

CENTURY Textiles and Industries Limited

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E-Mail: centextho@centurytext.com Website: www.centurytextind.com
CIN-L17120MH1897PLC000163

OUR REF. :

SH/287/~~280~~/2017

14.08.2017

1. BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001
2. National Stock Exchange of India Ltd.
"Exchange Plaza" 5th floor,
Bandra Kurla Complex
Bandra (East), Mumbai-400 051.

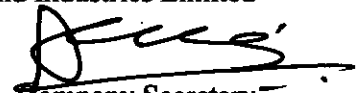
Dear Sir,

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report 2016-17 of our Company after being approved and adopted at the Annual General Meeting of the Company held on 9th August, 2017.

Please acknowledge the receipt.

Thanking you,

For Century Textiles and Industries Limited


Company Secretary



B K BIRLA GROUP OF COMPANIES



CENTURY TEXTILES AND INDUSTRIES LIMITED

120th Annual Report & Accounts

2016-2017



CHAIRMAN'S STATEMENT

Dear Shareholders,

The Indian economy witnessed gradual momentum in the year 2016-17 and it is expected to accelerate in future years in view of the Government's continuous efforts to push various financial and agricultural reforms, including technological improvements across all sectors, etc. RBI's focus on controlling inflation, increasing overall demand by reducing cost of lending etc. is continuing. Further, the Union budget proposals have brightened the prospects for the national economy to grow, with plans that are expected to boost investor confidence and provide impetus to the rural economy, which should improve overall demand.

One of the most variable and a critical factor for our diversified businesses is reducing the cost of manufacture and our Company has taken various initiatives for cost optimization and increasing efficiency, amongst other measures which have contributed to improved performance. In anticipation of the expected revival of our economy, the demand and prices of various products manufactured by the Company are likely to improve further.

I extend my sincere thanks to all our stakeholders including lending banks, shareholders, customers and our loyal, hardworking and committed employees for their unstinted support in shaping and improving the performance of the Company.

B. K. Birla
Chairman

BOARD OF DIRECTORS

(As on 12/05/2017)

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 EXECUTIVES AS ON 12/05/2017

TEXTILES

Century Textiles and H.O.

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

Birla Century, Century Yarn and Denim

Shri R.C. Panwar	Joint President (Marketing)
Shri Anurag Sharma	Chief Marketing Officer (Home Textiles)
Shri Sanjay Khimesra	Joint President (Works)
Shri Jagir Singh	Joint President (Operations) - Yarn & Denim

Maihar Cement Units I & II

Shri Pankaj Kumar Sharma 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

RAYON

Century Rayon, Tyrecord and Chemicals

Shri O.R. Chitlange	Senior President
Shri Subodh Dave	Joint President (Personnel & Administration)
Shri Apurva Gupta	Joint President (Rayon & Auxiliary)
Shri Arun Jhawar	Senior Vice President (Marketing)
Shri Yogesh R. Shah	Vice President (Finance)

BIRLA ESTATES

Shri K.T. Jithendran	Chief Executive Officer
Shri Manoj Fitkariwala	Head - Finance & Commercial
Shri Gaurav Jain	Head - Operations and Strategy
Shri Shodhan Kembhavi	Head - Legal

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 Agrawal	President & Unit Head
Shri M.K. Jain	Executive President (Plant) - Sonar Bangla Cement

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

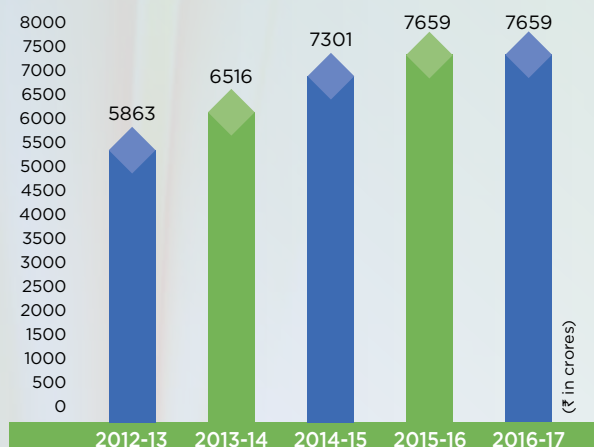
SRBC & CO. LLP, Mumbai

REGISTERED OFFICE

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

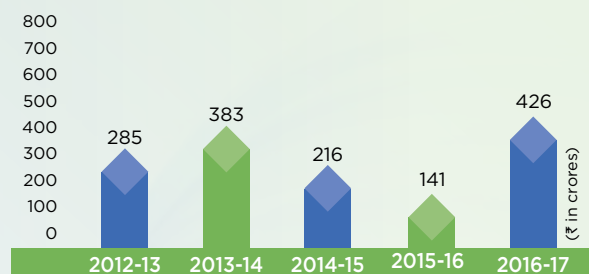
PERFORMANCE HIGHLIGHTS

NET SALES* & RENT FROM LEASED PROPERTIES#



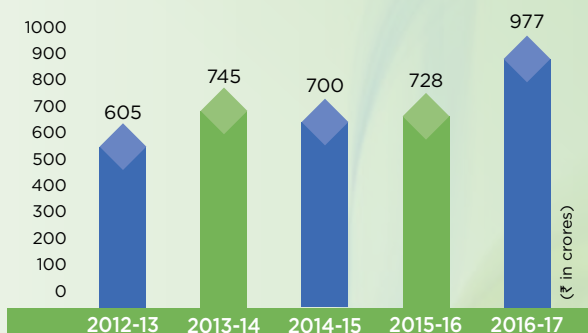
*Net Sales are net of excise duty

GROSS PROFIT AFTER INTEREST#



EBITDA#

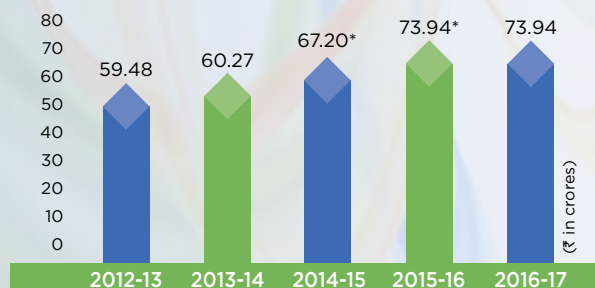
(Earning before Interest, Tax, Depreciation and Amortisation)



*In respect of the above, the figures for the years 2012-13 to 2014-15 are as per previous GAAP and for the years 2015-16 & 2016-17 are as per Ind-AS

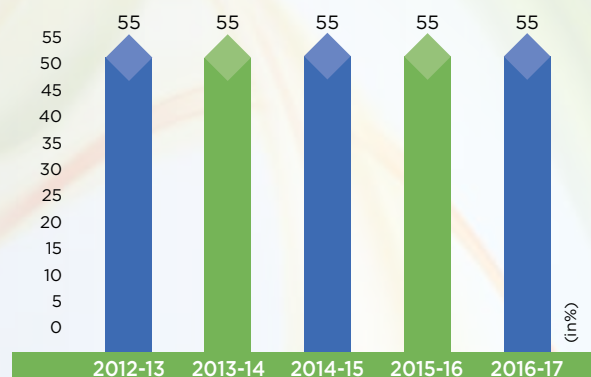
AMOUNT OF DIVIDEND

(including tax on it)



*Due to increase in share capital

RATE OF DIVIDEND



FABRICS AND MADEUPS

BIRLA CENTURY

Birla Century have installed "NAME WRITER JACQUARD" attachments on 25 Rapier & Airjet Looms to introduce in retail market fabric with "Name Selvedge" woven at both sides, offers authenticity to the customers about the brand, they trust and wear.

Also, Fabric aesthetics are greatly improved, giving credibility to our brand and eliminating the easy duplication possibility.

Initially we started name selvedge in premium yarn dyed segment but gradually expanding its coverage to fancy finer products as well as on cotton suiting fabrics.

These exclusive attachments on the looms, have given much more returns to the Brand Image and consumer connect.



NCQC AWARD



National Convention on Quality Concepts NCQC 2016

Birla Century participated in 30th National Convention on Quality Concepts NCQC 2016 held at Raipur and have won Three Excellence Awards, First Prize in Skit and Best Slogan award in Quality Circle.



Birla Century participated in the 4th Annual Convention on Quality Concepts (ACCQC-2016) held at Ankleshwar and have won Three Gold Trophies on Quality Concepts.

1. CERTIFICATIONS

- Oeko Tex Certificate received for upgradation from Product Class II to Class I (suitable even for Baby Skin).
- The ISO 9001: 2015 has been obtained for manufacture and supply of Industrial Chemicals from TUV Nord. ISO 9001: 2008 exists for the manufacture of viscose filament yarn which is being upgraded to ISO 9001:2015.

2. AWARDS

- CII Certificate for Excellence in Energy Management 2016 received for being the “Energy Efficient Unit” in the competition held at Hyderabad.

3. ENERGY CONSERVATION SCHEMES

Century Rayon in PAT Cycle -1 was able to reduce the specific power consumption more than the target as a result of which Ministry of Power has issued the 12420 Ecert. The major contributors being as following –

- Energy efficient pumps for Spinbath
- Energy efficient motors for Press Lye Pump, Spray Water Pump & AT Booster Water Pump
- Installation of VFD's for soft water pump, filter pump, air washers and air compressors
- LED lights in place of conventional lights
- Reduction in radiation loss by extra insulation/ refractory coating of AFBC boiler & Turbine
- Mist Cooling tower in place of Conventional Mechanical Draft Cooling Tower
- Fanless Jet type cooling tower in place of Induced Draft Cooling Tower

4. TOTAL QUALITY MANAGEMENT

- Century Rayon participated in the CII's 29th State Level Quality Circle and One Quality Circle out of the 3 participants won the 3rd prize at the Competition held at Kolhapur on 21st September 2016.
- 2 Gold (1st Place) and 2 Silver (2nd Place) were achieved by 4 quality circles who participated at QCFI's Chapter and National Convention 2016.
- 3 “Sujhav Ratan” Awards from INSSAN (Indian National Suggestion Schemes' Association) were received by Century Rayon at the 18th Creativity Summit held at New Delhi in August 2016.



AWARDS

Various Cement Divisions of the Company have received notable awards as mentioned below

CENTURY CEMENT

- 1) First Prize for “Overall Performance” and “Storage, Transport & Use of Explosive” for its limestone mines during Annual Safety Celebrations-2016 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 2016-17 from Indian Bureau of Mines, Raipur.
- 3) 4 Star rating awarded by the Indian Bureau of Mines, Ministry of Mines, Government of India to its limestone mines for exemplary performance in implementation of the Sustainable Development during the year 2015-16.



MAIHAR CEMENT



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 during 2015-16.



Maihar Cement won first prize for “Overall Performance” and “Systematic & Scientific Development” for its limestone mines during 26th Mines & mineral conservation week 2016-17 from Indian Bureau of Mines, Jabalpur Region.

MANIKGARH CEMENT

- First Prize for the “Overall Performance” for its limestone mines in the category of highly mechanized mines during the Mines Environment and Mineral Conservation Week 2016-2017 held under the aegis of Controller General, Indian Bureau of Mines, Nagpur.
- 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 during 2015-16.
- Premium Quality Circle from process and mechanical department of cement mill area with their case study- “To reduce power consumption of compressor during fly ash bulker unloading” won Gold Award in the 27th Nagpur Chapter level Convention and Competition on Quality Circles held at Nagpur on 25th September, 2016 and was honored with Excellence awards in the National Level Convention & Competition on Quality Circles held at Raipur in December, 2016.



PULP & PAPER

PROTECTING ENVIRONMENT

We at Century always have a strong endeavor to protect our Environment and Natural Resources.

Hence, we make every attempt, through all our operating processes and systems, not only to make best use of limited available resources, but also keeping in mind a clean environment for the society at present and in the future.

In this process, now our products are being FSC certified. This certification signifies that the product comes from responsible sources – environmentally appropriate, socially beneficial and economically viable. FSC standards helps, not only in getting cleaner air and water for the society at large, but also contributes to mitigate the effects of climate changes upon the environment.



ACCOLADES

Energy Efficient Award



Energy conservation & its effective management, remain on the top priority for the Pulp & Paper plant. As a result, consecutively second time, Century Pulp & Paper, Lalkua has won “National Energy Efficient Unit” award in Paper sector, by Confederation of Indian Industry (CII), in its 17th National competition held for “Excellence in Energy Management-2016”.

Agro-Industrial Exhibition Award



In the 100th & 101st “Agro-Industrial Exhibition-2016” and “Agro-Industrial Exhibition-2017” respectively organised by and held at G B Pant University of Agriculture & Technology, Uttarakhand, Century Pulp & Paper has received First prize.

During last eleven consecutive exhibitions, ten times Century Pulp & Paper was adjudged First position.

Export-import Star Award



Century Pulp & Paper has also been awarded 2nd position in “CONCOR EXIM Star Award – 2016” in the North Zone, towards valuable association in Export and Import categories.

Directors' Report

Dear Shareholders,

We have pleasure in presenting the 120th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March, 2017. The financial results for the year are shown below. The working and operational parameters of all the plants of the Company were quite satisfactory during the year. The overall profitability for the accounting year 2016-17 has improved as compared to the last year after charging all expenses, interest etc. Labour relations at all the plants are cordial and an atmosphere of mutual trust and confidence prevails.

1. SUMMARISED FINANCIAL RESULTS AS PER IND-AS:

(₹ in crores)

	2016-17	2015-16
Earnings before finance cost, tax, depreciation and amortisation (EBITDA)	976.56	728.21
<u>Less:</u>		
Finance Cost	550.75	587.65
Profit after Finance Cost	425.81	140.56
<u>Less:</u>		
Depreciation	314.11	283.09
Profit / (Loss) before tax	111.70	(142.53)
<u>Less:</u>		
(Excess) / Short Provision for tax adjustments in respect of earlier years (Net)	-	(0.76)
Deferred Tax Debit / (Credit)	6.71	(46.77)
Net Profit / (Loss)	104.99	(95.00)
<u>Retained Earnings</u>		
Balance brought forward	74.14	155.60
Profit for the year	104.99	(95.00)
Other Comprehensive Income	6.11	0.05
	185.24	60.65
<u>Available Profit & (transfers) dealt as under:</u>		
Transfer to/(from) General Reserve	-	(80.69)
Equity Dividend paid	61.43	55.83
Tax on equity dividend	12.52	11.37
Transfer from Debenture Redemption Reserve	(17.89)	-
Balance carried forward	129.18	74.14
	185.24	60.65

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 55% i.e. ₹ 5.50 (Rupees five and paise fifty) per share, of the face value of ₹ 10/- each, for the approval of the shareholders. Last year the dividend was paid at the same rate. 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. SHARE CAPITAL:

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

4. EXPORTS:

The total exports of the Company amounted to ₹ 454 crores (Previous year ₹ 504 crores) representing about 5 percent of the gross sales.

5. EXPANSION & MODERNISATION:

a) Rayon, Tyre Cord & Chemicals

- Installation of 9 PSY machines for production of more Super Fine Deniers and process debottlenecking for increasing production.
- Installation and commissioning of Air Texturising Yarn facility.
- Modernisation of Water Treatment Plant to comply with the new regulations of MPCB for water discharge.

b) General

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.

6. DIRECTORS:

- (a) Pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Rajashree Birla (DIN 00022995) retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for the re-appointment. The Board recommends her re-appointment.

(b) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and 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 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 judgment, 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, five 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.

7. AWARDS, CERTIFICATES, PRIZES:

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

(a) Textiles:

- Birla Century is the first integrated fabric manufacturing unit in India which cleared Sustainable Textile Production (STeP) certification with highest rating from Hohenstein (Germany).

- Birla Century also qualified as the first unit in textile sector for Made In Green (MIG) Tag from Hohenstein (Germany).

The above denotes that the products manufactured by the plant are Eco-friendly and under Green & sustainable environment.

(b) Rayon, Tyre Cord & Chemicals:

- CII Certificate for Excellence in energy Management 2016 received for being the "Energy Efficient Unit" in the competition held at Hyderabad.
- 2 Gold (1st Place) and 2 Silver (2nd Place) were achieved by 4 quality circles who participated at QCFI's Chapter and National Convention 2016.
- 3 "Sujhav Ratan" Awards from INSSAN (Indian National Suggestion Schemes' Association) were received at the 18th Creativity Summit held at New Delhi in August 2016.

CERTIFICATIONS

- Oeko Tex Certificate received for upgradation from Product Class II to Class I (suitable even for Baby Skin).
- The ISO 9001 has been updated to 2015 version for Manufacture & Supply of Industrial Chemicals by TUV Nord. ISO 9001: 2008 exists for the manufacture of viscose filament yarn.

(c) Century Cement:

- First Prize for "Overall Performance" and "Storage, Transport & Use of Explosive" for the limestone mines during Annual Safety Celebrations – 2016 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 2016-17 from the Indian Bureau of Mines, Raipur.

(d) Maihar Cement:

- First Prize for the "Overall Performance" and "Systematic and Scientific Development" for its limestone mines in the category of mechanized mines during the 26th Mines Environment and Mineral Conservation Week 2016-17 from the Indian Bureau of Mines, Jabalpur region.

(e) Manikgarh Cement:

- First Prize for the "Overall Performance" for its limestone mines in the category of highly mechanized mines during the Mines Environment and Mineral Conservation Week 2016-2017 held under the aegis of Controller General, Indian Bureau of Mines, Nagpur.

(f) Century Pulp & Paper (CPP):

- During the year, Century Pulp & Paper, Lalkuan participated in 100th and 101st "Agro-industrial Exhibition – 2016 and 2017" organised by and held at G B Pant University of Agriculture & Technology, Pant Nagar and Century Pulp & Paper has been adjudged First position.

During last eleven consecutive such exhibitions, ten times Century Pulp & Paper has stood First.

8. 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 last Annual General Meeting of the Company. 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 at the ensuing Annual General Meeting of the Company. Such ratification will be obtained every year during their term of appointment.

9. AUDITORS' REPORT:

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

10. 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 2015-16 was filed with the Ministry of Corporate Affairs on 6th September, 2016. 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 and appointed Shri M.R. Dudani, Cost Accountants, to audit the cost accounts of the Rayon & Chemicals products on a remuneration of ₹ 2.08 lacs for the year 2017-18.

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 members' ratification for the remuneration payable to M/s. R. Nanabhoy & Co. and Shri M.R. Dudani, Cost Auditors, is included in the Notice convening the Annual General Meeting of the Company.

11. 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, 2018. The Secretarial Audit Report for the year ended 31st March, 2017 is annexed herewith as '**Annexure-I**' to this Report. The Secretarial Audit Report does not contain any adverse qualification, reservation or remark.

12. 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.

13. 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 Financial Statements.

14. 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, 2017 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.

15. KEY MANAGERIAL PERSONNEL:

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

16. 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.

17. 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 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.

18. 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 is 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.

19. 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.

20. 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. Dandiwalla, one of the Directors of the Company is a Senior Partner in the said firm of Solicitors.

21. DECLARATION BY INDEPENDENT DIRECTORS:

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

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

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 involved. 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 crores. 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. The case is now pending before the COMPAT.

23. 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. 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.

24. INDIAN ACCOUNTING STANDARDS (IND AS) IFRS CONVERGED STANDARDS:

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company has adopted IND AS with effect from 1st April, 2016.

25. ASSOCIATE COMPANIES:

The Board of Bander Coal Co. Pvt. Ltd., your Company's associate, has initiated the process of closure of the said associate as there is no business left with it.

26. 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**'.

27. 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.

28. 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.

29. 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 31st March, 2017 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 120th 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.

30. 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**'.

31. 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: 12th May, 2017

On behalf of the Board,

D.K. AGRAWAL
Whole-time Director

Y.P. DANDIWALA
Director

Management Discussion And Analysis Report

This report covers the operations and financial performance of the Company for the year ended 31st March, 2017 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 increased satisfactorily as compared to the previous year due to operational efficiency and various cost control measures undertaken by the Company at all levels. Further, reduction in interest cost due to lowering of interest rate by banks and good working capital management, has helped in achieving a net profit during the year under review.

Due to Government's thrust on affordable housing and development of infrastructure viz. roads, bridges, ports, metro rail etc., it is expected that there would be a firm demand for cement and hence, the prospects for the cement segment appear positive. With the spread of education and continuing thrust of the Central Government on promoting education at all levels, the Company expects the demand for and prices of paper are likely to rule firm, resulting in continued good performance of the segment. Moreover, reduction in wood prices also helped in improving the performance of the Pulp & Paper segment. Viscose Filament Yarn (VFY) and Rayon Tyre Yarn are expected to maintain a steady performance based on stable prices and demand. Although cotton textiles and yarn faced various challenges during the year, including sluggish demand in domestic and export markets, the possibility of a pickup of demand from USA and other importing countries for textile products is likely to improve the performance of this business segment.

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:

Textile industry is facing tough times due to the adverse market scenario in domestic and export markets. India is the second largest exporter after China of textiles and apparel products having 6% share in the global trade. However, the market pickup to improve export performance is still to happen.

Our focus remains on value added products and new product development to cater to the niche segment of the market.

b) Opportunities & Threats:

Positive steps taken by the Central Government for the textile industry, from allocation of funds to giving extra rebate to exporters (mainly on made-ups) and various other benefits, are expected to improve investment in this sector and provide more business opportunities in the near future.

With increasing capacities of man-made fibres as compared to cotton, the preferred shift of the consumer to use products of man-made fibres i.e. viscose, polyester, polyamide, acrylic, etc. and its blends, is expected. Presently in India, the consumption of textile products is 65% made of cotton and 35% made of man-made fibres as against the reverse trend overseas.

c) Segmental Review and Analysis:

The financial performance of our textile units at Bharuch in Gujarat and near Indore (M.P.) has been adversely affected due to sluggish market conditions in domestic and export markets. Further, cotton prices have also increased which add to the overall manufacturing cost to the Company.

To overcome various challenges and a highly competitive business environment, we have taken various initiatives for the development of value added products, to reduce operational costs, exploring new markets and to achieve better margins. However, we will continue to endeavor to increase our exports and we are hopeful of doing so.

d) Risks and Concerns:

The rupee is strengthening against the dollar and other currencies. Hence, there will be pressure on margins in exports. The cotton prices have also increased and to a certain extent, the increase has been absorbed in yarn sales. But, due to lower demand, the prices have not increased in finished fabrics, made-ups and garments, which is a matter of concern.

e) Outlook:

The present consumption of global man-made fibre product is 65% of the textile trade as against 35% in India. The trend in India is also shifting towards use of man-made fibre products. In order to satisfy the taste of customers in future, we have developed innovative products with man-made fibre and its blends which have been appreciated and

approved by the customers. We are also initiating the launch of own brand for home textile products in USA in time to come.

With the above and focus on cost optimization, we expect the outlook to be satisfactory.

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

a) Industry Structure and Development:

The year under review witnessed increased consumption of VFY (PSY&CSY) in China, as well as in India in meterage terms, which also happen to be dominant production centers for these yarns. The spurt in demand, coupled with increased consumption in Pakistan, has led to more than 90% capacity utilization by Chinese producers for the first time in many years. It also helped Indian producers, not only to maintain low inventory, but also to undertake efforts of debottlenecking, and increasing production, to some extent.

Due to stringent environmental control norms in China and the new pollution control norms in India, new entrants are not likely to come up in the field of VFY production, which will help existing units to perform well in this segment.

Encouraged by the penetration of products introduced by the unit into the value added segment, as well as new product development, the unit has applied for increasing its capacity from the existing 25000 TPA to 30000 TPA to the Ministry of Environment and Forests & Climate Change which has already been cleared. The application for consent to operate, is being filed with the Maharashtra Pollution Control Board.

The Indian Rupee continues to gain strength against the US Dollar thus making exports less competitive, as well as import from China, looking more attractive.

b) Opportunities and Threats:

In the recently concluded Paris Fashion show, VFY emerged as the preferred choice in fashion fibre, thus reaffirming that in the long run, our products would continue to find favour with leading fashion designers. Sensing this opportunity, the unit has drawn up plans to introduce a new product i.e. Air Texturising Yarn and would perhaps be the first unit in the organized sector to offer this product in the market.

Opportunities are being explored to introduce blended fabrics of VFY with Cotton and Nylon, and a team of dedicated experts has been formed to identify avenues in this regard. Substitution of Polyester and Nylon in the Rayon filament market is witnessing a decline.

Initiatives undertaken by the unit to offer its product as substitute to silk have had a positive impact and it is expected that the unit will be able to maintain its lead in this segment over competitors.

In Rayon Tyre Yarn, the unit may face the threat of losing its market share due to not having an integrated manufacturing unit for dipped fabrics.

The industry continues to witness a shift towards super fine deniers, which are fetching a premium price and offering better margins to the weavers, as well as producers of yarn. This would however, require Indian producers to invest in additional spinning and textile capacities to cater to the demand.

c) Segmental Review and Analysis:

Increased consumption in the domestic market and low inventories helped domestic VFY producers to raise their prices to partly offset the increase in input cost. This has led to the unit maintaining its operating margin. Efforts of the unit towards cost optimization continue to yield good results. While the unit would be able to operate at 100% capacity utilization across VFY and Rayon Tyre Yarn, the Chemical segment remains a major challenge due to excess supplies in the western region.

Demand for Rayon Tyre Yarn across Europe, Japan and USA continues to be steady and the unit has been able to conclude orders for 2017, ensuring full capacity utilization in this business. However, Euro-Rupee parity has witnessed a substantial downward trajectory which will impact the operating margins in this segment until the situation changes.

The market for Carbon-di-Sulphide (CS₂), Sulphuric Acid, Caustic Soda Lye, Hydrogen and Liquid Chlorine, continued to witness volatility, both in quantity and price, which has brought down operating margins to a lower level. Supplies from other producers in the western region forced the unit to readjust prices of these products, to remain competitive in the market.

The revision in tariff by the Maharashtra State Electricity Board (MSEB), particularly for units like us, who are drawing its power on a 22 KV line has led to a negative impact on the operating margins.

The ever increasing power cost and considering that the division is drawing power on a 22 KV line, the unit has drawn out a scheme for replacement of this line by a 100 KV line which should bring down the cost of electricity and will pave the way for reduction in overall cost.

d) Risks & Concerns:

Though, changes in Rupee:Dollar parity would lead to saving in raw material cost and cost of process chemicals to some extent, the overall low realization in exports of VFY as well as Rayon Tyre Yarn may have an adverse impact on operating margins.

Though yet to be notified, the new stringent environmental norms are a matter of concern for the industry, though the Ministry of Environment, Forest and Climate Change (MoEF&CC) has assured to take into consideration the representation made by the VFY Industry through the Association of Man-Made Fibre Industry in India (AMFII).

Anti Dumping Duty levied on imports emanating from China is due for review in May 2017. The Chinese association has already filed a petition with the Government of India to waive this duty. The Review hearings are likely to commence in the month of May, 2017.

With rapid urbanization in the close vicinity of the plant, the unit would be compelled to invest more on environment protection systems and practices, leading to a possible increase in the cost of production.

e) Outlook:

Doubled and Twisted yarn, introduced by the unit last year, has been well accepted in the market. The unit has established its lead in the super fine denier segment of CSY in the market.

With benefits of cost optimization likely to be realised in power and labour coupled with expansion / modernization as mentioned in the Directors' Report, the outlook of the unit is expected to remain positive.

2.2 Business Segment – Cement (Cement & Clinker)

a) Industry Structure and Development:

The Indian Cement Industry has a capacity of more than 425 million tonnes and is the second largest cement industry in the world.

Cement industry has made rapid progress in the last one decade, not only in the number of plants and the total installed capacity, but now it also has the distinction of being one of the most cost competitive, efficient cement industry in the world.

Cement production in India is expected to be about 279.81 million tonnes as compared to 283.46 million tonnes in FY 2015-16 witnessing a de-growth of about 1.29%. Sentiments related to growth were positive with the agrarian and rural economy benefitting from a good monsoon after two successive rain-deficient years but after the government withdrew high denomination notes in November 2016, there was de-growth in cement production. Cement industry is facing lower capacity utilization. The gap between demand and supply is likely to shrink when major infrastructure projects come into play.

The liquidity in the economy is moving towards normalization. With expectations for revival and growth in overall consumption across several sectors including construction and building materials, the outlook for FY 2017-18 appears to be positive.

b) Opportunities and Threats:

The Government's strong focus on infrastructure development such as roads, highways, coastal connectivity roads, irrigation, affordable housing, metro rail projects, etc. will give a much needed fillip for cement demand in the coming years.

c) Segmental Review and Analysis:

During the FY 2016-17, the Company has produced 99.08 lac tonnes of cement as compared to 102.14 lac tonnes in the previous year, witnessing a de-growth of 3%. Lower production was mainly due to poor demand of cement in the months from November 2016 to February 2017 due to demonetization of bigger denomination notes.

Various initiatives undertaken for cost optimization and increasing efficiency have led to a decrease in the cost of production. Cement division reported improved performance as compared to the previous year with higher profitability in each of the quarter on Y-o-Y basis. The Company continues to focus on reducing the overall cost of fuel as well as shifting its dependence on linkage and imported coal by use of petcoke.

The Company is implementing various measures to enhance its brand equity, visibility and price positioning.

d) Risks and Concerns:

Cement industry has been experiencing a host of problems due to the dwindling supply of coal by coal companies in last couple of years; the satisfaction of linked coal supply has dropped to 24% of the total fuel requirement of the industry from a comfortable 69% in 2002-03. The balance requirement is met through procurement from the open market and use of petcoke. High taxation also remains a matter of concern for the industry.

e) Outlook:

In India, the per capita cement consumption is about 218 kg which is far less than the world's average of about 536 kg. The potential for higher consumption of cement is thus very large, as India's per capita consumption grows closer to the world average. The prospects of the country's cement industry are linked to the economic growth. India is moving on to a higher growth trajectory and to that extent, the cement sector is poised for a pickup in growth.

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

a) Industry Structure & Development:

The paper industry, being in the commodity sector, is strongly co-related with the domestic and global economic factors. The balance between demand and supply at the domestic level is determined by the economic scenario in the developing and developed countries.

Based on the recent shut down of some domestic capacities and expected growth in the country's GDP, it is likely that the domestic paper industry will grow at a reasonable pace along with the economy, from a medium to long-term perspective.

b) Opportunities and Threats:

Large part of country's young population, having higher quantum of disposable income, generate a demand for better quality products and services. These symptoms are also strongly visible, with increased growth in value added paper products in the domestic market.

Education being the primary focus by the Central and State Governments, and the impetus in the country's economy, especially after demonetisation, should provide an opportunity for the paper industry to grow.

With the Rupee getting stronger against the Dollar, the possibility of paper and paper products being imported mainly from the neighbouring countries would remain a threat for the Indian paper industry.

c) Segmental Review and Analysis:

During the year 2016-17, quarter over quarter, this segment continued to improve its performance.

Indian industry as well as the economy went through a difficult second half, as compared to the first half. Despite this, during the year ended 31st March, 2017, the segment achieved a Y-o-Y growth of 5 to 7% in both, sales volume and in its revenue. With its state of the art machines, comprehensive product range and improved operational efficiency, by effectively utilising multiple fibre options almost in all production lines, the Company is well placed in the market.

With a strong demand for our value added & quality products, in future, we are hopeful of a good growth in our volumes and further improvements in contribution margins.

d) Risks and Concerns:

Continuous availability of raw material, mainly wood and coal, at reasonable prices, remains a major concern for the Indian paper industry.

The supply of bagasse has also been adversely affected and is unpredictable in future, as other lucrative industrial usages of bagasse have been found.

Some medium and small manufacturing set-ups, which enjoy lower cost of production, by upgrading quality of their products, give good competition to large units in terms of quality as well as pricing.

e) Outlook:

Further strengthening of the Rupee against the Dollar can create an opportunity for import, which may result in pricing pressure for a short term outlook. But, the medium to long-term outlook of the Indian paper industry appears to be strong, and will grow in line with the country's GDP and economy.

2.4 Business Segment – Real Estate

a) Industry Structure and Development :

The real estate sector is one of the most globally recognized sectors. The real estate sector in India has witnessed unprecedented change in the last few years and has been at the forefront of Indian Government's agenda on account of its potential to propel economic growth significantly. Real estate sector constitutes around 7.7 per cent of India's GDP in 2016-17. Real estate has forward and backward linkages with more than 250 different sectors and is one of the largest employment generator in India and slated to grow substantially over the next decade.

b) Opportunities and Threats:

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Further affordable housing initiative will be a big boost for this sector.

The real estate sector in India is witnessing a series of fundamental reforms on regulatory and macroeconomics fronts such as implementation of Real Estate (Regulation and Development) Act establishing a State Real Estate Regulatory Authority ("RERA") to monitor the real estate sector, which is effective from 1st May, 2017, establishing the regulatory framework for listing of Real Estate Investment Trusts, low interest rate regime, implementation of Goods and Services Tax. These changes are expected to result in significant benefit for the real estate business.

Fluctuation in market conditions may affect the ability to sell units at expected prices which could adversely impact revenue and earnings.

c) Segmental Review and Analysis :

Birla Estates was set up as a real estate division of the Company with the aim of unlocking value from existing land parcels which the Company holds in Mumbai, Kalyan and near Pune. Birla Aurora, adjacent to Century Bhavan, Mumbai, has been leased out to the extent of about 90%. Birla Centurion (on erstwhile Century Mill's land) has also been leased out to the extent of about 60%. Efforts for complete lease out are continuing.

Both Birla Aurora and Birla Centurion have been awarded LEED Platinum Rating by Indian Green Building Council. This certificate confirms that these two buildings were built with utmost care to achieve better environment and energy savings.

Master plan is being finalised for development of existing land parcels at Worli and Kalyan. Necessary steps are being taken to procure various government approvals which will pave the way for smooth progress. Active discussions are on with other land owners to explore development possibilities. The government has proposed a draft of new DCR 2034, which if implemented, may substantially increase the potential of development in Mumbai. As of now, it is expected to be finalized in next few months.

d) Risk And Concerns :

Despite being one of the largest employers in the country, this sector faces risk of high attrition of skilled and trained manpower. Technologically less labour intensive alternative methods of construction need to be adopted.

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

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability.

e) Outlook :

With the interest rate being at near bottom level, reality sales volume has started to steadily move up. The entire picture is changed now particularly with RERA, which will help large developers, those that can adapt and serve market better.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

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 follow-up action required. The Company conducts its business with integrity and high standards of ethical behaviour and in compliance with the laws and regulations that govern its business.

4. Highlights of the Company's Financial Performance as per IND-AS:

(₹ in crores)

Particulars	2016-17	2015-2016
1. Revenue from Operations (Gross)	8,653.53	8,745.19
2. Earnings before finance cost, tax, depreciation and Amortization (EBITDA)	976.56	728.21
3. Less: Finance Cost	550.75	587.65
4. Profit before depreciation, amortisation and taxation.	425.81	140.56
5. Less: Depreciation and amortization	314.11	283.09
6. Profit / (Loss) before taxation	111.70	(142.53)
7. Less: (Excess) / Short Provision for tax adjustments in respect of earlier year (Net)	-	(0.76)
8. Less: Deferred Tax Debit / (Credit)	6.71	(46.77)
9. Net Profit / (Loss)	104.99	(95.00)

Revenue from operations (net) of the Company has decreased by about 1% mainly on account of selling prices which remained under pressure. In case of Cement, the volumes have fallen by about 4% whereas in case of Pulp & Paper, there has been increase by 7% in the volumes. In the Textile segment also, the volumes have marginally fallen due to lower demand. EBITDA has increased as compared to last year by 34% 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, 2017 was 12868 (13107 as on 31st March, 2016). Human resource is one of the key elements to achieve the objectives and strategies of the Company. The Company, therefore, looks at its employees as "Capital Assets". It provides to its employees a fair and equitable work environment in which senior colleagues provide ample support to their junior colleagues with a view to develop their skills and capabilities. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment.

6. Health and Safety Measures:

The Company firmly believes that without safe, clean environment and healthy working conditions, the overall economic growth cannot be achieved and maintained. The Company focuses on energy conservation and maintaining a clean sustainable environment by promoting the usage of eco-friendly fuels, recycling of waste water.

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 global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, 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.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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. A.B. 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, 2017 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, 2017 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) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (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.

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 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 the Company has -

- (i) Allotted 9000 Secured, Listed, Rated Non-Convertible, Non-Cumulative, Redeemable, Taxable Debentures of ₹ 10,00,000/- each on private placement basis aggregating to ₹ 900 crores.
- (ii) No Delisting / buy-back of securities. 4000 Secured, Listed, Non-Convertible, Non-Cumulative, Redeemable, Taxable Debentures of ₹ 10,00,000/- each issued on private placement basis aggregating to ₹ 400 crores redeemed on maturity.
- (iii) No Merger / amalgamation / reconstruction.
- (iv) No Foreign technical collaborations.
- (v) No Employee stock options/ Employee Stock Purchases.

For Gagrani & Gagan
Company Secretaries

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

Place : Mumbai
Dated: May 12, 2017

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 12th May, 2017.

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:

Profit/Loss (-)	
Year	Amount (₹ in crores)
2013-14	28.32
2014-15	- 34.69
2015-16	- 79.54
Total	- 85.91

Average net profit of previous 3 years ₹ (-) 28.63 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

Y.P. DANDIWALA

Chairman

CSR Committee

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

- Mist Cooling system in ETRP for power consumption.
- New feed pump in Boiler.
- Replacement of low temp water by high temperature in merceriser.

Rayon, Tyre Cord & Chemicals Divisions

- Energy efficient motors for Press Lye Pump, Spray Water Pump & AT Booster Water Pump.
- VFD's for soft water pump, filter pump, air washers and air compressors.
- Multi fuel Boiler in place of Solid fuel Boiler in Chemical Plant.
- Mist Cooling tower in place of Conventional Mechanical Draft Cooling Tower.

Cement Divisions

- VVVF (Variable voltage variable frequency) drive in material handling & pollution control equipment at Maihar Cement Unit No.2 and Sonar Bangla Cement.
- Lower rating blower in place of high rating compressor in Coal VRM at Maihar Cement.
- Lower rating compressor in place of high rating compressor in Cement Mill and Packing Plant area at Maihar Cement Unit No.2.
- RABH reverse air fan interlocking done with respect to differential pressure of RABH at Manikgarh Cement Unit.II.
- Compressed air purging has been interlocked with differential pressure of bag filters at Sonar Bangla Cement.
- Hot air generator at Sonar Bangla Cement.
- LED lights in place of conventional light fitting at all cement units.

Pulp & Paper Division

- VFD in 21 & 16 MW TG cooling Tower circulation pumps, resulted in saving of 150 & 100 KWH respectively.
- Modification in Boiler Feed water line of ABL and BHEL boilers to optimize the running of Boiler feed water pumps of these boilers, resulted in saving of 150 KWH.
- Modification in delivery header of Boiler Feed water pumps of CFB to optimize the running of Boiler feed water pumps of these boilers, resulted in saving of 250 KWH.

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

- Generation of Methane gas from Effluent water & purification and production of CMG gas, as a replacement of LPG.
- Utilization of rice husk at Manikgarh Cement.
- Continued usage of Black Liquor (Bio mass product) for steam generation to run 21 MW & 6.8 MW turbine.
- Use of Pyrolyticoil for firing of kiln in place of HSD at Manikgarh Cement.
- 102 KW Solar Power Plant at Sonar Bangla Cement.

(iii) the capital investment on energy conservation equipments: ₹ 6.50 crores

b. TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption

- Development of 40 / 24 and 40 / 30 LG yarn.
- Web inspection system for Board Machine.
- PE coating machine in board line.
- Conversion of multi chamber cement mill into monochamber at Maihar Cement.
- Conventional heat retention casting steel (HRCS) block replaced with high strength ceramic blocks at Maihar Cement.

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

- Development of new market segment.
- Quality and productivity improvement.
- Reduction in cost and Power consumption.
- Reduction in Specific Energy Consumption (SEC).
- Pollution free atmosphere in 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
 - the year of import
 - whether the technology has been fully absorbed
 - 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	0.31
(b) Recurring (including contribution)	13.15
(c) Total	13.46
(d) Total R&D expenditure as a percentage of total turnover	0.16%

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)	381.79
Foreign Exchange used (outflow)	620.15

On behalf of the Board,

D.K. AGRAWAL
Whole-time Director

Y.P. DANDIWALA
Director

Dated: 12th May, 2017

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17 (₹ in lacs)	% increase in Remuneration in the Financial year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1	Shri B. K. Birla, Chairman	15.19	1068	4.72
2	Shri Kumar Mangalam Birla	14.49	1349	4.50
3	Smt. Rajashree Birla	15.29	1811	4.75
4	Shri Pradip Kumar Daga	16.09	600	5.00
5	Shri Yazdi P. Dandiwalla	16.49	560	5.12
6	Shri Rajan A. Dalal	16.09	241	5.00
7	Shri Sohanlal K. Jain	15.59	642	4.84
8	Shri D. K. Agrawal (Whole-time Director)	283.13	67	N.A.
9	Shri R. K. Dalmia (Chief Financial Officer)	350.63	19	N.A.
10	Shri Atul K. Kedia (Company Secretary)	56.31	59	N.A.

Remuneration to Non Executive Directors including Independent Directors also includes commission payable for the year ended 31st March, 2017. In the year 2015-16 only sitting fee was paid to such Directors.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 3.22 Lakh.
- (iii) In the financial year, there was an decrease of 8% in the median remuneration of employees.
- (iv) There were 12868 permanent employees on the roll of Company as on March 31, 2017.
- (v) Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2016-17 was 2.50% whereas the increase in the managerial remuneration for the same financial year was about 2%.
- (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.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
[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
Phone: +91-22-24957000, Fax: +91-22-24309491/24361980
Email: centextho@centurytext.com
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
Unit: Century Textiles and Industries Limited
C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083
Phone : +91-22-49186000, Fax : +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in
bonds.helpdesk@linkintime.co.in
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	5.26
2	Denim Cloth (Cloth Dyed)	13111	1.95
3	Viscose Filament Yarn & Viscose Tyre Yarn	20303	10.91
4	Cement	23942	51.08
5	Wood / Bagasse / Recycle based paper	17013	13.54
6	Multilayer packaging board	17016	9.07

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

On the basis of Gross Turnover.

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 Century Bhavan, Worli, Mumbai - 400030	U10200MH2009PTC193985	Associate	37.50	Section 2(6)
2	Industry House Limited Industry House, 159, Churchgate Reclamation, Mumbai - 400020	U99999MH1952PLC008941	Associate	35.28	Section 2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital break up as percentage of total equity)

(i) Category-wise Share Holding

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	2,07,970	-	2,07,970	0.18	2,07,970	-	2,07,970	0.18	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government	-	-	-	-	-	-	-	-	-
d)	Bodies Corporates	5,31,32,070	-	5,31,32,070	47.57	5,31,32,070	-	5,31,32,070	47.57	-
e)	Bank/Financial Institution	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	SUB TOTAL(A) (1) :	5,33,40,040	-	5,33,40,040	47.75	5,33,40,040	-	5,33,40,040	47.75	-

(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)	5,33,40,040	-	5,33,40,040	47.75	5,33,40,040	-	5,33,40,040	47.75	-

B. PUBLIC SHAREHOLDING

(1) Institutions

a)	Mutual Funds	1,01,22,461	3,220	1,01,25,681	9.07	1,27,63,633	14,240	1,27,77,873	11.44	2.37
b)	Banks/Financial Institutions	33,94,965	60,664	34,55,629	3.09	32,91,657	60,664	33,52,321	3.00	-0.09
c)	Central Government(s)	11	2,580	2,591	0.00	11	2,580	2,591	0.00	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	13,00,481	-	13,00,481	1.17	7,82,115	-	7,82,115	0.70	-0.47
g)	Foreign Institutional Investors (FIIs)	52,88,152	1,050	52,89,202	4.74	7,56,686	1,050	7,57,736	0.68	-4.06
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Others (specify)									
i)	Foreign Portfolio Investors - Corporate	47,62,407	-	47,62,407	4.26	94,03,922	-	94,03,922	8.42	4.16
	SUB TOTAL (B)(1):	2,48,68,477	67,514	2,49,35,991	22.33	2,69,98,024	78,534	2,70,76,558	24.24	1.91

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

a)	Bodies corporates									
	i) Indian	1,31,89,147	50,310	1,32,39,457	11.85	1,00,11,488	49,420	1,00,60,908	9.01	-2.84
	ii) Overseas Bodies Corporate	3,65,820	-	3,65,820	0.33	3,65,820	-	3,65,820	0.33	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,19,76,594	14,13,839	1,33,90,433	11.99	1,11,98,416	13,44,890	1,25,43,306	11.23	-0.76
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	40,71,169	6,75,320	47,46,489	4.25	55,70,441	6,47,860	62,18,301	5.57	1.32
c)	Others (specify)									
	1) NRIs	4,78,721	23,150	5,01,871	0.45	4,62,920	23,150	4,86,070	0.44	-0.01
	2) Foreign Nationals	450	-	450	0.00	450	-	450	0.00	0.00
	3) Clearing Member	2,92,410	-	2,92,410	0.26	9,08,371	-	9,08,371	0.81	0.55
	4) Trust	1,07,426	-	1,07,426	0.10	26,223	-	26,223	0.02	-0.08
	5) Directors / Relatives	280	-	280	0.00	160	-	160	0.00	0.00
	6) HUF	7,75,013	-	7,75,013	0.69	6,69,473	-	6,69,473	0.60	-0.09
	SUB-TOTAL (B)(2):	3,12,57,030	21,62,619	3,34,19,649	29.92	2,92,13,762	20,65,320	3,12,79,082	28.01	-1.91
	Total Public Shareholding (B) = (B)(1) + (B)(2)	5,61,25,507	22,30,133	5,83,55,640	52.25	5,62,11,786	21,43,854	5,83,55,640	52.25	0.00

C. Shares held by Custodian for GDRs & ADRs

1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	10,94,65,547	22,30,133	11,16,95,680	100.00	10,95,51,826	21,43,854	11,16,95,680	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	3,42,20,520	30.64	0.00	3,42,20,520	30.64	0.00	0.00
2	Aditya Marketing and Manufacturing Limited	75,60,900	6.77	0.00	75,60,900	6.77	0.00	0.00
3	Prakash Educational Society	1,28,000	0.11	0.00	1,28,000	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	1,11,50,000	9.98	0.00	1,11,50,000	9.98	0.00	0.00
6	Manav Investment & Trading Co. Limited	11,950	0.01	0.00	11,950	0.01	0.00	0.00
7	Padmavati Investment Limited	16,700	0.01	0.00	16,700	0.01	0.00	0.00
8	Shri Basant Kumar Birla	1,99,800	0.18	0.00	1,99,800	0.18	0.00	0.00
9	Shri Ramavatar Makharia	1,110	0.00	26.13	1,110	0.00	26.13	0.00
10	Shri Ravi Makharia	3,620	0.00	33.43	3,620	0.00	33.43	0.00
11	Smt. Laxmi Devi Makharia	3,440	0.00	100.00	3,440	0.00	100.00	0.00
	Total	5,33,40,040	47.75	0.02	5,33,40,040	47.75	0.02	0.00

(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	5,33,40,040	47.75	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): Nil movement during the year				
	At the end of the year	5,33,40,040	47.75	5,33,40,040	47.75

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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/end of the year (31.03.2017)	%of total shares of the Company				No. of Shares	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND*	10,28,400	0.92	01.04.2016				
				08.04.2016	3,62,500	Transfer	13,90,900	1.25
				20.05.2016	1,600	Transfer	13,92,500	1.25
				17.06.2016	(4,000)	Transfer	13,88,500	1.24
				08.07.2016	22,000	Transfer	14,10,500	1.26
				05.08.2016	38,500	Transfer	14,49,000	1.30
				02.09.2016	1,50,700	Transfer	15,99,700	1.43
				23.09.2016	(1,44,100)	Transfer	14,55,600	1.30
				14.10.2016	(1,00,000)	Transfer	13,55,600	1.21
				21.10.2016	(61,474)	Transfer	12,94,126	1.16
				04.11.2016	2,200	Transfer	12,96,326	1.16
				18.11.2016	61,000	Transfer	13,57,326	1.22
				25.11.2016	2,91,000	Transfer	16,48,326	1.48
				02.12.2016	8,25,000	Transfer	24,73,326	2.21
				09.12.2016	2,00,000	Transfer	26,73,326	2.39
				30.12.2016	3,20,000	Transfer	29,93,326	2.68
				13.01.2017	60,500	Transfer	30,53,826	2.73
				27.01.2017	1,10,000	Transfer	31,63,826	2.83
				03.02.2017	1,20,000	Transfer	32,83,826	2.94
				24.02.2017	77,000	Transfer	33,60,826	3.01
				17.03.2017	7,34,000	Transfer	40,94,826	3.67
		40,94,826	3.67	31.03.2017			40,94,826	3.67
2	LIFE INSURANCE CORPORATION OF INDIA	32,76,238	2.93	01.04.2016				
				14.10.2016	(50000)	Transfer	32,26,238	2.89
				04.11.2016	(25000)	Transfer	32,01,238	2.87
		32,01,238	2.87	31.03.2017			32,01,238	2.87
3	CAMDEN INDUSTRIES LIMITED	27,46,100	2.46	01.04.2016	0	Nil movement during the year		
		27,46,100	2.46	31.03.2017			27,46,100	2.46

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/end of the year (31.03.2017)	%of total shares of the Company				No. of Shares	% of total shares of the Company
4	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EQUITY FUND	22,54,074	2.02	01.04.2016				
				08.04.2016	(1,00,000)	Transfer	21,54,074	1.93
				15.04.2016	1,602	Transfer	21,55,676	1.93
				06.05.2016	12,795	Transfer	21,68,471	1.94
				13.05.2016	1,00,000	Transfer	22,68,471	2.03
				03.06.2016	1,00,000	Transfer	23,68,471	2.12
				10.06.2016	50,000	Transfer	24,18,471	2.17
				08.07.2016	(22,385)	Transfer	23,96,086	2.15
				05.08.2016	(600)	Transfer	23,95,486	2.14
				19.08.2016	100	Transfer	23,95,586	2.14
				26.08.2016	75,900	Transfer	24,71,486	2.21
				02.09.2016	9,89,000	Transfer	34,60,486	3.10
				09.09.2016	(2,25,293)	Transfer	32,35,193	2.90
				16.09.2016	(14,000)	Transfer	32,21,193	2.88
				23.09.2016	(1,48,000)	Transfer	30,73,193	2.75
				30.09.2016	(1,04,500)	Transfer	29,68,693	2.66
				14.10.2016	1,19,060	Transfer	30,87,753	2.76
				21.10.2016	(18,700)	Transfer	30,69,053	2.75
				28.10.2016	54,400	Transfer	31,23,453	2.80
				04.11.2016	38,990	Transfer	31,62,443	2.83
				11.11.2016	1,820	Transfer	31,64,263	2.83
				18.11.2016	(9,08,920)	Transfer	22,55,343	2.02
				25.11.2016	(56,990)	Transfer	21,98,353	1.97
				23.12.2016	(57,100)	Transfer	21,41,253	1.92
				30.12.2016	7,700	Transfer	21,48,953	1.92
				10.02.2017	27,500	Transfer	21,76,453	1.95
				24.02.2017	9,900	Transfer	21,86,353	1.96
				03.03.2017	5,863	Transfer	21,92,216	1.96
				31.03.2017	(456)	Transfer	21,91,760	1.96
		21,91,760	1.96	31.03.2017			21,91,760	1.96
5	BIRLA CORPORATION LIMITED	18,07,660	1.62	01.04.2016	0	Nil movement during the year		
		18,07,660	1.62	31.03.2017			18,07,660	1.62
6	GOLDMAN SACHS INDIA LIMITED	11,14,099	1.00	01.04.2016				
				17.03.2017	3,25,277	Transfer	14,39,376	1.29
				24.03.2017	2,00,090	Transfer	16,39,466	1.47
				31.03.2017	1,05,790	Transfer	17,45,256	1.56
		17,45,256	1.56	31.03.2017			17,45,256	1.56

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/end of the year (31.03.2017)	%of total shares of the Company				No. of Shares	% of total shares of the Company
7	RADHAKISHAN DAMANI*	9,43,087	0.84	01.04.2016				
				01.04.2016	(1,00,000)	Transfer	8,43,087	0.75
				08.04.2016	25,600	Transfer	8,68,687	0.78
				15.04.2016	1,697	Transfer	8,70,384	0.78
				29.04.2016	5,000	Transfer	8,75,384	0.78
				06.05.2016	1,11,316	Transfer	9,86,700	0.88
				13.05.2016	284	Transfer	9,86,984	0.88
				20.05.2016	1,00,000	Transfer	10,86,984	0.97
				27.05.2016	1,74,705	Transfer	12,61,689	1.13
				10.06.2016	3,47,704	Transfer	16,09,393	1.44
				24.06.2016	7,296	Transfer	16,16,689	1.45
				31.03.2017	(25,000)	Transfer	15,91,689	1.43
		15,91,689	1.43	31.03.2017			15,91,689	1.43
8	ORIENT PAPER AND INDUSTRIES LIMITED	15,45,140	1.38	01.04.2016	0	Nil movement during the year		
		15,45,140	1.38	31.03.2017			15,45,140	1.38
9	HITESH SATISHCHANDRA DOSHI*	22,600	0.02	01.04.2016				
				09.09.2016	8,633	Transfer	31,233	0.03
				16.09.2016	4,83,883	Transfer	5,15,116	0.46
				23.09.2016	3,34,800	Transfer	8,49,916	0.76
				30.09.2016	90,088	Transfer	9,40,004	0.84
				14.10.2016	25,000	Transfer	9,65,004	0.86
				04.11.2016	47,775	Transfer	10,12,779	0.91
				11.11.2016	6,250	Transfer	10,19,029	0.91
				18.11.2016	65,000	Transfer	10,84,029	0.97
				09.12.2016	22,500	Transfer	11,06,529	0.99
				06.01.2017	1,23,425	Transfer	12,29,954	1.10
				13.01.2017	8,672	Transfer	12,38,626	1.11
				20.01.2017	35,000	Transfer	12,73,626	1.14
				27.01.2017	19,284	Transfer	12,92,910	1.16
				03.02.2017	50,000	Transfer	13,42,910	1.20
				10.02.2017	79,200	Transfer	14,22,110	1.27
				24.02.2017	7,235	Transfer	14,29,345	1.28
				10.03.2017	34,500	Transfer	14,63,845	1.31
				31.03.2017	9,000	Transfer	14,72,845	1.32
		14,72,845	1.32	31.03.2017			14,72,845	1.32

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/end of the year (31.03.2017)	%of total shares of the Company				No. of Shares	% of total shares of the Company
10	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE CAPITAL BUILDER FUND 2 SR B	22,09,200	1.98	01.04.2016				
				08.04.2016	(29,600)	Transfer	21,79,600	1.95
				22.04.2016	(44,000)	Transfer	21,35,600	1.91
				27.05.2016	(3,19,410)	Transfer	18,16,190	1.63
				03.06.2016	(27,790)	Transfer	17,88,400	1.60
				10.06.2016	(8,000)	Transfer	17,80,400	1.59
				17.06.2016	(66,400)	Transfer	17,14,000	1.53
				24.06.2016	(64,000)	Transfer	16,50,000	1.48
				30.06.2016	(1,92,800)	Transfer	14,57,200	1.30
				01.07.2016	(1,46,500)	Transfer	13,10,700	1.17
				15.07.2016	63,800	Transfer	13,74,500	1.23
				22.07.2016	44,000	Transfer	14,18,500	1.27
				29.07.2016	4,400	Transfer	14,22,900	1.27
				19.08.2016	(3,80,394)	Transfer	10,42,506	0.93
				26.08.2016	(94,806)	Transfer	9,47,700	0.85
				02.09.2016	(29,700)	Transfer	9,18,000	0.82
				16.09.2016	(38,500)	Transfer	8,79,500	0.79
				23.09.2016	(97,900)	Transfer	7,81,600	0.70
				14.10.2016	1,100	Transfer	7,82,700	0.70
				21.10.2016	1,49,600	Transfer	9,32,300	0.83
				13.01.2017	6,600	Transfer	9,38,900	0.84
				03.02.2017	2,13,000	Transfer	11,51,900	1.03
				10.02.2017	1,18,300	Transfer	12,70,200	1.14
				17.02.2017	(20,900)	Transfer	12,49,300	1.12
				17.03.2017	(52,800)	Transfer	11,96,500	1.07
				24.03.2017	(99,000)	Transfer	10,97,500	0.98
		10,97,500	0.98	31.03.2017			10,97,500	0.98
11	INDIA MIDCAP (MAURITIUS) LIMITED#	14,62,309	1.31	01.04.2016				
				08.04.2016	(30,000)	Transfer	14,32,309	1.28
				29.04.2016	(12,309)	Transfer	14,20,000	1.27
				13.05.2016	(21,300)	Transfer	13,98,700	1.25
				24.06.2016	(35,000)	Transfer	13,63,700	1.22
				29.07.2016	(33,700)	Transfer	13,30,000	1.19
				05.08.2016	(10,871)	Transfer	13,19,129	1.18
				12.08.2016	(28,439)	Transfer	12,90,690	1.16
				19.08.2016	(4,626)	Transfer	12,86,064	1.15
				30.09.2016	(26,064)	Transfer	12,60,000	1.13
				07.10.2016	(10,000)	Transfer	12,50,000	1.12
				28.10.2016	(35,000)	Transfer	12,15,000	1.09
				30.12.2016	(25,000)	Transfer	11,90,000	1.07

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/end of the year (31.03.2017)	%of total shares of the Company				No. of Shares	% of total shares of the Company
				06.01.2017	(47,875)	Transfer	11,42,125	1.02
				13.01.2017	(20,000)	Transfer	11,22,125	1.00
				20.01.2017	(15,000)	Transfer	11,07,125	0.99
				27.01.2017	(12,125)	Transfer	10,95,000	0.98
				03.02.2017	(25,000)	Transfer	10,70,000	0.96
				10.02.2017	(30,000)	Transfer	10,40,000	0.93
				17.02.2017	(4,928)	Transfer	10,35,072	0.93
				03.03.2017	(40,072)	Transfer	9,95,000	0.89
		9,95,000	0.89	31.03.2017		Transfer	9,95,000	0.89
12	SBI MAGNUM TAXGAIN SCHEME#	13,32,800	1.19	01.04.2016				
				15.04.2016	(2,400)	Transfer	13,30,400	1.19
				20.05.2016	(8,000)	Transfer	13,22,400	1.18
				30.06.2016	(500)	Transfer	13,21,900	1.18
				08.07.2016	78,100	Transfer	14,00,000	1.25
				07.10.2016	61,600	Transfer	14,61,600	1.31
				25.11.2016	5,100	Transfer	14,66,700	1.31
				06.01.2017	2,200	Transfer	14,68,900	1.32
				13.01.2017	(19,400)	Transfer	14,49,500	1.30
				20.01.2017	(20,900)	Transfer	14,28,600	1.28
				03.03.2017	(14,885)	Transfer	14,13,715	1.27
				10.03.2017	(1,45,115)	Transfer	12,68,600	1.14
				17.03.2017	(30,375)	Transfer	12,38,225	1.11
				24.03.2017	(12,100)	Transfer	12,26,125	1.10
				31.03.2017	(2,50,000)	Transfer	9,76,125	0.87
		9,76,125	0.87	31.03.2017			9,76,125	0.87
13	GOVERNMENT PENSION FUND GLOBAL#	11,87,060	1.06	01.04.2016				
				06.05.2016	2,00,000	Transfer	13,87,060	1.24
				30.06.2016	2,23,782	Transfer	16,10,842	1.44
				01.07.2016	1,27,213	Transfer	17,38,055	1.56
				08.07.2016	3,158	Transfer	17,41,213	1.56
				15.07.2016	59,355	Transfer	18,00,568	1.61
				23.09.2016	(2,39,862)	Transfer	15,60,706	1.40
				21.10.2016	(3,50,107)	Transfer	12,10,599	1.08
				11.11.2016	(3,88,024)	Transfer	8,22,575	0.74
				18.11.2016	(3,00,000)	Transfer	5,22,575	0.47
				17.03.2017	2,99,962	Transfer	8,22,537	0.74
				24.03.2017	70,896	Transfer	8,93,433	0.80
		8,93,433	0.80	31.03.2017			8,93,433	0.80

* Not in the list of Top 10 shareholders as on 01.04.2016. The same have been reflected above since shareholders were among the Top 10 shareholders as on 31.03.2017.

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same have been reflected above since shareholders were among the Top 10 shareholders as on 01.04.2016.

Note: Share holders having shares in different folios/DPIIDs, 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 share-holding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A.	Directors							
1.	Shri B. K. Birla	1,99,800	0.18	01.04.2016	0	Nil movement during the year	1,99,800	0.18
		1,99,800	0.18	31.03.2017				
2	Shri Pradip Kumar Daga	80	0.00	01.04.2016	0	Nil movement during the year	80	0.00
		80	0.00	31.03.2017				
3	Shri D. K. Agrawal	80	0.00	01.04.2016	0	Nil movement during the year	80	0.00
		80	0.00	31.03.2017				
B.	KMPs							
4	Shri R. K. Dalmia	6,670	0.01	01.04.2016	480	Transfer*	7,150	0.01
				23.12.2016				
		7,150	0.01	31.03.2017				
5	Shri Atul K. Kedia	496	0.00	01.04.2016	0	Nil movement during the year	496	0.00
		496	0.00	31.03.2017				

*Gift received from relative

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	5,074.34	718.51	-	5,792.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18.25	1.44	-	19.69
Total (i+ii+iii)	5,092.59	719.95	-	5,812.54
Change in Indebtedness during the financial year				
Additions	1,274.81	751.90	-	2,026.71
Reduction	(-) 2,131.32	(-) 0.91	-	(-) 2,132.23
Net Change	(-) 856.51	750.99	-	(-) 105.52
Indebtedness at the end of the financial year				
i) Principal Amount	4,197.22	1,470.41	-	5,667.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38.86	0.53	-	39.39
Total (i+ii+iii)	4,236.08	1,470.94	-	5,707.02

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.	2.39	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961.	0.37	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	2.76
2	Stock option		-
3	Sweat Equity		-
4	Commission		
	– as % of profit		-
	– others (specify)		-
5	Others, please specify		
	Co's Contribution to Provident Fund (exempted)		0.07
	Total (A)		2.83
	Ceiling as per the Act		5.35

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. Dandiwal	Shri Rajan A. Dalal	Shri Sohanlal K. Jain	
	Fee for attending board / committee meetings	0.02	0.02	0.02	0.02*	0.08
	Commission	0.14	0.14	0.14	0.14	0.56
	Others, Please Specify	-	-	-	-	-
	Total (1)	0.16	0.16	0.16	0.16	0.64
2	Other Non-Executive Directors	Shri B. K. Birla	Shri Kumar Mangalam Birla	Smt. Rajashree Birla	-	
	Fee for attending board / committee meetings	0.01	0.01**	0.01	-	0.03
	Commission	0.14	0.14	0.14	-	0.42
	Others, Please Specify	-	-	-	-	-
	Total (2)	0.15	0.15	0.15	-	0.45
	Total (B) = (1+2)	-	-	-	-	1.09
	Total Managerial Remuneration					3.92 #
	Overall Ceiling as per the Act					6.42

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

* ₹ 1,20,000/-

** ₹ 20,000/-

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				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		0.43	3.31	3.74
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.09	0.11	0.20
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock Option	Not Applicable	-	-	-
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	0.08	0.12
	Total		0.56	3.50	4.06

Appointed as Company Secretary w.e.f. 01.04.2016

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	-	-	-	-	-

Corporate Governance Report

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 adherence to sound corporate governance principles is the best tool to achieve desired goal for creation of long term wealth with transparency and business ethics for all its stakeholders viz., shareholders, employees, customers etc.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

As on 31st March, 2017, 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 31.03.2017
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	7	-	-	Nil
Shri Pradip Kumar Daga	Independent – Non Executive	4	1	-	80
Shri Yazdi P. Dandiwalla	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	4	-	-	80

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

* Appointed as a Whole-time Director of the Company with effect from 01.04.2016.

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) Five Meetings of the Board of Directors were held during the year ended 31st March, 2017. These were held on:-
 - (1) 3rd May, 2016
 - (2) 3rd May, 2016
 - (3) 9th August, 2016
 - (4) 28th October, 2016
 - (5) 31st January, 2017

- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2017 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	4	No
Shri Kumar Mangalam Birla	1	No
Smt. Rajashree Birla	5	Yes
Shri Pradip Kumar Daga	4	Yes
Shri Yazdi P. Dandiwala	5	Yes
Shri Rajan A. Dalal	4	Yes
Shri Sohanlal K. Jain	4	Yes
Shri D.K. Agrawal (Appointed as a Whole-time Director w.e.f - 01.04.2016)	5	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 3rd May, 2016, 9th August, 2016, 9th August, 2016, 28th October, 2016, 31st January, 2017 and 31st January, 2017. 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	5
Shri Rajan A. Dalal	4
Shri Sohanlal K. Jain	4

- (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 meeting was held on 3rd May, 2016. 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	1
Shri B.K. Birla	1
Shri Yazdi P. Dandiwala	1
Shri Rajan A. Dalal	1
Shri Sohanlal K. Jain	1

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 24th July, 2013 authorised the Board of Directors of the Company to pay commission to Non-Executive Directors within the limits as set out in section 309(4) of the Companies Act, 1956 for a period of 5 years w.e.f. 01.04.2013. 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 2016-2017 (All figures in Rupees)		
		Commission payable for the year	Sitting fees paid during the year*	Total
(i)	Shri B.K. Birla	14,28,571	90,000	15,18,571
	Shri Kumar Mangalam Birla	14,28,571	20,000	14,48,571
	Smt. Rajashree Birla	14,28,571	1,00,000	15,28,571
	Shri Pradip Kumar Daga	14,28,571	1,80,000	16,08,571
	Shri Yazdi P. Dandiwala	14,28,572	2,20,000	16,48,572
	Shri Rajan A. Dalal	14,28,572	1,80,000	16,08,572
	Shri Sohanlal K. Jain	14,28,572	1,30,000	15,58,572

	Name of the Directors	Remuneration paid/payable for the year 2016-2017 (All figures in Rupees)		
		Commission payable for the year	Sitting fees paid during the year*	Total
(ii)	Shri D.K. Agrawal (Whole-time Director)			Remuneration**
	Salary and allowances	—	—	2,34,44,500
	Contribution to Provident Fund	—	—	7,23,600
	Perquisites	—	—	41,45,083
	Total	—	—	2,83,13,183

* 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 9th August, 2017.
2. Directors' commission amount is exclusive of applicable Service Tax 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. Dandiwalwa 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, 2017, 15 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. Dandiwalwa, Shri Pradip Kumar Daga and Shri Rajan A. Dalal and one Executive Director viz. Shri D.K. Agrawal. Shri Yazdi P. Dandiwalwa 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. Dandiwalwa 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. Dandiwalwa, 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
117 th	Friday	25.07.2014	2.30 P.M.	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018
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

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

Day	Date	Time	Venue
Wednesday	04.06.2014	3.00 P.M.	Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

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

Yes, details of which are given hereunder:-

AGMs

Date	Matter
25.07.2014	Authority to borrow money in excess of aggregate of paid-up share capital and free reserves of the Company. Authority to create charge and/or mortgages and hypothecations to secure the repayment of loans/borrowings. 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.
28.07.2015	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.

EGM

Date	Matter
04.06.2014	To authorize issue of warrants on a preferential basis to Promoters/Promoter Group/Persons Acting in Concert in accordance with SEBI guidelines.

(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
Whether it also displays official News releases and presentations made to Institutional investors/analysts | www.centurytextind.com
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
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X. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting to be held:

Day, Date, Time and Venue:

Day : Wednesday

Date : 9th August, 2017

Time : 2.30 P.M.

Venue : Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Mumbai - 400 025.

(b) Financial Year : 2017-2018

First Quarterly Results : On or before 14th August, 2017

Second Quarterly Results : On or before 14th November, 2017

Third Quarterly Results : On or before 14th February, 2018

Audited Yearly Results for the Year ending 31st March, 2018 : On or before 30th May, 2018

(c) Dates of Book Closure:

1st August, 2017 to 9th August, 2017 (Both days inclusive).

(d) Dividend payment date:

Dividend on equity shares will be made payable from Friday, the 11th August, 2017 once approved. In respect of shares held in physical form, the dividend will be paid to such shareholders whose names appear in the Register of Members as at 9th August, 2017. 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, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India Ltd. "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, 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 2017-2018.
- 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:

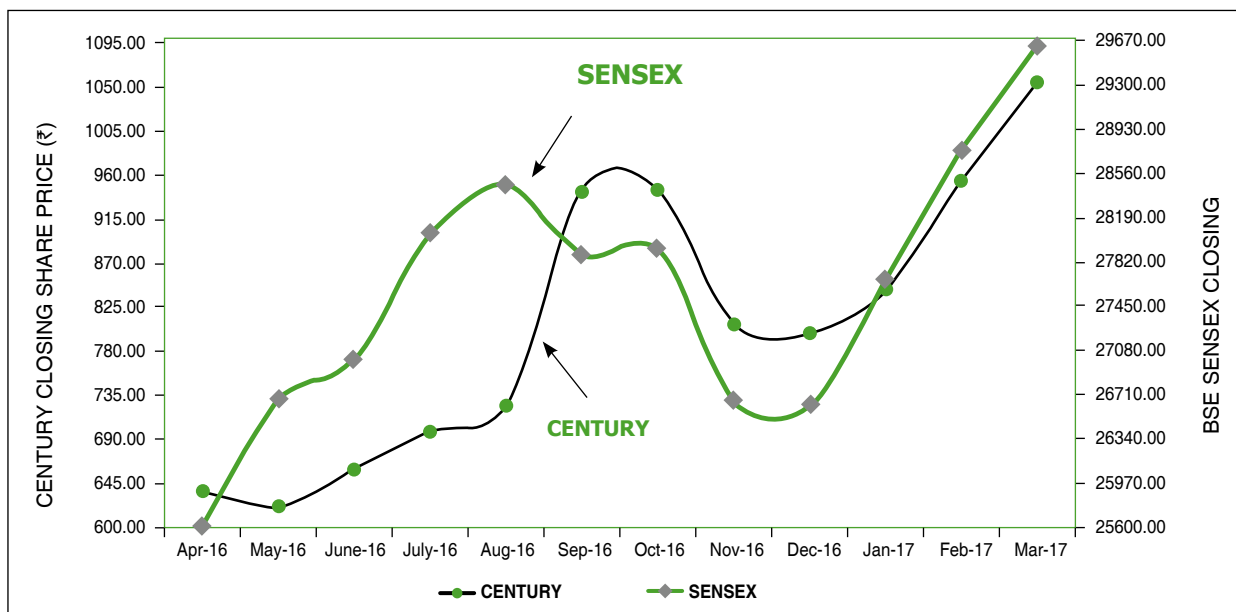
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2016-2017 are as under :-

(In ₹ Per Share)

Month	BSE Limited		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2016	638.45	530.30	638.45	529.45
May, 2016	638.55	586.40	637.90	586.35
June, 2016	659.65	614.00	658.90	614.05
July, 2016	701.90	659.60	701.75	658.80
August, 2016	724.30	670.15	724.45	670.00
September, 2016	948.90	731.35	947.60	731.75
October, 2016	974.95	889.65	975.45	889.35
November, 2016	1023.90	682.15	1023.90	682.30
December, 2016	821.25	756.75	820.55	755.55
January, 2017	856.50	800.50	857.65	800.20
February, 2017	953.90	873.85	953.65	875.25
March, 2017	1053.30	920.70	1053.15	920.80

(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 new 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, 2017 is given below:-

Sr.No.	No. of Equity Shares held	No. of Folios	No. of Shares	Percentage of Shareholding
1.	1 to 100	45,968	18,54,721	1.66
2.	101 to 500	13,949	35,23,664	3.15
3.	501 to 1000	2,809	21,66,407	1.94
4.	1001 to 5000	2,435	52,38,008	4.69
5.	5001 to 10000	334	24,17,149	2.16
6.	10001 to 100000	253	69,88,948	6.26
7.	100001 to 500000	43	1,05,85,639	9.48
8.	500001 & above	29	7,89,21,144	70.66
9.	Total	65,820	11,16,95,680	100.00

(m) Shareholding pattern as at 31st March, 2017:

Sr. No.	Category	No. of Folios	% of Folios	No. of shares held	% of share Holding
1.	Promoters	17	0.03	5,33,40,040	47.75
2.	Resident Individuals	62983	95.69	1,94,31,240	17.40
3.	Private Corporate Bodies	1488	2.26	1,10,16,506	9.86
4.	Financial Institutions	5	0.01	32,29,868	2.89
5.	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	98	0.15	1,36,64,028	12.23
6.	FII's & Foreign Portfolio Investors (Corporate)	88	0.13	1,01,61,658	9.10
7.	NRIs and OCBs	1141	1.73	8,52,340	0.77
8.	Total	65820	100.00	11,16,95,680	100.00

(n) Dematerialisation of equity shares:

About 98.08% of total equity share capital is held in dematerialised form with NSDL and CDSL.

(o) 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.

(p) Plant (Manufacturing Units):

i)	BIRLA CENTURY Plot No. 826, GIDC Industrial Estate, Jhagadia - 393 110, Dist. Bharuch (Gujarat).	vi)	MANIKGARH CEMENT UNITS I & II P.O. Gadchandur - 442 908 Dist. Chandrapur, (Maharashtra).
ii)	CENTURY RAYON Rayon, Tyre Cord & Chemical Plants, Murbad Road, Kalyan - 421 103, (Maharashtra).	vii)	SONAR BANGLA CEMENT Village : Dhalo, P.O. Gankar, P.S. Raghunathganj, Dist. Murshidabad, West Bengal - 742 227.
iii)	CENRAY MINERALS AND CHEMICALS Nawa Nagna, Jamnagar - 361 007, (Gujarat).	viii)	CENTURY PULP & PAPER Ghanshyamdham, P.O. Lalkua - 262 402, Dist. Nainital (Uttarakhand).
iv)	CENTURY CEMENT P.O. Baikunth - 493 116, Dist. Raipur, (Chhattisgarh).	ix)	CENTURY PULP & PAPER Plot no. 3, Vilayat Industrial Estate, Dist - Bharuch - 392 001, (Gujarat).
v)	MAIHAR CEMENT UNITS I & II P.O. Sarlanagar - 485 772, Maihar, Dist. Satna, (Madhya Pradesh).	x)	CENTURY YARN CENTURY DENIM Satrati - 451 660, Dist. Khargone, (Madhya Pradesh).

Other Unit (Property Development)

BIRLA ESTATES

Birla Aurora, Level 8, Dr. Annie Besant Road,
Worli, Mumbai - 400 030

(q) 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 38 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**
The Company does not have any subsidiary company.
- (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, 2017.

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 12th May, 2017 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 2015-16 filed during the year in compliance of the aforesaid are tabled below :-

Products	Name of the Cost Auditors	Date of Filing
<u>Textiles</u> Textiles including Birla Century (Bharuch Unit), Yarn and Denim	M/s. R. Nanabhoy and Co.	06.09.2016
<u>Rayon and Chemicals</u> Century Rayon, Tyrecord and Chemicals	Mr. Mangat Rijhumal Dudani	06.09.2016
<u>Cement</u> a) Century Cement b) Maihar Cement Unit I & II c) Manikgarh Cement Unit I & II d) Sonar Bangla	M/s. R. Nanabhoy and Co.	06.09.2016
<u>Paper</u> Century Pulp and Paper	M/s. R. Nanabhoy and Co.	06.09.2016

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
(Company Secretary & Compliance Officer)
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, 2017.

Mumbai
12th May, 2017

D.K. Agrawal
Whole-time Director

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. This Report is issued in accordance with the terms of our service scope letter dated August 2, 2016 and master engagement agreement August 2, 2016 with Century Textiles and Industries Limited (hereinafter the "Company").
2. The accompanying Corporate Governance Report prepared by 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, 2017. 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

3. 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.
4. 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

5. 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 4 above.
6. 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.
7. 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.
8. 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, 2017 and verified that at least one women director was on the Board during the year;

- iv. Obtained and read the minutes of the following committee meetings held between April 1, 2016 to March 31, 2017:
 - (a) Board of Directors meeting;
 - (b) Audit Committee;
 - (c) Nomination and Remuneration Committee;
 - (d) Stakeholders Relationship Committee; and
 - (e) Risk Management Committee;
- 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

- 9. Based on the procedures performed by us as referred in paragraph 8 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 as at March 31, 2017, referred to in paragraph 2 above.

Other matters and Restriction on Use

- 10. 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.
- 11. 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 Corporate Governance Report accompanied with by a report thereon from the statutory auditors 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 12, 2017

Business Responsibility (BR) Report

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	centexttho@centurytext.com			
6. Financial Year Reported	01.04.2016 to 31.03.2017			
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	<u>Name of the Sector</u>		<u>Code</u>	
	1. Cement		23942	
	2. Paper			
	i) Wood/Bagasse/Recycle Based Paper		17013	
	ii) Multilayer Packaging Board		17016	
	3. Rayon			
	Viscose Filament Yarn & Tyre Yarn		20303	
	4. Cotton Textiles			
	i) Fabrics		13121 & 13131	
	ii) Denim Cloth		13111	
	5. Real Estate		4100	
	i) Cement			
	ii) Wood/Bagasse/Recycle Paper.			
	iii) Viscose Filament Yarn/Rayon Tyre Yarn.			
8. List three key products/services that the Company manufactures/provides (as in the balance sheet)				
9. Total number of locations where business activity is undertaken by the Company				
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)	8,413.38
3 Total Profit after taxes (INR)	104.99
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

- Does the Company have any Subsidiary Company/ Companies?
NO
- 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):
Not Applicable
- 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)	Cotton Textiles, Yarn and Denim	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 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								

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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?**

This being the first year of applicability for the BR report, the same is a part of and will be published in the Annual Report and will also be available 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 Precipitators (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.
This signifies sustainable maintenance of forest reserves, re-utilisation of waste, saving of water resources and protection of environment.
- b) Reduced usage of LPG gas consumption, by self generated Comprehensive Methane Gas (CMG) from Bagasse wash waste water.
In India, this technology is being utilised only in our Pulp & Paper plant, as no other paper plant has this technology.
- c) We have installed sensors for online 24 hours 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

Several initiatives have been taken to reduce power and water consumption during the production of Pulp and Paper. As a result, both power and water consumption per ton of paper produced has reduced. With self-generation of LPG's substitute i.e. CMG, the Pulp & Paper plant has reduced the usage of LPG gas. By substituting poplar spice of wood in place of the earlier used eucalyptus, pulp usage per ton of paper production has improved by 4-6%.

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

Most of the products of Pulp & Paper plant are FSC certified, which signifies that the products (including inputs) come from a responsible & sustainable source. We also develop & produce various species of eucalyptus clones, and distribute them among farmers around or in the vicinity of the Plants to ensure a sustainable supply of our raw material requirements.

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 2016-17 approx. 23% of our sales volumes are product of this production line.
- b) Wastes like bagasse pith, wood bark dust and de-inking plant sludge, are used in boilers as fuel, to generate power. During the year 2016-17, this process contributed approx. 6% of our total steam generation.

Viscose Filament Yarn and Tyre Yarn (Rayon)

About 63% of Liquid waste viscose is converted to solid waste, for easy disposal. Also, about 10% of the water (effluent) is reused for cleaning and gardening 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.

12868

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

12471

c. Please indicate the Number of permanent women employees.

102

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

49

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.

- 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?**

The Company has undertaken various projects on clean development mechanism at its manufacturing units. Pulp and Paper plant is continuing with steam & power generation by utilizing bagasse pith, and steam and power generation by utilizing Pre-hydrolysis Liquor of Rayon Grade Pulp.

Air and water effluents are treated before discharge for which special plants have been installed at various factories of the Company.

The environment compliance reports are periodically filed with the respective state authorities.

- 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.
- Apparel Export Promotion Council.
- The Synthetic & Rayon Textiles Export Promotion Council.
- Confederation of Indian Industry.
- National Safety Council.
- Kumaun Gharwal Chamber of Commerce and Industry etc.

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 FY17.

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 crores. The penalty imposed on the Company is ₹ 274.02 crores. 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 crores 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. The case is now pending before the COMPAT.

- 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.

Independent Auditor's Report

To the Members of Century Textiles and Industries Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Century Textiles and Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 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 Rule 7 of the Companies (Accounts) Rules, 2014 and 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 judgments 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 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 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 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 Ind AS financial statements – Refer Note 20 and 36 to the 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in Note 11 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated May 3, 2016 and May 5, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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

Place: Mumbai
Date: May 12, 2017

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

Annexure '1' to Independent Auditor's Report

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 were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years 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 included 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 Textile Division.
 - 2) Land measuring 6.31 acres at a carrying value of ₹ 0.01 crore at Real Estate Division.
- As explained to us, the Company is in the 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, 2017 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, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay 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, duty of custom, duty of excise, value added 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, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added 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	9.78	1987-2013	Departmental Authorities
		0.21	2000-2001	High Court
		13.21	2004-2017	Tribunal (CESTAT)
The Central Excise Act, 1944	Excise Duty	26.01	1994-2010	High Court
		1.71	1994-2014	Tribunal (CESTAT)
		9.95	1994-2017	Departmental Authorities
		6.00	1997-2007	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 and Entry Tax Acts	Sales Tax and Entry Tax	112.95	1987-2017	Departmental Authorities
		0.18	1994-2008	Tribunal
		1.40	1999-2016	High Court
		181.56	2002-2017	Supreme Court
The Finance Act, 1994	Service Tax	0.13	2005-2008	Supreme Court
		1.73	2005-2010	High Court
		0.61	2005-2011	Tribunal (CESTAT)
		0.90	2006-2016	Departmental Authorities

*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 debt instruments in the nature of Commercial paper, Bonds/Debentures and term loans 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 to the Companies 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
Firm Registration Number: 324982E/E300003

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

Place: Mumbai
Date: May 12, 2017

Annexure '2' to Independent Auditor's Report

Annexure 2 to the Independent Auditor's report of even date on the 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, 2017 in conjunction with our audit of the 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 Companies Act, 2013.

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, 2017, 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

Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870

Place: Mumbai

Date: May 12, 2017

Balance Sheet as at 31st March 2017

Particulars	Note No.	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	6202.17	6331.86	6331.11
(b) Capital work-in-progress		34.19	70.21	137.73
(c) Investment property	4	980.37	989.81	405.65
(d) Investment property under development		124.11	39.56	533.46
(e) Intangible assets	5	2.75	2.63	2.18
(f) Intangible assets under development		0.10	0.10	1.58
(g) Financial assets				
(i) Investments	6	258.31	177.35	187.54
(ii) Other financial assets	7	293.25	232.21	145.80
(h) Advance tax (net of provisions)		64.87	64.16	56.52
(i) Other non-current assets	8	121.77	120.16	140.67
SUB-TOTAL		8081.89	8028.05	7942.24
CURRENT ASSETS				
(a) Inventories	9	1264.50	1273.14	1398.30
(b) Financial assets				
(i) Trade receivables	10	502.96	524.36	655.09
(ii) Cash and cash equivalents	11	39.24	54.46	88.55
(iii) Other bank balances (other than (ii) above)	11	49.97	47.33	35.84
(vi) Other financial assets	7	160.26	97.08	31.23
(c) Other current assets	8	244.43	168.60	266.89
SUB-TOTAL		2261.36	2164.97	2475.90
TOTAL ASSETS		10343.25	10193.02	10418.14
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	12	111.69	111.69	101.51
(b) Other equity	13	2370.17	2252.06	2164.68
SUB-TOTAL		2481.86	2363.75	2266.19
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	14	3125.95	3283.03	3544.58
(ii) Other financial liabilities	15	44.56	23.12	14.04
(b) Deferred tax liabilities (net)	16	80.71	95.77	142.53
(c) Other non-current liabilities	17	156.11	190.54	210.66
SUB-TOTAL		3407.33	3592.46	3911.81
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	18	1594.01	1419.21	1268.64
(ii) Trade payables	19	705.82	609.91	545.53
(iii) Other financial liabilities	15	1490.88	1538.76	1802.90
(b) Provisions	20	445.82	469.83	447.37
(c) Other current liabilities	17	217.53	199.10	175.70
SUB-TOTAL		4454.06	4236.81	4240.14
TOTAL		10343.25	10193.02	10418.14
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

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

Directors

PRADIP KUMAR DAGA

YAZDI P. DANDIWALA

RAJAN A. DALAL

SOHANLAL K. JAIN

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

ATUL K. KEDIA
Vice President (Legal)
& Company secretary

R. K. DALMIA
Chief Financial Officer

D. K. AGRAWAL
Whole-time Director

Mumbai : 12 May 2017

Mumbai : 12 May 2017

Statement of Profit and Loss for the Year Ended 31st March 2017

Particulars	Note No.	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
I Revenue from operations	21	8653.53	8745.19
II Other income	22	75.63	55.40
III Total Income (I + II)		8729.16	8800.59
IV Expenses			
(a) Cost of materials consumed	23	2599.91	2711.57
(b) Purchases of traded goods	24	0.68	9.32
(c) Changes in inventories of finished goods, work-in-progress and traded goods	25	99.36	51.72
(d) Excise Duty on sale of goods		754.24	778.23
(e) Employee benefit expense	26	667.20	646.37
(f) Finance costs	27	550.75	587.65
(g) Depreciation and amortisation expense	28	314.11	283.09
(h) Other expenses	29	3631.21	3875.17
Total Expenses		8617.46	8943.12
V Profit/(loss) before tax (III - IV)		111.70	(142.53)
VI Tax Expense			
(a) Current tax	16	-	(0.76)
(b) Deferred tax	16	6.71	(46.77)
Total tax expense		6.71	(47.53)
VII Profit/(loss) for the year (V - VI)		104.99	(95.00)
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements gains on defined benefit plans		9.34	0.05
(b) Net gains / (loss) on Fair value through Other Comprehensive Income (OCI) - Equity Instruments		80.96	(11.25)
(c) Income tax on (a) & (b)		(3.23)	-
Total other comprehensive income for the year (net of tax)		87.07	(11.20)
IX Total comprehensive income for the year (VII + VIII)		192.06	(106.20)
X Earnings per equity share :			
(a) Basic	31	9.40	(9.10)
(b) Diluted	31	9.40	(9.10)
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 : 12 May 2017

ATUL K. KEDIA
Vice President (Legal)
& Company secretary

R. K. DALMIA
Chief Financial Officer

Mumbai : 12 May 2017

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

Directors

PRADIP KUMAR DAGA

YAZDI P. DANDIWALA

RAJAN A. DALAL

SOHANLAL K. JAIN

D. K. AGRAWAL
Whole-time Director

Statement of Changes in Equity for the Year Ended 31st March 2017

EQUITY

(₹ in Crores)

Particulars	Other Equity										Total Equity
	Equity Share Capital	Reserves and Surplus					Items of other comprehensive income	Money received against share warrants (Note 12)	Total Other Equity		
		Securities Premium (See Note 13(a))	General Reserves (See Note 13 (d))	Capital Redemption Reserve (See Note 13(b)(i))	Debt Redemption Reserve (See Note 13(b)(ii))	Retained Earnings					
	A								B	(A+B)	
As at 1 April 2015	101.51	292.12	1414.65	100.00	17.89	155.60	94.10	90.32	2164.68	2266.19	
Loss for the year	-	-	-	-	-	(95.00)	-	-	(95.00)	(95.00)	
Other comprehensive income / (loss)	-	-	-	-	-	0.05	(11.25)	-	(11.20)	(11.20)	
Total comprehensive income for the year	-	-	-	-	-	(94.95)	(11.25)	-	(106.20)	(106.20)	
Dividend paid on equity shares (See Note 13 (c))	-	-	-	-	-	(55.83)	-	-	(55.83)	(55.83)	
Dividend distribution tax (See Note 13 (c))	-	-	-	-	-	(11.37)	-	-	(11.37)	(11.37)	
Money received against share warrants	-	-	-	-	-	-	-	270.96	270.96	270.96	
Conversion of warrants into equity share	10.18	351.10	-	-	-	-	-	(361.28)	(10.18)	-	
Transfer from retained earnings	-	-	(80.69)	-	-	80.69	-	-	-	-	
As at 31 March 2016	111.69	643.22	1333.96	100.00	17.89	74.14	82.85	-	2252.06	2363.75	
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)	
Transferred 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	1273.54	100.00	60.42	129.18	163.81	-	2370.17	2481.86	

The above statement has been signed by all the signatories who have signed the Financial Statements.

Cash Flow Statement for the Year Ended 31st March 2017

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX	111.70	(142.53)
Add / (Less) :		
Depreciation on property plant and equipment	286.59	274.13
Depreciation on investment property	29.51	12.34
Amortisation on intangible assets	0.96	0.87
Loss/(gain) on sale of property plant and equipments	(6.40)	3.61
Provision for doubtful debts	1.27	1.17
Unrealized exchange (gain) / loss	(1.48)	1.23
Unrealized exchange (gain) / loss on derivatives	(10.24)	(14.70)
Interest income	(40.49)	(36.12)
Interest expense	550.75	587.65
Liabilities written back	(28.40)	(63.76)
Dividend on investments	(2.99)	(3.68)
	779.08	762.74
Working capital adjustments		
Decrease / (increase) in inventory	8.64	125.16
Decrease / (increase) in trade receivables	21.22	128.33
Decrease / (increase) in other financial assets	(75.75)	(100.08)
Decrease / (increase) in other assets	(51.80)	117.25
(Decrease) / increase in other financial liabilities	80.49	(6.34)
(Decrease) / increase in trade payables	124.70	128.14
(Decrease) / increase in provisions	(14.67)	22.51
(Decrease) / increase in other liabilities	(16.00)	3.28
Decrease / (increase) in other bank balance (Other than fixed deposit with banks)	(1.87)	(11.57)
	74.96	406.68
Cash generated from operations	965.74	1026.89
Add / (Less) :		
Direct taxes paid	(25.71)	(6.87)
NET CASH GENERATED FROM OPERATING ACTIVITIES	940.03	1020.02
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(155.77)	(261.33)
Proceeds from sale of property plant and equipment	10.81	3.88
Purchase of investment property	(101.49)	(103.97)
Purchase of intangible assets	(1.08)	-
Purchase of investments	-	(1.06)
Dividend on investments	2.99	3.68
Net movement in fixed deposits with bank	(2.45)	1.86
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(246.99)	(356.94)

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1935.40	1910.32
Repayment of borrowings	(2235.42)	(2385.44)
Net proceeds / (repayment) of short term borrowings	707.88	(394.68)
Proceeds on conversion of share warrants	-	270.96
Dividend paid	(61.43)	(55.83)
Dividend distribution tax paid	(12.52)	(11.37)
Interest paid	(509.09)	(576.38)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	(175.18)	(1242.42)
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	 517.86	 (579.34)
Cash and cash equivalents at the beginning of the year	(559.33)	20.01
Cash and cash equivalents at the year end	(41.47)	(559.33)
 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)	39.24	54.46
Cash credit facilities (See Note 18)	(80.71)	(613.79)
Balance as per statements of cash flows	(41.47)	(559.33)

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 : 12 May 2017

ATUL K. KEDIA
Vice President (Legal)
& Company secretary

R. K. DALMIA
Chief Financial Officer
Mumbai : 12 May 2017

D. K. AGRAWAL
Whole-time Director

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

Directors

PRADIP KUMAR DAGA
YAZDI P. DANDIWALA
RAJAN A. DALAL
SOHANLAL K. JAIN

1. Corporate information

Century Textiles & 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 Real estate.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 12 May 2017.

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).

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

The 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.

2.3 Fair value measurement

The Company measures financial instruments, such as derivatives, 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.

External Valuers are involved for valuation of significant assets such as certain items of property plant and equipment. 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) 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.

Rental Income

The Company's policy for recognition of revenue from operating leases is described in note 2.10 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 off from the related expense.

2.6 Taxes

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

Deferred tax

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 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.

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.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. The cost of mining land is amortised on unit of production method.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. 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. Intangible assets representing cost of software capitalised is amortised over its useful life which is estimated to be a period of five 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 notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

2.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a lessee

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 Company is classified as a finance lease. 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.

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.

2.11 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. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Employee Benefits

Defined Contribution plans

For certain group of employees, employee benefit in the form of Provident fund, Superannuation, 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. 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.

2.17 Research and Development

Research expenditure, including overheads, on research and development, is charged as an expense in the year in which incurred.

2.18 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.

2.19 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:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets 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 finance 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.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- 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.

2.20 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.

2.21 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.

2.22 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to

vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact on the financial statements.

2B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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 34.

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 41 and 42 for further disclosures.

2C. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

- a) The Company has elected to fair value certain items of property plant and equipment as at the date of transition.
- b) The Company has designated quoted and unquoted equity shares held at 1 April 2015 as fair value through OCI.

Exception applied

- a) Derecognition of financial assets and liabilities exception – Financial assets and liabilities derecognized before 1 April 2015 are not re-recognized under Ind-AS. The Company has not chosen to apply the Ind AS 109 Financial Instruments derecognition criteria to an earlier date. No significant arrangements were identified that had to be assessed under this exception.
- b) Classification of debt and equity instruments – The Company has determined the classification of debt and equity instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- c) Impairment of financial asset – The Company has applied the impairment requirements of Ind AS 109 retrospectively based on facts and circumstances existing on transition date.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

I. Reconciliation of Equity as at 1 April 2015

(₹ in Crores)

Particulars	Foot Notes	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	1,2	5930.22	400.89	6331.11
(b) Capital work-in-progress	1a, 6	176.39	(38.66)	137.73
(c) Investment property		405.65	-	405.65
(d) Investment property under development		533.46	-	533.46
(e) Intangible assets	1a	3.20	(1.02)	2.18
(f) Intangible assets under development		1.58	-	1.58
(g) Financial assets				
(i) Investments	4	93.44	94.10	187.54
(ii) Other financial assets	3a, 5	184.42	(38.62)	145.80
(h) Advance tax (net of provisions)		56.52	-	56.52
(i) Other non-current assets	6	156.35	(15.68)	140.67
SUB-TOTAL		<u>7541.23</u>	<u>401.01</u>	<u>7942.24</u>
CURRENT ASSETS				
(a) Inventories	1b, 11	1427.53	(29.23)	1398.30
(b) Financial assets				
(i) Trade receivables		655.09	-	655.09
(ii) Cash and cash equivalents		88.55	-	88.55
(iii) Other Bank Balances		35.84	-	35.84
(vi) Other financial assets	5	25.35	5.88	31.23
(c) Other current assets	6	267.00	(0.11)	266.89
SUB-TOTAL		<u>2499.36</u>	<u>(23.46)</u>	<u>2475.90</u>
TOTAL ASSETS		<u>10040.59</u>	<u>377.55</u>	<u>10418.14</u>
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		101.51	-	101.51
(b) Other equity	1,2,3,4,5, 6,7,9,11	1962.75	201.93	2164.68
SUB-TOTAL		<u>2064.26</u>	<u>201.93</u>	<u>2266.19</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	6	3567.27	(22.69)	3544.58
(ii) Other financial liabilities	3b	16.76	(2.72)	14.04
(b) Deferred tax liabilities (net)	9	179.77	(37.24)	142.53
(c) Other non-current liabilities	2, 3b	-	210.66	210.66
SUB-TOTAL		<u>3763.80</u>	<u>148.01</u>	<u>3911.81</u>
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings		1268.64	-	1268.64
(ii) Trade payables		545.53	-	545.53
(iii) Other financial liabilities	2, 6	1709.35	93.55	1802.90
(b) Provisions	7	514.57	(67.20)	447.37
(c) Other current liabilities	3b	174.43	1.27	175.70
SUB-TOTAL		<u>4212.52</u>	<u>27.62</u>	<u>4240.14</u>
TOTAL		<u>10040.58</u>	<u>377.56</u>	<u>10418.14</u>

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

II. A. Reconciliation of Equity as at 31 March 2016

(₹ in Crores)

Particulars	Foot Notes	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	1,2	5927.39	404.47	6331.86
(b) Capital work-in-progress	1a, 6	116.63	(46.42)	70.21
(c) Investment property		989.81	-	989.81
(d) Investment property under development		39.56	-	39.56
(e) Intangible assets	1a	3.09	(0.46)	2.63
(f) Intangible assets under development		0.10	-	0.10
(g) Financial assets				
(i) Investments	4	94.50	82.85	177.35
(ii) Other financial assets	3a, 5	326.21	(94.00)	232.21
(h) Advance tax (net of provisions)		64.16	-	64.16
(i) Other non-current assets	6	128.23	(8.07)	120.16
SUB-TOTAL		<u>7689.68</u>	<u>338.37</u>	<u>8028.05</u>
CURRENT ASSETS				
(a) Inventories	1b, 11	1302.37	(29.23)	1273.14
(b) Financial assets				
(i) Trade receivables		524.36	-	524.36
(ii) Cash and cash equivalents		54.46	-	54.46
(iii) Other Bank Balances		47.33	-	47.33
(vi) Other financial assets	5	97.24	(0.16)	97.08
(c) Other current assets	6	170.06	(1.46)	168.60
SUB-TOTAL		<u>2195.82</u>	<u>(30.85)</u>	<u>2164.97</u>
TOTAL ASSETS		<u>9885.50</u>	<u>307.52</u>	<u>10193.02</u>
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		111.69	-	111.69
(b) Other equity	1,2,3,4,5,6,7,9,11	2095.07	156.99	2252.06
SUB-TOTAL		<u>2206.76</u>	<u>156.99</u>	<u>2363.75</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	6	3296.15	(13.12)	3283.03
(ii) Other financial liabilities	3b	28.24	(5.12)	23.12
(b) Deferred tax liabilities (net)	9	154.58	(58.81)	95.77
(c) Other non-current liabilities	2, 3b	-	190.54	190.54
SUB-TOTAL		<u>3478.97</u>	<u>113.49</u>	<u>3592.46</u>
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings		1419.21	-	1419.21
(ii) Trade payables		609.91	-	609.91
(iii) Other financial liabilities	2, 6	1429.83	108.93	1538.76
(b) Provisions	7	543.77	(73.94)	469.83
(c) Other current liabilities	3b	197.05	2.05	199.10
SUB-TOTAL		<u>4199.77</u>	<u>37.04</u>	<u>4236.81</u>
TOTAL		<u>9885.50</u>	<u>307.52</u>	<u>10193.02</u>

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

II. B. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2016

(₹ in Crores)

Particulars	Foot Notes	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I Revenue from operations	2, 3, 10	7993.74	751.45	8745.19
II Other income	3a, 5	45.43	9.97	55.40
III Total Income (I + II)		<u>8039.17</u>	<u>761.42</u>	<u>8800.59</u>
IV Expenses				
(a) Cost of materials consumed	1c, 3a	2688.67	22.90	2711.57
(b) Purchases of traded goods		9.32	-	9.32
(c) Changes in inventories of finished goods work-in-progress and traded goods		51.72	-	51.72
(d) Excise Duty on sale of goods	10	-	778.23	778.23
(e) Employee benefit expense	8	646.42	(0.05)	646.37
(f) Finance costs	2, 3b, 6	567.72	19.93	587.65
(g) Depreciation and amortisation expense	1a, 1b, 2	287.82	(4.73)	283.09
(h) Other expenses	1a, 6, 10	3867.98	7.19	3875.17
Total Expenses		<u>8119.65</u>	<u>823.47</u>	<u>8943.12</u>
V Profit/(loss) before tax (III - IV)		(80.48)	(62.05)	(142.53)
VI Tax Expense				
(a) Current tax		(0.76)	-	(0.76)
(b) Deferred tax	9	<u>(25.20)</u>	<u>(21.57)</u>	<u>(46.77)</u>
Total tax expense		<u>(25.96)</u>	<u>(21.57)</u>	<u>(47.53)</u>
VII Profit/(loss) for the year (V - VI)		<u>(54.52)</u>	<u>(40.48)</u>	<u>(95.00)</u>
VIII Other comprehensive income		-		
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of net defined benefit plans	8	-	0.05	0.05
(b) Fair Value changes relating to Investments	4	-	<u>(11.25)</u>	<u>(11.25)</u>
Total other comprehensive income for the year (net of tax)		-	<u>(11.20)</u>	<u>(11.20)</u>
IX Total comprehensive income for the year (VII + VIII)		<u>(54.52)</u>	<u>(51.68)</u>	<u>(106.20)</u>

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the period ended 31 March 2016:

1. Property plant and equipment

- (a) The Company has elected to measure certain items of property, plant and equipment, capital work in progress and intangible assets at fair value at the date of transition to Ind AS. Hence an increase of ₹ 121.70 crores as at 1 April 2015 and ₹ 136.13 crores as at 31 March 2016 has been recognised in property, plant and equipment, decrease of ₹ 38.31 crores as at 1 April 2015 and ₹ 46.27 crores as at 31 March 2016 has been recognised in capital work in progress and decrease of ₹ 1.02 crores as at 1 April 2015 and ₹ 0.46 crores as at 31 March 2016 has been recognised in intangible assets.
- (b) Reclassification of spares parts that meets the definition of property, plant and equipment amounting to ₹ 1.88 crores as at 1 April 2015 and ₹ 2.43 crores as at 31 March 2016 has been recognised in property, plant and equipment net of accumulated depreciation.
- (c) Amortisation of the carrying value of mining land based on the units of production method resulting in to a decrease of ₹ 7.00 crores as at 1 April 2015 and ₹ 7.59 crores as at 31 March 2016 has been recognised in property, plant and equipment.

For the year ended on 31 March 2016, on account of the above adjustments there is decrease in depreciation, cost of material consumed and other expenses by ₹ 6.99 crores.

2. Government grant

Under Indian GAAP, the Company had adjusted the Government Grant related to Export Promotion Capital Goods (EPCG) scheme availed by the Company to the cost of fixed assets and the exports obligation was disclosed in the notes to financial statements whereas under Ind AS, the Company has recognized the Grant as a deferred revenue which is amortized to statement of profit and loss on the basis of actual exports made by the Company. The net impact on account of the same is increase in property, plant and equipment by ₹ 284.32 crores as at 1 April 2015 and ₹ 273.50 crores as at 31 March 2016, increase in Deferred Revenue by ₹ 209.27 crores as at 1 April 2015 and ₹ 187.62 crores as at 31 March 2016, increase in financial liability by ₹ 92.05 crores as at 1 April 2015 and ₹ 110.08 crores as at 31 March 2016 and decrease in retained earnings by ₹ 17.00 crores as at 1 April 2015 and ₹ 24.20 crores as at 31 March 2016.

There is a consequent increase in other operating income amounting to ₹ 21.06 crores, finance cost amounting to ₹ 17.60 crores and depreciation amounting to ₹ 10.82 crores for the year ended 31 March 2016.

3. Financial assets and liability

- a. Under Indian GAAP, the Company had accounted for financial assets (primarily Government Grants receivable) at the undiscounted amount whereas under Ind AS, such financial assets are recognised at present value. The net impact on account of the same is decrease in financial assets by ₹ 40.13 crores as at 1 April 2015 and ₹ 94.03 crores as at 31 March 2016 and decrease in retained earnings by ₹ 40.13 crores as at 1 April 2015 and ₹ 94.03 crores as at 31 March 2016.

Hence a decrease in other operating income by ₹ 49.08 crores, increase in cost of material consumed by ₹ 22.31 crores and increase in other income by ₹ 17.49 crores has been recognised in the statement of profit or loss for the year ended 31 March 2016.

- b. Under Indian GAAP, the Company had accounted for financial liability (primarily security deposit) at the undiscounted amount whereas under Ind AS, such financial liability are recognised at present value. The net impact on account of the same is decrease in financial liability by ₹ 0.07 crores as at 1 April 2015 and ₹ 0.14 crores as at 31 March 2016 and decrease in retained earnings by ₹ 0.07 crores as at 1 April 2015 and ₹ 0.14 crores as at 31 March 2016.

Hence in increase in other operating income by ₹ 1.24 crores and increase in finance cost by ₹ 1.61 crores has been recognised in the statement of profit or loss for the year ended 31 March 2016.

4. Investments in quoted and unquoted equity instruments

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as Investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, the Company has designated such investments as FVTOCI investments. The difference between the instruments fair value and Indian GAAP carrying amount of ₹ 94.10 crores as at transition date and ₹ 82.85 crores as at

31 March 2016 has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

5. Derivative instruments

The fair value gain of foreign exchange forward contracts and interest rate swap is recognised under Ind AS, which was not recognised under Indian GAAP. The corresponding adjustment of ₹ 7.39 crores has been credited to reserves as on the transition date and ₹ 0.12 crores debited to reserves as at 31 March 2016.

There is a consequent decrease in other income amounting to ₹ 7.52 crores for the year ended 31 March 2016.

6. Borrowings

Under Indian GAAP, unamortised transaction costs relating to borrowings is recognised separately in assets, whereas under Ind AS such cost is netted off against the borrowings. Unamortised transaction cost of ₹ 21.18 crores as at 1 April 2015 and ₹ 14.22 crores as at 31 March 2016 is netted off against the borrowings resulting into the decrease of current and non-current assets of ₹ 15.79 crores as at 1 April 2015 and ₹ 9.45 crores as at 31 March 2016, capital work in progress of ₹ 0.35 crore as at 1 April 2015 and ₹ 0.14 crore as at 31 March 2016.

There is a consequent increase in finance cost and other expense amounting to ₹ 0.50 crore for the year ended 31 March 2016.

7. Proposed dividend

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 67.20 crores as at 1 April 2015 and ₹ 73.93 crores as at 31 March 2016 recorded for dividend has been derecognised against retained earnings.

8. Defined benefit liabilities

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses 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. Actuarial loss of ₹ 9.04 crores as at 1 April 2015 and ₹ 8.99 crores as at 31 March 2016 is recognised in OCI net of deferred tax.

9. Deferred tax

Under Indian GAAP, deferred tax is accounted using the income statement approach as per timing differences between taxable profits and accounting profits for the period. IND AS 12 requires accounting for deferred taxes using the balance sheet approach as per temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences as on the transition date. The net impact of ₹ 37.24 crores as at 1 April 2015 and ₹ 58.81 crores as at 31 March 2016 on deferred tax liabilities on the transitional adjustments debited to equity.

10. Excise duty

Excise duty of ₹ 778.23 crores on account of sale of goods has been included in revenue as it is on own account because it is liability of the manufacturer which forms part of the production, irrespective of whether goods are sold or not.

11. Inventory

On account of capitalisation of spares, revaluation of Inventory consequent to change in depreciation and other adjustments, inventory is reduced by ₹ 29.23 crores as at 1 April 2015 and ₹ 29.23 crores as at 31 March 2016.

12. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

13. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land - Freehold	Land - leasehold (Finance lease)	Buildings	Plant and Equip-ments	Office Equip-ments	Furniture and F-ixtures	Vehicles	Electric Insta-llations	Railway Wagons Leasehold	Total
I. Gross Block										
Balance as at 1 April 2015	340.73	68.22	933.55	8072.49	26.54	46.66	16.18	402.16	62.04	9968.57
Additions	0.57	1.14	75.84	191.32	1.66	3.59	1.52	5.76	-	281.40
Disposals	0.33	-	0.10	15.95	1.54	1.32	0.84	0.65	-	20.73
Balance as at 31 March 2016	340.97	69.36	1009.29	8247.86	26.66	48.93	16.86	407.27	62.04	10229.24
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	1044.69	8337.86	29.06	51.72	16.90	411.17	62.04	10380.24
II. Accumulated Depreciation										
Balance as at 1 April 2015	7.62	12.00	223.92	3154.60	20.53	29.54	6.64	123.67	58.94	3637.46
Depreciation expense for the year	0.59	2.02	29.89	197.24	2.24	3.81	1.76	36.58	-	274.13
Disposal of assets	-	-	0.03	10.47	1.44	1.13	0.56	0.58	-	14.21
Balance as at 31 March 2016	8.21	14.02	253.78	3341.37	21.33	32.22	7.84	159.67	58.94	3897.38
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	3546.56	22.83	35.53	8.90	195.32	58.94	4178.07
III. Net Block										
Balance as at 1 April 2015	333.11	56.22	709.63	4917.89	6.01	17.12	9.54	278.49	3.10	6331.11
Balance as at 31 March 2016	332.76	55.34	755.51	4906.49	5.33	16.71	9.02	247.60	3.10	6331.86
Balance as at 31 March 2017	348.71	53.74	759.05	4791.30	6.23	16.19	8.00	215.85	3.10	6202.17

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (contd.)

Note :

1. During the year ended on 31 March 2017 and 31 March 2016, there is no impairment loss determined at each level of 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 3 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 2016 ₹ 0.01 crore) (1 April 2015 ₹ 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 crores (31 March 2016 ₹ 4.03 crores) (1 April 2015 ₹ 4.03 crores) 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.

NOTE 4 : INVESTMENT PROPERTIES

(₹ in Crores)

Particulars	Land	Buildings	Total
I. Gross Block			
Balance as at 1 April 2015	0.60	416.95	417.55
Additions	-	597.47	597.47
Disposals	-	0.97	0.97
Balance as at 31 March 2016	0.60	1013.45	1014.05
Additions	-	21.02	21.02
Disposals	-	0.95	0.95
Balance as at 31 March 2017	0.60	1033.52	1034.12
II. Accumulated depreciation			
Balance as at 1 April 2015	-	11.90	11.90
Depreciation expense for the year	-	12.34	12.34
Balance as at 31 March 2016	-	24.24	24.24
Depreciation expense for the year	-	29.51	29.51
Disposal of assets	-	-	-
Balance as at 31 March 2017	-	53.75	53.75
III. Net Block			
Balance as at 1 April 2015	0.60	405.05	405.65
Balance as at 31 March 2016	0.60	989.21	989.81
Balance as at 31 March 2017	0.60	979.77	980.37

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE 4 : INVESTMENT PROPERTIES (contd.)

Note : Information regarding Income and expenditure of Investment properties

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
Rental income derived from Investment properties (See Note 21)	96.43	37.48
Direct operating expenses (including repairs and maintenance) generating rental income	(58.29)	(12.67)
Profit arising from investment properties before depreciation and indirect expenses	38.14	24.81
Less: Depreciation	29.50	12.34
Profit arising from investment properties before indirect expenses	8.64	12.47

Note :

- The Company's investment properties consist of two commercial properties in India including land on which properties have been constructed, which are leased to third parties.
- 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.
- Refer note 14 and note 18 for details of pledge and securities.
- Capitalised borrowing cost :** Borrowing costs of ₹ 3.73 crores (31 March 2016 ₹ 60.28 crores) is capitalised on Investment property under development.
- Contractual Obligations :** The Company is developing its mill land at Worli, Mumbai in terms of redevelopment plans submitted to the municipal authorities under the Integrated Development Scheme (IDS) of the "Development Control Regulation of Greater Bombay, 1991" Regulation 58 i.e. DCR 58. As per the said IDS, the Company is required to fulfil certain commitment in accordance with and in the manner required by the regulations prevailing at the time of issue such as surrender of land, alternate accommodation to existing residential occupants, etc. against which the Company is entitled to benefits. The Company is in process of fulfilling its commitment pending certain claims including those under the said schemes which are expected to be fulfilled as the work progresses.
- Leasing arrangements :** Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. (See Note 37).
- 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 2017	31 March 2016	1 April 2015
Land	Stamp Duty Reckoner rate	Level 2	2496.75	2217.52	2217.52
Commercial Property *	Stamp Duty Reckoner rate	Level 2	2275.22	2242.21	2242.21

* 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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer Softwares
I. Gross Block	
Balance as at 1 April 2015	12.75
Additions	1.32
Disposals	-
Balance as at 31 March 2016	14.07
Additions	1.08
Disposals	-
Reclassified as held for sale	-
Balance as at 31 March 2017	15.15
II. Accumulated depreciation	
Balance as at 1 April 2015	10.57
Depreciation expense for the year	0.87
Disposal of assets	-
Balance as at 31 March 2016	11.44
Depreciation expense for the year	0.96
Disposal of assets	-
Balance as at 31 March 2017	12.40
III. Net Block	
Balance as at 1 April 2015	2.18
Balance as at 31 March 2016	2.63
Balance as at 31 March 2017	2.75

Note : Break-up of Depreciation / Amortisation for the year :

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)
Depreciation / amortisation for the year		
- On Property, plant & equipment	286.59	274.13
- On Investment property	29.51	12.34
- On Other intangible assets	0.96	0.87
	317.06	287.34
Less : Amount included under cost of raising and transporting limestone, shale and laterite	2.95	4.25
Total	314.11	283.09

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 6 FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
A. Investments carried at fair value through OCI			
Quoted investments	212.96	132.46	143.85
Unquoted investments (Refer Note below)	36.81	36.35	35.15
Total (Quoted & unquoted investments)	249.77	168.81	179.00
B. Amortised Cost			
Quoted Government and trust securities	8.54	8.54	8.54
Total [A] + [B]	258.31	177.35	187.54
C. Other disclosures			
Aggregate amount of quoted investments and market value thereof	221.50	141.00	152.39
Aggregate amount of unquoted investments	36.81	36.35	35.15
Total	258.31	177.35	187.54

Note:

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 for the year of Industry House Limited is ₹ 0.30 crores on 31 March 2017 (31 March 2016 : ₹ 0.33 crores and 1 April 2015 : ₹ 0.33 crores).

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 7 OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless otherwise specified)

	Non-Current			Current		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
(i) Financial assets at amortised cost						
Security deposits	37.90	31.37	36.89	2.66	8.36	5.44
- Doubtful	0.50	0.50	0.50	-	-	-
Less: Allowance for credit losses	0.50	0.50	0.50	-	-	-
	37.90	31.37	36.89	2.66	8.36	5.44
Interest subsidy and interest receivable	-	0.38	0.32	12.84	16.40	13.32
Subsidy / incentive receivables	237.07	199.97	104.84	123.52	55.91	-
Claims and other receivables	-	-	-	0.85	0.31	0.58
Unbilled revenue	14.95	-	-	7.62	-	-
Others	-	-	-	3.73	1.44	1.74
- Doubtful	-	-	-	0.14	0.14	-
Less: Allowance for credit losses	-	-	-	0.14	0.14	-
	289.92	231.72	142.05	151.22	82.42	21.08
Bank Deposits with more than 12 months maturity	2.13	0.45	2.23	-	-	-
	292.05	232.17	144.28	151.22	82.42	21.08
(ii) Financial assets at fair value						
Derivatives financial instruments carried at fair value through profit and loss (FVTPL) (Refer Note below)	1.20	0.04	1.52	9.04	14.66	10.15
Total	293.25	232.21	145.80	160.26	97.08	31.23

Note:

Derivative financial instruments

The Company entered into foreign exchange forward contracts with the intention of hedging the 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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 8 OTHER ASSETS

(Unsecured, considered good, unless otherwise specified)

	Non-Current			Current		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
(a) Capital advances						
(i) For capital work-in-progress	34.14	4.42	6.37	-	-	-
(ii) For investment property under development	0.95	5.03	4.63	-	-	-
	35.09	9.45	11.00	-	-	-
(b) Advances other than capital advances						
(i) Export incentive receivable	0.54	0.51	0.86	2.95	5.11	19.74
(ii) Renewable energy credit	8.52	18.22	-	8.00	6.00	10.17
(iii) Balances with Government authorities (other than income taxes)	4.00	21.85	51.60	70.88	53.71	96.03
(iv) Amount paid against disputed demands	65.69	65.09	68.77	-	-	-
(v) Advances to vendor / suppliers	-	-	-	129.17	80.70	110.82
(vi) Prepaid expense	0.76	0.58	1.37	18.49	10.73	11.72
(vii) Others	7.17	4.46	7.07	14.94	12.35	18.41
	86.68	110.71	129.67	244.43	168.60	266.89
Total	121.77	120.16	140.67	244.43	168.60	266.89

NOTE : 9 INVENTORIES

(At cost or net realisable value, whichever is lower)

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
(a) Raw materials	246.24	247.30	352.63
Goods in transit	24.04	38.51	22.46
(b) Work-in-progress	295.93	357.37	336.89
(c) Finished and semi-finished goods	203.93	241.35	311.25
(d) Stock-in-trade of goods acquired for trading	-	0.50	2.80
(e) Fuels, stores and spares	390.96	345.59	341.15
Goods in transit	75.93	17.91	4.81
(f) Other materials	26.83	24.61	25.98
Goods in transit	0.64	-	0.33
Total	1264.50	1273.14	1398.30

Note :

- During the year ended 31 March 2017 ₹ 7,393.00 crores (31 March 2016 ₹ 7,604.00 crores) was recognised as an expense.
- Cost of inventories recognised as an expense includes ₹ 14.01 crores (31 March 2016 ₹ 13.05 crores) in respect of write-downs of inventory to net realisable value.
- The carrying amount of inventories pledged as security for liabilities is ₹ 173.05 crores (31 March 2016 ₹ 139.03 crores) (1 April 2015 ₹ 183.07 crores).

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 10 TRADE RECEIVABLES

	As at 31 March 2017 (₹ in Crores)	Current	
		As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Secured, considered Good	225.61	234.52	211.73
Unsecured, considered Good	277.35	289.84	443.36
Doubtful	10.05	8.77	8.39
Less: Allowance for credit losses	10.05	8.77	8.39
Total	502.96	524.36	655.09
Of the above, trade receivables from			
- Related Parties	-	-	-
- Others	502.96	524.36	655.09
Total	502.96	524.36	655.09

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 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Cash and cash equivalents			
(a) Balances with banks			
- Current Accounts	38.00	51.65	78.39
- Debit balance in Cash Credit / Overdraft Accounts	0.66	1.90	4.86
(b) Cheques and drafts on hand	0.08	0.43	4.72
(c) Cash on hand	0.50	0.48	0.58
Total	39.24	54.46	88.55
Other Bank Balances			
(a) Earmarked balances with banks			
- Unclaimed dividend accounts	1.91	1.91	2.02
- Fixed deposits (See note 36(e))	27.81	31.90	29.63
(b) Balances with Banks:			
- Fixed deposits with maturity more than 3 months	1.25	0.48	0.56
- On margin accounts	19.00	13.04	3.63
Total	49.97	47.33	35.84

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.

Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the Table below :

Particulars	SBNs	Other Denomination Notes	(₹ in Crores)
			Total
Closing cash in hand as on 8 November 2016	0.82	0.08	0.90
Add: Permitted receipts	-	1.12	1.12
Less: Permitted payments	0.02	0.71	0.73
Less: Amount deposited in banks	0.80	0.03	0.83
Closing cash in hand as on 30 December 2016	-	0.46	0.46

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 12 EQUITY SHARE CAPITAL

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
(a) Authorised :			
14,80,00,000 (31 March 2016 - 14,80,00,000) (1 April 2015 - 14,80,00,000) Equity Shares of ₹ 10 each.	148.00	148.00	148.00
1,00,00,000 (31 March 2016 - 1,00,00,000) (1 April 2015 - 1,00,00,000) Redeemable Cumulative Non-convertible Preference Shares of ₹ 100 each.	100.00	100.00	100.00
	248.00	248.00	248.00
(b) Issued :			
11,17,11,090 (31 March 2016 - 11,17,11,090) (1 April 2015 - 10,15,31,090) Equity Shares of ₹ 10 each.	111.71	111.71	101.53
	111.71	111.71	101.53
(c) Subscribed and paid up :			
11,16,95,680 (31 March 2016 - 11,16,95,680) (1 April 2015 - 10,15,15,680) Equity Shares of ₹ 10 each, fully paid up	111.69	111.69	101.51
Total	111.69	111.69	101.51

(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.)

Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights Year Ended 31 March 2017			
No. of Shares	11,16,95,680	-	11,16,95,680
Amount (₹ in Crores)	111.69	-	111.69
Year Ended 31 March 2016			
No. of Shares	10,15,15,680	1,01,80,000	11,16,95,680
Amount (₹ in Crores)	101.51	10.18	111.69
Year Ended 1 April 2015			
No. of Shares	9,30,45,680	84,70,000	10,15,15,680
Amount (₹ in Crores)	93.04	8.47	101.51

(d) Shareholders holding more than 5% shares of the Company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Class of shares / Name of shareholders	Number of shares held	Percentage	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 %	3,42,20,520	33.71 %
(b) IGH Holding Private Limited	1,11,50,000	9.98 %	1,11,50,000	9.98 %	50,70,000	4.99 %
(c) Aditya Marketing and Manufacturing Limited	75,60,900	6.77 %	75,60,900	6.77 %	34,60,900	3.41 %

NOTE : 12 EQUITY SHARE CAPITAL (contd.)

(e) Equity shares reserved for issue at a later date:

In terms of the shareholder approval obtained at the extra ordinary general meeting held on 4 June, 2014, the Company issued and allotted 1,86,50,000 preferential warrant to the Promoter Group at a price of ₹ 354.89 per warrant, entitling the holder of such warrant to apply for and obtain one equity share of face value of ₹ 10/ each fully paid up against each warrant on or before the expiry of 18 months from the date of allotment.

On 30 March, 2015, the warrant holders had partially exercised their entitlement to convert 84,70,000 warrant into equivalent number of equity shares as per the terms of issue. Further on 18 December, 2015 warrant holders exercised the balance entitlement and converted 1,01,80,000 warrants into equivalent number of equity shares by paying the balance 75% of the price thereon.

- (f) 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 2017.

NOTE : 13 OTHER EQUITY

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)
(a) Securities Premium Reserve		
As per last balance sheet	643.22	292.12
On conversion of preferential warrants during the year (See Note 12)	-	351.10
	<u>643.22</u>	<u>643.22</u>
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	17.89	17.89
Add: Transferred to Retained earnings	(17.89)	-
Add: Transferred from General Reserves	60.42	-
	<u>60.42</u>	<u>17.89</u>

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 crores has been created during the year. In view of the loss during the year ended 31 March 2016, the Company had not created DRR in respect of its secured redeemable non-convertible debentures. Further the company has transferred DRR created on the debenture issued and redeemed in the past to retained earnings.

NOTE : 13 OTHER EQUITY (contd.)

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ 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 2016: ₹ 5.50 per share (31 March 2015 ₹ 5.50 per share)	61.43	55.83
Dividend distribution tax on above	12.52	11.37
	73.95	67.20
Proposed dividend on equity shares		
Final cash 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 proposed dividend	12.52	12.52
	73.95	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 2017.

(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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 14 BORROWINGS

	Non-Current			Current Maturities		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Measured at Amortised Cost						
Secured Non Convertible Debentures						
1. (7,000) Redeemable Non Convertible debentures (Repayment due on Apr'2020. Interest rate as at 31 Mar'2017 - 8.29 % p.a)	698.80	-	-	-	-	-
2. (2,000) Redeemable Non Convertible debentures (Repayment due on Apr'2019. Interest rate as at 31 Mar'2017 - 8.88 % p.a)	199.77	-	-	-	-	-
3. (4,000) Redeemable Non Convertible debentures (Repayment due on Dec'2016.) Interest rate as st 31 Mar'2016 - 10.45% p.a)	-	-	399.34	-	399.73	-
4. (5,000) Redeemable non-convertible debentures (Total Non Convertible Debentures was paid on Apr'2015)	-	-	-	-	-	499.72
Unsecured Non Convertible Debentures						
5. (1,000) Redeemable Non Convertible debentures (Total Non Convertible Debentures was paid on June'2015)	-	-	-	-	-	100.00
Term loans from Banks - Secured						
6. Term Loan from State Bank of India (Repayable in 24 equal quarterly Instalments, last instalment falling due on Aug'2016.)	-	-	32.46	-	33.03	66.68
7. Term Loan from Allahabad Bank (Repayable in 24 Quarterly Instalments, last instalment falling due on Aug' 2016.)	-	-	27.78	-	27.87	20.28
8. Term Loan from Union Bank of India (Last Instalment was paid on Aug'2015.)	-	-	-	-	-	13.69
9. Term Loan from Dena Bank (Prepaid during the year 2016 - 2017)	-	52.77	77.92	-	25.20	25.03
10. Term Loan from Syndicate Bank (Prepaid during the year 2015 - 2016)	-	-	75.89	-	-	24.14
11. Term Loan from State Bank of Travancore (Prepaid during the year 2015 - 2016)	-	-	64.01	-	-	20.56
12. Term Loan from State Bank of India (Repayable in 20 quarterly Instalments, last instalment falling due on Sept'2018.)	-	94.27	203.17	95.19	110.00	100.00
13. Term Loan from Bank of Baroda (Last instalment was paid on Dec'2016.)	-	-	20.65	-	21.28	28.00
14. Term Loan from State Bank of Hyderabad (Last instalment was paid on Sept'2016.)	-	-	8.40	-	8.40	22.00
15. Term Loan from Allahabad Bank (Repayable in 20 quarterly Instalments, last instalment falling due on Sept'2016.)	-	14.20	38.40	14.20	24.20	22.00
16. Term Loan from Union Bank of India (Prepaid during the year 2016 - 2017)	-	0.32	39.04	-	38.72	35.20
Carried Over	898.57	161.56	987.06	109.39	688.43	977.30

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 14 BORROWINGS (contd.)

	Non-Current			Current Maturities		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Brought Over	898.57	161.56	987.06	109.39	688.43	977.30
17. Term Loan from State Bank of Mysore (Repayable in 20 quarterly Instalments, last instalment falling due on June'2016.)	-	4.20	28.40	4.20	24.20	22.00
18. Term Loan from IndusInd Bank (Prepaid during the year 2015 - 2016)	-	-	19.17	-	-	38.33
19. Term Loan from ICICI Bank (Last instalment was paid on Oct'2016.)	-	-	75.83	-	74.76	98.48
20. Term Loan from Development Credit Bank (Prepaid during the year 2015 - 2016)	-	-	11.67	-	-	23.33
21. Term Loan from Syndicate Bank (Prepaid during the year 2015 - 2016)	-	-	19.17	-	-	38.33
22. Term Loan from State Bank of India (Repayable in 3 annual instalment, last repayment falling due on Oct'2018.)	99.44	199.56	299.40	100.00	100.00	-
23. Term Loan from Kotak Mahindra Bank (Bullet repayable at the end of 36 months, repayment falling due on July'2017.)	-	99.60	99.30	99.90	-	-
24. Term Loan from Axis Bank Ltd (Prepaid during the year 2016 - 2017)	-	283.76	298.43	-	15.00	-
25. Term Loan from Export Import Bank of India (Bullet repayable at the end of 24 months, repayment falling due on Oct'2017.)	-	75.00	75.00	75.00	-	-
26. Term Loan from South India Bank Ltd (Bullet repayable at the end of 24 months, repayment falling due on Oct'2017.)	-	50.00	50.00	50.00	-	-
27. Term Loan from Axis Bank Ltd (Repayable in 2 tranches , last instalment falling due on July' 2017.)	209.66	148.65	297.64	75.00	150.00	-
28. Term Loan from ICICI Bank Ltd (Bullet repayable at the end of 36 months, repayment falling due on Sept'2018.)	149.48	299.13	148.79	150.00	-	-
29. Term Loan from HDFC Bank Ltd (Repayable in 15 quarterly Instalments, last instalment falling due on Dec' 2020.)	274.84	335.88	148.80	61.25	13.13	-
30. Term Loan from South India Bank Ltd (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Mar' 2020.)	74.87	74.83	49.79	-	-	-
31. Term Loan from Export Import Bank of India (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Mar'2020.)	124.79	124.72	69.65	-	-	-
32. Term Loan from State Bank of Travancore (Repayable in 3 Equal Annual Instalments, last instalment falling due on Mar'2020.)	132.99	199.55	199.44	66.67	-	-
Carried Over	1964.64	2056.44	2877.54	791.41	1065.52	1197.77

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 14 BORROWINGS (contd.)

	Non-Current			Current Maturities		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Brought Over	1964.64	2056.44	2877.54	791.41	1065.52	1197.77
33. Foreign Currency Term Loan from IndusInd Bank Amounting to 39.28 Million US Dollar (Prepaid during the year 2016 - 2017)	-	259.30	244.17	-	-	-
34. Term Loan from Axis Bank Ltd (Repayable in 16 Quarterly tranches , last instalment falling due on July 2020.)	201.38	247.72	-	46.86	-	-
35. Term Loan from State Bank of India (Repayable in 3 annual instalment, last repayment falling due on Dec'2020.)	499.04	499.47	-	-	-	-
36. Term Loan from HDFC Bank Ltd (Repayable in 12 Equal Quarterly Instalments, last instalment falling due on Sept' 2021.)	349.79	-	-	-	-	-
37. TUF Loan from State Bank of Patiala (Last instalment was paid on June 2015.)	-	-	-	-	-	1.18
38. TUF Loan from State Bank of India (Repayable in 36 equal quarterly Instalments, last instalment falling due on Mar' 2020.)	1.39	2.09	2.79	0.70	0.70	0.70
39. TUF Loan from State Bank of India (Last instalment was paid on Mar'2016.)	-	-	-	-	-	46.21
40. TUF Loan from State Bank of India (Last instalment was paid on Mar'2016.)	-	-	-	-	-	11.51
41. TUF Loan from State Bank of India (Last instalment was paid on Mar'2016.)	-	-	-	-	-	4.97
42. TUF Loan from State Bank of Mysore (Last instalment was paid on Mar'2016.)	-	-	-	-	-	10.66
43. TUF Loan from State Bank of Hyderabad (Last instalment was paid on Mar'2016.)	-	-	-	-	-	7.10
44. TUF Loan from State Bank of Bikaner & Jaipur (Last instalment was paid on Mar'2016.)	-	-	-	-	-	4.97
45. TUF Loan from State Bank of India (Last instalment was paid on Oct'2016.)	-	-	5.02	-	5.06	8.76
46. TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Feb' 2020.)	8.69	14.67	20.64	6.00	6.00	6.00
47. TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Dec' 2020.)	6.56	13.95	21.34	7.40	7.40	3.70
48. TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Dec' 2020.)	7.06	9.64	12.21	2.60	2.60	0.65
49. TUF Loan from State Bank of India (Repayable in 20 equal quarterly Instalments, last instalment falling due on Sept' 2022.)	12.40	29.75	12.21	17.70	3.33	-
Carried Over	3050.95	3133.03	3195.92	872.67	1090.61	1304.18

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 14 BORROWINGS (contd.)

	Non-Current			Current Maturities		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Brought Over	3050.95	3133.03	3195.92	872.67	1090.61	1304.18
Term loans from Others - Secured						
50. Term Loan from Aditya Birla Finance Ltd (Repayable in 8 Equal Quarterly Instalments, last instalment falling due on Jan' 2020.)	75.00	75.00	75.00	-	-	-
51. Term Loan from I D F C (Prepaid during the year 2015 - 2016)	-	-	198.66	-	-	-
52. Term Loan from Aditya Birla Finance Ltd (Bullet repayable at the end of 24 months, repayment falling due on Oct' 2017.)	-	75.00	75.00	75.00	-	-
Amount disclosed under the head "Other Financial Liabilities - Current" (See Note 15)				(947.67)	(1090.61)	(1304.18)
Total	3125.95	3283.03	3544.58	-	-	-

Effective rate of Interest : All the term loans are carried at the Interest rate from 7% to 12%

Details of Security :

1. Loans covered in Sr. No. 1 and 2 above :

First pari passu charge on Plant and Machineries present and future of Birla Century, Pulp & Paper, Cement, Rayon Divisions and Freehold land admeasuring 25323.78 Sq. Meters and Greenspan 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 & Fixtures and Vehicles of all above Divisions.

2. Loans covered in Sr. No. 3 and 4 above :

First pari passu charge over the property plant and equipment, present and future, of the Company's Textile (Birla Century), Rayon, Cement (including proposed 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 land & buildings thereon of Maihar Cement Unit I & II divisions and mines, furniture, fixtures, vehicles and other miscellaneous assets of all the divisions).

3. Loans covered in Sr. No. 6 to 8 above :

First pari passu charge over the entire property plant and equipment, present and future, of the Company's Birla Century, Rayon, Century Cement, Maihar Cement I & II, Manikgarh Cement, Pulp and Paper divisions and Phase I of Real Estate Development including those acquired/to be acquired for the expansion project of paper division (excluding leasehold land of Birla Century and Pulp and Paper divisions).

4. Loans covered in Sr. No. 9 to 17 above :

First pari passu charge over the property plant and equipments, present and future, of the Company's Textile (Birla Century), Rayon, 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).

5. Loans covered in Sr. No. 18, 20 and 21 above :

First pari passu charge of all immovable/moveable property plant and equipments of the Company's Textile (Birla Century), Rayon, Cement and Pulp & Paper divisions (excluding the leasehold land at Birla Century, Pulp and Paper and Sonar Bangla Cement divisions) and also a portion or land at Worli at Phase I Project and building thereon.

6. Loans covered in Sr. No. 19 above :

First pari passu charge on the present and future movable and immovable property plant and equipment, of the Phase I of Real Estate Development at Worli, Mumbai, Sonar Bangla Cement, Century Cement, Maihar Cement I & II, Manikgarh Cement (including expansion), Birla Century, Century Rayon and Century Pulp & Paper divisions, (excluding leasehold land and building on such leasehold land of all the divisions and furniture, fixtures, vehicles and other miscellaneous assets of all the divisions).

7. Loans covered in Sr. No. 22 above :

Exclusive mortgage of Land and Buildings situated at final plot no. 1080 on Town Planning Scheme at Dr. Annie Besant Road, Worli, Mumbai.

8. Loans covered in Sr. No. 23 to 27 and 29 to 35 and 49 to 52 above :

First pari passu charge over the present and future property plant and equipments of Birla Century, Rayon, Cement (including the property plant and equipments of expansion plant at Manikgarh, Maihar 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.

9. Loans covered in Sr No. 36 above :

First pari passu charge on the plant and machineries of Birla Century, Pulp & Paper, Cement and Rayon 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, Century Rayon and Manikgarh Cement Divisions of the Company (excluding Furniture & Fixtures and vehicles of all divisions).

10. Loans covered in Sr. No. 28 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, Century Rayon 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.

11. Loans covered in Sr. No. 38 to 44 above :

First pari passu charge on entire property plant and equipments of Textiles, Rayon, 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.

12. Loans covered in Sr. No. 45 and 46 above :

First pari passu charge over the property plant and equipments, present and future, of the Company's Textile (Birla Century), rayon, 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).

13. Loans covered in Sr. No. 47 and 48 above :

First pari passu charge over the property plant and equipments, 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).

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 15 OTHER FINANCIAL LIABILITIES

	Non-Current			Current		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Other Financial Liabilities Measured at Amortised Cost						
(a) Deposits from dealers and agents	-	-	-	249.64	218.65	212.69
(b) Deposits against rental arrangements	44.06	22.55	13.40	12.08	8.49	8.63
(c) Other long term liabilities	0.50	0.57	0.64	-	-	-
(d) Current maturities of long-term debt (See Note 14)	-	-	-	947.67	1090.61	1304.18
(e) Interest accrued but not due on borrowings	-	-	-	39.39	19.69	23.31
(f) Other interest accrued	-	-	-	128.10	110.08	92.05
(g) Unclaimed / Unpaid dividends	-	-	-	1.91	1.91	2.02
(h) Overdrawn bank balances as per books	-	-	-	0.18	0.75	0.28
(i) Other liabilities						
(1) Creditors for capital supplies/ services	-	-	-	40.48	42.19	91.75
(2) Other current liabilities	-	-	-	71.43	46.39	67.99
Total	44.56	23.12	14.04	1490.88	1538.76	1802.90

Note :-

- Unclaimed dividend amounting to ₹ 0.03 crore (31 March 2016 ₹ 0.02 crore) (1 April 2015 ₹ 0.05 crore) is pending on account of litigation among claimants / notices from the tax recovery officer.
- 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.

NOTE : 16 INCOME TAX

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
(a) Tax expense recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year	25.00	-
In respect of earlier years	-	(0.76)
Deferred tax		
In respect of current year origination and reversal of temporary differences	33.20	(50.49)
In respect of earlier years	(26.49)	-
Adjustments due to changes in tax rates (See Note (e) below)	-	3.72
Minimum Alternate Tax (MAT) Credit entitlement	(25.00)	-
Total income tax expense / (credit)	6.71	(47.53)
(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	3.23	-
	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	3.23	-
	3.23	-
(c) Amounts Recognised directly in Equity - Nil (31 March 2016 - Nil)	-	-
(d) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
Profit/(loss) before tax	111.70	(142.53)
Income tax expense calculated at 34.608%	38.66	(49.33)
Effect of income that is exempt from taxation	(0.67)	(1.27)
Effect of expenses that is non-deductible in determining taxable profit	0.31	3.14
Effect of tax incentives and concessions (research and development and other allowances)	(5.10)	(6.66)
Effect of current year losses for which no deferred tax asset is recognised	-	3.63
	33.20	(50.49)
Adjustments recognised in the current year in relation to the current tax of prior years	(26.49)	2.96
Income tax expense recognised in profit or loss	6.71	(47.53)

Note :

The tax rate used for the 31 March 2017 and 31 March 2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

- (e) During previous year, the increase of the Corporate income tax rate from 33.99% to 34.608% was substantively enacted on 28 February 2015 and will be effective from 1 April 2015. As a result, the relevant deferred tax balances have been remeasured. During the previous year, deferred tax liability as at 31 March 2015 has been measured at 34.608%.

The impact of the change in tax rate has been recognised in tax expense in previous year 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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 16 INCOME TAX (contd.)

The movement in deferred tax assets and liabilities during the year ended 31 March 2017 and 31 March 2016:
(₹ in Crores)

Movement during the year ended 31 March 2017	As at 31 March 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
	<u>900.25</u>	<u>92.76</u>	<u>3.23</u>	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) Carry forward tax loss	592.85	77.07	-	669.92
(vi) MAT credit	24.86	25.00	-	49.86
(vii) Provision for leave encashment	22.95	-	-	22.95
(viii) Interest Income on unwinding of financial assets	32.54	1.14	-	33.68
(ix) Other temporary differences	4.87	-	-	4.87
	<u>804.48</u>	<u>111.05</u>	<u>-</u>	915.53
Net Deferred Tax Liability / (Asset)	<u>95.77</u>	<u>(18.29)</u>	<u>3.23</u>	80.71

(₹ in Crores)

Movement during the year ended 31 March 2016	As at 1 April 2015	Recognised in profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2016
Tax effect of items constituting deferred tax liabilities				
(i) Property, plant and equipment	778.83	119.84	-	898.67
(ii) Actuarial gain on defined benefit obligation	-	-	-	-
(iii) Interest expenses on unwinding of financial liability	0.02	0.03	-	0.05
(iv) Unwinding of upfront fees	1.71	(0.14)	-	1.57
(v) Derivatives financial instruments carried at FVTPL	2.52	(2.56)	-	(0.04)
	<u>783.08</u>	<u>117.17</u>	<u>-</u>	<u>900.25</u>
Tax effect of items constituting deferred tax assets				
(i) Employee benefits	0.48	1.55	-	2.03
(ii) Other provisions	4.29	0.10	-	4.39
(iii) Expenses allowable for tax purpose when paid	97.94	13.67	-	111.61
(iv) Government grant	5.78	2.60	-	8.38
(v) Carry forward tax loss	467.38	125.47	-	592.85
(vi) MAT credit	24.86	-	-	24.86
(vii) Provision for leave encashment	21.33	1.62	-	22.95
(viii) Interest Income on unwinding of financial assets	13.64	18.90	-	32.54
(ix) Other temporary differences	4.85	0.02	-	4.87
	<u>640.55</u>	<u>163.93</u>	<u>-</u>	<u>804.48</u>
Net Deferred Tax Liability / (Asset)	<u>142.53</u>	<u>(46.76)</u>	<u>-</u>	<u>95.77</u>

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 17 OTHER LIABILITIES

	Non-Current			Current		
	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
(a) Advances received from customers	-	-	-	79.91	73.55	71.84
(b) Deferred Revenue (Includes government grant) (See Note below)	156.11	190.54	210.66	4.04	2.05	1.27
(c) Statutory dues						
- Taxes Payable (other than income taxes)	-	-	-	116.57	108.25	94.36
- Employee Recoveries and Employer Contributions	-	-	-	6.11	5.12	4.23
(d) Other Liabilities	-	-	-	10.90	10.13	4.00
Total	156.11	190.54	210.66	217.53	199.10	175.70

Note : Government grants

Particulars	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)
Opening	187.62	209.27
Received during the year	-	-
Released to the Statement of Profit and Loss	40.34	21.65
Closing	147.28	187.62

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 37).

NOTE : 18 BORROWINGS

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Secured Borrowings			
(a) Loans repayable on demand from banks			
Working capital loans / Cash Credit from banks	80.71	613.79	68.54
Pre-shipment, Post-shipment and Export Bills Discounting facilities	37.22	78.51	36.34
Bills Discounted with Bank	5.67	8.40	15.08

Nature of Security

- 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), Century Rayon, 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 property(ies) of Century Cement, Century Pulp and Paper on pari-passu 2nd charge basis with other WC lenders.
- 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 ₹ 243.11 crores (31 March 2016 ₹ 199.79 crores) (1 April 2015 ₹ 203.77 crores).

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 18 BORROWINGS (contd.)

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Unsecured Borrowings			
(a) Short Term Borrowings from Banks			
Under a buyer's credit arrangement in foreign currency	145.41	118.51	248.68
Rupee Loans	-	150.00	50.00
(b) Commercial Paper			
[Maximum balance outstanding during the year ₹ 1,800.00 crores; (31 March 2016 ₹ 1,575.00 crores) (1 April 2015 ₹ 1,550.00 crores)]	1325.00	450.00	850.00
Total	1594.01	1419.21	1268.64

NOTE : 19 TRADE PAYABLES

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
Trade payable - Micro and small enterprises	2.48	0.44	0.05
Trade payable - Other than micro and small enterprises	629.03	552.21	499.53
Acceptances	74.31	57.26	45.95
Total	705.82	609.91	545.53

Note :

- 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.
- 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

	As at 31 March 2017 (₹ in Crores)	As at 31 March 2016 (₹ in Crores)	As at 1 April 2015 (₹ in Crores)
		Current	
(a) Provision for employee benefits			
(i) Leave entitlement	65.43	67.00	62.79
(ii) Gratuity (See note 34)	-	2.41	-
(iii) Workers termination benefits	-	55.67	53.47
	65.43	125.08	116.26
(b) Other Provisions			
(i) Disputed matters (See Note 35)	380.39	344.75	331.11
	380.39	344.75	331.11
Total	445.82	469.83	447.37

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 21 REVENUE FROM OPERATIONS

		Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
(a) Sale of products	8316.95		8400.19
(b) Rent from Leased Properties (See Note 4)	96.43		37.48
		8413.38	8437.67
(c) Other operating revenues			
Export benefits	20.26		21.79
Sale of scrap	16.33		18.73
Insurance and other claims	2.00		1.09
Liabilities no longer required	28.40		63.76
Sales Tax Incentive	144.31		160.87
Renewable energy credits	-		20.46
Others	28.85		20.82
		240.15	307.52
Total		8653.53	8745.19

NOTE : 22 OTHER INCOME

Dividend on FVTPL Investments	1.81		2.36
Dividend on FVOCI Investments	1.18		1.32
		2.99	3.68
Interest Income :			
Non current investments at amortised cost	0.71		0.71
On Income tax refund	-		0.58
Other interest income	10.28		15.85
On unwinding of other financial assets	29.50		18.98
		40.49	36.12
Gain on foreign currency fluctuations and translations (net)		14.43	2.66
Fair value gain on financial instruments at FVTPL *		6.70	3.29
Lease Rent received under 'Own Your Wagon' scheme		0.45	0.50
Surplus on sale of Property Plant and Equipment (net)		6.40	-
Miscellaneous Income		4.17	9.15
Total		75.63	55.40

* Fair value gain on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 23 COST OF MATERIALS CONSUMED

		Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
Raw Material consumed			
Opening Stock	247.30		352.63
Add: Purchases (including cost of raising and transporting Limestone, Shale and Laterite (31 March 2017 ₹ 182.72 Crore) (31 March 2016 ₹ 220.06 Crore))	2064.16	2311.46	2064.17
			2416.80
Less: Closing Stock	246.24	2065.22	247.30
			2169.50
Dyes, Colour and Chemicals consumed			
Opening Stock	16.99		16.83
Add: Purchases	280.79		298.09
	297.78		314.92
Less: Closing Stock	16.46	281.32	16.99
			297.93
Packing Materials Consumed			
Opening Stock	7.62		9.15
Add: Purchases	256.12		242.61
	263.74		251.76
Less: Closing Stock	10.37	253.37	7.62
			244.14
Total		2599.91	2711.57

NOTE : 24 PURCHASE OF TRADED GOODS

Purchase of traded goods	0.68	9.32
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NOTE : 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock :-			
Finished goods	241.35		311.25
Work-in-progress	357.37		336.89
Stock-in-trade	0.50	599.22	2.80
			650.94
Closing Stock :-			
Finished goods	203.93		241.35
Work-in-progress	295.93		357.37
Stock-in-trade	-	499.86	0.50
			599.22
Total		99.36	51.72

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
Salaries, Wages, Bonus, etc.	569.20	552.46
Contributions to Provident and other funds	50.77	47.74
Contribution to Gratuity Fund (See note 34)	16.42	17.23
Staff welfare expenses	30.81	28.94
Total	667.20	646.37

NOTE : 27 FINANCE COST

Interest on debts and borrowings (See note below)	553.62	638.42
Exchange differences regarded as an adjustment to borrowing costs	(2.26)	7.89
Unwinding of discount and effect of change in discount rate on provisions	3.12	1.62
	554.48	647.93
Less :		
Borrowing costs capitalised	3.73	60.28
Total	550.75	587.65

Note:

Net of subsidy ₹ 5.41 crores (31 March 2016 ₹ 11.65 crores, 1 April 2015 ₹ 10.05 crores) 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 % (31 March 2016 10%)

NOTE : 28 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of Property Plant and Equipment (See Note 3)	283.65	269.88
Depreciation on Investment Properties (See Note 4)	29.50	12.34
Amortization of Intangible Assets (See Note 5)	0.96	0.87
Total	314.11	283.09

NOTE : 29 OTHER EXPENSES

Consumption of stores and spares	279.35	300.53
Job work charges	34.12	50.35
Power, Fuel and Water	1503.68	1669.91
Excise duty on increase / (decrease) in inventory	5.03	2.00
Buildings repairs	29.97	36.12
Machinery repairs	108.75	117.69
Rent	26.53	26.82
Rates and taxes	18.49	8.25
Insurance	8.77	7.73
Freight, forwarding, octroi, etc.	1263.92	1311.74
Advertisement and publicity	41.24	20.06
Advances, loans and other debit balances, written off	0.45	0.31
Commission	46.31	46.09
Brokerage, discounts, incentives etc.	8.04	5.33
Commission to Non Executive Directors	1.00	-
Director's fees and travelling expenses	0.39	1.32
Loss on sale/discarded of property plant and equipment (net)	-	3.61
Provision for doubtful debts and advances	1.27	1.17
Miscellaneous expenses (includes Auditors' remuneration) (See Note 30)	253.90	266.14
Total	3631.21	3875.17

	Year Ended 31 March 2017 (₹ in Crores)	Year Ended 31 March 2016 (₹ in Crores)
30. AUDITORS' REMUNERATION		
(a) Statutory Auditors : *		
As Auditors	1.45	1.80
In Other Capacity :		
Tax Audit Fees	0.20	0.26
Certificates and other jobs	0.08	0.76
	0.28	1.02
For Expenses	0.05	0.07
Total	1.78	2.89
* exclusive of service tax.		

31. EARNINGS PER SHARE (EPS)

a) Profit / (loss) attributable to equity shareholders	104.99	(95.00)
Weighted average number of equity shares for Basic EPS	11,16,95,680	10,44,16,283
Basic earnings per equity share (in Rupees)	9.40	(9.10)
b) Profit/(loss) attributable to equity shareholders for calculation of diluted EPS	104.99	(95.00)
Weighted average number of equity shares for Basic EPS	11,16,95,680	10,44,16,283
Effect of Dilution - Share warrant *	-	29,58,164
Weighted average number of equity shares adjusted for the effect of dilution	11,16,95,680	10,73,74,447
Diluted earnings per equity share (in Rupees) *	9.40	(9.10)
Face value per share	₹ 10	₹ 10
* Being anti dilutive, no change in diluted EPS.		

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 ₹ 2.53 crores (31 March 2016: ₹ 2.97 crores). During the year ₹ 0.05 crore (31 March 2016: ₹ 0.90 crore) capital expenditure on research and development has been incurred.

33. TRADE PAYABLE

- ₹ 2.48 crores (31 March 2016 – ₹ 0.51 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
- 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.

34. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS"

- Defined Contribution Plans:

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 22.82 crores (2016 : ₹ 19.26 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

- Defined Benefit Plans:

- 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.

34. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS" (Contd.)

Each year, the Board of Trustees reviews the level of funding in the India 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:

	Valuation as at		
	31 March 2017	31 March 2016	1 April 2015
Employee Attrition Rate	2% to 6%	2% to 6%	1% to 6%
Discount rate(s)	7.39%	8%	7.75%
Expected rate(s) of salary increase	2% to 5%	2% to 6%	4% to 5%

Particulars	Funded Plan	
	Gratuity	
	31 March 2017 (₹ in Crores)	31 March 2016 (₹ in Crores)
I. (a) Expense recognised in the Statement of Profit and Loss for the year ended 31 March 2017		
Service Cost	-	-
Current Service Cost	16.70	17.80
Net interest expense	(0.28)	(0.57)
Components of defined benefit costs recognized in profit or loss	16.42	17.23
(b) Included in other Comprehensive Income		
Actuarial (Gain) / Loss recognized for the period	(7.11)	4.81
Return on Plan Assets excluding net interest	(2.23)	(4.86)
Actuarial (Gain) / Loss recognized in OCI	(9.34)	(0.05)
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31 March 2017		
1. Present value of defined benefit obligation as at 31 March 2017	(224.98)	(221.85)
2. Fair value of plan assets as at 31 March 2017	224.98	219.44
3. Surplus/(Deficit)	-	(2.41)
4. Current portion of the above	-	2.41
III. Change in the obligation during the year ended 31 March 2017		
1. Present value of defined benefit obligation at the beginning of the year	221.86	208.39
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	16.70	17.80
- Interest Expense (Income)	16.82	15.21
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	(0.11)
ii. Financial Assumptions	7.98	(2.15)
iii. Experience Adjustments	(15.10)	7.07
4. Benefit payments	(23.28)	(24.35)
5. Present value of defined benefit obligation at the end of the year	224.98	221.86
IV. Change in fair value of assets during the year ended 31 March 2017		
1. Fair value of plan assets at the beginning of the year	219.44	208.39
2. Adjustments to Opening Fair Value of Plan asset	2.41	-
3. Expenses Recognised in Profit and Loss Account		
Expected return on plan assets	17.10	15.78
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Actual Return on plan assets in excess of the expected return	2.23	4.86
5. Contributions by employer (including benefit payments recoverable)	7.08	14.76
6. Benefit payments	(23.28)	(24.35)
7. Fair value of plan assets at the end of the year	224.98	219.44

Expected Contribution during next Annual reporting period ₹ 35.84 crores

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

34. 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 2017	1%	(12.79)	17.60
	31 March 2016	1%	(15.29)	13.57
	1 April 2015	1%	(28.12)	(0.43)
Salary growth rate	31 March 2017	1%	14.45	(9.87)
	31 March 2016	1%	10.73	(12.61)
	1 April 2015	1%	(3.31)	(25.40)
Withdrawal rate	31 March 2017	1%	1.92	1.00
	31 March 2016	1%	(0.33)	(3.07)
	1 April 2015	1%	(14.15)	(16.14)

Maturity profile of defined benefit obligation (Undiscounted amount) :

(₹ in Crores)

Particular	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Within 1 year	35.84	39.71	40.16
1 - 2 year	34.56	37.50	34.28
2 - 3 year	38.89	39.19	39.40
3 - 4 year	37.99	42.82	39.95
4 - 5 year	40.35	41.72	41.44
Above 5 years	145.50	141.82	122.33
	333.13	342.76	317.56

The fair value of Company's pension plan asset as of 31 March 2017, 31 March 2016 and 1 April 2015 by category are as follows:

(₹ in Crores)

Asset category:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents	1.07	10.94	21.69
Debt instruments (quoted)	194.93	183.62	172.27
Equity instruments (quoted)	3.00	1.10	-
Deposits with Insurance companies	25.98	23.79	14.43
Total	224.98	219.45	208.39

The weighted average duration of the defined benefit obligation as at 31 March 2017 is 12.34 years (31 March 2016: 11.09 years, 1 April 2015: 11.17 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, 2017.

34. DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS" (Contd.)

The significant assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	Valuation as at	
	As at 31 March 2017	As at 31 March 2016
Guaranteed interest rate	8.65%	8.80%
Discount rate for the remaining term to maturity of interest portfolio	7.39%	8.00%
Contribution during the year (employee and employer)	82.81	67.18

35. 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 on 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 2016	Amounts provided for during the year	Amounts utilised / written back during the year	As at 31 March 2017
1.	Entry Tax / Sales Tax	138.04	17.85	4.82	151.07
2.	Water Charges	75.46	4.11	0.25	79.32
3.	Octroi Duty	38.54	-	-	38.54
4.	Cess	18.38	1.93	-	20.31
5.	Custom Duty difference on imported Coal and Interest there on	14.68	1.52	-	16.20
6.	Reimbursement of Taxes to suppliers, etc	1.86	4.75	-	6.61
7.	Renewable Purchase obligation	11.44	-	5.03	6.41
8.	Excise Duty	6.06	-	-	6.06
9.	Claims against Lease Rentals	5.44	0.02	0.09	5.37
10.	Others	34.85	29.24	13.59	50.50
	Total	344.75	59.42	23.78	380.39

(₹ in Crores)

Sr. No.	Nature of liability	As at 31 March 2015	Amounts provided for during the year	Amounts utilised / written back during the year	As at 31 March 2016
1.	Water Charges	71.57	4.14	0.25	75.46
2.	Octroi Duty	38.54	-	-	38.54
3.	Mandi Samiti Shulk and Interest thereon	26.90	-	26.90	-
4.	Entry Tax / Sales Tax	121.14	18.99	2.09	138.04
5.	Excise Duty	6.06	-	-	6.06
6.	Cess	16.55	1.83	-	18.38
7.	Reimbursement of Taxes to suppliers, etc.	13.15	-	11.29	1.86
8.	Claim against Lease Rentals	5.41	0.03	-	5.44
9.	Renewable Purchase obligation	18.12	5.26	11.94	11.44
10.	Custom Duty difference on imported Coal and Interest thereon	13.11	1.57	-	14.68
11.	Lease Tax and Interest thereon	4.20	0.28	-	4.48
12.	Others	18.88	23.28	11.79	30.37
	Total	353.63	55.38	64.26	344.75

36. CONTINGENT LIABILITIES

Contingent liabilities (to the extent not provided for)

(₹ in Crores)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent liabilities			
a) (i) Claims against the Company not acknowledged as debts in respect of :			
- Custom Duty and Excise Duty	47.57	17.01	19.67
- Sales Tax and Entry Tax	108.45	125.13	117.61
- Power Charges	52.46	26.20	26.19
- Royalty	468.27	439.83	383.18
- Interest on Mandi Fees	-	-	11.2
- Others	17.38	28.65	16.06
(ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the Company had an interest (proportionate)	23.31	22.49	21.67
b) Disputed income tax matters under appeal	39.40	15.43	22.78
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 Competition Commission of India ("CCI"), by its order dated 31 August 2016 has imposed penalty on certain cement manufacturers, including a penalty of ₹ 274.02 crores on the Company for alleged contravention of the provisions of the Competition Act, 2002. The CCI order is pursuant to the directions issued by Competition Appellate Tribunal ("COMPAT") vide its order dated 11 December 2015 that has set aside the original CCI order dated 20 June 2012 and remitted the matter to CCI for fresh adjudication of the issue and passing a fresh order. The Company has filed an appeal against the order of CCI before the COMPAT. As per order of the COMPAT, the company has deposited ₹ 27.40 crores with registry of tribunal in form of Fixed Deposit Receipts. Based on consultations with the external counsel, the Company believes that it has a good case and accordingly no provision has been made in the statement of profit or loss.	274.02	-	274.02
The amounts shown in respect of item No.36 (a) to (e) 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.			

37. COMMITMENTS

Particulars	(₹ in Crores)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital commitments	60.37	62.99	171.32
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)			
Other Commitments	1192.65	1421.10	3055.18
(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			
(b) The Company's significant leasing arrangements are 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			
Lease rental income:			
The Company has entered into operating leases on its investment property. These leases have terms of between three and five years.			
- not later than one year	49.84	29.16	22.98
- later than one year but not later than five years	85.48	19.29	29.51
- later than five years	2.06	-	8.18

38. RELATED PARTY DISCLOSURE AS PER IND AS 24

1 Relationships :

a) Where significant influence exists:

M/s Pilani Investment and Industries Corporation Limited (As a Shareholder of the Company directly and indirectly)

b) Key Management Personnel (KMP):

Shri D. K. Agrawal (Whole-time Director) (w.e.f 1 April 2016)

Shri B. L. Jain (Whole-time Director) (Retired on 31 March 2016)

List of Independent Directors

Shri Pradip Kumar Daga

Shri Yazdi P. Dandiwal

Shri Rajan A. Dalal

Shri Sohanlal K. Jain

List of Non Executive Directors

Shri B. K. Birla

Shri Kumar Mangalam Birla

Smt. Rajashree Birla

c) Relative of KMP

Dr. Sandip Jain (Ceased to be a related party on 31 March 2016)

38. RELATED PARTY DISCLOSURE AS PER IND AS 24 (contd.)

d) Other Related Parties

(i) Pension & Provident Fund of Century Textiles & 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 & Industries Limited

- Century Textiles And Industries Limited Employees Gratuity Fund

(iii) Superannuation Fund of Century Textiles & 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

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year are disclosed below:

(₹ in Crores)

Particulars	For the year ended	KMP of the Company	Company Managed Funds	Relative of KMP
Pension & Provident fund of Century Textiles & Industries Ltd.	31 March 2017	-	21.82	-
	31 March 2016	-	17.51	-
Century Rayon Employees Provident Fund Trust No. 1	31 March 2017	-	26.97	-
	31 March 2016	-	27.37	-
Century Rayon Employees Provident Fund Trust No. 2	31 March 2017	-	5.47	-
	31 March 2016	-	5.66	-
Maihar Cement Employees Provident Fund	31 March 2017	-	19.52	-
	31 March 2016	-	19.40	-
Century Textiles & Industries Ltd Employee Gratuity Fund	31 March 2017	-	12.76	-
	31 March 2016	-	14.91	-
Century Textiles And Industries Limited (Textiles Division) Superannuation Scheme	31 March 2017	-	0.58	-
	31 March 2016	-	0.57	-
The Century Rayon And Associated Concerns Superannuation Scheme	31 March 2017	-	1.06	-
	31 March 2016	-	1.03	-
Century Textiles And Industries Ltd. (Cement Division) Superannuation Fund	31 March 2017	-	6.19	-
	31 March 2016	-	6.14	-
Manikgarh Cement Employees Superannuation Welfare Trust	31 March 2017	-	3.32	-
	31 March 2016	-	3.35	-
Remuneration to Whole time Director *	31 March 2017	2.83	-	-
	31 March 2016	3.75	-	-
Sitting fees to independent and non executive directors	31 March 2017	0.09	-	-
	31 March 2016	0.11	-	-
Commission to non whole time directors	31 March 2017	1.00	-	-
	31 March 2016	-	-	-
Other Transactions (Rent and other services)	31 March 2017	-	-	-
	31 March 2016	-	-	0.20

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

38. RELATED PARTY DISCLOSURE AS PER IND AS 24 (contd.)

Balances Receivable / (Payable) with Related Parties	Balance as on	KMP of the Company	Company Managed Funds	Relative of KMP
Pension & Provident fund of Century Textiles & Industries Ltd.	31 March 2017 31 March 2016 1 April 2015	- - -	(1.48) (1.42) (1.13)	- - -
Century Rayon Employees Provident Fund Trust No. 1	31 March 2017 31 March 2016 1 April 2015	- - -	(2.34) (2.40) (2.29)	- - -
Century Rayon Employees Provident Fund Trust No. 2	31 March 2017 31 March 2016 1 April 2015	- - -	(0.45) (0.48) (0.45)	- - -
Century Textiles & Industries Ltd Employee Gratuity Fund	31 March 2017 31 March 2016 1 April 2015	- - -	5.68 - -	- - -
Commission payable to non whole time directors	31 March 2017 31 March 2016 1 April 2015	1.00 - -	- - -	- - -
Sitting fees to independent and non executive directors	31 March 2017 31 March 2016 1 April 2015	- - -	- - -	- - -
Deposit Given Dr. Sandip Jain	31 March 2017 31 March 2016 1 April 2015	- - -	- 0.48 0.45	- 0.05 0.05

* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available.
The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

39. SEGMENT INFORMATION

A. Information about Business Segment

(₹ in Crores)

S.No.	Particulars	Textile		Cement		Pulp and Paper		Real Estate		Others		Total	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1	Segment Revenue												
	Sales of products	1791.42	1867.61	4366.56	4537.16	2171.16	2029.08	97.18	37.47	118.71	110.98	8545.03	8582.30
	Less: Inter Segment Revenue	1.11	1.59	42.64	56.64	87.15	86.40	0.75	-	-	-	131.65	144.63
	Net Revenue from Operations	1790.31	1866.02	4323.92	4480.52	2084.01	1942.68	96.43	37.47	118.71	110.98	8413.38	8437.67
2	Result												
	Segment Result	147.67	141.77	165.68	102.31	306.68	202.66	18.36	10.36	15.57	9.66	653.96	466.76
3	Other Information												
	Segment Assets @	1234.86	1336.52	3874.01	3741.38	3248.81	3323.50	1447.07	1285.55	57.55	62.96	9862.30	9749.91
	Add: Unallocated common Assets											480.95	443.11
	Total Assets											10343.25	10193.02
	Segment Liabilities @	339.20	267.64	983.54	846.96	446.35	529.25	123.90	161.07	21.19	16.82	1914.18	1821.74
	Add: Unallocated Common Liabilities											5947.21	6007.53
	Total Liabilities											7861.39	7829.27
4	Capital Expenditure during the year (excluding advances)	12.71	86.13	40.28	602.85	57.53	50.69	110.79	5.15	0.57	-	221.88	744.82
	Add: Unallocated Capital Expenditure											-	0.33
												221.88	745.15
5	Depreciation and amortisation*	50.19	48.64	108.98	109.07	124.31	113.12	29.73	10.97	0.25	0.26	313.46	282.06
	Add: Unallocated Depreciation											0.65	1.03
												314.11	283.09

* 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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

39. SEGMENT INFORMATION (contd.)

		(₹ in Crores)
B. Reconciliation of profit	Year Ended 31 March 2017	Year Ended 31 March 2016
Segment profit [A]	653.96	466.76
Unallocable income/(expense) [B]		
Employee benefit expense	(22.63)	(20.08)
Depreciation & amortisation	(0.65)	(1.03)
Other expense	(22.20)	(37.39)
Other income	55.67	38.69
Total	10.19	(19.81)
Finance Cost [C]	(550.75)	(587.65)
Inter-segment profit elimination [D]	(1.70)	(1.83)
Profit before tax [A+B+C+D]	111.70	(142.53)
Add/(Less): Taxes		
(Short) / excess provision for income tax	-	(0.76)
Provision for current tax	-	-
Deferred tax (charge) / credit	(6.71)	46.77
Profit after tax for the year	104.99	(95.00)

C. Reconciliation of assets & liabilities	As at 31 March 2017	As at 31 March 2016
I. (A) Segment operating assets	9862.30	9749.91
(B) Unallocated assets		
(i) Non-current assets		
Property, plant and equipment	15.38	16.23
Investment property under development	4.03	39.09
Other intangible assets	0.01	0.03
Financial assets		
Non-current investments	258.31	177.35
Others	2.55	1.03
Non-current tax	64.87	64.16
Other non-current assets	18.22	8.25
Total Non-Current Assets (i)	363.37	306.14
(ii) Current Assets		
Financial Assets		
Cash and Cash Equivalents	39.24	54.46
Bank balances other than cash & cash equivalents	49.97	46.33
Others	17.44	31.75
	106.65	132.54
Other Current Assets	10.93	4.43
Total Current Assets (ii)	117.58	136.97
Total Unallocated Assets (i+ii)	480.95	443.11
TOTAL ASSETS (A + B)	10343.25	10193.02

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

39. SEGMENT INFORMATION (contd.)

(₹ in Crores)

C. Reconciliation of assets & liabilities	As at 31 March 2017	As at 31 March 2016
II. (A) Segment Operating Liabilities	1914.18	1821.74
(B) Unallocated Liabilities		
(i) Non-Current Liabilities		
Financial Liabilities		
Borrowings	3125.95	3283.03
Other non-current liabilities	0.05	0.04
Deferred Tax Provision (Net)	80.71	95.77
Total Non-Current Liabilities (i)	3206.71	3378.84
(ii) Current Liabilities		
Financial Liabilities		
Short Term Borrowings	1513.30	805.42
Cash Credit Facilities	80.71	613.79
	1594.01	1419.21
Trade Payables	4.22	0.66
Other Financial Liabilities	169.58	104.14
Current Maturities of long term debts	947.67	1090.61
Other Current Liabilities	25.02	14.07
Total Current Liabilities (ii)	2740.50	2628.69
Total Unallocated Liability (i+ii)	5947.21	6007.53
Total Liabilities (A+B)	7861.39	7829.27

D. Secondary segment

I. Geographic information	Year Ended 31 March 2017	Year Ended 31 March 2016
Revenue from external customers		
India	8012.38	7976.45
Outside India	401.00	461.22
Total revenue per consolidated statement of profit or loss	8413.38	8437.67

II. Non-current operating assets:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
India	7343.69	7434.17	7411.71
Outside India	-	-	-
Total	7343.69	7434.17	7411.71

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

39. SEGMENT INFORMATION (contd.)

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 2017	Year Ended 31 March 2016
Cotton Fabric	553.60	623.78
Cotton Yarn	107.65	60.03
Denim Cloth	164.27	219.09
Rayon Yarn	759.07	746.66
Tyre Yarn and Fabric	159.01	158.18
Cement and Clinker	4323.93	4480.52
Pulp & Paper (including Paper Board / Straw Board)	2084.00	1942.68
Others	165.43	169.26
Rental Services	96.42	37.47
Total	8413.38	8437.67

Composition of the business segment

For management purposes, the company is organised into business divisions based on its products and services and has five reportable segments, as follows:

Name of the Segment Types of products / services Comprises of :

- | | |
|--------------------|---|
| i. Textiles | Yarn, cloth and denim cloth, viscose filament yarn and tyre yarn. |
| ii. Pulp and Paper | Pulp, writing & printing paper, tissue paper and multilayer packaging board |
| iii. Cement | Cement and clinker. |
| iv. Real Estate | Leased Properties |
| v. Others | Salt works and Chemicals |

No operating segments have been aggregated to form the above reportable operating segments.

- 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 2017 and 31 March 2016.
- 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.

40. 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 three 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.

40. CAPITAL MANAGEMENT (contd.)

Debt-to-equity ratio are as follows:

		(₹ in Crores)	
	31 March 2017	31 March 2016	1 April 2015
Debt (A)	5667.63	5792.85	6117.40
Equity (B)	2481.86	2363.75	2266.19
Debt / Equity Ratio (A / B)	2.28	2.45	2.70

41. 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 its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly from trade receivables and other 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 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 ₹ 249.64 crores (31 March 2016: ₹ 218.65 crores) (1 April 2015: ₹ 212.69 crores) 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.

	(₹ in Crores)	
	Less Than 180 Days	More Than 180 Days
As at 31 March 2017		
Expected loss rate	0.02%	53.63%
Gross carrying amount	494.35	18.57
Loss allowance provision	0.09	9.96
As at 31 March 2016		
Expected loss rate	0.00%	42.69%
Gross carrying amount	512.59	20.54
Loss allowance provision	-	8.77
As at 1 April 2015		
Expected loss rate	0.01%	20.84%
Gross carrying amount	623.61	39.86
Loss allowance provision	0.08	8.31

41. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	(₹ in Crores)	
	31 March 2017	31 March 2016
Balance as at beginning of the year	8.77	8.38
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	1.28	0.86
Amounts written off during the year as uncollectible	-	0.17
Amounts recovered during the year	-	(0.64)
Balance at end of the year	10.05	8.77

(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. 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.

(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's exposure to foreign currency changes for all other currencies is not material.

(₹ in Crores)			
	Currency	Change in rate	Effect on profit before tax
31 March 2017	USD	+5%	(8.53)
	USD	-5%	8.53
	EUR	+5%	(1.20)
	EUR	-5%	1.20
31 March 2016	USD	+5%	(0.66)
	USD	-5%	0.66
	EUR	+5%	0.29
	EUR	-5%	(0.29)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(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.

41. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)**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 2017	INR	+50	16.28
	INR	-50	(16.28)
31 March 2016	INR	+50	22.39
	USD	+25	0.65
	INR	-50	(22.39)
	USD	-25	(0.65)

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. Profit for the year ended 31 March 2017 and 31 March 2016 would have been unaffected as the equity investments are FVTOCI and no investments were disposed of or impaired.

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.

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

41. 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	-	-	2178.38	1307.83	-	3486.21
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	-	1325.00	-	-	-	1325.00
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	-	947.67	-	-	-	947.67
Interest accrued on borrowings	-	39.39	-	-	-	39.39
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	3460.52	2213.29	1329.87	0.50	7334.53

As at 31 March 2016	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	-	-	1883.50	1723.80	-	3607.30
Short term borrowings						
Cash Credit Facilities/ Working Capital Loan	613.79	-	-	-	-	613.79
Pre-shipment, Post-shipment facilities	-	78.51	-	-	-	78.51
Bill Discounting with Bank	-	8.40	-	-	-	8.40
Buyer's credit	-	118.51	-	-	-	118.51
Rupee Loans	-	150.00	-	-	-	150.00
Commercial Paper	-	450.00	-	-	-	450.00
Trade payables						
Trade payables - Micro and small enterprises	-	0.44	-	-	-	0.44
Trade payables - other than micro and small enterprises	-	552.21	-	-	-	552.21
Acceptances	-	57.26	-	-	-	57.26

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

41. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

(₹ in Crores)

As at 31 March 2016	On Demand	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Other financial liabilities						
Deposits from dealers and agents	218.65					218.65
Deposits against rental arrangements	-	7.01	20.56			27.57
Other long term liabilities	-				0.57	0.57
Current maturities of long-term debt	-	1090.61	-	-	-	1090.61
Interest accrued on borrowings	-	19.69	-	-	-	19.69
Other Interest accrued	-	110.08				110.08
Unclaimed / Unpaid dividends	-	1.91	-	-	-	1.91
Creditors for Capital Supplies / Services	-	42.19	-	-	-	42.19
Other current liabilities	-	47.14	-	-	-	47.14
(b) Derivative financial instruments						
Foreign exchange forward contracts	-	-	-	-	-	-
Total	<u>832.44</u>	<u>2733.96</u>	<u>1904.06</u>	<u>1723.80</u>	<u>0.57</u>	<u>7194.83</u>

(₹ in Crores)

As at 1 April 2015	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	-	-	2787.92	1123.96	-	3911.88
Short term borrowings						
Cash Credit Facilities/ Working Capital Loan	68.54	-	-	-	-	68.54
Pre-shipment, Post-shipment facilities	-	36.34	-	-	-	36.34
Bill Discounting with Bank	-	15.08	-	-	-	15.08
Buyer's credit	-	248.68	-	-	-	248.68
Rupee Loans	-	50.00	-	-	-	50.00
Commercial Paper	-	850.00	-	-	-	850.00
Trade payables						
Trade payables-Micro and small enterprises	-	0.05	-	-	-	0.05
Trade payables - other than micro and small enterprises	-	499.53	-	-	-	499.53
Acceptances	-	45.95	-	-	-	45.95
Other financial liabilities						
Deposits from dealers and agents	212.69	-	-	-	-	212.69
Deposits against rental arrangements	-	7.28	15.14	-	-	22.42
Other long term liabilities	-	-	-	-	0.64	0.64
Current maturities of long-term debt	-	1304.18	-	-	-	1304.18
Interest accrued on borrowings	-	23.31	-	-	-	23.31
Other Interest accrued	-	92.05	-	-	-	92.05
Unclaimed / Unpaid dividends	-	2.02	-	-	-	2.02
Creditors for Capital Supplies / Services	-	91.75	-	-	-	91.75
Other current liabilities	-	68.27	-	-	-	68.27
(b) Derivative financial instruments						
Foreign exchange forward contracts	-	-	-	-	-	-
Total	<u>281.23</u>	<u>3334.49</u>	<u>2803.06</u>	<u>1123.96</u>	<u>0.64</u>	<u>7543.38</u>

41. FINANCIAL RISK MANAGEMENT FRAMEWORK (Contd.)

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	31 March 2017	31 March 2016	1 April 2015
Working Capital Loan & Commercial Paper			
Expiring within one year	2066.57	2191.00	1996.00
Total	2066.57	2191.00	1996.00

(iv) 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 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
Claims and other receivable	-	0.85	-	-	-	0.85
Unbilled Revenue	-	7.62	14.70	0.25	-	22.57
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	1077.12

(₹ in Crores)

As at 31 March 2016	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	-	524.36	-	-	-	524.36
Other Bank Balances	-	47.33	-	-	-	47.33
Other financial Assets						
Security Deposits	-	8.36	7.14	0.88	23.35	39.73
Advances recoverable in cash	-	0.44	-	-	-	0.44
Interest subsidy and Interest receivable	-	16.40	0.38	-	-	16.78
Subsidy / Incentive receivables	-	135.59	39.75	69.73	104.86	349.93
Claims and other receivable	-	0.31	-	-	-	0.31
Others	-	1.00	-	-	-	1.00
(b) Derivative financial instruments						
Foreign exchange forward contracts	-	14.66	0.04	-	-	14.70
Total	-	748.45	47.31	70.61	128.21	994.58

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

41. FINANCIAL RISK MANAGEMENT FRAMEWORK (contd.)

(₹ in Crores)

As at 1 April 2015	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	-	655.09	-	-	-	655.09
Other Bank Balances	-	35.84	-	-	-	35.84
Other financial Assets						
Security Deposits	-	5.44	11.79	0.07	25.03	42.33
Advances recoverable in cash	-	0.72	-	-	-	0.72
Interest subsidy and Interest receivable	-	13.32	0.32	-	-	13.64
Subsidy / Incentive receivables	-	5.46	46.68	63.60	40.90	156.64
Claims and other receivable	-	0.58	-	-	-	0.58
Others	-	1.02	-	-	-	1.02
(b) Derivative financial instruments						
Foreign exchange forward contracts	-	10.15	1.52	-	-	11.67
Total	-	727.62	60.31	63.67	65.93	917.53

42. FAIR VALUE MEASUREMENT

Fair value of financial assets and financial liabilities

(₹ in Crores)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets						
<i>Financial assets measured at Fair value through OCI:</i>						
<i>Investments</i>						
Quoted equity shares	212.96	212.96	132.46	132.46	143.85	143.85
Unquoted equity shares	36.81	36.81	36.35	36.35	35.15	35.15
<i>Financial assets measured at Fair value through Profit or Loss</i>						
Foreign currency forward contracts	10.24	10.24	14.70	14.70	11.67	11.67
<i>Financial assets at amortised cost for which Fair value are disclosed</i>						
Government and Trust Securities	8.54	8.96	8.54	8.65	8.54	8.79
<i>Other financial Assets</i>						
Security Deposit	40.56	40.56	39.73	39.73	42.33	42.33
Interest subsidy and Interest receivable	12.84	12.84	16.78	16.78	13.64	13.64
Subsidy / Incentive receivables	360.59	340.51	255.88	266.63	104.84	102.77
Claims and other receivable	0.85	0.85	0.31	0.31	0.58	0.58
Unbilled Revenue	22.57	22.57	-	-	-	-
Others	3.73	3.73	1.44	1.44	1.74	1.74
Trade Receivables	502.96	502.96	524.36	524.36	655.09	655.09
Cash and Cash Equivalents	39.24	39.24	54.46	54.46	88.55	88.55
Other Bank Balances	52.10	52.10	47.78	47.78	38.07	38.07
Total	1303.99	1284.33	1132.79	1143.65	1144.05	1142.23

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

42. FAIR VALUE MEASUREMENT (contd.)

(₹ in Crores)

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Financial liabilities						
<i>Financial liabilities at amortised cost for which Fair value are disclosed</i>						
Floating rate borrowings (including current maturities and Interest accrued)	4784.59	4784.59	5409.27	5409.27	5136.64	5136.64
Fixed rate borrowings (including current maturities and Interest accrued)	922.43	998.98	403.27	445.42	1004.07	1036.97
Trade payables	705.82	705.82	609.91	609.91	545.53	545.53
Other financial liabilities						
Deposits from dealers and agents	249.64	249.64	218.65	218.65	212.69	212.69
Deposits against rental arrangements	56.14	46.12	31.04	29.77	22.03	16.58
Other long term liabilities	0.50	0.50	0.57	0.57	0.64	0.64
Other interest accrued	128.10	128.10	110.08	110.08	92.05	92.05
Unclaimed / Unpaid dividends	1.91	1.91	1.91	1.91	2.02	2.02
Creditors for capital supplies/services	40.48	40.48	42.19	42.19	91.75	91.75
Other liabilities	71.61	71.61	47.14	47.14	68.27	68.27
Total	6961.22	7027.75	6874.03	6914.91	7175.69	7203.14

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:

- 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.
- 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.
- 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.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.
- The Company enters into foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.
- 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. The own non performance risk as at 31 March 2017 was assessed to be insignificant.

42. FAIR VALUE MEASUREMENT (Contd.)

Fair Valuation Techniques 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 2017	31 March 2016	1 April 2015				
Financial assets Investments Unquoted Equity investments	36.81	36.35	35.15	Level 3	Replacement cost method	Investment property held by investee companies	5% (31 March 2016: 5%) increase (decrease) in the fair value of investment property would result in increase (decrease) in fair value of unquoted equity investments by ₹ 1.24 crores (31 March 2016: ₹ 1.22 crores)
Total financial assets	36.81	36.35	35.15				

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 unobservable 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 2015	35.15
Re-measurement recognised in OCI	1.20
Purchases	-
Sales	-
As at 31 March 2016	36.35
Re-measurement recognised in OCI	0.46
Purchases	-
Sales	-
As at 31 March 2017	36.81

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	-	2496.75	-	2496.75
Commercial Properties	-	2275.22	-	2275.22
Financial assets				
<i>Financial assets measured at Fair value through OCI:</i>				
Investments				
Quoted equity shares	212.96	-	-	212.96
Unquoted equity shares	-	-	36.81	36.81
<i>Financial assets measured at Fair value through Profit or Loss</i>				
Foreign currency forward contracts	-	10.24	-	10.24

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

42. FAIR VALUE MEASUREMENT (contd.)

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
<i>Financial assets at amortised cost for which Fair value are disclosed</i>				
Government and Trust Securities	-	8.96	-	8.96
Other financial Assets				
Security Deposit	-	40.56	-	40.56
Interest subsidy and Interest receivable	-	12.84	-	12.84
Subsidy / Incentive receivables	-	340.51	-	340.51
Claims and other receivable	-	0.85	-	0.85
Unbilled Revenue	-	22.57	-	22.57
Others	-	3.73	-	3.73
Trade Receivables	-	502.96	-	502.96
Other Bank Balances	-	52.10	-	52.10
Total	212.96	5767.29	36.81	6017.06
<i>Financial liabilities</i>				
<i>Financial liabilities at amortised cost for which Fair value are disclosed</i>				
Floating rate borrowings (including current maturities and Interest accrued)	-	4784.59	-	4784.59
Fixed rate borrowings (including current maturities and Interest accrued)	-	998.98	-	998.98
Trade payables	-	705.82	-	705.82
Other financial liabilities				
Deposits from dealers and agents	-	249.64	-	249.64
Deposits against rental arrangements	-	46.12	-	46.12
Other long term liabilities	-	0.50	-	0.50
Other interest accrued	-	128.10	-	128.10
Unclaimed / Unpaid dividends	-	1.91	-	1.91
Creditors for capital supplies/services	-	40.48	-	40.48
Other liabilities	-	71.61	-	71.61
Total	-	7027.75	-	7027.75

Particulars	Fair value hierarchy as at 31 March 2016			
	Level 1	Level 2	Level 3	Total
Investment Properties (See note 4)				
(measured at Cost for which fair value is disclosed)				
Land	-	2271.52	-	2271.52
Commercial Properties	-	2242.21	-	2242.21
Financial assets				
<i>Financial assets measured at Fair value through OCI:</i>				
Investments				
Quoted equity shares	132.46	-	-	132.46
Unquoted equity shares	-	-	36.35	36.35
<i>Financial assets measured at Fair value through Profit or Loss</i>				
Foreign currency forward contracts	-	14.70	-	14.70
<i>Financial assets at amortised cost for which Fair value are disclosed</i>				
Government and Trust Securities	-	8.65	-	8.65

42. FAIR VALUE MEASUREMENT (contd.)

Fair value measurement hierarchy of financial assets and financial liabilities

(₹ in Crores)

Particulars	Fair value hierarchy as at 31 March 2016			
	Level 1	Level 2	Level 3	Total
Other financial Assets				-
Security Deposit	-	39.73	-	39.73
Interest subsidy and Interest receivable	-	16.78	-	16.78
Subsidy / Incentive receivables	-	266.63	-	266.63
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	5434.11	36.35	5602.92
Financial liabilities				
<i>Financial liabilities at amortised cost for which Fair value are disclosed</i>				
Floating rate borrowings (including current maturities and Interest accrued)	-	5409.27	-	5409.27
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	-	6914.91	-	6914.91

Particulars	Fair value hierarchy as at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Investment Properties (See note 4)				
<i>(measured at Cost for which fair value is disclosed)</i>				
Land	-	2271.52	-	2271.52
Commercial Properties	-	2242.21	-	2242.21
Financial assets				
<i>Financial assets measured at Fair value through OCI:</i>				
Investments				
Quoted equity shares	143.85	-	-	143.85
Unquoted equity shares	-	-	35.15	35.15
<i>Financial assets measured at Fair value through Profit or Loss</i>				
Foreign currency forward contracts	-	11.67	-	11.67
<i>Financial assets at amortised cost for which Fair value are disclosed</i>				
Government and Trust Securities	-	8.79	-	8.79

Notes to the Financial Statements for the Year Ended 31st March 2017 (contd.)

42. FAIR VALUE MEASUREMENT (contd.)

Fair value measurement hierarchy of financial assets and financial liabilities

(₹ in Crores)

Particulars	Fair value hierarchy as at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Other financial Assets				
Security Deposit	-	42.33	-	42.33
Interest subsidy and Interest receivable	-	13.64	-	13.64
Subsidy / Incentive receivables	-	102.77	-	102.77
Claims and other receivable	-	0.58	-	0.58
Others	-	1.74	-	1.74
Trade Receivables	-	655.09	-	655.09
Other Bank Balances	-	38.07	-	38.07
Total	143.85	5388.41	35.15	5567.41
Financial liabilities				
<i>Financial liabilities at amortised cost for which Fair value are disclosed</i>				
Floating rate borrowings (including current maturities and Interest accrued)	-	5136.64	-	5136.64
Fixed rate borrowings (including current maturities and Interest accrued)	-	1036.97	-	1036.97
Trade payables	-	545.53	-	545.53
Other financial liabilities				
Deposits from dealers and agents	-	212.69	-	212.69
Deposits against rental arrangements	-	16.58	-	16.58
Other long term liabilities	-	0.64	-	0.64
Other interest accrued	-	92.05	-	92.05
Unclaimed / Unpaid dividends	-	2.02	-	2.02
Creditors for capital supplies/services	-	91.75	-	91.75
Other liabilities	-	68.27	-	68.27
Total	-	7203.14	-	7203.14

43. Figures less than ₹ 50000 have been shown at actuals in brackets, since the figures are rounded off to the nearest lakhs.

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 : 12 May 2017

ATUL K. KEDIA

Vice President (Legal)
& Company secretary

R. K. DALMIA

Chief Financial Officer

D. K. AGRAWAL

Whole-time Director

Mumbai : 12 May 2017

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

Directors

PRADIP KUMAR DAGA

YAZDI P. DANDIWALA

RAJAN A. DALAL

SOHANLAL K. JAIN

Five Years Highlights

(₹ in Crores)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
INCOME					
Sales (Net of rebates and returns) & rent from leased properties	8413.38	8437.67	8034.44	7156.05	6452.94
Less : Excise Duty	754.24	778.23	733.69	640.06	589.49
	7659.14	7659.44	7300.75	6515.99	5863.45
Other Income (Including Operating Income)	315.78	362.92	306.29	178.19	112.92
	7974.92	8022.36	7607.04	6694.18	5976.37
EXPENDITURE					
Materials & Overheads (+/- Stock Adj.)	6998.36	7294.15	6906.90	5948.76	5371.68
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	976.56	728.21	700.14	745.42	604.69
Less : Finance Cost	550.75	587.65	484.62	362.8	319.95
PROFIT BEFORE DEPRECIATION AND TAX	425.81	140.56	215.52	382.62	284.74
Less : Depreciation	314.11	283.09	249.21	354.62	355.95
PROFIT / (LOSS) BEFORE TAX	111.70	(142.53)	(33.69)	28.00	(71.21)
Less : Tax (Net) - Including Deferred Tax	6.71	(47.53)	(49.18)	25.28	(36.72)
NET PROFIT / (LOSS)	104.99	(95.00)	15.49	2.72	(34.49)
DIVIDEND (%)	55	55	55	55	55
CASH PROFIT AFTER TAX	419.10	188.09	264.70	357.34	321.46
BOOK VALUE PER SHARE (₹)	222.19	211.62	203.34	187.80	193.99

Note: In respect of the above, the figures for the years 2012-13 to 2014-15 are as per previous GAAP and for the years 2015-16 & 2016-17 are as per Ind AS.

Statement of Assets and Liabilities

(₹ in Crores)

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I	ASSETS			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipment (Including Investment property, Capital work-in-progress etc.)	7343.69	7434.17	7411.71
	(b) Financial assets	551.56	409.56	333.34
	(c) Other non-current assets (Including Advance Tax)	186.64	184.32	197.19
	Sub-Total - Non-Current Assets	8081.89	8028.05	7942.24
	CURRENT ASSETS			
	(a) Inventories	1264.50	1273.14	1398.30
	(b) Financial assets			
	(i) Trade receivables	502.96	524.36	655.09
	(ii) Cash and cash equivalents	89.21	101.79	124.39
	(iii) Other financial assets	160.26	97.08	31.23
	(c) Other current assets	244.43	168.60	266.89
	Sub-Total - Current Assets	2261.36	2164.97	2475.90
	TOTAL ASSETS	10343.25	10193.02	10418.14
II	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	111.69	111.69	101.51
	(b) Other equity	2370.17	2252.06	2164.68
	Sub-Total - Equity	2481.86	2363.75	2266.19
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	3125.95	3283.03	3544.58
	(ii) Other financial liabilities	44.56	23.12	14.04
	(b) Deferred tax liabilities (net)	80.71	95.77	142.53
	(c) Other non-current liabilities	156.11	190.54	210.66
	Sub-Total - Non-Current Liabilities	3407.33	3592.46	3911.81
	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	1594.01	1419.21	1268.64
	(ii) Trade payables	705.82	609.91	545.53
	(iii) Other financial liabilities	1490.88	1538.76	1802.90
	(b) Provisions	445.82	469.83	447.37
	(c) Other current liabilities	217.53	199.10	175.70
	Sub-Total - Current Liabilities	4454.06	4236.81	4240.14
	TOTAL - EQUITY AND LIABILITIES	10343.25	10193.02	10418.14

Note: Figures and heads / sub-heads given above are as per Ind-AS and therefore not strictly comparable with previously published figures.



BIRLA CENTURY

A Division of Century Textiles and Industries Limited



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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

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