any impact assessment of your initiative?**

The individual plants are regularly interacting with the local communities to assess the impact of community development projects undertaken by these units to ensure that the objectives and benefits of these projects are being met.

**d. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

In view of non applicability of CSR, no specific contribution can be mentioned by the Company towards CSR projects. However, the Company is very well aware of its responsibility towards the community and is continuously striving to achieve equitable development in the vicinity of the individual manufacturing units of the Company.

**e. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. As indicated, the individual manufacturing units of the Company are in constant contact with local community leaders to ensure that all development initiatives of the Company are successfully adopted by the concerned communities.

## Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**a. What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

No cases of customer complaints were pending as on the end of FY18.

**b. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

The requisite information as mandated as per the local laws is inscribed on the product label of the Company.

c. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

**Cement**

Pursuant to a complaint filed before the Competition Commission of India (CCI) by the Builders Association of India against some of the cement manufacturers including the Company, the CCI had in June 2012 held that the cement manufacturers had contravened the provisions of Section 3(3)(a) and 3(3)(b) read with section 3(1) of the Competition Act, 2002. The CCI had accordingly imposed a penalty on the cement manufacturers aggregating to ₹ 6300 crore. The penalty imposed on the Company is ₹ 274.02 crore. The cement manufacturers, including the Company, had filed an Appeal before the Competition Appellate Tribunal (COMPAT). COMPAT had directed the cement manufacturers including the Company to deposit 10% of the penalty amount. Accordingly, the Company has deposited ₹ 27.40 crore in the form of a bank fixed deposit with a lien in favour of COMPAT.

The Competition Appellate Tribunal ("COMPAT") by its Order dated 11th December, 2015 set aside the order of Competition Commission of India ("CCI") dated 20th June, 2012 and remitted the matter to CCI for fresh adjudication of the issues. The amount of penalty deposited by the Company in compliance with the Interim Order by COMPAT was subsequently refunded. CCI on rehearing the arguments, by its order dated August 31, 2016, once again held that the Cement Companies and the Cement Manufacturers' Association (CMA) are guilty and in violation of the Sections 3(3)(a) and 3(3)(b) read with section 3(1) of the Competition Act, 2002 and imposed the penalty which in the case of the Company works out to ₹ 274.02 Cr. The Order for cease and desist was also imposed. The Company thereafter approached the COMPAT, which by its order dated November 7, 2016 stayed the operation of the CCI order subject to deposit of 10% of the penalty amount within one month. The Company has accordingly deposited the said amount in December, 2016 in the form of Fixed Deposit in favour of COMPAT on behalf of the Company. Subsequently, the Government has made changes in the constitution and operations of Tribunals under which all matters with COMPAT have been transferred to the National Company Law Appellate Tribunal ("NCLAT"). Hearing of order dated 31.08.2016 is completed at NCLAT and order is awaited.

d. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company interacts and obtains feedback from customers on a periodical basis regarding consumer satisfaction.

To the Members of Century Textiles and Industries Limited

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Century Textiles and Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 2, 2018

**Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date**

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management the title deeds of immovable properties including in property, plant and equipment are held in the name of the company except the following;

1) Land measuring 29 acres at a carrying value of ₹ 4.03 crores at Textiles Division.

2) Land measuring 6.31 acres at a carrying value of ₹ 0.01 crores at Real Estate Division.

As explained to us, the Company is in process of getting the above lands transferred in Company's name.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delays in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the company, there are dues of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, goods and service tax and cess on account of any dispute are as follows:

| Name of the Statute | Nature of Dues | Amount * (₹ In Crores) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Customs Act, 1962 | Custom Duty | 6.34 | 1987-2013 | Departmental Authorities |
| | | 14.55 | 2004-2017 | Tribunal (CESTAT) |
| | | 2.72 | 2012-2013 | Tribunal (CESTAT) |
| The Central Excise Act, 1944 | Excise Duty | 25.97 | 1994-2018 | High Court |
| | | 1.33 | 1994-2018 | Tribunal (CESTAT) |
| | | 12.68 | 1994-2018 | Departmental Authorities |
| | | 11.77 | 1997-2018 | Supreme Court |

| Name of the Statute | Nature of Dues | Amount * (₹ In Crores) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Sales Tax Act | Sales Tax | 133.99 | 1987-2017 | Departmental Authorities |
| | | 1.01 | 1999-2018 | High Court |
| | | 58.95 | 2002-2018 | Supreme Court |
| | | 0.29 | 1994-2008 | Tribunal (CESTAT) |
| Finance Act, 1994 | Service Tax | 1.90 | 2005-2016 | Departmental Authorities |
| | | 0.95 | 2005-2010 | High Court |
| | | 0.13 | 2005-2008 | Supreme Court |
| | | 0.59 | 2006-2016 | Tribunal (CESTAT) |
| Income Tax Act,1961 | Income Tax | 4.57 | 2012-2016 | High Court |

* Net of Deposits

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loan for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 2, 2018

**Annexure 2 to the Independent Auditor's report of even date on the Standalone Ind AS financial statements of Century Textiles and Industries Limited**

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

We have audited the internal financial controls over financial reporting of Century Textiles and Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 2, 2018

# STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018

| | Particulars | Note No. | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **NON-CURRENT ASSETS** | | | |
| | (a) Property, plant and equipment | 3 | **6,115.39** | 6,202.17 |
| | (b) Capital work-in-progress | | **34.27** | 34.19 |
| | (c) Investment property | 4 | **959.55** | 980.37 |
| | (d) Investment property under development | | **176.54** | 124.11 |
| | (e) Intangible assets | 5 | **4.06** | 2.75 |
| | (f) Intangible assets under development | | **0.75** | 0.10 |
| | (g) Financial assets | | | |
| | (i) Investments | 6 | **223.41** | 258.31 |
| | (ii) Other financial assets | 7 | **256.34** | 293.25 |
| | (h) Advance tax (net of provisions) | | **98.71** | 64.87 |
| | (i) Other non-current assets | 8 | **103.85** | 121.77 |
| | **SUB-TOTAL** | | **7,972.87** | 8,081.89 |
| | **CURRENT ASSETS** | | | |
| | (a) Inventories | 9 | **1,178.55** | 1,264.50 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 10 | **421.47** | 502.96 |
| | (ii) Cash and cash equivalents | 11 | **189.31** | 39.24 |
| | (iii) Other bank balances (other than (ii) above) | 11 | **60.39** | 49.97 |
| | (iv) Other financial assets | 7 | **205.82** | 160.26 |
| | (c) Other current assets | 8 | **302.92** | 237.50 |
| | **SUB-TOTAL** | | **2,358.46** | 2,254.43 |
| | **TOTAL** | | **10,331.33** | 10,336.32 |
| II | **EQUITY AND LIABILITIES** | | | |
| | **EQUITY** | | | |
| | (a) Equity share capital | 12 | **111.69** | 111.69 |
| | (b) Other equity | | **2,636.20** | 2,370.17 |
| | **SUB-TOTAL** | | **2,747.89** | 2,481.86 |
| | **LIABILITIES** | | | |
| | **NON-CURRENT LIABILITIES** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 14 | **2,392.42** | 3,125.95 |
| | (ii) Other financial liabilities | 15 | **97.52** | 44.56 |
| | (b) Provisions | 20 | **6.73** | - |
| | (c) Deferred tax liabilities (net) | 16 | **217.32** | 80.71 |
| | (d) Other non-current liabilities | 17 | **813.58** | 156.11 |
| | **SUB-TOTAL** | | **3,527.57** | 3,407.33 |
| | **CURRENT LIABILITIES** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 18 | **1,462.57** | 1,587.85 |
| | (ii) Trade payables | 19 | **681.80** | 705.82 |
| | (iii) Other financial liabilities | 15 | **1,182.09** | 1,490.11 |
| | (b) Provisions | 20 | **418.24** | 445.82 |
| | (c) Other current liabilities | 17 | **311.17** | 217.53 |
| | **SUB-TOTAL** | | **4,055.87** | 4,447.13 |
| | **TOTAL** | | **10,331.33** | 10,336.32 |
| | **Significant accounting policies** | 2A | | |
| | **The accompanying notes are an integral part of the financial statements** | | | |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

| | Particulars | Note No. | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|
| | **Continuing Operations** | | | |
| I | Revenue from operations | 21 | **8,385.01** | 8,398.86 |
| II | Other income | 22 | **83.47** | 74.38 |
| III | **Total Income (I + II)** | | **8,468.48** | 8,473.24 |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 23 | **2,310.26** | 2,428.53 |
| | (b) Purchases of traded goods | 24 | **2.69** | 0.68 |
| | (c) Changes in inventories of finished goods, work-in-progress and traded goods | 25 | **(6.26)** | 77.45 |
| | (d) Excise duty on sale of goods | | **195.51** | 754.11 |
| | (e) Employee benefit expense | 26 | **657.96** | 637.17 |
| | (f) Finance costs | 27 | **451.69** | 550.75 |
| | (g) Depreciation and amortisation expense | 28 | **313.75** | 313.34 |
| | (h) Other expenses | 29 | **3,903.77** | 3,570.61 |
| | **Total Expenses** | | **7,829.37** | 8,332.64 |
| V | **Profit before tax from continuing operations (III - IV)** | | **639.11** | 140.60 |
| VI | **Tax Expense of continuing operations** | | | |
| | (a) Current tax | 16 | **-** | - |
| | (b) Deferred tax | 16 | **230.65** | 16.71 |
| | **Total tax expense** | | **230.65** | 16.71 |
| VII | **Profit after tax from continuing operations (V - VI)** | | **408.46** | 123.89 |
| | **Discontinued Operations** (See note 35) | | | |
| | (a) (Loss) before tax from discontinued operations | | **(31.33)** | (28.90) |
| | (b) (Loss) on measurement to net realisable value | | **(18.12)** | - |
| | (c) Tax expenses (Debit) / Credit of discontinued operations | | **12.65** | 10.00 |
| VIII | **(Loss) after tax from discontinued operations** | | **(36.80)** | (18.90) |
| IX | **Profit for the year (VII + VIII)** | | **371.66** | 104.99 |
| X | **Other comprehensive income** | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements gain on defined benefit plans | | **5.07** | 9.34 |
| | (b) Net gain / (loss) on Fair value through Other Comprehensive Income (OCI) - Equity Instruments | | **(34.95)** | 80.96 |
| | (c) Income tax on (a) & (b) | | **(1.80)** | (3.23) |
| | **Total other comprehensive income for the year (net of tax)** | | **(31.68)** | 87.07 |
| XI | **Total comprehensive income for the year (IX + X)** | | **339.98** | 192.06 |
| XII | **Earnings per equity share (in Rupees):** | | | |
| | (a) Basic & Diluted Earnings Per Share - Continuing operations | 31 | **36.57** | 11.09 |
| | (b) Basic & Diluted Earnings Per Share - Discontinued operations | 31 | **(3.29)** | (1.69) |
| | (c) Basic & Diluted Earnings Per Share - (Continuing & Discontinued operations) | 31 | **33.28** | 9.40 |
| | **Significant accounting policies** | 2A | | |
| | **The accompanying notes are an integral part of the financial statements** | | | |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal) & Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

## EQUITY

(₹ in Crores)

| Particulars | Equity Share Capital | Reserves and Surplus: Securities Premium (See Note 13(a)) | Reserves and Surplus: General Reserves (See Note 13 (d)) | Reserves and Surplus: Capital Redemption Reserve (See Note 13(b)(i)) | Reserves and Surplus: Debenture Redemption Reserve (See Note 13(b)(ii)) | Reserves and Surplus: Retained Earnings | Other comprehensive income: Equity Instruments through Other Comprehensive Income (See Note 13(e)) | Total Other Equity | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **As at 1 April 2017** | **111.69** | **643.22** | **1,333.96** | **100.00** | **17.89** | **74.14** | **82.85** | **2,252.06** | **2,363.75** |
| Profit for the year | - | - | - | - | - | 104.99 | - | 104.99 | 104.99 |
| Other comprehensive income / (loss) | - | - | - | - | - | 6.11 | 80.96 | 87.07 | 87.07 |
| Total comprehensive income for the year | - | - | - | - | - | 111.10 | 80.96 | 192.06 | 192.06 |
| Dividend paid on equity shares (See Note 13 (c)) | - | - | - | - | - | (61.43) | - | (61.43) | (61.43) |
| Dividend distribution tax (See Note 13 (c)) | - | - | - | - | - | (12.52) | - | (12.52) | (12.52) |
| Transfer to retained earnings (See Note 13 (b) (ii)) | - | - | - | - | (17.89) | 17.89 | - | - | - |
| Transferred to debenture redemption reserve | - | - | (60.42) | - | 60.42 | - | - | - | - |
| **As at 31 March 2017** | **111.69** | **643.22** | **1,273.54** | **100.00** | **60.42** | **129.18** | **163.81** | **2,370.17** | **2,481.86** |
| Profit for the year | - | - | - | - | - | 371.66 | - | 371.66 | 371.66 |
| Other comprehensive income / (loss) | - | - | - | - | - | 3.27 | (34.95) | (31.68) | (31.68) |
| Total comprehensive income for the year | - | - | - | - | - | 374.93 | (34.95) | 339.98 | 339.98 |
| Dividend paid on equity shares (See Note 13 (c)) | - | - | - | - | - | (61.43) | - | (61.43) | (61.43) |
| Dividend distribution tax (See Note 13 (c)) | - | - | - | - | - | (12.52) | - | (12.52) | (12.52) |
| Transferred to debenture redemption reserve | - | - | - | - | 60.42 | (60.42) | - | - | - |
| **As at 31 March 2018** | **111.69** | **643.22** | **1,273.54** | **100.00** | **120.84** | **369.74** | **128.86** | **2,636.20** | **2,747.89** |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

Mumbai : 2 May 2018

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | NET PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | **639.11** | 140.60 |
| | NET PROFIT / (LOSS) BEFORE TAX FROM DISCONTINUING OPERATIONS | **(49.45)** | (28.90) |
| | Add / (Less): | | |
| | Depreciation and amortisation on property plant and equipment | **286.19** | 286.59 |
| | Depreciation and amortisation on investment property | **30.50** | 29.51 |
| | Depreciation and amortisation on intangible assets | **1.19** | 0.96 |
| | Loss/(gain) on sale of property plant and equipment and investment properties | **(11.93)** | (6.40) |
| | Loss/(gain) on disposal of property plant and equipment of discontinued operations | **4.78** | - |
| | Allowance for credit loss | **0.10** | 1.27 |
| | Unrealized exchange (gain) / loss | **(0.13)** | (1.09) |
| | Unrealized exchange (gain) / loss on derivatives | **(1.32)** | (10.24) |
| | Interest income | **(15.49)** | - |
| | Interest on unwinding of other financial assets | **(33.83)** | (40.15) |
| | Interest expense | **451.69** | 550.75 |
| | Liability no longer required | **(47.08)** | (28.40) |
| | Dividend on investments | **(3.60)** | (2.99) |
| | | **661.07** | 779.81 |
| | **Working capital adjustments:** | | |
| | Decrease / (increase) in inventory | **85.95** | 8.64 |
| | Decrease / (increase) in trade receivables | **82.28** | 21.15 |
| | Decrease / (increase) in other financial assets | **20.19** | (76.09) |
| | Decrease / (increase) in other assets | **(69.72)** | (51.80) |
| | (Decrease) / increase in other financial liabilities | **218.55** | 80.49 |
| | (Decrease) / increase in trade payables | **22.30** | 124.38 |
| | (Decrease) / increase in provisions | **(27.58)** | (14.67) |
| | (Decrease) / increase in other liabilities | **751.11** | (16.00) |
| | Decrease / (increase) in other bank balance | **(8.14)** | (1.87) |
| | | **1,074.94** | 74.23 |
| | Cash generated from operations | **2,325.67** | 965.74 |
| | Add / (Less): | | |
| | Direct taxes paid | **(116.62)** | (25.71) |
| | **NET CASH GENERATED FROM OPERATING ACTIVITIES** | **2,209.05** | 940.03 |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property plant and equipment and intangible assets | **(170.21)** | (156.85) |
| | Proceeds from sale of property plant and equipment and investment properties | **17.63** | 10.81 |
| | Interest received (finance income) | **15.49** | - |
| | Purchase of investment property | **(61.27)** | (101.49) |
| | Purchase of investments | **(0.05)** | - |
| | Dividend on investments | **3.60** | 2.99 |
| | Net movement in fixed deposits with bank | **(0.15)** | (2.46) |
| | **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | **(194.96)** | (247.00) |

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from borrowings | **795.99** | 1,935.40 |
| Repayment of borrowings | **(2,007.96)** | (2,235.41) |
| Net proceeds / (repayment) of short term borrowings | **(56.19)** | 707.88 |
| Dividend paid | **(61.43)** | (61.43) |
| Dividend distribution tax paid | **(12.52)** | (12.52) |
| Interest paid | **(453.06)** | (509.09) |
| **NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | **(1,795.17)** | (175.17) |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | **218.92** | 517.86 |
| Cash and cash equivalents at the beginning of the year | **(41.47)** | (559.33) |
| Cash and cash equivalents at the year end | **177.45** | (41.47) |
| **NON-CASH INVESTING AND FINANCING TRANSACTION** | | |
| Acquisition of property, plant and equipment by means of a finance lease | **12.21** | - |
| **Reconciliation of cash and cash equivalents as per the cash flow statements** | | |
| Cash and cash equivalents as per the above comprise of the following | | |
| Cash and cash equivalents (See Note 11) | **189.31** | 39.24 |
| Cash credit facilities (See Note 18) | **(11.86)** | (80.71) |
| Balance as per statements of cash flows | **177.45** | (41.47) |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal) & Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

## 1. CORPORATE INFORMATION

Century Textiles and Industries Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the company is located at Century Bhawan, Dr. A. B. Road, Worli, Mumbai. The Company is principally engaged in manufacturing of Textiles, Cement, Pulp and Paper and development of Real estate.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 2 May 2018.

## 2A. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The separate financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

### 2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.3 Fair value measurement

The company measures financial instruments, such as derivatives, investments etc, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## 2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Transferable Development Rights (TDR)

Revenue from the sale of TDR is recognised when the TDR title is transferred to the buyer. Revenue from sale is measured at fair value of the consideration received or receivable.

### Rental Income

The company's policy for recognition of revenue from operating and finance leases is described in note 2.11 below.

### Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.5 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Government grants such as sales tax incentive, export benefit schemes are recognized in the Statement of Profit and Loss as a part of other operating revenues whereas grants related to royalty, power incentives and interest subsidies are netted of from the related expense.

## 2.6 Taxes

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction in OCI.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year.

The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss as credit in current tax expense and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## 2.7 Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Asset Class | Useful life |
|---|---|
| Buildings | 30 years – 60 years |
| Plant & equipment and Air conditioning plant | 3 years – 35 years |
| Electric installations | 3 years – 10 years |
| Furniture & fixtures | 3 years - 10 years |
| Office equipment | 3 years -10 years |
| Vehicles | 5 years -10 years |
| Leasehold land, Lease hold improvements and railway wagons | Amortized over the lease term ranging from 3 years to 99 years |

The management has estimated the above useful life and the same is supported by technical expert.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2.8 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost of software capitalised is amortised over its useful life which is estimated to be a period of six years.

## 2.9 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The company, based on technical assessment made by management, depreciates the building over estimated useful lives of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in Note 4. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

## 2.10 Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 35. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## 2.11 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of the specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

### As a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

**As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## 2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.13 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 2.14 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment loss of continuing operations, including impairment on inventories is recognised in the statement of profit and loss.

### 2.15 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Mines Restoration Provision**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

### 2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 2.17 Employee Benefits

**Defined Contribution plans**

For certain group of employees, employee benefit in the form of Provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the Fund are charged to the Statement of profit and loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognized in the Statement of profit and loss. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under current provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasure of actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

## 2.18 Research and Development

Research expenditure, including overheads, on research and development, is charged as an expense in the year in which incurred.

## 2.19 Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at INR spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments including derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are equity instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of profit and loss.

## 2.21 Investment in Subsidiary

The Company's investment in its subsidiary is carried at cost.

## 2.22 Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## 2.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## 2.24 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

**Amendments to Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. On transition, the effect of this changes is not expected to be material for the Company.

**Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the changes in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company will adopt the new standard on the required effective date. On transition, the effect of this changes is not expected to be material for the Company.

**Transfers of Investment Property — Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

**Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

## 2B. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a) Employee benefit plans**

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 36.

**b) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 43 and 44 for further disclosures.

**c) Useful Lives of Property, Plant & Equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. See Note 3 for full disclosure.

## 2C. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

**New and amended standards and interpretations**

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

**Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current year in Note 15 and has not provided previous year figures.

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

| Particulars | Land - Freehold | Land - leasehold (Finance lease) | Buildings | Plant and Equip-ments | Office Equip-ments | Furniture and Fixtures | Vehicles | Electric Installa-tions | Railway Wagons Leasehold | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **I. Gross Block** | | | | | | | | | | |
| Balance as at 1 April 2016 | 340.97 | 69.36 | 1,009.29 | 8,247.86 | 26.66 | 48.93 | 16.86 | 407.27 | 62.04 | 10,229.24 |
| Additions | 16.51 | - | 35.99 | 96.76 | 2.75 | 3.10 | 1.35 | 3.90 | - | 160.36 |
| Disposals | (0.04) | - | (0.59) | (6.76) | (0.35) | (0.31) | (1.31) | - | - | (9.36) |
| **Balance as at 31 March 2017** | **357.44** | **69.36** | **1,044.69** | **8,337.86** | **29.06** | **51.72** | **16.90** | **411.17** | **62.04** | **10,380.24** |
| Additions | 30.66 | 17.62 | 8.43 | 140.01 | 5.74 | 4.26 | 1.04 | 5.27 | - | 213.03 |
| Disposals | (0.02) | - | (1.48) | (22.32) | (1.20) | (1.59) | (0.50) | (0.01) | - | (27.12) |
| Disposal - Discontinued Operations | (0.64) | - | (66.58) | (308.59) | (1.87) | (1.85) | (0.40) | (4.99) | - | (384.92) |
| **Balance as at 31 March 2018** | **387.44** | **86.98** | **985.06** | **8,146.96** | **31.73** | **52.54** | **17.04** | **411.44** | **62.04** | **10,181.23** |
| **II. Accumulated Depreciation** | | | | | | | | | | |
| Balance as at 1 April 2016 | 8.21 | 14.02 | 253.78 | 3,341.37 | 21.33 | 32.22 | 7.84 | 159.67 | 58.94 | 3,897.38 |
| Depreciation expense for the year | 0.52 | 1.60 | 32.08 | 209.46 | 1.82 | 3.56 | 1.90 | 35.65 | - | 286.59 |
| Disposal of assets | - | - | (0.22) | (4.27) | (0.32) | (0.25) | (0.84) | - | - | (5.90) |
| **Balance as at 31 March 2017** | **8.73** | **15.62** | **285.64** | **3,546.56** | **22.83** | **35.53** | **8.90** | **195.32** | **58.94** | **4,178.07** |
| Depreciation expense for the year | 0.58 | 3.23 | 32.00 | 209.02 | 2.54 | 4.01 | 1.87 | 32.95 | - | 286.20 |
| Disposal of assets | - | - | (0.41) | (14.87) | (0.98) | (1.50) | (0.31) | (0.01) | - | (18.08) |
| Disposal - Discontinued Operations | (0.62) | - | (65.31) | (305.47) | (1.81) | (1.82) | (0.39) | (4.93) | - | (380.35) |
| **Balance as at 31 March 2018** | **8.69** | **18.85** | **251.92** | **3,435.24** | **22.58** | **36.22** | **10.07** | **223.33** | **58.94** | **4,065.84** |
| **III. Net Block** | | | | | | | | | | |
| Balance as at 31 March 2017 | 348.71 | 53.74 | 759.05 | 4,791.30 | 6.23 | 16.19 | 8.00 | 215.85 | 3.10 | 6,202.17 |
| **Balance as at 31 March 2018** | **378.75** | **68.13** | **733.14** | **4,711.72** | **9.15** | **16.32** | **6.97** | **188.11** | **3.10** | **6,115.39** |

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT (contd.)

**Note:**

1. During the year ended 31 March 2018 and 31 March 2017, there are no impairment loss determined at each level of Cash Generating Unit (CGU). The recoverable amount was based on value in use and was determined at the level of CGU.
2. Capitalised borrowing cost: No borrowing costs are capitalised on property, plant and equipment under construction.
3. Title deeds
   (a) In respect of Manikgarh Cement Division, land measuring 41.20 hectares occupied by the Forest Department and disputed by the Company was adjudicated by the Collector and the Divisional Commissioner (Appeals) in favour of the Company. The Government of Maharashtra on a reference made by the Forest Department directed the Collector for a fresh demarcation of the site boundaries and has also directed the Forest Department to refund the compensation paid by the Company along with interest for the land falling within their boundary. The Revisional Authority has since observed that approx. 17 hectares of land fall within the boundaries of the reserved forest. The Company has filed a writ petition before the Bombay High Court, Nagpur bench against the said order. The Bombay high court Nagpur Bench on 03 April 2014 upheld the order passed by the Government of Maharashtra and directed collector Chandrapur to complete the documentation of land with in six months with a right to Manikgarh Cement division to challenge the forest notification issued in the year 1953, if such occasion arises. Adjustments, if any, will be made, in the year in which the matter will be settled.

   (b) Includes 1.45 hectares of land at Manikgarh cement division at a cost of ₹ 0.01 Crore (31 March 2017 ₹ 0.01 Crore) for which Sale & Conveyance deeds & other transfer formalities are yet to be executed. Stamp duty and other incidental expenses will be capitalised on execution of the same.

   (c) Includes land measuring 29 acres and 15 guntha at a cost of ₹ 4.03 Crore (31 March 2017 ₹ 4.03 Crore) at Century Rayon division pending to be transferred in the name of the Company.

   (d) Refer note 14 and note 18 for details of pledge and securities.
4. Includes Property Plant and Equipment given on operating lease to Grasim Industries Limited amounting to Rs 297.37 Crores (See Note 33)

## NOTE 4: INVESTMENT PROPERTIES

(₹ in Crores)

| Particulars | Land (Including TDRs) | Buildings | Total |
|---|---|---|---|
| **I. Gross Block** | | | |
| Balance as at 1 April 2016 | 0.60 | 1,013.45 | 1,014.05 |
| Additions | - | 21.02 | 21.02 |
| Disposals | - | (0.95) | (0.95) |
| **Balance as at 31 March 2017** | **0.60** | **1,033.52** | **1,034.12** |
| Additions | 6.86 | 2.94 | 9.80 |
| Disposals | - | (0.18) | (0.18) |
| **Balance as at 31 March 2018** | **7.46** | **1,036.28** | **1,043.74** |
| **II. Accumulated Depreciation** | | | |
| Balance as at 1 April 2016 | - | 24.24 | 24.24 |
| Depreciation expense for the year | - | 29.51 | 29.51 |
| **Balance as at 31 March 2017** | **-** | **53.75** | **53.75** |
| Depreciation expense for the year | - | 30.50 | 30.50 |
| Disposal of assets | - | (0.06) | (0.06) |
| **Balance as at 31 March 2018** | **-** | **84.19** | **84.19** |
| **III. Net Block** | | | |
| Balance as at 31 March 2017 | 0.60 | 979.77 | 980.37 |
| **Balance as at 31 March 2018** | **7.46** | **952.09** | **959.55** |

## NOTE 4: INVESTMENT PROPERTIES (contd.)

**Note: Information regarding Income and expenditure of Investment properties**

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Rental income derived from Investment properties (See Note 21) | **134.40** | 96.43 |
| Direct operating expenses (including repairs and maintenance) generating rental income | **(9.96)** | (4.76) |
| Profit arising from investment properties before depreciation and indirect expenses | **124.44** | 91.67 |
| Less: Depreciation | **(30.50)** | 29.50 |
| Profit arising from investment properties before indirect expenses | **93.94** | 62.17 |

**Note:**

1. The Company's investment properties consist of two commercial properties in India including land on which properties has been constructed, which are leased to third parties.
2. Out of the total land under Investment Properties, 6.31 acres of land amounting to ₹ 0.01 Crore, which was allotted to the company on lease under the Poorer Class Accommodation Scheme 1898 as amended by 1913 Act and 1925 Act, which stated that in the event of no default being made in complying with the conditions of the lease, then on expiry of the lease all the right, title and interest shall vest with the company. The lease expired in the year 1955 and the company has filed a petition for execution of formal deed of conveyance.
3. Refer note 14 and note 18 for details of pledge and securities.
4. Capitalised borrowing cost: Borrowing costs of ₹ 11.20 Crore (31 March 2017 ₹ 3.73 Crore) is capitalised on Investment properties under development.
5. Leasing arrangements: Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. (See Note 39)
6. Fair value

**Description of valuation techniques used and key inputs to valuation on investment properties:** (₹ in Crores)

| **Particulars** | **Valuation technique** (See Note below) | **Fair Value Hierarchy** (See Note below) | **Fair Value** | |
|---|---|---|---|---|
| | | | **31 March 2018** | 31 March 2017 |
| Land | Stamp Duty Reckoner rate | Level 2 | **2,503.19** | 2,496.75 |
| Commercial Property * | Stamp Duty Reckoner rate | Level 2 | **2,274.54** | 2,275.22 |

* Includes Investment property under development

**Note:**

The above valuation of the investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. The Independent Valuer has referred to the publications and government website for Ready Reckoner rates. Suitable adjustments have been made to account for availability of FSI in land parcels in Mumbai in accordance with the guidelines prescribed by the Department of Registrations and Stamps. The adjustments related to floors, lifts and other factors are not considered for valuation of commercial property. Since the valuation is based on the published Ready Reckoner rates, the company has classified the same under Level 2.

## NOTE 5: INTANGIBLE ASSETS

(₹ in Crores)

| Particulars | Computer Softwares |
|---|---|
| **I. Gross Block** | |
| Balance as at 1 April 2016 | 14.07 |
| Additions | 1.08 |
| Disposals | - |
| **Balance as at 31 March 2017** | **15.15** |
| Additions | 2.61 |
| Disposals | - |
| Disposal - Discontinued Operations | (1.79) |
| **Balance as at 31 March 2018** | **15.97** |
| **II. Accumulated Depreciation** | |
| Balance as at 1 April 2016 | 11.44 |
| Depreciation expense for the year | 0.96 |
| Disposals | - |
| **Balance as at 31 March 2017** | **12.40** |
| Depreciation expense for the year | 1.19 |
| Disposals | - |
| Disposal - Discontinued Operations | (1.68) |
| **Balance as at 31 March 2018** | **11.91** |
| **III. Net Block** | |
| Balance as at 31 March 2017 | 2.75 |
| **Balance as at 31 March 2018** | **4.06** |

**Note: Break-up of Depreciation / Amortisation for the year:**

| | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Depreciation / amortisation for the year | | |
| - On Property, plant & equipment (See note 3) | **286.20** | 286.59 |
| - On Investment property (See note 4) | **30.50** | 29.51 |
| - On Other intangible assets (See note 5) | **1.19** | 0.96 |
| | **317.89** | 317.06 |
| Less: Depreciation of Discontinued operation (See Note 35) | | |
| - On Property, plant & equipment | **(0.53)** | (0.73) |
| - On Other intangible assets | **(0.05)** | (0.03) |
| Less: Amount included under cost of raising and transporting limestone, shale and laterite | **(3.56)** | (2.95) |
| | **313.75** | 313.35 |

## NOTE 6: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

| | | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **A.** | **Investment in Subsidiary measured at cost** | | |
| | Unquoted Investments: | | |
| | Equity Shares of ₹ 10 each, of Birla Estates Private Limited 50,000 Shares (31 March 2017, NIL shares) | **0.05** | - |
| | **Total** | **0.05** | - |
| **B.** | **Investments carried at fair value through OCI** | | |
| | Quoted investments (See note (i) below) | **177.45** | 212.96 |
| | Unquoted investments (See note (i) & (ii) below) | **37.37** | 36.81 |
| | **Total (Quoted & unquoted investments)** | **214.82** | 249.77 |
| **C.** | **Amortised Cost** | | |
| | Quoted Government and trust securities | **8.54** | 8.54 |
| | Total [A] + [B] + [C] | **223.41** | 258.31 |

**Other disclosures**

| | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Aggregate amount of quoted investments and market value thereof | **185.99** | 221.50 |
| Aggregate amount of unquoted investments | **37.42** | 36.81 |
| **Total** | **223.41** | 258.31 |

**Note:**

(i) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. Refer note 44 for determination of their fair values

(ii) The Company is holding 35.28% of equity shares in Industry House Limited (IHL). As the company does not have significant influence over Industry House Limited, the company has not considered it as an associate as per Ind AS 28 " Investments in Associates and Joint Ventures" and hence not consolidated. The company's share of profit of Industry House Limited is ₹ 0.30 Crore (31 March 2017 ₹ 0.30 Crore)

## NOTE 7: OTHER FINANCIAL ASSETS

**(Unsecured, considered good, unless otherwise specified)**

| | | | Non-Current | | Current | |
|---|---|---|---|---|---|---|
| | | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| **(i)** | **Financial assets at amortised cost** | | | | | |
| | a) | Security deposits | **25.20** | 37.90 | **20.44** | 2.66 |
| | | - Doubtful | **-** | 0.50 | **-** | - |
| | | Less: Allowance for credit losses | **-** | (0.50) | **-** | - |
| | | | **25.20** | 37.90 | **20.44** | 2.66 |
| | | Interest subsidy and interest receivable | **-** | - | **8.55** | 12.84 |
| | | Government Grant / incentive receivables | **216.52** | 237.07 | **142.83** | 123.52 |
| | | Claims and other receivables | **-** | - | **2.19** | 0.85 |
| | | Unbilled revenue | **9.51** | 14.95 | **7.22** | 7.62 |
| | | Others | **-** | - | **21.80** | 3.73 |
| | | - Doubtful | **-** | - | **0.14** | 0.14 |
| | | Less: Allowance for credit loss | **-** | - | **(0.14)** | (0.14) |
| | | | **251.23** | 289.92 | **203.03** | 151.22 |
| | b) | Finance lease receivables | **5.11** | - | **1.47** | - |
| | | Less: Allowance for credit loss | **-** | - | **-** | - |
| | | | **5.11** | - | **1.47** | - |
| | c) | Bank Deposits with more than 12 months maturity | **-** | 2.13 | **-** | - |
| | | | **256.34** | 292.05 | **204.50** | 151.22 |
| **(ii)** | **Financial assets at fair value** | | | | | |
| | a) | Derivatives financial instruments carried at fair value through profit and loss (FVTPL) (Refer Note below) | **-** | 1.20 | **1.32** | 9.04 |
| | **Total** | | **256.34** | 293.25 | **205.82** | 160.26 |

**Note:**

**Derivative financial instruments**

The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss.

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

## NOTE 8: OTHER ASSETS

**(Unsecured, considered good, unless otherwise specified)**

| | | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| **(a)** | **Capital advances** | | | | |
| | (i) For property, plant and equipment | **7.81** | 34.14 | **-** | - |
| | (ii) For investment property under development | **-** | 0.95 | **-** | - |
| | | **7.81** | 35.09 | **-** | - |
| **(b)** | **Advances other than capital advances** | | | | |
| | (i) Export incentive receivable | **0.95** | 0.54 | **5.85** | 2.95 |
| | (ii) Balances with Government authorities (other than income taxes) | **4.96** | 4.00 | **67.71** | 70.88 |
| | (iii) Amount paid against disputed demands | **79.36** | 65.69 | **0.57** | - |
| | (iv) Advances to vendors / suppliers | **-** | - | **205.02** | 129.17 |
| | (v) Prepaid expenses | **4.30** | 0.76 | **9.11** | 11.56 |
| | (vi) Others | **6.47** | 15.69 | **14.66** | 22.94 |
| | | **96.04** | 86.68 | **302.92** | 237.50 |
| **Total** | | **103.85** | 121.77 | **302.92** | 237.50 |

## NOTE 9: INVENTORIES

**(At cost or net realisable value, whichever is lower)**

| | | **As at 31 March 2018 (₹ in Crores)** | **As at 31 March 2017 (₹ in Crores)** |
|---|---|---|---|
| (a) | Raw materials | **149.21** | 246.24 |
| | Goods in transit | **32.63** | 24.04 |
| (b) | Work-in-progress | **271.78** | 295.93 |
| (c) | Finished and semi-finished goods | **170.03** | 203.93 |
| (d) | Stock-in-trade of goods acquired for trading | **0.51** | - |
| (e) | Fuels, stores and spares | **521.06** | 390.96 |
| | Goods in transit | **6.63** | 75.93 |
| (f) | Other materials | **26.70** | 26.83 |
| | Goods in transit | **-** | 0.64 |
| **Total** | | **1,178.55** | 1,264.50 |

**Note:**

(a) Cost of inventories recognised as an expense includes ₹ 8.53 Crore (31 March 2017 ₹ 14.01 Crore) in respect of write-downs of inventory to net realisable value.

(b) The carrying amount of inventories pledged as security for liabilities is ₹ 268.01 Crore (31 March 2017 ₹ 173.05 Crore).

## NOTE 10: TRADE RECEIVABLES

| | Current | |
|---|---|---|
| | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| Secured, considered Good | **202.07** | 225.61 |
| Unsecured, considered Good | **219.40** | 277.35 |
| Doubtful | **10.15** | 10.05 |
| Less: Allowance for credit losses | **(10.15)** | (10.05) |
| **Total** | **421.47** | 502.96 |
| Of the above, trade receivables from: | | |
| - Related Parties | **-** | - |
| - Others | **421.47** | 502.96 |
| **Total** | **421.47** | 502.96 |

**Note:**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner and a director or a member. Trade receivables are non interest bearing and are generally on terms of 7 to 120 days of credit period.

## NOTE 11: CASH AND BANK BALANCES

| | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| **Cash and cash equivalents** | | |
| (a) Balances with banks | | |
| - Current Accounts | **48.04** | 38.00 |
| - Debit balance in Cash Credit / Overdraft Accounts | **41.00** | 0.66 |
| (b) Cheques and drafts on hand | **0.12** | 0.08 |
| (c) Cash in hand | **0.12** | 0.50 |
| (d) Fixed deposits with original maturity less than 3 months (including interest accured) | **100.03** | - |
| **Total** | **189.31** | 39.24 |
| **Other Bank Balances** | | |
| (a) Earmarked balances with banks | | |
| - Unclaimed dividend accounts | **2.50** | 1.91 |
| - Fixed deposits (See note 38(e)) | **28.76** | 27.81 |
| (b) Balances with Banks: | | |
| - Fixed deposits with maturity more than 3 months (including interest accured) | **3.53** | 1.25 |
| - On margin accounts | **25.60** | 19.00 |
| **Total** | **60.39** | 49.97 |

**Note:**

Short term fixed deposits are varying between three months and twelve months, depending on the immediate cash requirements and earn interest at the respective short term deposit rate. Interest rate is between 6.50% to 7.00%.

## NOTE 12: EQUITY SHARE CAPITAL

| | | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| (a) | **Authorised:** | | |
| | 14,80,00,000 (31 March 2017 - 14,80,00,000) Equity Shares of ₹ 10 each. | **148.00** | 148.00 |
| | 1,00,00,000 (31 March 2017 - 1,00,00,000) Redeemable Cumulative Non-convertible Preference Shares of ₹ 100 each. | **100.00** | 100.00 |
| | | **248.00** | 248.00 |
| (b) | **Issued:** | | |
| | 11,17,11,090 (31 March 2017 - 11,17,11,090) Equity Shares of ₹ 10 each. | **111.71** | 111.71 |
| | | **111.71** | 111.71 |
| (c) | **Subscribed and paid up:** | | |
| | 11,16,95,680 (31 March 2017 - 11,16,95,680) Equity Shares of ₹ 10 each, fully paid up | **111.69** | 111.69 |
| | (The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders 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.) | | |
| | **Total** | **111.69** | 111.69 |

**Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

| | Opening Balance | Fresh Issue | Closing Balance |
|---|---|---|---|
| **Equity Shares with Voting rights** | | | |
| **Year Ended 31 March 2018** | | | |
| No. of Shares | **11,16,95,680** | **-** | **11,16,95,680** |
| Amount (₹ in Crores) | **111.69** | **-** | **111.69** |
| Year Ended 31 March 2017 | | | |
| No. of Shares | 11,16,95,680 | - | 11,16,95,680 |
| Amount (₹ in Crores) | 111.69 | - | 111.69 |

**(d) Shareholders holding more than 5% shares of the Company**

| | **As at 31 March 2018** | | As at 31 March 2017 | |
|---|---|---|---|---|
| **Class of shares / Name of shareholders** | **Number of shares held** | **Percentage** | Number of shares held | Percentage |
| **Equity shares with voting rights** | | | | |
| (a) Pilani Investment and Industries Corporation Limited | **3,42,20,520** | **30.64 %** | 3,42,20,520 | 30.64 % |
| (b) IGH Holding Private Limited | **1,11,50,000** | **9.98 %** | 1,11,50,000 | 9.98 % |
| (c) Aditya Marketing and Manufacturing Limited | **75,60,900** | **6.77 %** | 75,60,900 | 6.77 % |

**(e)** The company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31 March 2018.

## NOTE 13: OTHER EQUITY

| | | | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|
| **(a)** | **Securities Premium Reserve** | | | |
| | As per last balance sheet | | **643.22** | 643.22 |
| | | | **643.22** | 643.22 |
| | **Note:** | | | |
| | Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013. | | | |
| **(b)** | **Other reserves** | | | |
| | **(i)** | **Capital Redemption Reserve** | **100.00** | 100.00 |
| | | **Note:** Capital redemption reserve was created during the year ended 31 March 2001, on redemption of 10.25% Redeemable Cumulative Non-convertible Preference Shares privately placed with financial institutions and banks. This reserve will be utilised in accordance with the provision of the Companies Act, 2013. | | |
| | **(ii)** | **Debenture Redemption Reserve (DRR)** | | |
| | | As per last Balance Sheet | **60.42** | 17.89 |
| | | Add: Transferred from / (to) Retained earnings (See note below) | **60.42** | (17.89) |
| | | Add: Transferred from General Reserves (See note below) | **-** | 60.42 |
| | | | **120.84** | 60.42 |
| | | **Note:** | | |
| | | The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued before the redemption of debentures. Accordingly DRR of ₹ 60.42 Crore (31 March 2017 ₹ 60.42 Crore) has been created during the year. Further during the pervious year, the Company had transferred DRR created on the debenture issued and redeemed in the past to retained earnings. | | |

## NOTE 13: OTHER EQUITY (contd.)

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| **(c) Dividend distribution made and proposed** | | |
| **Cash dividends on equity shares paid during the year** | | |
| Dividend for the year ended on 31 March 2017 ₹ 5.50 per share (31 March 2016 ₹ 5.50 per share) | **61.43** | 61.43 |
| Dividend distribution tax on above | **12.52** | 12.52 |
| | **73.95** | 73.95 |
| **Proposed dividend on equity shares** | | |
| Final cash dividend for the year ended on 31 March 2018 ₹ 6.50 per share (31 March 2017 ₹ 5.50 per share) | **72.60** | 61.43 |
| Dividend distribution tax on proposed dividend | **14.93** | 12.52 |
| | **87.53** | 73.95 |

**Note:**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2018.

**(d) General Reserves**

General Reserves is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

**(e) FVOCI equity investments**

The company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

## NOTE 14: BORROWINGS

| | | Non-Current | | Current Maturities | |
|---|---|---|---|---|---|
| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| | **Measured at Amortised Cost** | | | | |
| **(A)** | **Secured Non Convertible Debentures** | | | | |
| 1. | (7,000) Redeemable Non Convertible debentures (Repayment due on Apr' 2020 Interest rate as at 31 March 2018 - 8.29 % p.a) | **699.19** | 698.80 | **-** | - |
| 2. | (2,000) Redeemable Non Convertible debentures (Repayment due on Apr' 2019 Interest rate as at 31 March 2018 - 8.88 % p.a) | **199.88** | 199.77 | **-** | - |
| **(B)** | **Term loans from Banks - Secured** | | | | |
| 3. | Term Loan from State Bank of India (Last instalment was paid on Dec' 2017) | **-** | - | **-** | 95.19 |
| 4. | Term Loan from Allahabad Bank (Last instalment was paid on Dec' 2017) | **-** | - | **-** | 14.20 |
| 5. | Term Loan from State Bank of Mysore (Last instalment was paid on Jun' 2017) | **-** | - | **-** | 4.20 |
| 6. | Term Loan from State Bank of India (Repayable in 3 annual instalment, last repayment falling due on Oct' 2018) | **-** | 99.44 | **99.61** | 100.00 |
| 7. | Term Loan from Kotak Mahindra Bank (Bullet instalment was paid on Jul' 2017) | **-** | - | **-** | 99.90 |
| 8. | Term Loan from Export Import Bank of India (Bullet instalment was paid on Oct' 2017) | **-** | - | **-** | 75.00 |
| 9. | Term Loan from South India Bank Ltd (Bullet instalment was paid on Oct' 2017) | **-** | - | **-** | 50.00 |
| 10. | Term Loan from Axis Bank Ltd (Prepaid on Jan' 2018) | **-** | 209.66 | **-** | 75.00 |
| 11. | Term Loan from ICICI Bank Ltd (Prepaid on Feb' 2018) | **-** | 149.48 | **-** | 150.00 |
| 12. | Term Loan from HDFC Bank Ltd (Repayable in 12 Quarterly Instalments, last instalment falling due on Dec' 2020) | **154.80** | 274.84 | **72.00** | 61.25 |
| 13. | Term Loan from South India Bank Ltd (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Mar' 2020) | **37.41** | 74.87 | **37.50** | - |
| 14. | Term Loan from Export Import Bank of India (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Mar' 2020) | **62.36** | 124.79 | **62.50** | - |
| 15. | Term Loan from State Bank of Travancore (Prepaid on Feb' 2018) | **-** | 132.99 | **-** | 66.67 |
| 16. | Term Loan from Axis Bank Ltd (Prepaid on Feb' 2018) | **-** | 201.38 | **-** | 46.86 |
| 17. | Term Loan from State Bank of India (Repayable in 3 annual instalments, last repayment falling due on Dec' 2020) | **332.77** | 499.04 | **166.38** | - |
| | **Carried Over** | **1,486.41** | 2,665.06 | **437.99** | 838.27 |

## NOTE 14: BORROWINGS (contd.)

| | | Non-Current | | Current Maturities | |
|---|---|---|---|---|---|
| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| | **Brought Over** | **1,486.41** | 2,665.06 | **437.99** | 838.27 |
| 18. | Term Loan from HDFC Bank Ltd (Repayable in 12 Equal Quarterly Instalments, last instalment falling due on Sept' 2020) | **90.00** | 349.79 | **15.04** | - |
| 19. | Term Loan from Axis Bank Ltd Bullet repayable at the end of 10 years, repayment falling due on Sep' 2027) | **496.67** | - | **-** | - |
| 20. | Term Loan from Axis Bank Ltd (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Mar' 2023) | **149.62** | - | **-** | - |
| 21. | Term Loan from HDFC Bank Ltd (Repayable in 32 Equal Quarterly Instalments, put / call option at the end of 5 years i.e.Mar' 2023) | **149.62** | - | **-** | - |
| 22. | TUF Loan from State Bank of India (Repayable in 36 equal quarterly Instalments, last instalment falling due on Mar' 2020) | **0.69** | 1.39 | **0.70** | 0.70 |
| 23. | TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Sept' 2019) | **2.72** | 8.69 | **6.00** | 6.00 |
| 24. | TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Mar' 2019) | **-** | 6.56 | **6.57** | 7.40 |
| 25. | TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Dec' 2020) | **4.48** | 7.06 | **2.60** | 2.60 |
| 26. | TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Mar' 2019) | **-** | 12.40 | **12.43** | 17.70 |
| **(C)** | **Term loans from Others - Secured** | | | | |
| 27. | Term Loan from Aditya Birla Finance Ltd (Prepaid on Jan' 2018) | **-** | 75.00 | **-** | - |
| 28. | Term Loan from Aditya Birla Finance Ltd (Bullet instalment was paid on Oct' 2017) | **-** | - | **-** | 75.00 |
| | **Interest accured on above** | **-** | - | **32.96** | 38.62 |
| | **Amount disclosed under the head “ Other Financial Liabilities - Current “ (See Note 15)** | **-** | - | **(514.29)** | (986.29) |
| **(D)** | **Unsecured Finance Lease Obligation (See Note 39)** | **12.21** | - | **-** | - |
| | **Total** | **2,392.42** | 3,125.95 | **-** | - |

Effective rate of Interest: All the term loans are carried at the Interest rate from 7.00% to 10.00%.

## NOTE 14: BORROWINGS (contd.)

### Details of Security:

1. **Loans covered in Sr. No. 1 & 2 above:**

   First pari passu charge on Plant and Machineries present and future of Birla Century, Pulp & Paper, Cement Divisions and Freehold land admeasuring 25323.78 Sq. Meters and Birla Centurion Building thereon (excluding Esplande Building) situated at Worli, Lower Parel Divisions, District Mumbai bearing C.S. No.794 (Part) of Lower Parel Divisions, G/S ward and (excluding Furniture and Fixtures and Vehicles of all above Divisions).

2. **Loans covered in Sr. No. 3 & 5 above:**

   First pari passu charge over the property, plant and equipments, present and future, of the Company's Textile (Birla Century), Cement (including expansion at Manikgarh Cement, Maharashtra and Sonar Bangla Cement Plant in West Bengal), Pulp and Paper divisions and Phase I of Real Estate Development (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and furniture, fixtures and other miscellaneous assets of all above divisions).

3. **Loans covered in Sr. No.6 above:**

   Exclusive mortgage of Land and Buildings situated at final plot no. 1080 on Town Planning Scheme at Dr. Annie Besant Road, Worli, Mumbai.

4. **Loans covered in Sr. No.7 to 10 and 12 to 17 & 26 to 28 above:**

   First pari passu charge over the present and future property plant and equipments of Birla Century, Cement (including the property plant and equipment of expansion plant at Manikgarh and Sonar Bangla Cement Plant at West Bengal), Pulp & Paper Divisions and Phase I of Real Estate Development at Worli excluding leasehold land at Pulp & Paper, Sonar Bangla Cement and Birla Century, furniture and fixtures, vehicles and other miscellaneous assets of all divisions and land & building thereon of Maihar Cement Unit I & II divisions.

5. **Loans covered in Sr. No. 11 above:**

   First pari passu charge on the present and future movable and immovable property plant and equipments of the Phase I of the Real Estate Development at Worli, Mumbai, Sonar Bangla Cement, Century Cement, Maihar Cement I & II, Manikgarh Cement I & II, Birla Century and Century Pulp & Paper divisions of the Borrower, excluding leasehold land and building on such leasehold land of all the divisions and land & buildings thereon of Maihar Cement I & II Divisions and furniture, fixtures, vehicles and other miscellaneous assets of all the divisions.

6. **Loans covered in Sr. No.18 above:**

   First pari passu charge on the plant and machineries of Birla Century, Pulp & Paper, Cement Divisions of the Company and Land & Buildings thereon (which are already mortgaged to existing Lenders) of Birla Estates (Freehold land admeasuring 25,323.78 Mtrs. and Greenspan Building thereon (excluding Esplande Building) situated at Worli, Mumbai and Manikgarh Cement Divisions of the Company (excluding Furniture & Fixtures and vehicles of all divisions).

7. **Loans covered in Sr. No.19 above:**

   First pari passu charge on the fixed assets, present and future, of the Company's Birla Century, Cement and Pulp & Paper Divisions & Centurion Building at Pandurang Budhkar Marg, Mumbai, with a minimum cover of 1.25 (excluding leasehold land and buildings thereon of Sonar Bangla Cement, Pulp & Paper & Birla Century Divisions and land & buildings thereon of Maihar Cement Unit I & II divisions, Furniture & Fixtures, Vehicles and other miscellaneous assets of all the above divisions).

8. **Loans covered in Sr. No. 20 above:**

   First pari passu charge on the fixed assets, present and future, of the Company's Birla Century, Cement, Pulp & Paper Divisions and Centurion Building at Pandurang Budhkar Marg, Mumbai, with a minimum cover of 1.25 (excluding Leasehold land of all divisions and land and building thereon of Maihar Cement Unit I & II, Century Cement and Century Pulp and Paper divisions, Furniture & Fixtures, Vehicles and other miscellaneous assets of the above divisions).

9. **Loans covered in Sr. No.21 above:**

   First pari passu charge on Plant and Machineries of Birla Century, Century Pulp & Paper, Century Cement, Manikgarh Cement Unit 1 & 2, Maihar Cement Unit I & II, Sonar Bangla Cement and on Land and Buildings thereon of Centurion Building at Pandurang Budhkar Marg, Worli, Mumbai – 400 030 and Manikgarh Cement Divisions of the Company with Security Cover of 1.25 on book value basis.

## NOTE 14: BORROWINGS (contd.)

**10. Loans covered in Sr. No. 22 above:**

First pari passu charge on entire property plant and equipments, present and future of Textiles, Cement and Pulp & Paper divisions of the Company including those acquired / to be acquired for the new project excluding the leasehold land of Pulp and Paper division, assets exclusively charged to term lenders, furniture and fixtures and vehicles.

**11. Loans covered in Sr. No. 23 above:**

First pari passu charge over the property plant and equipments, present and future, of the Company's Textile (Birla Century), Cement, Pulp and paper divisions and Phase I of Real Estate Development (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and Maihar Cement Unit I & II and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions are excluded).

**12. Loans covered in Sr. No. 24 to 25 above:**

First pari passu charge over the property plant and equipment, present and future, of the Company with FACR of 1.33 (excluding leasehold land at Birla Century, Pulp & Paper, Sonar Bangla Cement and Maihar Cement Unit I & II divisions, 1.35 acres out of the 544 acres situated at Cement Plant at Raipur and furniture and fixtures, vehicle and other miscellaneous assets of all the above divisions are excluded).

## NOTE 15: OTHER FINANCIAL LIABILITIES

| | | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| **Other Financial Liabilities measured at amortised cost** | | | | | |
| (a) | Deposits from dealers and agents | **-** | - | **269.02** | 249.64 |
| (b) | Deposits against rental arrangements | **97.02** | 44.06 | **29.41** | 12.08 |
| (c) | Current maturities of long-term debt (Including Interest accured repayable within a year) (See Note 14) | **-** | - | **514.29** | 986.29 |
| (d) | Interest accrued | **-** | - | **128.10** | 128.10 |
| (e) | Unclaimed / Unpaid dividends | **-** | - | **2.50** | 1.91 |
| (f) | Overdrawn bank balances as per books | **-** | - | **0.15** | 0.18 |
| (g) | Creditors for capital supplies / services | **-** | - | **38.10** | 40.48 |
| (h) | Other current liabilities | **0.50** | 0.50 | **179.59** | 71.43 |
| | | **97.52** | 44.56 | **1,161.16** | 1,490.11 |
| **Other Financial Liabilities Measured at Fair value** | | | | | |
| a) | Derivatives financial instruments carried at fair value through profit and loss (FVTPL) (Refer Note below) | **-** | - | **20.93** | - |
| | **Total** | **97.52** | 44.56 | **1,182.09** | 1,490.11 |

**Note:-**

(i) Unclaimed dividend amounting to ₹ 0.03 Crore (31 March 2017 ₹ 0.03 Crore) is pending on account of litigation among claimants/ notices from the tax recovery officer.

(ii) There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at the balance sheet date other than cases under litigation among claimants regarding beneficial ownership / notices from the tax recovery officer.

(iii) Derivative financial instruments:
The Company entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of expected sales and purchases, these contracts are not designated as hedge and are measured at fair value through profit or loss.

Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

## NOTE 15: OTHER FINANCIAL LIABILITIES (contd.)

**Changes in liabilities arising from financing activities**

(₹ in Crores)

| Particulars | As at 1 April 2017 | Cash flow | Foreign exchange manage-ment | Changes in fair values of derivative | New leases | As at 31 March 2018 |
|---|---|---|---|---|---|---|
| **Non- current borrowings** | | | | | | |
| Long term borrowings | 3,125.95 | (745.74) | - | - | - | **2,380.21** |
| Non-current obligations under finance leases and hire purchase contracts | - | - | - | - | 12.21 | **12.21** |
| **Current borrowings** | | | | | | |
| Working capital loans / cash credit from banks | 80.71 | (68.85) | - | - | - | **11.86** |
| Pre-shipment, Post-shipment and Export Bills Discounting facilities | 37.46 | 19.66 | - | - | - | **57.12** |
| Bills discounted with banks | 5.67 | 2.13 | (0.90) | - | - | **6.90** |
| Under a buyer's credit arrangement in foreign currency | 145.94 | 2.29 | - | - | - | **148.23** |
| Commercial Papers | 1,318.07 | (79.61) | - | - | - | **1,238.46** |
| Current maturies of long term borrowings (Including Interest accured) | 986.29 | (472.00) | - | - | - | **514.29** |
| Derivatives | - | - | - | 20.93 | - | **20.93** |
| **Total** | **5,700.09** | **(1,342.12)** | **(0.90)** | **20.93** | **12.21** | **4,390.21** |

## NOTE 16: INCOME TAX

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **(a)** | **Tax expense recognised in the Statement of Profit and Loss on continuing operations** | | |
| | **Current tax** | | |
| | In respect of current year | **92.14** | 25.00 |
| | In respect of earlier years | **(8.95)** | - |
| | | **83.19** | 25.00 |
| | Minimum Alternate Tax (MAT) Credit entitlement | **(92.14)** | (25.00) |
| | Minimum Alternate Tax (MAT) Credit entitlement reversal of earlier year | **8.95** | - |
| | | **(83.19)** | (25.00) |
| | **Total** | **-** | - |
| | **Deferred tax** | | |
| | In respect of current year origination and reversal of temporary differences | **225.76** | 43.20 |
| | In respect of earlier years | **1.33** | (26.49) |
| | Adjustments due to changes in tax rates (See Note (e) below) | **3.56** | - |
| | **Total income tax expense on continuing operations** | **230.65** | 16.71 |

## NOTE 16: INCOME TAX (contd.)

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| | **Tax expense recognised in the Statement of Profit and Loss on discontinuing operations** | | |
| | **Current tax** | | |
| | In respect of current year | **-** | - |
| | **Deferred tax** | | |
| | In respect of current year origination and reversal of temporary differences | **(12.45)** | (10.00) |
| | Adjustments due to changes in tax rates (See Note (e) below) | **(0.20)** | - |
| | **Total income tax expense on discontinuing operations** | **(12.65)** | (10.00) |
| | **Net Tax expenses reconginsed in the Statement Profit and Loss** | **218.00** | 6.71 |
| **(b)** | **Income tax recognised in other Comprehensive income** | | |
| | Deferred tax related to items recognised in other comprehensive income during the year: | | |
| | Remeasurement of defined benefit obligations | **1.77** | 3.23 |
| | | **1.77** | 3.23 |
| | Classification of income tax recognised in other comprehensive income | | |
| | Income taxes related to items that will not be reclassified to profit or loss | **1.77** | 3.23 |
| | Adjustments due to changes in tax rates (See Note (e) below) | **0.03** | - |
| | | **1.80** | 3.23 |
| **(c)** | **Amounts Recognised directly in Equity - Nil (31 March 2017 - Nil)** | **-** | - |
| **(d)** | **Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:** | | |
| | **Profit/(loss) before tax from continuing operations** | **639.11** | 140.60 |
| | Income tax expense calculated at 34.608% | **221.18** | 48.66 |
| | Effect of income that is exempt from taxation | **(1.23)** | (0.67) |
| | Effect of expenses that is non-deductible in determining taxable profit | **6.33** | 0.31 |
| | Effect of tax incentives and concessions (research and development and other allowances) | **(0.52)** | (5.10) |
| | Effect of current year losses for which no deferred tax asset is recognised | **-** | - |
| | Changes in tax rates | **3.56** | - |
| | | **229.32** | 43.20 |
| | Adjustments recognised in the current year in relation to the current tax of prior years | **1.33** | (26.49) |
| | Income tax expense recognised In profit or loss from continuing operations | **230.65** | 16.71 |
| | **Profit/(loss) before tax from discontinuing operations** | **(31.33)** | (28.90) |
| | Income tax expense calculated at 34.608% | **(10.84)** | (10.00) |
| | Long term capital loss on slump sale | **(10.60)** | - |
| | Reversal of tax difference in book base and tax base | **8.99** | - |
| | Changes in tax rates | **(0.20)** | - |
| | Income tax expense recognised In profit or loss from discontinuing operations | **(12.65)** | (10.00) |

**Note:**

The tax rate used for above deferred tax reconciliation for 31 March 2018 and 31 March 2017 is 34.944% and 34.608% respectively.

**(e)** During the year, the increase of the Corporate income tax rate from 34.608% to 34.944% was substantively enacted on 1 February 2018 and will be effective from 1 April 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax liability expected to be reversed after 31 March 2018 as been measured using the effective rate that will apply for the period.

The impact of the change in tax rate has been recognised in tax expense in the statement of profit or loss, except to the extent that it relates to items previously recognised outside profit or loss. For the Company, such items include in particular remeasurements of post-employment benefit liabilities and the fair value of investments.

## NOTE 16: INCOME TAX (contd.)

**The movement in deferred tax assets and liabilities during the year ended 31 March 2018 and 31 March 2017:**

(₹ in Crores)

| Movement during the year ended 31 March 2018 | As at 31 March 2017 | Recognised in profit and Loss | Recognised in Other Comprehensive Income | As at 31 March 2018 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax liabilities** | | | | |
| (i) Property, plant and equipment | 987.75 | 97.02 | - | **1,084.77** |
| (ii) Actuarial gain on defined benefit obligation | 3.23 | - | 1.80 | **5.03** |
| (iii) Interest expenses on unwinding of financial liability | 0.12 | 0.39 | - | **0.51** |
| (iv) Unwinding of upfront fees | 1.57 | (1.57) | - | **-** |
| (v) Derivatives financial instruments carried at FVTPL | 3.57 | (3.57) | - | **-** |
| | 996.24 | 92.27 | 1.80 | **1,090.31** |
| **Tax effect of items constituting deferred tax assets** | | | | |
| (i) Employee benefits | 1.75 | (0.55) | - | **1.20** |
| (ii) Other provisions | 4.83 | (0.12) | - | **4.71** |
| (iii) Expenses allowable for tax purpose when paid | 119.29 | (3.67) | - | **115.62** |
| (iv) Government grant | 8.38 | (14.10) | - | **(5.72)** |
| (v) Tax losses | 669.92 | (106.93) | - | **562.99** |
| (vi) Provision for leave encashment | 22.95 | - | - | **22.95** |
| (vii) Interest Income on unwinding of financial assets | 33.68 | (12.73) | - | **20.95** |
| (viii) Other temporary differences | 4.87 | 12.37 | - | **17.24** |
| | 865.67 | (125.73) | - | **739.94** |
| **Deferred Tax liability / (asset)** | 130.57 | 218.00 | 1.80 | **350.37** |
| MAT credit | (49.86) | (83.19) | - | **(133.05)** |
| **Net Deferred Tax liability / (asset)** | 80.71 | 134.81 | 1.80 | **217.32** |

(₹ in Crores)

| Movement during the year ended 31 March 2017 | As at 1 April 2016 | Recognised in profit and Loss | Recognised in Other Comprehensive Income | As at 31 March 2017 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax liabilities** | | | | |
| (i) Property, plant and equipment | 898.67 | 89.08 | - | 987.75 |
| (ii) Actuarial gain on defined benefit obligation | - | - | 3.23 | 3.23 |
| (iii) Interest expenses on unwinding of financial liability | 0.05 | 0.07 | - | 0.12 |
| (iv) Unwinding of upfront fees | 1.57 | - | - | 1.57 |
| (v) Derivatives financial instruments carried at FVTPL | (0.04) | 3.61 | - | 3.57 |
| | 900.25 | 92.76 | 3.23 | 996.24 |
| **Tax effect of items constituting deferred tax assets** | | | | |
| (i) Employee benefits | 2.03 | (0.28) | - | 1.75 |
| (ii) Other provisions | 4.39 | 0.44 | - | 4.83 |
| (iii) Expenses allowable for tax purpose when paid | 111.61 | 7.68 | - | 119.29 |
| (iv) Government grant | 8.38 | - | - | 8.38 |
| (v) Tax losses | 592.85 | 77.07 | - | 669.92 |
| (vi) Provision for leave encashment | 22.95 | - | - | 22.95 |
| (vii) Interest Income on unwinding of financial assets | 32.54 | 1.14 | - | 33.68 |
| (viii) Other temporary differences | 4.87 | - | - | 4.87 |
| | 779.62 | 86.05 | - | 865.67 |
| **Deferred Tax liability / (asset)** | 120.63 | 6.71 | 3.23 | 130.57 |
| MAT credit | 24.86 | 25.00 | - | 49.86 |
| **Net Deferred Tax liability / (asset)** | 95.77 | (18.29) | 3.23 | 80.71 |

## NOTE 17: OTHER LIABILITIES

| | | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| (a) | Advances received from customers | **-** | - | **82.98** | 79.91 |
| (b) | Deferred Revenue - government grant (See Note below) | **120.93** | 147.28 | **-** | - |
| (c) | Deferred Revenues (See note 33) | **692.65** | 8.83 | **53.74** | 4.04 |
| (d) | Statutory dues | | | | |
| | -Taxes Payable (other than income taxes) | **-** | - | **170.99** | 116.57 |
| | -Employee Recoveries and Employer Contributions | **-** | - | **1.47** | 6.11 |
| (e) | Other Liabilities | **-** | - | **1.99** | 10.90 |
| **Total** | | **813.58** | 156.11 | **311.17** | 217.53 |

**Note: Government grants**

| **Particulars** | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Opening | **147.28** | 187.62 |
| Received during the year | **-** | - |
| Released to the Statement of Profit and Loss | **26.35** | 40.34 |
| Closing | **120.93** | 147.28 |

In the past, under the Export Promotion Capital Goods (EPCG) Scheme, the Company had received government grant for the purchase of certain items property, plant and equipment. As per the EPCG scheme the Company has an obligation to export up to 8 times of grant amount. As and when the Company fulfils the export obligation, proportionate grant is released to the Statement of profit and loss (See Note 39).

## NOTE 18: BORROWINGS

| | | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| | **Secured Borrowings measured at amortised cost** | | |
| **(a)** | **Loans repayable on demand from banks** | | |
| | Working capital loans / cash credit from banks | **11.86** | 80.71 |
| | Pre-shipment, Post-shipment and Export Bills Discounting facilities | **57.12** | 37.46 |
| | Bills discounted with banks | **7.80** | 5.67 |
| | **Unsecured Borrowings measured at amortised cost** | | |
| **(a)** | **Short Term Borrowings from Banks** | | |
| | Under a buyer's credit arrangement in foreign currency | **147.33** | 145.94 |
| **(b)** | **Commercial Papers** | | |
| | (Maximum balance outstanding during the year ₹ 2,200 Crore) (31 March 2017 ₹ 1,800.00 Crore) | **1,238.46** | 1,318.07 |
| | **Total** | **1,462.57** | 1,587.85 |

## NOTE 18: BORROWINGS (contd.)

**Nature of Security**

(i) Working capital loans from banks are secured against a first and pari passu charge over the current assets (including documents, of title to goods/related receivables) and 2nd charge on a pari-passu basis over the present and future property plant and equipment (plant and machinery) of Birla Century (Gujarat), Maihar Cement Unit I & II, Manikgarh Cement Unit I & II, Sonar Bangla Cement, Century Pulp and paper and Phase 1 of Real Estate Development, Worli (excluding furniture, fixtures, vehicles and other miscellaneous assets) and mortgage of freehold immovable properties of Century Cement, Century Pulp and Paper on pari-passu 2nd charge basis with other working capital lenders.

(ii) The charge created as per para (i) also extends to the guarantees given by the banks on behalf of the Company to other banks, aggregating ₹ 263.49 Crore (31 March 2017 ₹ 243.11 Crore).

## NOTE 19: TRADE PAYABLES

| | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Trade payable - Micro and small enterprises | **3.74** | 2.48 |
| Trade payable - Other than micro and small enterprises | **644.76** | 629.03 |
| Acceptances | **33.30** | 74.31 |
| **Total** | **681.80** | 705.82 |

**Note:**

(a) The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act.

(b) Trade payables are non interest bearing and are normally settled on 60 days terms. Acceptances are interest bearing and have an average term of six months. There are no other amounts paid / payable towards interest / principal under the MSMED.

## NOTE 20: PROVISIONS

| | **Non-Current** | | **Current** | |
|---|---|---|---|---|
| | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
| **(a) Provision for employee benefits** | | | | |
| (i) Leave entitlement | **-** | - | **49.16** | 65.43 |
| | **-** | - | **49.16** | 65.43 |
| **(b) Other Provisions** | | | | |
| (i) Disputed matters (See Note 37) | **-** | - | **369.08** | 380.39 |
| (ii) Mines Restoration Expenditure (See Note below) | **6.73** | - | **-** | - |
| | **6.73** | - | **369.08** | 380.39 |
| **Total** | **6.73** | - | **418.24** | 445.82 |

**Note: Mines Restoration Expenditure**

| **Particulars** | **As at 31 March 2018 (₹ in Crores)** | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Opening | **-** | - |
| Add: Provision during the year | **6.73** | - |
| Less: Utilisation during the year | **-** | - |
| **Closing** | **6.73** | - |

Mines restoration expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

## NOTE 21: REVENUE FROM OPERATIONS

| | | | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|---|
| (a) | Sale of products | | 7,949.48 | | 8,064.05 |
| (b) | Rent from leased properties: | | | | |
| | Rent from Investment properties | 134.40 | | | 96.43 |
| | Rent from other assets (See Note 33) | 8.26 | 142.66 | | - |
| | | | | 8,092.14 | 8,160.48 |
| (c) | Other operating revenues: | | | | |
| | Export benefits | | 12.62 | | 18.93 |
| | Sale of scrap | | 14.98 | | 15.93 |
| | Insurance and other claims | | 1.33 | | 2.00 |
| | Liabilities no longer required (See note below (a)) | | 47.08 | | 28.40 |
| | Government Grants (See note below (b)) | | 103.78 | | 144.31 |
| | Renewable energy credits | | 1.49 | | - |
| | Gain on sale of Transferable Development Rights (TDR) | | 79.63 | | - |
| | Others | | 31.96 | | 28.81 |
| | | | | 292.87 | 238.38 |
| | **Total** | | | 8,385.01 | 8,398.86 |

**Note:**

(a) Other includes reversal of earlier years provision of ₹ 31.34 Crore related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulations) Amendment Act, 2015, on the basis of Supreme Court judgment dated October 13, 2017.

(b) The Company has recognized an income of ₹ 28.46 Crore on account of revision in estimates of future cash flows based on actual realisation of Government Grants.

## NOTE 22: OTHER INCOME

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| Dividend on FVTPL Investments | 2.44 | | 1.81 |
| Dividend on FVOCI Investments | 1.16 | | 1.18 |
| | | 3.60 | 2.99 |
| Interest Income: | | | |
| Non current investments at amortised cost | 0.71 | | 0.71 |
| On Income tax refund | 7.18 | | - |
| Other interest income | 7.60 | | 9.94 |
| On unwinding of other financial assets | 33.83 | | 29.50 |
| | | 49.32 | 40.15 |
| Gain on foreign currency fluctuations and translations (net) | | 8.13 | 13.91 |
| Fair value gain on financial instruments at FVTPL * | | 2.64 | 6.70 |
| Surplus on sale of property plant and equipment (net) | | 11.93 | 6.40 |
| Miscellaneous Income | | 7.85 | 4.23 |
| Total | | 83.47 | 74.38 |

* Fair value gain on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that was not designated for hedge accounting.

## NOTE 23: COST OF MATERIALS CONSUMED

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **Raw material consumed** | | | |
| Opening stock | **246.24** | | 247.30 |
| Add: Purchases (including cost of raising and transporting Limestone, Shale and Laterite) (31 March 2018 ₹ 187.00 Crore) (31 March 2017 ₹ 182.72 Crore) | **1,753.18** | | 2,064.16 |
| | **1,999.42** | | 2,311.46 |
| Less: Closing stock | **(149.21)** | | (246.24) |
| | | **1,850.21** | 2,065.22 |
| Less: Discontinued operations (See Note 35) | | **(56.26)** | (149.92) |
| | | **1,793.95** | 1,915.30 |
| **Dyes, colour and chemicals consumed** | | | |
| Opening stock | **16.46** | | 16.99 |
| Add: Purchases | **272.01** | | 280.79 |
| | **288.47** | | 297.78 |
| Less: Closing stock | **(13.85)** | | (16.46) |
| | | **274.62** | 281.32 |
| Less: Discontinued operations (See Note 35) | | **(7.18)** | (19.06) |
| | | **267.44** | 262.26 |
| **Packing materials consumed** | | | |
| Opening stock | **10.37** | | 7.62 |
| Add: Purchases | **252.46** | | 256.12 |
| | **262.83** | | 263.74 |
| Less: Closing stock | **(12.85)** | | (10.37) |
| | | **249.98** | 253.37 |
| Less: Discontinued operations (See Note 35) | | **(1.11)** | (2.40) |
| | | **248.87** | 250.97 |
| **Total** | | **2,310.26** | 2,428.53 |

## NOTE 24: PURCHASE OF TRADED GOODS

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Purchase of traded goods | **2.69** | 0.68 |

## NOTE 25: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **Opening stock:-** | | | |
| Finished goods | **203.93** | | 241.35 |
| Work-in-progress | **295.93** | | 357.37 |
| Stock-in-trade | **-** | | 0.50 |
| | | **499.86** | 599.22 |
| **Closing stock:-** | | | |
| Finished goods | **170.03** | | 203.93 |
| Work-in-progress | **271.78** | | 295.93 |
| Stock-in-trade | **0.51** | | - |
| | | **442.32** | 499.86 |
| | | **57.54** | 99.36 |
| Less: Transferred to Grasim Industries Limited (See Note 33) | | **(52.25)** | - |
| Less: Discontinued operations (See Note 35) | | **(11.55)** | (21.91) |
| **Total** | | **(6.26)** | 77.45 |

## NOTE 26: EMPLOYEE BENEFITS EXPENSE

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Salaries, Wages, Bonus, etc. | **563.75** | 543.24 |
| Contributions to provident and other funds | **45.31** | 48.65 |
| Contribution to gratuity fund (See Note 36) | **11.66** | 15.80 |
| Staff welfare expenses | **37.24** | 29.48 |
| **Total** | **657.96** | 637.17 |

## NOTE 27: FINANCE COST

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Interest on debts and borrowings (See Note below) | **459.18** | 553.62 |
| Exchange differences regarded as an adjustment to borrowing costs | **(0.47)** | (2.26) |
| Unwinding of discount and effect of change in discount rate on provisions | **4.18** | 3.12 |
| | **462.89** | 554.48 |
| Less: Borrowing costs capitalised | **(11.20)** | (3.73) |
| **Total** | **451.69** | 550.75 |

**Note:**

Net of subsidy of ₹ 3.50 Crore (31 March 2017 ₹ 5.41 Crore) under the Technology Upgradation Fund Scheme of the Government of India.

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 8.00% (31 March 2017 8.00%)

## NOTE 28: DEPRECIATION AND AMORTIZATION EXPENSE

| | **Year Ended 31 March 2018 (₹ in Crores)** | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Depreciation of property plant and equipment | **282.11** | 282.91 |
| Depreciation on Investment properties | **30.50** | 29.50 |
| Amortization of Intangible assets | **1.14** | 0.93 |
| **Total** | **313.75** | 313.34 |

## NOTE 29: OTHER EXPENSES

| | | **Year Ended 31 March 2018 (₹ in Crores)** | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| Consumption of stores and spares | | **247.94** | 273.11 |
| Job work charges | | **28.49** | 32.67 |
| Power, fuel and water | | **1,571.14** | 1,464.91 |
| Buildings repairs | | **36.57** | 29.96 |
| Machinery repairs | | **104.70** | 107.33 |
| Rent | | **32.58** | 26.51 |
| Rates and taxes | | **18.34** | 18.40 |
| Insurance | | **10.41** | 8.43 |
| Freight, forwarding, octroi, etc. | | **1,445.75** | 1,261.85 |
| Advertisement and publicity | | **54.06** | 41.24 |
| Allowance for credit loss | | **0.77** | 0.44 |
| Commission | | **48.00** | 44.26 |
| Brokerage, discounts, incentives etc. | | **8.51** | 8.04 |
| Commission to Non Executive Directors | | **1.50** | 1.00 |
| Director's fees and travelling expenses | | **0.12** | 0.39 |
| Provision for doubtful debts and advances | | **0.10** | 1.27 |
| Miscellaneous expenses (includes auditors' remuneration) (See note below) | | **294.79** | 250.80 |
| Total | | **3,903.77** | 3,570.61 |
| **Note:** | | | |
| **Auditors' Remuneration** | | | |
| Statutory Auditors: | | | |
| As Auditors | | **1.45** | 1.45 |
| In Other Capacity: | | | |
| Tax Audit Fees | **0.20** | | 0.20 |
| Certificates and other jobs | **0.12** | **0.32** | 0.08 |
| | | **1.77** | 1.73 |
| For Expenses | | **0.03** | 0.05 |
| **Total** | | **1.80** | 1.78 |

## 30. HEDGING ACTIVITIES AND DERIVATIVES

**Derivatives not designated as hedging instruments**

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 24 months.

## 31. EARNINGS PER SHARE (EPS)

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| a) | **For Continuing Operations** | | |
| | Profit attributable to equity shareholders for basic & diluted EPS | **408.46** | 123.89 |
| | Weighted average number of equity shares for basic & diluted EPS | **11,16,95,680** | 11,16,95,680 |
| | Basic & diluted earnings per equity share (in Rupees) | **36.57** | 11.09 |
| b) | **For Discontinued Operations** | | |
| | (Loss) attributable to equity shareholders for basic & diluted EPS | **(36.80)** | (18.90) |
| | Weighted average number of equity shares for basic & diluted EPS | **11,16,95,680** | 11,16,95,680 |
| | Basic & diluted earnings per equity share (in Rupees) | **(3.29)** | (1.69) |
| c) | **For Continuing & Discontinued Operations** | | |
| | Profit attributable to equity shareholders for basic & diluted EPS | **371.66** | 104.99 |
| | Weighted average number of equity shares for basic & diluted EPS | **11,16,95,680** | 11,16,95,680 |
| | Basic & diluted earnings per equity share (in Rupees) | **33.28** | 9.40 |

**32.** Revenue expenditure on research and development activities relating to Government recognised in-house research and development laboratories incurred and charged out during the year through the natural heads of account, aggregate ₹ 1.97 Crore (31 March 2017 ₹ 2.53 Crore). During the year ₹ Nil (31 March 2017 ₹ 0.05 Crore) capital expenditure on research and development has been incurred.

**33.** During the year, the Company has entered into an agreement with Grasim Industries Limited ('GIL') granting right to manage and operate the Company's Viscose Filament Yarn ('VFY') business, which is part of Textile segment, for a duration of 15 years commencing from February 1, 2018. As a part of consideration, GIL has paid an upfront Royalty of ₹ 600.00 Crore. In addition GIL has also paid the carrying value of net working capital and the interest free security deposit of ₹ 200.00 Crore which is repayable after 15 years.With effect from February 1, 2018, GIL have right to use the VFY business assets including its intangible assets for a period of 15 years from the above date. The Company has recognized Royalty income over the period of 15 years.

Pursuant to the agreement, GIL shall incur all capital expenditure and commitments involving capital expenditure as may be necessary for the proper, optimum and profitable operation of the VFY Business. In this regard, Company has agreed that all improvement/ capital expenditure done by GIL during the tenure of agreement will be transferred to the Company, at such fair value as may be agreed between the Company & GIL.

## 34. TRADE PAYABLE

(i) ₹ 3.74 Crore (31 March 2017 ₹ 2.48 Crore) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). There are no other amounts paid / payable towards interest / principal under the MSMED; and

(ii) The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

## 35. DISCONTINUED OPERATIONS

Pursuant to the Business Transfer Agreement (BTA) the Company has sold its Yarn and Denim (Y&D) units (included in Textile Segment) during the year. The operations for the year ended March 31, 2018 and March 31, 2017 of Y&D units has been classified as discontinued operations. Being a discontinued operation, that operations of Y&D unit is no longer presented in the segment note.

## 35. DISCONTINUED OPERATIONS (contd.)

**The Results of Yarn and Denim unit for the year are presented below:**

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| Revenue including other income | **88.85** | 255.93 |
| Expense | **(120.18)** | (284.83) |
| Impairment loss recognised on the remeasurement to fair value less costs to sell | **(18.12)** | - |
| Profit before income tax | **(49.45)** | (28.90) |
| Income tax (expense) / credit | **12.65** | 10.00 |
| Profit / (Loss) after income tax | **(36.80)** | (18.90) |
| **The net cash flows incurred by Yarn and Denim Unit are, as follows:** | | |
| Net cash flow from operating activities | **(43.81)** | 43.68 |
| Net cash flow from investing activities (from sale of business) | **0.20** | 0.28 |
| Net cash flow from financing activities | **-** | 14.17 |
| Net cash generated from discontinued operations | **(43.61)** | 58.13 |
| **Earnings per share (EPS):** | | |
| Basic EPS for the year from discontinued operation (in Rupees) | **(3.29)** | (1.69) |
| Diluted EPS for the year from discontinued operation (in Rupees) | **(3.29)** | (1.69) |

## 36. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS"

### (a) Defined Contribution Plans:

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 19.83 Crore (31 March 2017 ₹ 22.82 Crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

### (b) Defined Benefit Plans:

#### (i) Gratuity

The company has a defined benefit gratuity plan (funded).The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

| **Particulars** | **Valuation as at** | |
|---|---|---|
| | **31 March 2018** | 31 March 2017 |
| Employee Attrition rate | **2% to 5%** | 2% to 6% |
| Discount rate | **7.30%** | 7.39% |
| Expected rate(s) of salary increase | **3.75% to 6%** | 2% to 5% |

## 36. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS" (contd.)

**Defined benefit plans – as per actuarial valuation** (₹ in Crores)

| Particulars | Funded Plan | |
|---|---|---|
| | Gratuity | |
| | **31 March 2018** | 31 March 2017 |
| **I. (a) Expense recognised in the Statement of Profit and Loss** | | |
| Service Cost: | | |
| Current Service Cost | **12.51** | 16.70 |
| Past service cost and (gains)/losses from settlements | **0.27** | - |
| Net interest expense | **(0.39)** | (0.28) |
| Current service cost of discontinued operation | **(0.73)** | (0.61) |
| Components of defined benefit costs reconised in profit or loss | **11.66** | 15.80 |
| **(b) Included in Other Comprehensive Income** | | |
| Remeasurement (gain)/loss | **(3.73)** | (2.23) |
| Return on plan assets (income) | **(1.34)** | (7.11) |
| Remeasurement (gain)/loss | **(5.07)** | (9.34) |
| **II. Net Asset/(Liability) recognised in the Balance Sheet** | | |
| 1. Present value of defined benefit obligation | **138.29** | 224.98 |
| 2. Fair value of plan assets | **(221.49)** | (224.98) |
| 3. Fair Value of plan assets to be trasferred | **83.20** | - |
| 4. Surplus/(Deficit) | **-** | - |
| 5. Current portion of the above | **-** | - |
| **III. Change in the obligation during the year** | | |
| 1. Present value of defined benefit obligation at the beginning of the year | **224.97** | 221.86 |
| 2. Liability to be Transferred | **(79.93)** | - |
| 3. Expenses Recognised in Profit and Loss Account: | | |
| Current Service Cost | **12.51** | 16.70 |
| Past Service Cost | **0.27** | - |
| Interest Expense / (Income) | **15.38** | 16.82 |
| 4. Recognised in Other Comprehensive Income | | |
| Remeasurement gains / (losses): | | |
| i. Demographic Assumptions | **(0.72)** | - |
| ii. Financial Assumptions | **4.72** | 7.98 |
| iii. Experience Adjustments | **(5.34)** | (15.10) |
| 5. Benefit payments | **(33.57)** | (23.28) |
| **6. Present value of defined benefit Obligation at the end of the year** | **138.29** | 224.98 |
| **IV. Change in fair value of assets during the year** | | |
| 1. Fair value of plan assets at the beginning of the year | **224.98** | 219.44 |
| 2. Fair Value of plan assets to be trasferred | **(83.20)** | - |
| 3. Adjustmnets to Opening Fair value of Plan Asset | **-** | 2.41 |
| 4. Expenses Recognised in Profit and Loss Account | | |
| - Expected return on plan assets | **15.77** | 17.10 |
| 5. Recognised in Other Comprehensive Income | | |
| Remeasurement gains / (losses) | | |
| - Actual Return on plan assets in excess of the expected return | **3.73** | 2.23 |
| - Others (specify) | **-** | - |
| 6. Contributions by employer (including benefit payments recoverable) | **10.58** | 7.08 |
| 7. Benefit payments | **(33.57)** | (23.28) |
| **8. Fair value of plan assets at the end of the year** | **138.29** | 224.98 |

Expected Contribution during next Annual reporting period ₹ 32.50 Crore

## 36. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS" (contd.)

**The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:**

(₹ in Crores)

| Principal assumption | | Changes in assumption | Impact on defined benefit obligation | |
|---|---|---|---|---|
| | | | Increase in assumption | Decrease in assumption |
| Discount rate | 31 March 2018 | 1% | (6.97) | 7.86 |
| | 31 March 2017 | 1% | (12.79) | 17.60 |
| Salary growth rate | 31 March 2018 | 1% | 7.80 | (7.05) |
| | 31 March 2017 | 1% | 14.45 | (9.87) |
| Withdrawal rate | 31 March 2018 | 1% | 0.63 | (0.70) |
| | 31 March 2017 | 1% | 1.92 | 1.00 |

**Maturity profile of defined benefit obligation (Undiscounted amount):**

(₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Within 1 year | **32.50** | 35.84 |
| 1 - 2 year | **22.77** | 34.56 |
| 2 - 3 year | **20.60** | 38.89 |
| 3 - 4 year | **20.24** | 37.99 |
| 4 - 5 year | **22.07** | 40.35 |
| Above 5 years | **85.13** | 145.50 |
| | **203.31** | 333.13 |

**The fair value of Company's pension plan asset by category are as follows:**

(₹ in Crores)

| Asset category | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Cash and cash equivalents | **0.37** | 1.07 |
| Debt instruments (quoted) | **192.75** | 194.93 |
| Equity instruments (quoted) | **1.75** | 3.00 |
| Deposits with Insurance companies | **26.62** | 25.98 |
| Fair Value of plan assets to be trasferred (See Note 33) | **(83.20)** | - |
| **Total** | **138.29** | 224.98 |

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 13.24 years (31 March 2017 12.34 years)

**(ii) Provident Fund**

In case of certain employees, the Provident fund contribution is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March 2018.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

(₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Guaranteed interest rate | **8.55%** | 8.65% |
| Discount rate for the remaining term to maturity of interest portfolio | **7.30%** | 7.39% |
| Contribution during the year (employee and employer) | **38.91** | 82.81 |

## 37. PROVISION FOR DISPUTED MATTERS

Provision for disputed matters in respect of known contractual risks, litigation cases and pending assessments in respect of taxes, duties and other levies / claims, the actual outflow of which will depend on the outcome of the respective proceedings.

The movements in the above account are summarized below:-

(₹ in Crores)

| Sr. No. | Nature of liability | As at 31 March 2017 | Amounts provided for during the year | Amounts utilised / written back during the year | As at 31 March 2018 |
|---|---|---|---|---|---|
| 1 | Entry Tax / Sales Tax | 151.07 | 2.38 | 11.53 | **141.92** |
| 2 | Water Charges | 79.32 | 4.52 | 0.25 | **83.59** |
| 3 | Octroi Duty | 38.54 | - | - | **38.54** |
| 4 | Cess | 20.31 | 1.94 | - | **22.25** |
| 5 | Custom Duty difference on imported Coal and Interest there on | 16.20 | 1.52 | - | **17.72** |
| 6 | Reimbursement of Taxes to suppliers, etc | 6.61 | - | 5.24 | **1.37** |
| 7 | Renewable Purchase obligation | 6.41 | 3.20 | - | **9.61** |
| 8 | Excise Duty | 6.06 | 2.17 | - | **8.23** |
| 9 | Claims against Lease Rentals | 5.37 | 0.16 | 1.01 | **4.52** |
| 10 | Others | 50.50 | 13.10 | 22.27 | **41.33** |
| | **Total** | **380.39** | **28.99** | **40.30** | **369.08** |

## 38. CONTINGENT LIABILITIES

**Contingent liabilities (to the extent not provided for)** (₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Contingent liabilities** | | |
| (a) (i) Claims against the Company not acknowledged as debts in respect of: | | |
| - Custom Duty and Excise Duty | 49.44 | 47.57 |
| - Sales Tax and Entry Tax | 179.72 | 108.45 |
| - Power Charges | 51.72 | 52.46 |
| - Royalty | 519.02 | 468.27 |
| - Others | 18.26 | 17.38 |
| (ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate) | 22.39 | 23.31 |
| (b) Disputed income tax matters under appeal | 67.64 | 39.40 |
| (c) Registration and Road tax on Dumper of Cement Division | Amount not determinable | |
| (d) Liability on account of Jute packaging obligation upto 30 June 1997 under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 | Amount not determinable | |
| (e) The Company has filed an appeal with Competition Appellate (COMPAT) against the order of Competition Commission of India ("CCI") and as per direction of COMPAT, had deposited ₹ 27.40 Crore with registry of tribunal in form of Fixed Deposit Receipts, being 10% of penalty imposed by CCI. The Government has made changes in the constitution and operation of Tribunals, under which all matters with COMPAT have been transferred to the National Company Law Appellate Tribunal (NCLAT). The Company believes it has a good case and accordingly no provision has been recognized in the financial results. | 274.02 | 274.02 |
| (f) Pursuant to the Business Transfer Agreement (BTA) the Company has sold its Yarn and Denim (Y&D) units (included in Textile Segment) during the year and has recognized loss on disposal amounting to ₹ 18.12 Crore. The operations of Y&D units has been classified as discontinued operations (Refer note 35). Since the date of transfer of Y&D units, workers are on strike and have challenged the sale of Y&D units by the Company. The matter is pending before the Courts and is sub-judice. Management believes it has a good case. | | |

## 38. CONTINGENT LIABILITIES (contd.)

**Contingent liabilities (to the extent not provided for)** (₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| The amounts shown in respect of item No.38 (a) to (f) represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgments / decisions pending with various forums/authorities. The Company does not expect any reimbursements against the above. | | |

## 39. COMMITMENTS

(₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Capital commitments** | | |
| **(a)** Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | **79.40** | 60.37 |
| **Other Commitments** | | |
| **(a)** The Company has imported capital goods under the Export promotion capital goods scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified exports in the future years | **993.54** | 1,192.65 |
| **(b) Operating Leases** | | |
| **Company as Lessor:** | | |
| The Company has significant leasing arrangements in respect of operating leases for premises. These are non cancellable leases with a lock in period of minimum three years. Most of the leases are renewable for a further period on mutually agreeable terms and also include escalation clauses on renewal | | |
| - not later than one year | **111.55** | 49.84 |
| - later than one year but not later than five years | **197.39** | 85.48 |
| - later than five years | **0.47** | 2.06 |
| **(c) Finance Leases** | | |
| **Company as Lessor:** | | |
| The Company has entered into Finance leases arrangement for leasehold improvement in investment property. These leases have terms of between three and five years. | | |
| Minimum Lease Payment | | |
| - not later than one year | **1.99** | - |
| - later than one year but not later than five years | **5.86** | - |
| - later than five years | **-** | - |
| Less: | | |
| Future Finance Charge | **(1.17)** | - |
| Present Value of Lease Payments | **6.68** | - |
| Present Value of Lease Payments | | |
| - not later than one year | **1.50** | - |
| - later than one year but not later than five years | **5.18** | - |
| - later than five years | **-** | - |

## 39. COMMITMENTS (contd.)

(₹ in Crores)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Company as Lessee:** | | |
| The Company has entered into Finance leases arrangement for leasehold land. This lease has term of 60 years. | | |
| Minimum Lease Payment | | |
| - not later than one year | **1.05** | - |
| - later than one year but not later than five years | **4.20** | - |
| - later than five years | **52.50** | - |
| Less: | | |
| Future Finance Charge | **(45.53)** | - |
| Present Value of Lease Payments | **12.22** | - |
| Present Value of Lease Payments | | |
| - not later than one year | **0.01** | - |
| - later than one year but not later than five years | **0.06** | - |
| - later than five years | **12.15** | - |

## 40. RELATED PARTY DISCLOSURE AS PER IND AS 24

1 **Relationships:**

**(a) Where significant influence exists**

(i) M/s Pilani Investment and Industries Corporation Limited (As a Shareholder of the Company directly & indirectly)

(ii) Subsidiary:
Birla Estate Private Limited (incorporated on 26 December 2017)

**(b) Key Management Personnel (KMP)**

Shri D. K. Agrawal (Whole-time Director)

**List of Independent Directors**

Shri Pradip Kumar Daga
Shri Rajan A Dalal
Shri Yazdi P Dandiwala
Shri Sohanlal Kundanmal Jain

**(c) List of Non Executive Directors**

Shri B.K. Birla
Smt. Rajashree Birla
Shri Kumar Mangalam Birla

**(d) Other Related Parties (Company Managed Funds)**

**(i) Pension and Provident Fund of Century Textiles and Industries Limited**

- Pension And Provident Fund of Century Textiles and Industries Limited
- Century Rayon Employees Provident Fund Trust No. 1
- Century Rayon Employees Provident Fund Trust No. 2
- Maihar Cement Employees Provident Fund

**(ii) Gratuity Fund of Century Textiles and Industries Limited**

- Century Textiles and Industries Limited Employees Gratuity Fund

**(iii) Superannuation Fund of Century Textiles and Industries Limited**

- Century Textiles and Industries Limited (Textiles Division) Superannuation Scheme
- The Century Rayon and Associated Concerns Superannuation Scheme
- Century Textiles and Industries Ltd. (Cement Division) Superannuation Fund
- Manikgarh Cement Employees Superannuation Welfare Trust

## 40. RELATED PARTY DISCLOSURE AS PER IND AS 24 (contd.)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period are disclosed below:

(₹ in Crores)

| Transactions With Related Parties | For the year ended | Where significant influence exists (a) | KMP & Directors of the Company (b) (c) (d) | Company Managed Funds (e) |
|---|---|---|---|---|
| **Contribution to Fund Related Parties** | | | | |
| Pension & Provident fund of Century Textiles and Industries Ltd. | 31 March 2018 | - | - | 21.40 |
| | 31 March 2017 | - | - | 21.82 |
| Century Rayon Employees Provident Fund Trust No.1 | 31 March 2018 | - | - | 22.28 |
| | 31 March 2017 | - | - | 26.97 |
| Century Rayon Employees Provident Fund Trust No.2 | 31 March 2018 | - | - | 4.49 |
| | 31 March 2017 | - | - | 5.47 |
| Maihar Cement Employees Provident Fund | 31 March 2018 | - | - | 18.27 |
| | 31 March 2017 | - | - | 19.52 |
| Century Textiles and Industries Ltd. Employee Gratuity Fund | 31 March 2018 | - | - | 13.00 |
| | 31 March 2017 | - | - | 12.76 |
| Century Textiles and Industries Ltd. (Textiles Division) Superannuation Scheme | 31 March 2018 | - | - | 0.57 |
| | 31 March 2017 | - | - | 0.58 |
| The Century Rayon and Associated Concerns Superannuation Scheme | 31 March 2018 | - | - | 0.85 |
| | 31 March 2017 | - | - | 1.06 |
| Century Textiles and Industries Ltd. (Cement Division) Superannuation Scheme | 31 March 2018 | - | - | 5.67 |
| | 31 March 2017 | - | - | 6.19 |
| Manikgarh Cement Employees Superannuation Welfare Trust | 31 March 2018 | - | - | 2.75 |
| | 31 March 2017 | - | - | 3.32 |
| **Other transactions with Related Parties** | | | | |
| Remuneration to Whole time Director* | 31 March 2018 | - | 3.44 | - |
| | 31 March 2017 | - | 2.83 | - |
| Sitting fees to independent and non executive directors | 31 March 2018 | - | 0.12 | - |
| | 31 March 2017 | - | 0.09 | - |
| Commission to non whole time directors | 31 March 2018 | - | 1.50 | - |
| | 31 March 2017 | - | 1.00 | - |
| Investment in Equity Shares of Subsidiary | 31 March 2018 | 0.05 | - | - |
| | 31 March 2017 | - | - | - |

| Balances Receivable / (Payable) with Related Parties | Balance as at | Where significant influence exists (a) | KMP & Directors of the Company (b) (c) (d) | Company Managed Funds (e) |
|---|---|---|---|---|
| Pension and Provident fund of Century Textiles and Industries Ltd. | 31 March 2018 | - | - | (1.79) |
| | 31 March 2017 | - | - | (1.48) |
| Century Rayon Employees Provident Fund Trust No.1 | 31 March 2018 | - | - | (2.41) |
| | 31 March 2017 | - | - | (2.34) |
| Century Rayon Employees Provident Fund Trust No.2 | 31 March 2018 | - | - | (0.45) |
| | 31 March 2017 | - | - | (0.45) |
| Century Textiles and Industries Ltd. Employee Gratuity Fund | 31 March 2018 | - | - | 8.10 |
| | 31 March 2017 | - | - | 5.68 |
| Commission payable to non whole time directors | 31 March 2018 | - | (1.50) | - |
| | 31 March 2017 | - | (1.00) | - |

* Excludes provision for encashable leave and gratuity.

## 41. SEGMENT INFORMATION

### A. INFORMATION ABOUT BUSINESS SEGMENT - PRIMARY

(₹ in Crores)

| Sr. No. | Particulars | Textile | | Cement | | Pulp and Paper | | Real Estate | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Segment Revenue** | **2017-18** | 2016-2017 | **2017-18** | 2016-2017 | **2017-18** | 2016-2017 | **2017-18** | 2016-2017 | **2017-18** | 2016-2017 | **2017-18** | 2016-2017 |
| | Sales of products | **1,396.25** | 1,540.77 | **4,306.15** | 4,323.92 | **2,228.84** | 2,171.16 | **135.23** | 97.18 | **97.15** | 118.71 | **8,163.62** | 8,251.74 |
| | Less: Inter Segment Revenue | **3.48** | 3.36 | **-** | - | **67.17** | 87.15 | **0.83** | 0.75 | **-** | - | **71.48** | 91.26 |
| | Net Sales from Continuing Operations | **1,392.77** | 1,537.41 | **4,306.15** | 4,323.92 | **2,161.67** | 2,084.01 | **134.40** | 96.43 | **97.15** | 118.71 | **8,092.14** | 8,160.48 |
| | Sales from Discontinued Operations | | | | | | | | | | | **86.78** | 252.90 |
| | | | | | | | | | | | | **8,178.92** | 8,413.38 |
| 2 | **Result** | | | | | | | | | | | | |
| | Segment Result of Continuing Operations | **151.54** | 176.57 | **408.75** | 165.68 | **372.60** | 306.68 | **132.16** | 18.36 | **13.21** | 15.57 | **1,078.26** | 682.86 |
| | Loss from Discontinued Operations | | | | | | | | | | | **(49.45)** | (28.90) |
| | | | | | | | | | | | | **1,028.81** | 653.96 |
| 3 | **Other Information** | | | | | | | | | | | | |
| | Segment Assets[@] | **998.28** | 1,234.86 | **4,015.98** | 3,874.01 | **3,135.52** | 3,248.81 | **1,484.83** | 1,447.07 | **39.78** | 57.55 | **9,674.39** | 9,862.30 |
| | Add: Unallocated common Assets | | | | | | | | | | | **656.94** | 474.02 |
| | Total Assets | | | | | | | | | | | **10,331.33** | 10,336.32 |
| | Segment Liabilities[@] | **1,078.24** | 339.20 | **1,174.65** | 983.54 | **535.14** | 446.35 | **149.43** | 123.90 | **14.33** | 21.19 | **2,951.79** | 1,914.18 |
| | Add: Unallocated Common Liabilities | | | | | | | | | | | **4,631.65** | 5,940.28 |
| | Total Liabilities | | | | | | | | | | | **7,583.44** | 7,854.46 |
| 4 | **Capital Expenditure during the year (excluding advances)** | **77.10** | 12.71 | **83.40** | 40.28 | **28.46** | 57.53 | **65.42** | 110.79 | **-** | 0.57 | **254.38** | 221.88 |
| | Add: Unallocated Capital Expenditure | | | | | | | | | | | **24.22** | - |
| | | | | | | | | | | | | **278.60** | 221.88 |
| 5 | **Depreciation and amortisation *** | **50.55** | 49.42 | **114.44** | 108.98 | **116.80** | 124.31 | **31.23** | 29.73 | **0.25** | 0.25 | **313.27** | 312.69 |
| | Add: Unallocated Depreciation | | | | | | | | | | | **0.48** | 0.65 |
| | | | | | | | | | | | | **313.75** | 313.34 |

* Includes charged to Cost of Raising and transporting Limestone and Laterite.
@ Including projects under implementation.

Adjustments & Eliminations:
Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

### 41. SEGMENT INFORMATION (contd.)

### B. RECONCILIATION OF PROFIT

(₹ in Crores)

| | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|
| **Segment profit [A]** | **1,078.26** | 682.86 |
| **Unallocable Income/(Expense)[B]:** | | |
| Employee Benefit Expense | **(14.78)** | (22.63) |
| Depreciation & Amortisation Expense | **(0.48)** | (0.65) |
| Other Expense | **(25.48)** | (22.20) |
| Other Income | **49.48** | 55.67 |
| **Total** | **8.74** | 10.19 |
| **Finance Cost [C]** | **(451.69)** | (550.75) |
| Inter-segment Profit / (Loss) (elimination) [D] | **3.80** | (1.70) |
| **Profit before tax from Continuing Operations [A+B+C+D]** | **639.11** | 140.60 |
| Loss from Discontinue Operations | **(49.45)** | (28.90) |
| **Total Profit before Taxes** | **589.66** | 111.70 |
| **Add/(Less): Taxes** | | |
| Deferred Tax (Charge) / Credit | **(218.00)** | (6.71) |
| **Profit after Tax** | **371.66** | 104.99 |

### C. RECONCILIATION OF ASSETS & LIABILITIES

(₹ in Crores)

| | | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| I | **(A) Segment Operating Assets** | **9,674.39** | 9,862.30 |
| | **Unallocated Assets** | | |
| | **(B) Non-current Assets** | | |
| | Property, Plant and Equipment | **39.60** | 15.38 |
| | Investment Property under Development | **-** | 4.03 |
| | Other Intangible Assets | **0.01** | 0.01 |
| | Financial Assets: | | |
| | Non-Current Investments | **223.41** | 258.31 |
| | Others | **0.41** | 2.55 |
| | Non Current Tax | **98.71** | 57.72 |
| | Other Non Current Assets | **3.61** | 25.37 |
| | **Total Non-Current Assets (B)** | **365.75** | 363.37 |
| | **(C) Current Assets** | | |
| | Financial Assets: | | |
| | Cash and Cash Equivalents | **189.31** | 39.24 |
| | Bank balances other than above cash & cash equivalents | **60.39** | 49.97 |
| | Others | **31.66** | 17.44 |
| | | **281.36** | 106.65 |
| | Other Current Assets | **9.83** | 4.00 |
| | **Total Current Assets (C)** | **291.19** | 110.65 |
| | **Total Unallocated Assets (B+C)** | **656.94** | 474.02 |
| | **TOTAL ASSETS (A + B + C)** | **10,331.33** | 10,336.32 |

## 41. SEGMENT INFORMATION (contd.)

(₹ in Crores)

| | | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| II | **(A) Segment Operating Liabilities** | **2,951.79** | 1,914.18 |
| | <u>**Unallocated Liabilities**</u> | | |
| | **(B) Non-Current Liabilities** | | |
| | Financial Liabilities: | | |
| | Borrowings | **2,392.42** | 3,125.97 |
| | Other Financial Liabilities | **-** | 35.65 |
| | | **2,392.42** | 3,161.62 |
| | Long Term Provisions | **-** | 0.05 |
| | Deferred Tax Liability (Net) | **217.32** | 80.71 |
| | **Total Non-Current Liabilities (B)** | **2,609.74** | 3,242.38 |
| | **(C) Current Liabilities** | | |
| | Financial Liabilities: | | |
| | Short Term Borrowings | **1,451.13** | 1,522.44 |
| | Cash Credit Facilities | **11.44** | 65.39 |
| | | **1,462.57** | 1,587.83 |
| | Trade Payables | **6.75** | 4.22 |
| | Other Financial Liabilities | **59.46** | 0.07 |
| | Current Maturities of long term debts | **478.84** | 988.45 |
| | Other Current Liabilities | **10.63** | 101.40 |
| | Provisions | **3.66** | 15.93 |
| | **Total Current Liabilities (C)** | **2,021.91** | 2,697.90 |
| | **Total Unallocated Liabilities (B + C)** | **4,631.65** | 5,940.28 |
| | **Total Liabilities (A + B + C)** | **7,583.44** | 7,854.46 |

## D. Secondary Segment

(₹ in Crores)

| I | **Geographic information** | **Year Ended 31 March 2018** | Year Ended 31 March 2017 |
|---|---|---|---|
| | Revenue from external customers | | |
| | India | **7,649.68** | 7,759.48 |
| | Outside India | **442.46** | 401.00 |
| | **Total revenue as per profit or loss** | **8,092.14** | 8,160.48 |

| II | **Non-current operating assets:** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|---|
| | India | **7290.56** | 7343.69 |
| | Outside India | **-** | - |
| | **Total** | **7290.56** | 7343.69 |

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

## 41. SEGMENT INFORMATION (contd.)

### E. Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

(₹ in Crores)

| Sale of Products | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|
| Cotton Fabric | **531.15** | 553.60 |
| Cotton Yarn | **82.79** | 38.16 |
| Rayon Yarn | **602.97** | 759.07 |
| Tyre Yarn and Fabric | **135.91** | 159.01 |
| Cement and Clinker | **4,306.14** | 4,323.93 |
| Pulp & Paper (including Paper Board / Straw Board) | **2,161.66** | 2,084.00 |
| Others | **128.86** | 146.29 |
| Rental Services | **142.66** | 96.42 |
| **Total** | **8,092.14** | 8,160.48 |

Composition of the business segment

| Name of the Segment | Types of products / services Comprises of: |
|---|---|
| a. Textiles | Yarn, Fabric, Viscose filament yarn, Tyre yarn & leasing of Viscose filament yarn & Tyre yarn plant |
| b. Pulp and Paper | Pulp, writing & printing paper, tissue paper and multilayer packaging board |
| c. Cement | Cement and clinker. |
| d. Real Estate | Leased Properties |
| e. Others | Salt works and Chemicals |

**F.** The Board of Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

**G.** No single customer contributed 10% or more to the Company's revenue for the year ended 31 March 2018 and 31 March 2017

**H.** The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2A. Segment profit represents the profit before finance cost and tax earned by each segment without allocation of central administration costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of allocation and assessment of segment performance.

## 42. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value.The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio below two and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management.

In order to achieve the aforesaid objectives, the Company has not sanctioned any major capex on new expansion projects in last two to three years. However, modernization, upgradation and marginal expansions have been continued to remain competitive and improve product quality through efficient machinery. There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Debt-to-equity ratio are as follows: (₹ in Crores)

| | 31 March 2018 | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| Debt (A) | **4,369.28** | 5,700.33 | 5,792.85 |
| Equity (B) | **2,747.89** | 2,481.86 | 2,363.75 |
| Debt Ratio (A / B) | **1.59** | 2.30 | 2.45 |

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. CREDIT RISK

Credit risk is the risk that counter party will not meet it obligation under a financial instrument or customer contract leading to a financial loss. The Company expose to credit risk mainly from trade receivables and other financial assets. The group only deals with parties whihc has good creadit ratings / worthness based on company's internal assement.

The Company has divided parties in two grades based on their performance.

Good: Parties with a positive external rating (if available) and stable financial position with no past default is considered in this category.

Doubtful: Parties where the company doesn't have information on their financial position or has past trend of default are considered under this category.

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

#### (i) Trade receivables

Customer credit is managed by each business division subject to the Company's established policy procedures and control related to customer credit risk management.

Export customers are mainly against Letter of Credit and/or insurance cover on export outstanding is also taken. Generally deposits are taken from domestic debtors. Apart from deposit there is a commission agent area wise. In case any customer defaults the amount is first recovered from deposits, then from the agent's commission. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification. The carrying amount and fair value of security deposit amounts to ₹ 269.02 Crore (31 March 2017 ₹ 249.64 Crore) as it is payable on demand.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets and their credit worthiness are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Comapny has written off trade receivables amounting to ₹ 0.46 Crore during the year (31 March 2017 ₹ Nil) as there was no reasonable expectations of recovery and were outstanding for more than 360 days from becoming due.

(₹ in Crores)

| **As at 31 March 2018** | **Less Then 180 Days** | **More Then 180 Days** |
|---|---|---|
| Expected loss rate | **0.29%** | **44.71%** |
| Gross carrying amount | **411.49** | **20.05** |
| Loss allowance provision | **1.19** | **8.96** |

(₹ in Crores)

| As at 31 March 2017 | Less Then 180 Days | More Then 180 Days |
|---|---|---|
| Expected loss rate | 0.02% | 53.63% |
| Gross carrying amount | 494.35 | 18.57 |
| Loss allowance provision | 0.09 | 9.96 |

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

Reconciliation of loss allowance provision for Trade Receivables

(₹ in Crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | **10.05** | 8.77 |
| Impairment losses recognised in the year based on lifetime expected credit losses | | |
| - On receivables originated in the year | **0.56** | 1.28 |
| Amounts written off during the year as uncollectible | **(0.46)** | - |
| Amounts recovered during the year | **-** | - |
| Balance at end of the year | **10.15** | 10.05 |

### (ii) Other Financial Assets

Credit risk from balances with banks is managed by Company's treasury department in accordance with the Company policy. Investment of surplus funds are made only in approved Mutual Fund & that too in liquid funds. As soon as the fund reaches to a reasonable level the Company repay its working capital borrowing by redeeming the liquid fund. The other financial assets are from various forum of Government authorities and are released by Government authorities on completion of relevant terms and conditions for the release of outstanding.

## B. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits, FVTOCI Investments, derivatives and other financials assets.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2018.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017

### (i) Currency Risk

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. As a policy, Company is covering all foreign exchange risk on account of import and loans so that Company may not be put to any loss situation due to adverse fluctuations in currency rates. There is periodical review of foreign exchange transactions and hedging by the Company's executives.

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. The Company's exposure to foreign currency changes for all other currencies is not material.

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

**Foreign currency sensitivity on unhedged exposure**

(₹ in Crores)

| | Currency | Change in rate | Effect on profit before tax |
|---|---|---|---|
| **31 March 2018** | **USD** | **+5%** | **(5.63)** |
| | **USD** | **-5%** | **5.63** |
| | **EUR** | **+5%** | **(0.16)** |
| | **EUR** | **-5%** | **0.16** |
| 31 March 2017 | USD | +5% | (8.53) |
| | USD | -5% | 8.53 |
| | EUR | +5% | (1.20) |
| | EUR | -5% | 1.20 |

(₹ in Crores)

| Outstanding foreign currency exposure | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Trade receivables** | | |
| USD | **0.47** | - |
| Euro | **-** | 0.06 |
| Others | **-** | - |
| **Trade Payables** | | |
| USD | **0.25** | 0.18 |
| Euro | **0.05** | - |
| Others | **0.01** | - |
| **Borrowings** | | |
| USD | **2.16** | 2.25 |
| **Others** | | |
| USD | **0.21** | 0.02 |
| Euro | **0.01** | - |
| Others | **-** | - |

**(ii) Interest rate risk**

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has issued fixed rate bonds and loans taken from banks are linked to MCLR rate of the bank, which are variable.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

| | Currency | Increase / decrease in basis points | Effect on profit before tax |
|---|---|---|---|
| **31 March 2018** | **INR** | **+50** | **(9.81)** |
| | **INR** | **-50** | **9.81** |
| 31 March 2017 | INR | +50 | (16.28) |
| | INR | -50 | 16.28 |

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

(₹ in Crores)

| Particulars | Total Borrowings | Floating rate Borrowings | Fixed rate Borrowing |
|---|---|---|---|
| INR | 2,906.71 | 1,962.47 | 944.24 |
| **Total as at 31 March 2018** | **2,906.71** | **1,962.47** | **944.24** |
| INR | 4,112.24 | 3,174.55 | 937.69 |
| Total as at 31 March 2017 | 4,112.24 | 3,174.55 | 937.69 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**(iii) Equity Price Risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

### C. LIQUIDITY RISK

**(i) Liquidity risk management**

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

**(ii) Maturities of financial liabilities**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Crores)

| As at 31 March 2018 | On Demand | Less than 1 Year | 1-3 Years | 3 Years to 5 Years | 5 years and above | Total |
|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | |
| Long term borrowings | - | - | 1,824.58 | 316.84 | 802.60 | **2,944.02** |
| Short term borrowings: | | | | | | |
| Cash Credit Facilities/ Working Capital Loan | 11.86 | - | - | - | - | **11.86** |
| Pre-shipment, Post-shipment facilities | - | 57.12 | - | - | - | **57.12** |
| Bill Discounting with Bank | - | 7.80 | - | - | - | **7.80** |
| Buyer's credit | - | 147.33 | - | - | - | **147.33** |
| Commercial Paper | - | 1,238.46 | - | - | - | **1,238.46** |
| Trade payables: | | | | | | |
| Trade payables - Micro and small enterprises | - | 3.74 | - | - | - | **3.74** |
| Trade payables - other than micro and small enterprises | - | 644.76 | - | - | - | **644.76** |
| Acceptances | - | 33.30 | - | - | - | **33.30** |
| Other financial liabilities: | | | | | | |
| Deposits from dealers and agents | 269.02 | - | - | - | - | **269.02** |
| Deposits against rental arrangements | - | 16.71 | 24.94 | 27.90 | 11.35 | **80.90** |
| Other long term liabilities | - | - | - | - | 0.50 | **0.50** |
| Current maturities of long-term debt | - | 718.10 | - | - | - | **718.10** |
| Other Interest accrued | - | 128.10 | - | - | - | **128.10** |
| Unclaimed / Unpaid dividends | - | 2.50 | - | - | - | **2.50** |
| Creditors for Capital Supplies / Services | - | 38.10 | - | - | - | **38.10** |
| Other current liabilities | - | 179.59 | - | - | - | **179.59** |
| **(b) Derivative financial instruments** | | | | | | |
| Foreign exchange forward contracts | - | 20.93 | - | - | - | **20.93** |
| **Total** | **280.88** | **3,236.54** | **1,849.52** | **344.74** | **814.45** | **6,526.13** |

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

(₹ in Crores)

| As at 31 March 2017 | On Demand | Less than 1 Year | 1-3 Years | 3 Years to 5 Years | 5 years and above | Total |
|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | |
| Long term borrowings | - | - | 2,178.38 | 1,307.83 | - | 3,486.21 |
| Short term borrowings: | | | | | | |
| Cash Credit Facilities/ Working Capital Loan | 80.71 | - | - | - | - | 80.71 |
| Pre-shipment, Post-shipment facilities | - | 37.22 | - | - | - | 37.22 |
| Bill Discounting with Bank | - | 5.67 | - | - | - | 5.67 |
| Buyer's credit | - | 145.41 | - | - | - | 145.41 |
| Commercial Paper | - | 1,325.00 | - | - | - | 1,325.00 |
| Trade payables: | | | | | | |
| Trade payables - Micro and small enterprises | - | 2.48 | - | - | - | 2.48 |
| Trade payables - other than micro and small enterprises | - | 629.03 | - | - | - | 629.03 |
| Acceptances | - | 74.31 | - | - | - | 74.31 |
| Other financial liabilities: | | | | | | |
| Deposits from dealers and agents | 249.64 | - | - | - | - | 249.64 |
| Deposits against rental arrangements | - | 12.24 | 34.91 | 22.04 | - | 69.19 |
| Other long term liabilities | - | - | - | - | 0.50 | 0.50 |
| Current maturities of long-term debt | - | 987.06 | - | - | - | 987.06 |
| Other Interest accrued | - | 128.10 | - | - | - | 128.10 |
| Unclaimed / Unpaid dividends | - | 1.91 | - | - | - | 1.91 |
| Creditors for Capital Supplies / Services | - | 40.48 | - | - | - | 40.48 |
| Other current liabilities | - | 71.61 | - | - | - | 71.61 |
| **(b) Derivative financial instruments** | | | | | | |
| Foreign exchange forward contracts | - | - | - | - | - | - |
| **Total** | 330.35 | 3,460.52 | 2,213.29 | 1,329.87 | 0.50 | 7,334.53 |

### (iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in Crores)

| As at 31 March 2018 | On Demand | Less than 1 Year | 1-3 Years | 3 Years to 5 Years | 5 years and above | Total |
|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | |
| Trade Receivables | - | 421.47 | - | - | - | **421.47** |
| Other Bank Balances | - | 60.39 | - | - | - | **60.39** |
| Other financial Assets: | | | | | | |
| Security Deposits | - | 20.44 | 25.20 | - | - | **45.64** |
| Advances recoverable in cash | - | 0.40 | - | - | - | **0.40** |
| Interest subsidy and Interest receivable | - | 8.55 | - | - | - | **8.55** |
| Subsidy / Incentive receivables | - | 146.32 | 190.67 | 85.92 | - | **422.91** |
| Claims and other receivable | - | 22.91 | - | - | - | **22.91** |
| Unbilled Revenue | - | 7.22 | 9.51 | - | - | **16.73** |
| Others | - | 1.07 | - | - | - | **1.07** |
| Finance Lease Receivables | - | 1.47 | 5.11 | - | - | **6.58** |
| **(b) Derivative financial instruments** | | | | | | |
| Foreign exchange forward contracts | - | 1.32 | - | - | - | **1.32** |
| **Total** | **-** | **691.56** | **230.49** | **85.92** | **-** | **1,007.97** |

## 43. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

(₹ in Crores)

| As at 31 March 2017 | On Demand | Less than 1 Year | 1-3 Years | 3 Years to 5 Years | 5 years and above | Total |
|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | |
| Trade Receivables | - | 502.96 | - | - | - | 502.96 |
| Other Bank Balances | - | 49.97 | 2.13 | - | - | 52.10 |
| Other financial Assets: | | | | | | |
| Security Deposits | - | 2.66 | 8.51 | 0.91 | 28.48 | 40.56 |
| Advances recoverable in cash | - | 1.46 | - | - | - | 1.46 |
| Interest subsidy and Interest receivable | - | 12.84 | - | - | - | 12.84 |
| Subsidy / Incentive receivables | - | 189.57 | 101.53 | 80.92 | 59.25 | 431.27 |
| Unbilled Revenue | - | 7.62 | 14.70 | 0.25 | - | 22.57 |
| Claims and other receivable | - | 0.85 | - | - | - | 0.85 |
| Others | - | 2.27 | - | - | - | 2.27 |
| **(b) Derivative financial instruments** | | | | | | |
| Foreign exchange forward contracts | - | 9.04 | 1.20 | - | - | 10.24 |
| **Total** | - | 779.24 | 128.07 | 82.08 | 87.73 | 1,077.12 |

## 44. FAIR VALUE MEASUREMENT

**Fair value of financial assets and financial liabilities**

(₹ in Crores)

| Particulars | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair value | Carrying Value | Fair value |
| **Financial assets** | | | | |
| **Financial assets measured at Fair value through OCI** | | | | |
| Investments: | | | | |
| Quoted equity shares | **177.44** | **177.44** | 212.96 | 212.96 |
| Unquoted equity shares | **37.37** | **37.37** | 36.81 | 36.81 |
| **Financial assets measured at Fair value through Profit or Loss** | | | | |
| Foreign currency forward contracts | **1.32** | **1.32** | 10.24 | 10.24 |
| **Financial assets at amortised cost for which Fair value are disclosed** | | | | |
| Government and Trust Securities | **8.54** | **8.67** | 8.54 | 8.96 |
| Other financial Assets: | | | | |
| Security Deposit | **45.64** | **45.64** | 40.56 | 40.56 |
| Interest subsidy and Interest receivable | **8.38** | **8.38** | 12.84 | 12.84 |
| Subsidy / Incentive receivables | **359.34** | **374.57** | 360.59 | 340.51 |
| Claims and other receivable | **22.90** | **22.90** | 0.85 | 0.85 |
| Unbilled Revenue | **16.73** | **16.73** | 22.57 | 22.57 |
| Finance Lease | **6.58** | **5.54** | - | - |
| Others | **1.65** | **1.65** | 3.73 | 3.73 |
| Trade Receivables | **421.47** | **421.47** | 502.96 | 502.96 |
| Cash and Cash Equivalents | **189.31** | **189.31** | 39.24 | 39.24 |
| Other Bank Balances | **60.39** | **60.39** | 52.10 | 52.10 |
| **Total** | **1,357.06** | **1,371.38** | 1,303.99 | 1,284.33 |

## 44. FAIR VALUE MEASUREMENT (contd.)

(₹ in Crores)

| Particulars | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| | Carrying Value | Fair value | Carrying Value | Fair value |
| **Financial liabilities** | | | | |
| **Financial liabilities at amortised cost for which Fair value are disclosed** | | | | |
| Floating rate borrowings (including current maturities and Interest accrued) | **4,362.52** | **4,362.52** | 4,784.59 | 4,784.59 |
| Fixed rate borrowings (including current maturities and Interest accrued) | **922.43** | **1,033.23** | 922.43 | 998.98 |
| Trade payables | **682.18** | **682.18** | 705.82 | 705.82 |
| Other financial liabilities: | | | | |
| Deposits from dealers and agents | **326.13** | **326.13** | 249.64 | 249.64 |
| Deposits against rental arrangements | **69.32** | **71.43** | 56.14 | 46.12 |
| Other long term liabilities | **181.37** | **181.37** | 0.50 | 0.50 |
| Other interest accrued | **128.10** | **128.10** | 128.10 | 128.10 |
| Unclaimed / Unpaid dividends | **2.50** | **2.50** | 1.91 | 1.91 |
| Creditors for capital supplies/services | **38.10** | **39.80** | 40.48 | 40.48 |
| Other liabilities | **180.39** | **180.39** | 71.61 | 71.61 |
| **Total** | **6,893.04** | **7,007.65** | 6,961.22 | 7,027.75 |

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair value of loans from banks and other financial liabilities, security deposit, as well as other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iii) The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of Investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.

(iv) The fair values of quoted equity instruments are derived from quoted market prices in active markets.

(v) The Company enters into foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.

(vi) The fair value of floating rate borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate at the end of the reporting period. As the Company's interest rates changes with the change in market interest rate, there is no material difference in carrying value and fair value. The own non performance risk as at 31 March 2018 was assessed to be insignificant.

## 44. FAIR VALUE MEASUREMENT (contd.)

**Fair Valuation Techiques and Inputs used - recurring Items**

(₹ in Crores)

| Financial assets/ financial liabilities measured at Fair value | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable input(s) | Relationship of unobservable inputs to fair value and sensitivity |
|---|---|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | | | | |
| Financial assets<br>Investments<br>Unqouted Equity investments | **37.37** | 36.81 | Level 3 | Replacement Cost Method | Investment property held by investee companies | 5% (31 March 2017: 5%) increase (decrease in the fair value of investment property would result in increase (decrese) in fair value of unquoted equity investment by ₹ 1.24 Crore (31 March 2017: ₹ 1,24 Crore) |
| Total financial assets | **37.37** | 36.81 | | | | |

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements, refer example below.

There were no significant inter-relationships between unobervable inputs that materially affects fair values.

**Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets**

| | Level 3 |
|---|---|
| **As at 1 April 2017** | 36.81 |
| Re-measurement recognised in OCI | 0.56 |
| Purchases | - |
| Sales | - |
| **As at 31 March 2018** | 37.37 |

**Fair value measurement hierarchy of financial assets and financial liabilities**

(₹ in Crores)

| Particulars | Fair value hierarchy as at 31 March 2018 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Investment Properties (See note 4)** | | | | |
| (measured at Cost for which fair value is disclosed) | | | | |
| Land | - | 2,503.19 | - | **2,503.19** |
| Commercial Properties | - | 2,274.00 | - | **2,274.00** |
| **Financial assets** | | | | |
| **Financial assets measured at Fair value through OCI** | | | | |
| Investments: | | | | |
| Quoted equity shares | 177.44 | - | - | **177.44** |
| Unquoted equity shares | - | - | 37.37 | **37.37** |
| **Financial assets measured at Fair value through Profit or Loss** | | | | |
| Foreign currency forward contracts | - | 1.32 | - | **1.32** |
| **Financial assets at amortised cost for which Fair value are disclosed** | - | | | |
| Government and Trust Securities | - | 8.67 | - | **8.67** |
| Other financial Assets: | | | | |
| Security Deposit | - | 45.64 | - | **45.64** |
| Interest subsidy and Interest receivable | - | 8.38 | - | **8.38** |

## 44. FAIR VALUE MEASUREMENT (contd.)

| | | | | |
|---|---|---|---|---|
| Subsidy / Incentive receivables | - | 374.57 | - | **374.57** |
| Claims and other receivable | - | 22.90 | - | **22.90** |
| Unbilled Revenue | - | 16.73 | - | **16.73** |
| Others | - | 1.65 | - | **1.65** |
| Trade Receivables | - | 421.47 | - | **421.47** |
| Cash and Cash Equivalents | - | 149.52 | - | **149.52** |
| Other Bank Balances | - | 60.39 | - | **60.39** |
| **Total** | **177.44** | **5,888.43** | **37.37** | **6,103.24** |

(₹ in Crores)

| **Particulars** | **Fair value hierarchy as at 31 March 2018** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial liabilities** | | | | |
| **Financial liabilities at amortised cost for which Fair value are disclosed** | | | | |
| Floating rate borrowings (including current maturities and Interest accrued) | - | 4,362.52 | - | **4,362.52** |
| Fixed rate borrowings (including current maturities and Interest accrued) | - | 1,033.23 | - | **1,033.23** |
| Trade payables | - | 682.18 | - | **682.18** |
| Other financial liabilities: | | | | |
| Deposits from dealers and agents | - | 326.13 | - | **326.13** |
| Deposits against rental arrangements | - | 71.08 | - | **71.08** |
| Other long term liabilities | - | 181.37 | - | **181.37** |
| Other interest accrued | - | 128.10 | - | **128.10** |
| Unclaimed / Unpaid dividends | - | 2.50 | - | **2.50** |
| Creditors for capital supplies/services | - | 39.80 | - | **39.80** |
| Other liabilities | - | 180.39 | - | **180.39** |
| **Total** | **-** | **7,007.30** | **-** | **7,007.30** |

**Fair value measurement hierarchy of financial assets and financial liabilities**

(₹ in Crores)

| **Particulars** | **Fair value hierarchy as at 31 March 2017** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Investment Properties (See note 4)** | | | | |
| (measured at Cost for which fair value is disclosed) | | | | |
| Land | - | 2,271.52 | - | 2,271.52 |
| Commercial Properties | - | 2,242.21 | - | 2,242.21 |
| **Financial assets** | | | | |
| **Financial assets measured at Fair value through OCI** | | | | |
| Investments: | | | | |
| Quoted equity shares | 132.46 | - | - | 132.46 |
| Unquoted equity shares | - | - | 36.45 | 36.45 |
| **Financial assets measured at Fair value through Profit or Loss** | | | | |
| Foreign currency forward contracts | - | 14.70 | - | 14.70 |
| **Financial assets at amortised cost for which Fair value are disclosed** | | | | |
| Government and Trust Securities | - | 8.65 | - | 8.65 |
| Other financial Assets: | - | | | |
| Security Deposit | - | 39.73 | - | 39.73 |
| Interest subsidy and Interest receivable | - | 16.73 | - | 16.73 |
| Subsidy / Incentive receivables | - | 266.63 | - | 266.63 |

## 44. FAIR VALUE MEASUREMENT (contd.)

| | | | | |
|---|---|---|---|---|
| Claims and other receivable | - | 0.31 | - | 0.31 |
| Others | - | 1.44 | - | 1.44 |
| Trade Receivables | - | 524.36 | - | 524.36 |
| Other Bank Balances | - | 47.78 | - | 47.78 |
| **Total** | 132.46 | 5,434.06 | 36.45 | 5,602.97 |

(₹ in Crores)

| **Particulars** | **Fair value hierarchy as at 31 March 2017** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial liabilities** | | | | |
| **Financial liabilities at amortised cost for which Fair value are disclosed** | | | | |
| Floating rate borrowings (including current maturities and Interest accrued) | - | 5,409.27 | - | 5,409.27 |
| Fixed rate borrowings (including current maturities and Interest accrued) | - | 445.42 | - | 445.42 |
| Trade payables | - | 609.91 | - | 609.91 |
| Other financial liabilities: | | | | |
| Deposits from dealers and agents | - | 218.65 | - | 218.65 |
| Deposits against rental arrangements | - | 29.77 | - | 29.77 |
| Other long term liabilities | - | 0.57 | - | 0.57 |
| Other interest accrued | - | 110.08 | - | 110.08 |
| Unclaimed / Unpaid dividends | - | 1.91 | - | 1.91 |
| Creditors for capital supplies/services | - | 42.19 | - | 42.19 |
| Other liabilities | - | 47.14 | - | 47.14 |
| **Total** | - | 6,914.91 | - | 6,914.91 |

**45.** Figures less than ₹ 50000 have been shown at actuals in brackets, since the figures are rounded off to the nearest lakh.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal) & Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**RAJASHREE BIRLA -** DIN: 00022995
**PRADIP KUMAR DAGA -** DIN: 00040692
**YAZDI P. DANDIWALA -** DIN: 01055000
**RAJAN A. DALAL -** DIN: 00546264
**SOHANLAL K. JAIN -** DIN: 02843676

To the Members of Century Textiles and Industries Limited

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Century Textiles and Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit, we report, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group's companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 38 to the consolidated Ind AS financial statements;

    ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 15 to the consolidated Ind AS financial statements ;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2018.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 02, 2018

**Annexure 1 to the Independent Auditor's Report of even date on the consolidated financial statements of Century Textiles and Industries Limited**

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

In conjunction with our audit of the consolidated financial statements of Century Textiles and Industries Limited as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Century Textiles and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: May 02, 2018

| Particulars | | | Note No. | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|---|
| **I** | **ASSETS** | | | | |
| | | **NON-CURRENT ASSETS** | | | |
| | (a) | Property, plant and equipment | 3 | **6,115.39** | 6,202.17 |
| | (b) | Capital work-in-progress | | **34.27** | 34.19 |
| | (c) | Investment property | 4 | **959.55** | 980.37 |
| | (d) | Investment property under development | | **176.54** | 124.11 |
| | (e) | Intangible assets | 5 | **4.06** | 2.75 |
| | (f) | Intangible assets under development | | **0.75** | 0.10 |
| | (g) | Financial assets | | | |
| | | (i) Investments | 6 | **223.36** | 258.31 |
| | | (ii) Other financial assets | 7 | **256.34** | 293.25 |
| | (h) | Advance tax (net of provisions) | | **98.71** | 64.87 |
| | (i) | Other non-current assets | 8 | **103.85** | 121.77 |
| | | **SUB-TOTAL** | | **7,972.82** | 8,081.89 |
| | | **CURRENT ASSETS** | | | |
| | (a) | Inventories | 9 | **1,178.55** | 1,264.50 |
| | (b) | Financial assets | | | |
| | | (i) Trade receivables | 10 | **421.47** | 502.96 |
| | | (ii) Cash and cash equivalents | 11 | **189.36** | 39.24 |
| | | (iii) Other bank balances (other than (ii) above) | 11 | **60.39** | 49.97 |
| | | (iv) Other financial assets | 7 | **205.82** | 160.26 |
| | (c) | Other current assets | 8 | **302.92** | 237.50 |
| | | **SUB-TOTAL** | | **2,358.51** | 2,254.43 |
| | | **TOTAL** | | **10,331.33** | 10,336.32 |
| **II** | **EQUITY AND LIABILITIES** | | | | |
| | | **EQUITY** | | | |
| | (a) | Equity share capital | 12 | **111.69** | 111.69 |
| | (b) | Other equity | | **2,636.20** | 2,370.17 |
| | | **SUB-TOTAL** | | **2,747.89** | 2,481.86 |
| | | **LIABILITIES** | | | |
| | | **NON-CURRENT LIABILITIES** | | | |
| | (a) | Financial liabilities | | | |
| | | (i) Borrowings | 14 | **2,392.42** | 3,125.95 |
| | | (ii) Other financial liabilities | 15 | **97.52** | 44.56 |
| | (b) | Provisions | 20 | **6.73** | - |
| | (c) | Deferred tax liabilities (net) | 16 | **217.32** | 80.71 |
| | (d) | Other non-current liabilities | 17 | **813.58** | 156.11 |
| | | **SUB-TOTAL** | | **3,527.57** | 3,407.33 |
| | | **CURRENT LIABILITIES** | | | |
| | (a) | Financial liabilities | | | |
| | | (i) Borrowings | 18 | **1,462.57** | 1,587.85 |
| | | (ii) Trade payables | 19 | **681.80** | 705.82 |
| | | (iii) Other financial liabilities | 15 | **1,182.09** | 1,490.11 |
| | (b) | Provisions | 20 | **418.24** | 445.82 |
| | (c) | Other current liabilities | 17 | **311.17** | 217.53 |
| | | **SUB-TOTAL** | | **4,055.87** | 4,447.13 |
| | | **TOTAL** | | **10,331.33** | 10,336.32 |
| | **Significant accounting policies** | | 2A | | |
| | **The accompanying notes are an integral part of the financial statements** | | | | |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors

**Rajashree Birla -** DIN: 00022995
**Pradip Kumar Daga -** DIN: 00040692
**Yazdi P. Dandiwala -** DIN: 01055000
**A. Dalal -** DIN: 00546264
**Sohanlal K. Jain -** DIN: 02843676

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

| | Particulars | Note No. | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|---|
| | **Continuing Operations** | | | |
| I | Revenue from operations | 21 | **8,385.01** | 8,398.86 |
| II | Other income | 22 | **83.47** | 74.38 |
| III | **Total Income (I + II)** | | **8,468.48** | 8,473.24 |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 23 | **2,310.26** | 2,428.53 |
| | (b) Purchases of traded goods | 24 | **2.69** | 0.68 |
| | (c) Changes in inventories of finished goods, work-in-progress and traded goods | 25 | **(6.26)** | 77.45 |
| | (d) Excise duty on sale of goods | | **195.51** | 754.11 |
| | (e) Employee benefit expense | 26 | **657.96** | 637.17 |
| | (f) Finance costs | 27 | **451.69** | 550.75 |
| | (g) Depreciation and amortisation expense | 28 | **313.75** | 313.34 |
| | (h) Other expenses | 29 | **3,903.77** | 3,570.61 |
| | **Total Expenses** | | **7,829.37** | 8,332.64 |
| V | **Profit before tax from continuing operations (III - IV)** | | **639.11** | 140.60 |
| VI | **Tax Expense of continuing operations** | | | |
| | (a) Current tax | 16 | **-** | - |
| | (b) Deferred tax | 16 | **230.65** | 16.71 |
| | **Total tax expense** | | **230.65** | 16.71 |
| VII | **Profit after tax from continuing operations (V - VI)** | | **408.46** | 123.89 |
| | **Discontinued Operations** (See note 35) | | | |
| | (a) (Loss) before tax from discontinued operations | | **(31.33)** | (28.90) |
| | (b) (Loss) on measurement to net realisable value | | **(18.12)** | - |
| | (c) Tax expenses (Debit) / Credit of discontinued operations | | **12.65** | 10.00 |
| VIII | **(Loss) after tax from discontinued operations** | | **(36.80)** | (18.90) |
| IX | **Profit for the year (VII + VIII)** | | **371.66** | 104.99 |
| X | **Other comprehensive income** | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement gains on defined benefit plans | | **5.07** | 9.34 |
| | (b) Net gain / (loss) on Fair value through Other Comprehensive Income (OCI) - Equity Instruments | | **(34.95)** | 80.96 |
| | (c) Income tax on (a) & (b) | | **(1.80)** | (3.23) |
| | **Total other comprehensive income for the year (net of tax)** | | **(31.68)** | 87.07 |
| XI | **Total comprehensive income for the year (IX + X)** | | **339.98** | 192.06 |
| XII | **Earnings per equity share (in Rupees):** | | | |
| | (a) Basic & Diluted Earnings Per Share - Continuing operations | 31 | **36.57** | 11.09 |
| | (b) Basic & Diluted Earnings Per Share - Discontinued operations | 31 | **(3.29)** | (1.69) |
| | (c) Basic & Diluted Earnings Per Share - (Continuing & Discontinued operations) | 31 | **33.28** | 9.40 |
| | **Significant accounting policies** | 2A | | |

**The accompanying notes are an integral part of the financial statements**

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal) & Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of Century Textiles and Industries Limited

Directors

**Rajashree Birla -** DIN: 00022995
**Pradip Kumar Daga -** DIN: 00040692
**Yazdi P. Dandiwala -** DIN: 01055000
**A. Dalal -** DIN: 00546264
**Sohanlal K. Jain -** DIN: 02843676

## EQUITY

(₹ in Crores)

| Particulars | Reserves and Surplus | | | | | | Other comprehensive income | | |
|---|---|---|---|---|---|---|---|---|---|
| | Equity Share Capital | Securities Premium (See Note 13(a)) | General Reserves (See Note 13 (d)) | Capital Redemption Reserve (See Note 13(b)(i)) | Debenture Redemption Reserve (See Note 13(b) (ii)) | Retained Earnings | Equity Instruments through Other Comprehensive Income (See Note 13(e)) | Total Other Equity | Total Equity |
| **As at 1 April 2017** | **111.69** | **643.22** | **1,333.96** | **100.00** | **17.89** | **74.14** | **82.85** | **2,252.06** | **2,363.75** |
| Profit for the year | - | - | - | - | - | 104.99 | - | 104.99 | 104.99 |
| Other comprehensive income / (loss) | - | - | - | - | - | 6.11 | 80.96 | 87.07 | 87.07 |
| Total comprehensive income for the year | - | - | - | - | - | 111.10 | 80.96 | 192.06 | 192.06 |
| Dividend paid on equity shares (See Note 13 (c)) | - | - | - | - | - | (61.43) | - | (61.43) | (61.43) |
| Dividend distribution tax (See Note 13 (c)) | - | - | - | - | - | (12.52) | - | (12.52) | (12.52) |
| Transfer to retained earnings (See Note 13 (b) (ii)) | - | - | - | - | (17.89) | 17.89 | - | - | - |
| Transferred to debenture redemption reserve | - | - | (60.42) | - | 60.42 | - | - | - | - |
| **As at 31 March 2017** | **111.69** | **643.22** | **1,273.54** | **100.00** | **60.42** | **129.18** | **163.81** | **2,370.17** | **2,481.86** |
| Profit for the year | - | - | - | - | - | 371.66 | - | 371.66 | 371.66 |
| Other comprehensive income / (loss) | - | - | - | - | - | 3.27 | (34.95) | (31.68) | (31.68) |
| Total comprehensive income for the year | - | - | - | - | - | 374.93 | (34.95) | 339.98 | 339.98 |
| Dividend paid on equity shares (See Note 13 (c)) | - | - | - | - | - | (61.43) | - | (61.43) | (61.43) |
| Dividend distribution tax (See Note 13 (c)) | - | - | - | - | - | (12.52) | - | (12.52) | (12.52) |
| Transferred to debenture redemption reserve | - | - | - | - | 60.42 | (60.42) | - | - | - |
| **As at 31 March 2018** | **111.69** | **643.22** | **1,273.54** | **100.00** | **120.84** | **369.74** | **128.86** | **2,636.20** | **2,747.89** |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

Mumbai : 2 May 2018

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors
**Rajashree Birla -** DIN: 00022995
**Pradip Kumar Daga -** DIN: 00040692
**Yazdi P. Dandiwala -** DIN: 01055000
**A. Dalal -** DIN: 00546264
**Sohanlal K. Jain -** DIN: 02843676

| | | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | NET PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | **639.11** | 140.60 |
| | NET PROFIT / (LOSS) BEFORE TAX FROM DISCONTINUING OPERATION | **(49.45)** | (28.90) |
| | Add / (Less) : | | |
| | Depreciation and amortisation on property plant and equipment | **286.19** | 286.59 |
| | Depreciation and amortisation on investment property | **30.50** | 29.51 |
| | Depreciation and amortisation on intangible assets | **1.19** | 0.96 |
| | Loss/(gain) on sale of property plant and equipment and investment properties | **(11.93)** | (6.40) |
| | Loss/(gain) on disposal of property plant and equipment of discontinued operations | **4.78** | - |
| | Allowance for credit loss | **0.10** | 1.27 |
| | Unrealized exchange (gain) / loss | **(0.13)** | (1.09) |
| | Unrealized exchange (gain) / loss on derivatives | **(1.32)** | (10.24) |
| | Interest income | **(15.49)** | - |
| | Interest on unwinding of other financial assets | **(33.83)** | (40.15) |
| | Interest expense | **451.69** | 550.75 |
| | Liability no longer required | **(47.08)** | (28.40) |
| | Dividend on investments | **(3.60)** | (2.99) |
| | | **661.07** | 779.81 |
| | **Working capital adjustments:** | | |
| | Decrease / (increase) in inventory | **85.95** | 8.64 |
| | Decrease / (increase) in trade receivables | **82.28** | 21.15 |
| | Decrease / (increase) in other financial assets | **20.19** | (76.09) |
| | Decrease / (increase) in other assets | **(69.72)** | (51.80) |
| | (Decrease) / increase in other financial liabilities | **218.55** | 80.49 |
| | (Decrease) / increase in trade payables | **22.30** | 124.38 |
| | (Decrease) / increase in provisions | **(27.58)** | (14.67) |
| | (Decrease) / increase in other liabilities | **751.11** | (16.00) |
| | Decrease / (increase) in other bank balance | **(8.14)** | (1.87) |
| | | **1,074.94** | 74.23 |
| | Cash generated from operations | **2,325.67** | 965.74 |
| | Add / (Less): | | |
| | Direct taxes paid | **(116.62)** | (25.71) |
| | **NET CASH GENERATED FROM OPERATING ACTIVITIES** | **2,209.05** | 940.03 |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property plant and equipment and intangible assets | **(170.21)** | (156.85) |
| | Interest received (finance income) | **15.49** | - |
| | Proceeds from sale of property plant and equipment and investment properties | **17.63** | 10.81 |
| | Purchase of investment property | **(61.27)** | (101.49) |
| | Dividend on investments | **3.60** | 2.99 |
| | Net movement in fixed deposits with bank | **(0.15)** | (2.46) |
| | **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | **(194.91)** | (247.00) |

| | Year Ended 31 March 2018 (₹ in Crores) | Year Ended 31 March 2017 (₹ in Crores) |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from borrowings | **795.99** | 1,935.40 |
| Repayment of borrowings | **(2,007.96)** | (2,235.41) |
| Net proceeds / (repayment) of short term borrowings | **(56.19)** | 707.88 |
| Dividend paid | **(61.43)** | (61.43) |
| Dividend distribution tax paid | **(12.52)** | (12.52) |
| Interest paid | **(453.06)** | (509.09) |
| **NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | **(1,795.17)** | (175.17) |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | **218.97** | 517.86 |
| Cash and cash equivalents at the beginning of the year | **(41.47)** | (559.33) |
| Cash and cash equivalents at the year end | **177.50** | (41.47) |
| **NON-CASH INVESTING AND FINANCING TRANSACTION** | | |
| Acquisition of property, plant and equipment by means of a finance lease | **12.21** | - |
| **Reconciliation of cash and cash equivalents as per the cash flow statements** | | |
| Cash and cash equivalents as per the above comprise of the following | | |
| Cash and cash equivalents (See Note 11) | **189.36** | 39.24 |
| Cash credit facilities (See Note 18) | **(11.86)** | (80.71) |
| Balance as per statements of cash flows | **177.50** | (41.47) |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors

**Rajashree Birla -** DIN: 00022995
**Pradip Kumar Daga -** DIN: 00040692
**Yazdi P. Dandiwala -** DIN: 01055000
**A. Dalal -** DIN: 00546264
**Sohanlal K. Jain -** DIN: 02843676

## 1. CORPORATE INFORMATION

Century Textiles and Industries Limited is a public Group domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Group is located at Century Bhawan, Dr. A. B. Road, Worli, Mumbai. The Group is principally engaged in manufacturing of Textiles, Cement, Pulp and Paper and development of Real estate.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 2 May 2018.

## 2A. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation procedure

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

During the year, on 26 December 2017, the Company has incorporated a wholly owned subsidiary Company viz. 'Birla Estates Private Limited' and prepared its first consolidated financial results. Since there are no significant transactions in the subsidiary, the current year figures are significantly same as standalone financial statements and previous year figures represent standalone financial results of pervious year.

**Standards issue but not yet effective**

Amendments to Ind 112 Disclosure of Interests in Other Entities

Amendments to Ind AS 28 Investments in Associates and Joint Ventures

These amendments are not applicable to the Group.

The note 2A(2.2) to 2A(2.24), 2B, 2C, 3 to 5, 7 to 10, 12 to 40 and 42 to 45 of the standalone financial statements form part of this consolidated financial statements. These notes are not reproduced herein to avoid duplication. Further the full consolidated financial statements and audited financial statements of subsidiary's are available on Company's website www.centurytextind.com.

## NOTE 6: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

| | | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|---|
| **A.** | **Investments carried at fair value through OCI** | | |
| | Quoted investments | **177.45** | 212.96 |
| | Unquoted investments (See note below) | **37.37** | 36.81 |
| | **Total (Quoted & unquoted investments)** | **214.82** | 249.77 |
| **B.** | **Amortised Cost** | | |
| | Quoted Government and trust securities | **8.54** | 8.54 |
| | Total [A] + [B] | **223.36** | 258.31 |

**Other disclosures**

| | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| Aggregate amount of quoted investments and market value thereof | **185.99** | 221.50 |
| Aggregate amount of unquoted investments | **37.37** | 36.81 |
| **Total** | **223.36** | 258.31 |

**Note:**

The Group is holding 35.28% of equity shares in Industry House Limited (IHL). As the company does not have significant influence over Industry House Limited, the company has not considered it as an associate as per Ind AS 28 " Investments in Associates and Joint Ventures" and hence not consolidated. The company's share of profit of Industry House Limited is ₹ 0.30 Crore on 31 March 2018 (31 March 2017 : ₹ 0.30 Crore)

## NOTE 11 : CASH AND BANK BALANCES

| | As at 31 March 2018 (₹ in Crores) | As at 31 March 2017 (₹ in Crores) |
|---|---|---|
| **Cash and cash equivalents** | | |
| (a) Balances with banks | | |
| - Current Accounts | **48.09** | 38.00 |
| - Debit balance in Cash Credit / Overdraft Accounts | **41.00** | 0.66 |
| (b) Cheques and drafts on hand | **0.12** | 0.08 |
| (c) Cash in hand | **0.12** | 0.50 |
| (d) Fixed deposits with original maturity less than 3 months (including interest accured) | **100.03** | - |
| Total | **189.36** | 39.24 |
| **Other Bank Balances** | | |
| (a) Earmarked balances with banks | | |
| - Unclaimed dividend accounts | **2.50** | 1.91 |
| - Fixed deposits (See note 38(e)) | **28.76** | 27.81 |
| (b) Balances with Banks: | | |
| - Fixed deposits with maturity more than 3 months (including interest accured) | **3.53** | 1.25 |
| - On margin accounts | **25.60** | 19.00 |
| Total | **60.39** | 49.97 |

**Note:**

(a) Short term fixed deposits are varying between three months and twelve months, depending on the immediate cash requirements and earn interest at the respective short term deposit rate. Interest rate is between 6.50% to 7.00%.

## 41 SEGMENT INFORMATION

### A. INFORMATION ABOUT BUSINESS SEGMENT - PRIMARY

(₹ in Crores)

| Sr. No. | Particulars | Textile | | Cement | | Pulp and Paper | | Real Estate | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2017-18 | 2016-2017 | 2017-18 | 2016-2017 | 2017-18 | 2016-2017 | 2017-18 | 2016-2017 | 2017-18 | 2016-2017 | 2017-18 | 2016-2017 |
| 1 | **Segment Revenue** | | | | | | | | | | | | |
| | Sales of products | **1,396.25** | 1,540.77 | **4,306.15** | 4,323.92 | **2,228.84** | 2,171.16 | **135.23** | 97.18 | **97.15** | 118.71 | **8,163.62** | 8,251.74 |
| | Less: Inter Segment Revenue | **3.48** | 3.36 | **-** | - | **67.17** | 87.15 | **0.83** | 0.75 | **-** | - | **71.48** | 91.26 |
| | Net Sales from Continuing Operations | **1,392.77** | 1,537.41 | **4,306.15** | 4,323.92 | **2,161.67** | 2,084.01 | **134.40** | 96.43 | **97.15** | 118.71 | **8,092.14** | 8,160.48 |
| | Sales from Discontinued Operations | | | | | | | | | | | **86.78** | 252.90 |
| | | | | | | | | | | | | **8,178.92** | 8,413.38 |
| 2 | **Result** | | | | | | | | | | | | |
| | Segment Result of Continuing Operations | **151.54** | 176.57 | **408.75** | 165.68 | **372.60** | 306.68 | **132.16** | 18.36 | **13.21** | 15.57 | **1,078.26** | 682.86 |
| | Loss from Discontinued Operations | | | | | | | | | | | **(49.45)** | (28.90) |
| | | | | | | | | | | | | **1,028.81** | 653.96 |
| 3 | **Other Information** | | | | | | | | | | | | |
| | Segment Assets[@] | **998.28** | 1,234.86 | **4,015.98** | 3,874.01 | **3,135.52** | 3,248.81 | **1,484.83** | 1,447.07 | **39.78** | 57.55 | **9,674.39** | 9,862.30 |
| | Add: Unallocated common Assets | | | | | | | | | | | **656.94** | 474.02 |
| | Total Assets | | | | | | | | | | | **10,331.33** | 10,336.32 |
| | Segment Liabilities[@] | **1,078.24** | 339.20 | **1,174.65** | 983.54 | **535.14** | 446.35 | **149.43** | 123.90 | **14.33** | 21.19 | **2,951.79** | 1,914.18 |
| | Add: Unallocated Common Liabilities | | | | | | | | | | | **4,631.65** | 5,940.28 |
| | Total Liabilities | | | | | | | | | | | **7,583.44** | 7,854.46 |
| 4 | **Capital Expenditure during the year (excluding advances)** | **77.10** | 12.71 | **83.40** | 40.28 | **28.46** | 57.53 | **65.42** | 110.79 | **-** | 0.57 | **254.38** | 221.88 |
| | Add: Unallocated Capital Expenditure | | | | | | | | | | | **24.22** | - |
| | | | | | | | | | | | | **278.60** | 221.88 |
| 5 | **Depreciation and amortisation *** | **50.55** | 49.42 | **114.44** | 108.98 | **116.80** | 124.31 | **31.23** | 29.73 | **0.25** | 0.25 | **313.27** | 312.69 |
| | Add: Unallocated Depreciation | | | | | | | | | | | **0.48** | 0.65 |
| | | | | | | | | | | | | **313.75** | 313.34 |

* Includes charged to Cost of Raising and transporting Limestone and Laterite.
@ Including projects under implementation.

Adjustments & Eliminations:
Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

## 41. SEGMENT INFORMATION (contd.)

### B. RECONCILIATION OF PROFIT

(₹ in Crores)

| | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|
| **Segment profit [A]** | **1,078.26** | 682.86 |
| **Unallocable Income/(Expense)[B]:** | | |
| Employee Benefit Expenses | **(14.78)** | (22.63) |
| Depreciation & Amortisation Expenses | **(0.48)** | (0.65) |
| Other Expense | **(25.48)** | (22.20) |
| Other Income | **49.48** | 55.67 |
| **Total** | **8.74** | 10.19 |
| **Finance Cost [C]** | **(451.69)** | (550.75) |
| Inter-segment Profit / (Loss) (elimination) [D] | **3.80** | (1.70) |
| **Profit before tax from Continuing Operations [A+B+C+D]** | **639.11** | 140.60 |
| Loss from Discontinue Operations | **(49.45)** | (28.90) |
| **Total Profit before Taxes** | **589.66** | 111.70 |
| **Add/(Less): Taxes** | | |
| Deferred Tax (Charge) / Credit | **(218.00)** | (6.71) |
| **Profit after Tax** | **371.66** | 104.99 |

### C. RECONCILIATION OF ASSETS & LIABILITIES

(₹ in Crores)

| | | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| I | **(A) Segment Operating Assets** | **9,674.39** | 9,862.30 |
| | **Unallocated Assets** | | |
| | **(B) Non-current Assets** | | |
| | Property, Plant and Equipment | **39.60** | 15.38 |
| | Investment Property under Development | **-** | 4.03 |
| | Other Intangible Assets | **0.01** | 0.01 |
| | Financial Assets: | | |
| | Non-Current Investments | **223.36** | 258.31 |
| | Others | **0.41** | 2.55 |
| | Non Current Tax | **98.71** | 57.72 |
| | Other Non Current Assets | **3.61** | 25.37 |
| | **Total Non-Current Assets (B)** | **365.70** | 363.37 |
| | **(C) Current Assets** | | |
| | Financial Assets: | | |
| | Cash and Cash Equivalents | **189.36** | 39.24 |
| | Bank balances other than above cash & cash equivalents | **60.39** | 49.97 |
| | Others | **31.66** | 17.44 |
| | | **281.41** | 106.65 |
| | Other Current Assets | **9.83** | 4.00 |
| | **Total Current Assets (C)** | **291.24** | 110.65 |
| | **Total Unallocated Assets (B+C)** | **656.94** | 474.02 |
| | **TOTAL ASSETS (A + B + C)** | **10,331.33** | 10,336.32 |

## 41. SEGMENT INFORMATION (contd.)

(₹ in Crores)

| | | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| II | **(A) Segment Operating Liabilities** | **2,951.79** | 1,914.18 |
| | **Unallocated Liabilities** | | |
| | **(B) Non-Current Liabilities** | | |
| | Financial Liabilities: | | |
| | Borrowings | **2,392.42** | 3,125.97 |
| | Other Financial Liabilities | **-** | 35.65 |
| | | **2,392.42** | 3,161.62 |
| | Long Term Provisions | **-** | 0.05 |
| | Deferred Tax Liability (Net) | **217.32** | 80.71 |
| | **Total Non-Current Liabilities (B)** | **2,609.74** | 3,242.38 |
| | **(C) Current Liabilities** | | |
| | Financial Liabilities: | | |
| | Short Term Borrowings | **1,451.13** | 1,522.44 |
| | Cash Credit Facilities | **11.44** | 65.39 |
| | | **1,462.57** | 1,587.83 |
| | Trade Payables | **6.75** | 4.22 |
| | Other Financial Liabilities | **59.46** | 0.07 |
| | Current Maturities of long term debts | **478.84** | 988.45 |
| | Other Current Liabilities | **10.63** | 101.40 |
| | Provisions | **3.66** | 15.93 |
| | **Total Current Liabilities (C)** | **2,021.91** | 2,697.90 |
| | **Total Unallocated Liabilities (B + C)** | **4,631.65** | 5,940.28 |
| | **Total Liabilities (A + B + C)** | **7,583.44** | 7,854.46 |

## D. SECONDARY SEGMENT

(₹ in Crores)

| I | Geographic information | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|---|
| | Revenue from external customers | | |
| | India | **7,649.68** | 7,759.48 |
| | Outside India | **442.46** | 401.00 |
| | **Total revenue per consolidated statement of profit or loss** | **8,092.14** | 8,160.48 |

(₹ in Crores)

| II | Non-current operating assets | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| | India | **7290.56** | 7343.69 |
| | Outside India | **-** | - |
| | **Total** | **7290.56** | 7343.69 |

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

## E. REVENUE FROM MAJOR PRODUCTS AND SERVICES

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

(₹ in Crores)

| Sale of Products | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|
| Cotton Fabric | **531.15** | 553.60 |
| Cotton Yarn | **82.79** | 38.16 |
| Rayon Yarn | **602.97** | 759.07 |
| Tyre Yarn and Fabric | **135.91** | 159.01 |
| Cement and Clinker | **4,306.14** | 4,323.93 |
| Pulp & Paper (including Paper Board / Straw Board) | **2,161.66** | 2,084.00 |
| Others | **128.86** | 146.29 |
| Rental Services | **142.66** | 96.42 |
| **Total** | **8,092.14** | 8,160.48 |

Composition of the business segment

| Name of the Segment | Types of products / services Comprises of: |
|---|---|
| a. Textiles | Yarn, Fabric, Viscose filament yarn, Tyre yarn & leasing of Viscose filament yarn & Tyre yarn plant |
| b. Pulp and Paper | Pulp, writing & printing paper, tissue paper and multilayer packaging board |
| c. Cement | Cement and clinker. |
| d. Real Estate | Leased Properties |
| e. Others | Salt works and Chemicals |

**F.** The Board of Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

**G.** No single customer contributed 10% or more to the Company's revenue for the year ended 31 March 2018 and 31 March 2017

**H.** The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2A. Segment profit represents the profit before finance cost and tax earned by each segment without allocation of central administration costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of allocation and assessment of segment performance.

Information required for consolidated financial statements pursuant to Schedule III of Companies Act, 2013:

**Summary of net assets, share in consolidated profit and share in other comprehensive income for the year ended March 31, 2018**

| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of consolidated net assets | Amount | As a % of consolidated net profit | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| **Parent company** | | | | | | | | |
| Century Textiles And Industries Limited | 100% | 2,747.84 | 100% | 371.66 | 100% | (31.68) | 100% | 339.98 |
| **Subsidiary** | | | | | | | | |
| Birla Estates Private Limited | 0% | 0.05 | 0% | - | 0% | - | 0% | - |
| **Total** | **100%** | **2,747.89** | **100%** | **371.66** | **100%** | **(31.68)** | **100%** | **339.98** |

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
Firm Registration Number 324982E / E300003

per **SUDHIR SONI**
Partner
Membership No: 41870

Mumbai : 2 May 2018

**ATUL K. KEDIA**
Vice President (Legal)
& Company Secretary

**R. K. DALMIA**
Chief Financial Officer

**D. K. AGRAWAL**
Whole-time Director
DIN: 00040123

Mumbai : 2 May 2018

For and on behalf of Board of Directors of
Century Textiles and Industries Limited

Directors

**Rajashree Birla -** DIN: 00022995
**Pradip Kumar Daga -** DIN: 00040692
**Yazdi P. Dandiwala -** DIN: 01055000
**A. Dalal -** DIN: 00546264
**Sohanlal K. Jain -** DIN: 02843676

(₹ in Crores)

| Particulars | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| Sales (Net of rebates and returns) & rent from leased properties | **8092.14** | 8160.48 | 8437.67 | 8034.44 | 7156.05 |
| Less : Excise Duty | **195.51** | 754.11 | 778.23 | 733.69 | 640.06 |
| | **7896.63** | 7406.37 | 7659.44 | 7300.75 | 6515.99 |
| Other Income (Including Operating Income) | **376.34** | 312.76 | 362.92 | 306.29 | 178.19 |
| | **8272.97** | 7719.13 | 8022.36 | 7607.04 | 6694.18 |
| **EXPENDITURE** | | | | | |
| Materials & Overheads (+ / - Stock Adj.) | **6868.42** | 6714.44 | 7294.15 | 6906.90 | 5948.46 |
| **(LOSS) FROM DISCONTINUING OPERATIONS** | **(49.45)** | (28.90) | - | - | - |
| **EARNING BEFORE TAX, DEPRECIATION AND AMORTISATION FROM CONTINUING OPERATIONS (EBITDA)** | **1355.10** | 975.79 | 728.21 | 700.14 | 745.72 |
| Less : Finance Cost | **451.69** | 550.75 | 587.65 | 484.62 | 362.80 |
| **PROFIT BEFORE DEPRECIATION AND TAX** | **903.41** | 425.04 | 140.56 | 215.52 | 382.92 |
| Less : Depreciation | **313.75** | 313.34 | 283.09 | 249.21 | 354.62 |
| **PROFIT / (LOSS) BEFORE TAX FROM CONTINUED OPERATIONS** | **589.66** | 111.70 | (142.53) | (33.69) | 28.00 |
| Less : Tax (Net) - Including Deferred tax from continuing & discontinued operations | **218.00** | 6.71 | (47.53) | (49.18) | 25.28 |
| **NET PROFIT / (LOSS)** | **371.66** | 104.99 | (95.00) | 15.49 | 2.72 |
| DIVIDEND (%) | **65** | 55 | 55 | 55 | 55 |
| **CASH PROFIT AFTER TAX** | **685.41** | 418.33 | 188.09 | 264.70 | 357.64 |
| BOOK VALUE PER SHARE | **264.21** | 222.19 | 211.62 | 203.34 | 187.80 |

**Note :** In respect of the above, the figures for the year 2013-14 & 2014-15 are as per pervious GAAP and for the years 2015-16 to 2017-18 are as per Ind As.

(₹ in Crores)

| | Particulars | STANDALONE | | |
|---|---|---|---|---|
| | | **Year ended 31 March 2018** | Year ended 31 March 2017 | Year ended 31 March 2016 |
| **I** | **ASSETS** | | | |
| | **NON-CURRENT ASSETS** | | | |
| | (a) Property, plant and equipment (including Investment property & CWIP) | **7,290.56** | 7,343.69 | 7,434.17 |
| | (b) Financial assets | **479.75** | 551.56 | 409.56 |
| | (c) Other non-current assets (Including Advance Tax) | **202.56** | 186.64 | 184.32 |
| | **Sub-Total - Non-Current Assets** | **7,972.87** | 8,081.89 | 8,028.05 |
| | **CURRENT ASSETS** | | | |
| | (a) Inventories | **1,178.55** | 1,264.50 | 1,273.14 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | **421.47** | 502.96 | 524.36 |
| | (ii) Cash and cash equivalents | **249.70** | 89.21 | 101.79 |
| | (iv) Other financial assets | **205.82** | 160.26 | 97.08 |
| | (c) Other current assets | **302.92** | 237.50 | 168.60 |
| | **Sub-Total - Current assets** | **2,358.46** | 2,254.43 | 2,164.97 |
| | **TOTAL ASSETS** | **10,331.33** | 10,336.32 | 10,193.02 |
| **II** | **EQUITY AND LIABILITIES** | | | |
| | **EQUITY** | | | |
| | (a) Equity share capital | **111.69** | 111.69 | 111.69 |
| | (b) Other equity | **2,636.20** | 2,370.17 | 2,252.06 |
| | **Sub-Total - Equity** | **2,747.89** | 2,481.86 | 2,363.75 |
| | **LIABILITIES** | | | |
| | **NON-CURRENT LIABILITIES** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | **2,392.42** | 3,125.95 | 3,283.03 |
| | (ii) Other financial liabilities | **97.52** | 44.56 | 23.12 |
| | (b) Provisions | **6.73** | - | - |
| | (c) Deferred tax liabilities (net) | **217.32** | 80.71 | 95.77 |
| | (d) Other non-current liabilities | **813.58** | 156.11 | 190.54 |
| | **Sub-Total - Non-Current Liabilities** | **3,527.57** | 3,407.33 | 3,592.46 |
| | **CURRENT LIABILITIES** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | **1,462.57** | 1,587.85 | 1,419.21 |
| | (ii) Trade payables | **681.80** | 705.82 | 609.91 |
| | (iii) Other financial liabilities | **1,182.09** | 1,490.11 | 1,538.76 |
| | (b) Provisions | **418.24** | 445.82 | 469.83 |
| | (c) Other current liabilities | **311.17** | 217.53 | 199.10 |
| | **Sub-Total - Current Liabilities** | **4,055.87** | 4,447.13 | 4,236.81 |
| | **TOTAL - EQUITY AND LIABILITIES** | **10,331.33** | 10,336.32 | 10,193.02 |

# NOTES

# NOTES


BIRLA CENTURY
A Division of Century Textiles and Industries Limited
WORLD'S FINEST COTTON TEXTILES
COMPANY CERTIFICATIONS
Is the 1st Indian Firm in Textile Industry to Receive
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B K BIRLA GROUP OF COMPANIES

B K BIRLA GROUP OF COMPANIES

## *The Group Logo - As represented by the 21st Century Atlas*

### Atlas, the Titan - *Collective Strength*

Atlas,bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

### The Sun - *Enlightenment and Growth*

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

### The Earth Segments - *Diversified Activities*

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

### The Globe - *Global Vision*

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

### The Base - *Solid Foundations*

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

### The Symmetry - *The Resilience, Versatility, and Stability*

Seen in its entirety, each of the elements -Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

**STRONG FOUNDATION • SUSTAINED GROWTH • PROVEN LEADERSHIP**


# CENTURY TEXTILES AND INDUSTRIES LIMITED

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