

**CENTURY TEXTILES AND INDUSTRIES LIMITED**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND AUDITED FOR THE YEAR ENDED 31ST MARCH, 2016**

CIN : L17120MH1897PLC000163 , Phone : +91-022-24957000 , Fax : +91-22-24309491 , +91-22-24361980

Website : [www.centurytextind.com](http://www.centurytextind.com) Email : [centexttho@centurytext.com](mailto:centexttho@centurytext.com)

Regd. Office: Century Bhavan, 2nd Floor, Dr. Annie Besant Road, Worli, Mumbai - 400030.

Segment wise Revenue, Results and Capital Employed  
for the quarter and year ended 31st March, 2016

(Rs. in Lakhs)						(Rs. in Lakhs)					
Particulars	Quarter Ended			Year ended	Previous Year ended	Particulars	Quarter Ended			Year ended	Previous Year ended
	31.3.2016	31.12.2015	31.3.2015	31.3.2016	31.3.2015		31.3.2016	31.12.2015	31.3.2015	31.3.2016	31.3.2015
	(Refer Note 6)	Unaudited	Unaudited	Audited	Audited		(Refer Note 6)	Unaudited	Unaudited	Audited	Audited
<b>1 Income from operations</b>						<b>1 Segment Revenue</b>					
(a) Net sales/income from operations (Net of excise duty)	195474	187566	201160	765247	730075	(Net Sales / Income from operations)					
(b) Other operating income	9293	8601	8244	33511	25852	(a) Textiles	43192	45332	46030	181722	174425
<b>Total Income from operations (net)</b>	<b>204767</b>	<b>196167</b>	<b>209404</b>	<b>798758</b>	<b>755927</b>	(b) Cement	114627	104738	119236	425353	412722
<b>2 Expenses</b>						(c) Pulp and Paper	49626	49915	45007	196623	173824
(a) Cost of materials consumed	66981	59442	72466	268866	275836	(d) Real Estate	1011	970	736	3578	2035
(b) Purchases of stock-in-trade	-	8	988	932	1392	(e) Others	2713	2668	2772	11098	11718
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1503	6781	(3249)	4287	(13749)	Total	211169	203623	213781	818374	774724
(d) Employee benefits	16669	16172	17801	64651	61630	Less: Inter Segment Revenue	15695	16057	12621	53127	44649
(e) Depreciation and amortisation	7384	7259	5640	28782	24921	<b>Net Sales/Income from operations</b>	<b>195474</b>	<b>187566</b>	<b>201160</b>	<b>765247</b>	<b>730075</b>
(f) Other expenditure						<b>2 Segment Results</b>					
- Stores and Spare parts consumed	6588	7697	8340	30054	32488	Profit / ( Loss ) after depreciation but before finance costs and exceptional items					
- Power, Fuel and water	39934	40610	44108	166846	165809	(a) Textiles	2369	3413	2905	13629	10815
- Freight, Forwarding, Octroi, etc.	37636	31121	34599	131178	113809	(b) Cement	6528	2065	9038	16682	27354
- Others	15549	15216	14517	59248	53752	(c) Pulp and Paper	5003	7480	4911	19184	7795
Less: Expenditure transferred to Capital Account	10	1	45	124	277	(d) Real Estate	356	344	(26)	1225	178
						(e) Others	302	106	(29)	966	1168
<b>Total expenses (a to f)</b>	<b>192234</b>	<b>184285</b>	<b>195165</b>	<b>754720</b>	<b>715611</b>	Sub - Total	14558	13408	16799	51686	47310
						Add / ( Less ) :					
<b>3 Profit / (Loss) from Operations before Other Income, Finance costs and Exceptional Items ( 1-2)</b>	<b>12533</b>	<b>11882</b>	<b>14239</b>	<b>44038</b>	<b>40316</b>	Inter Segment ( Profit ) / Loss	13	(65)	33	(183)	206
<b>4 Other Income</b>	<b>1161</b>	<b>1263</b>	<b>1550</b>	<b>4686</b>	<b>4777</b>	Total	14571	13343	16832	51503	47516
<b>5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>13694</b>	<b>13145</b>	<b>15789</b>	<b>48724</b>	<b>45093</b>	( Add ) / Less :					
<b>6 Finance Costs</b>	<b>12843</b>	<b>14367</b>	<b>13926</b>	<b>56772</b>	<b>48462</b>	i. Finance Costs	12843	14367	13926	56772	48462
<b>7 Profit / (Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)</b>	<b>851</b>	<b>(1222)</b>	<b>1863</b>	<b>(8048)</b>	<b>(3369)</b>	ii. Other un-allocable expenditure net of un-allocable income	877	198	1043	2779	2423
<b>8 Exceptional items</b>	-	-	-	-	-	<b>Total Profit / (Loss) Before Tax</b>	<b>851</b>	<b>(1222)</b>	<b>1863</b>	<b>(8048)</b>	<b>(3369)</b>
<b>9 Profit / (Loss) from ordinary activities before tax (7 - 8)</b>	<b>851</b>	<b>(1222)</b>	<b>1863</b>	<b>(8048)</b>	<b>(3369)</b>	<b>3 Capital Employed \$ (Segment Assets-Segment Liabilities)</b>					
<b>10 Tax expense</b>						(a) Textiles	120815	121878	128066	120815	128066
- Current Tax (Net of MAT entitlement credit)	-	-	-	-	-	(b) Cement	301932	298957	303388	301932	303388
- Deferred Tax	(70)	(100)	541	(2520)	(5059)	(c) Pulp and Paper	279867	281636	299301	279867	299301
- Tax adjustments in respect of earlier years (Net)	5	(81)	141	(76)	141	(d) Real Estate	101954	98555	90649	101954	90649
<b>11 Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>916</b>	<b>(1041)</b>	<b>1181</b>	<b>(5452)</b>	<b>1549</b>	(e) Others	4613	4262	4797	4613	4797
<b>12 Extraordinary items</b>	-	-	-	-	-	Total Capital Employed in Segments	809181	805288	826201	809181	826201
<b>13 Net Profit / (Loss) for the period (11 - 12)</b>	<b>916</b>	<b>(1041)</b>	<b>1181</b>	<b>(5452)</b>	<b>1549</b>	(f) Unallocable assets less liabilities	(588505)	(578134)	(619775)	(588505)	(619775)
<b>14 Paid-up equity share capital (Face Value : Rs. 10/- per Share)</b>	<b>11169</b>	<b>11169</b>	<b>10151</b>	<b>11169</b>	<b>10151</b>	(a) "Textiles" include Yarn, Cloth and Denim Cloth, Viscose Filament Yarn and Tyre Yarn					
<b>15 Paid-up Debt Capital (Listed Debenture)</b>				<b>40000</b>	<b>100000</b>	(b) "Cement" include Cement and Clinker					
<b>16 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>				<b>209507</b>	<b>187243</b>	(c) "Pulp and Paper" include Pulp, Writing & Printing paper, Tissue paper and Multilayer packaging board.					
<b>17 Debenture Redemption Reserve</b>				<b>1789</b>	<b>1789</b>	(d) " Real Estate " include Leased Properties					
<b>18 Basic Earnings Per Share in Rs. ( not annualised)</b>	<b>0.82</b>	<b>(1.02)</b>	<b>1.27</b>	<b>(5.21)</b>	<b>1.66</b>	(e) "Others" include Salt works, Chemicals					
<b>19 Diluted Earnings Per Share in Rs. (not annualised)</b>	<b>0.82</b>	<b>(1.02)</b>	<b>1.22</b>	<b>(5.21)</b>	<b>1.60</b>	\$ Includes projects under implementation.					
<b>20 Debt Equity Ratio</b>				<b>2.63</b>	<b>2.97</b>						
<b>21 Debt Service Coverage Ratio</b>				<b>0.41</b>	<b>0.41</b>						
<b>22 Interest Service Coverage Ratio</b>				<b>1.37</b>	<b>1.44</b>						



Notes :

1) Statement of Assets and Liabilities as on 31st March, 2016 :

(Rs. in Lakhs)

	Particulars	Year ended	
		31.03.2016 (Audited)	31.03.2015 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds :</b>		
	(a) Share Capital	11169	10151
	(b) Reserves and Surplus	209507	187243
	(c) Money received against share warrants	-	9032
	<b>Sub-total - Shareholders' funds</b>	<b>220676</b>	<b>206426</b>
2	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	329815	356227
	(b) Deferred tax liabilities (net)	17944	20484
	(c) Other long-term liabilities	25052	23860
	(d) Long-term provisions	43212	43446
	<b>Sub-total - Non-current liabilities</b>	<b>415823</b>	<b>443997</b>
3	<b>Current liabilities</b>		
	(a) Short-term borrowings	141906	126864
	(b) Trade Payables	54514	45074
	(c) Other Current liabilities	147308	173635
	(d) Short-term provisions	11448	11642
	<b>Sub-total - current liabilities</b>	<b>355176</b>	<b>357215</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>991675</b>	<b>1007638</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non current assets</b>		
	(a) Fixed assets	607962	664930
	(b) Non-current investments	109139	49504
	(c) Long-term loans and advances	19111	22368
	(d) Other non-current assets	33917	17452
	<b>Sub-total - Non-current assets</b>	<b>770129</b>	<b>754254</b>
2	<b>Current assets</b>		
	(a) Inventories	129878	142394
	(b) Trade receivables	52916	65899
	(c) Cash and cash equivalents	10175	12424
	(d) Short-term loans and advances	17497	27153
	(e) Other current assets	11080	5514
	<b>Sub-total - current assets</b>	<b>221546</b>	<b>253384</b>
	<b>TOTAL ASSETS</b>	<b>991675</b>	<b>1007638</b>

Place :- Mumbai

Date : 03.05.2016

The Financial Results of the Company would be available for perusal on the Company's website viz. [www.centurytextind.com](http://www.centurytextind.com) and also on websites of BSE Ltd. viz. [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. viz. [www.nseindia.com](http://www.nseindia.com)

- 2) The Board of Directors has recommended a dividend of Rs. 5.50 (Rupees five and paise fifty only) per equity share of Rs.10/- each equivalent to 55% (Fifty five percent) on paid up equity share capital of the Company for the year ended 31-03-2016. In the previous year the same amount was paid as dividend. The dividend will be paid when declared by the shareholders in accordance with the law, out of the balance in the General Reserve.
- 3) Allowing an appeal filed by the company, the Competition Appellate Tribunal (COMPAT) by its order dated 11th December, 2015 set aside the Competition Commission of India (CCI) order and remitted the matter to CCI for fresh adjudication and for passing a fresh order not later than three months from the date of order as aforesaid. Further in terms of orders, the earmarked fixed deposit of Rs. 2740 lakhs made by the company as 10% of the demand has been released by the authority.
- 4) In terms of the Shareholders approval obtained in the Extra-Ordinary General Meeting of the Company held on 4th June, 2014, the company issued and allotted 1,86,50,000 Preferential Warrants to promoter group @ Rs.354.89 each on 19th June, 2014. As per terms of issue in line with SEBI guidelines, on payment of 25% amount against each such warrants, on subscription, the warrant holders were entitled to apply for and obtain one equity share of the face value of Rs.10/- fully paid up of the Company against each of such warrants on or before the expiry of 18 months from the date of allotment. On 30th March, 2015 warrant holders had partially exercised their entitlement and converted 84,70,000 warrants into equivalent number of equity shares by paying the requisite amount thereon. Further on 18th December, 2015, warrant holders have exercised their balance entitlement and converted 1,01,80,000 warrants into equivalent number of equity shares by paying balance 75% of the price thereon.
- 5) Ratios have been calculated as follows :
  - a) Debt-Equity Ratio = Debt/Net Worth [Debt is Long Term Borrowing (current and non-current portion) and Short Term Borrowing].
  - b) Debt Service Coverage Ratio = Earnings before interest, Depreciation, Tax and Exceptional Items (EBITDA) / Interest Expense for the period + Principal repayment of Long Term Borrowings during the period,
  - c) Interest Service Coverage Ratio = Earnings before Interest, Depreciation, Tax and Exceptional Items (EBITDA) / Interest Expense for the period.
- 6) The results for the quarter ended 31st March, 2016 are derived figures arrived at by subtracting the results for the nine months ended on 31st December, 2015 from the audited results for the year ended 31st March, 2016.
- 7) The above results have been reviewed and recommended for adoption by the Audit Committee to the Board of Directors and have been approved by the Board at its meeting held on 3rd May, 2016.
- 8) Previous period's figures have been regrouped / recast wherever necessary.



By Order of the Board  
For Century Textiles and Industries Ltd

D K Agrawal  
Whole-time Director

# CENTURY Textiles and Industries Limited

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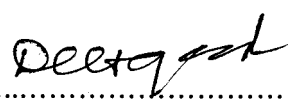

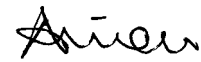

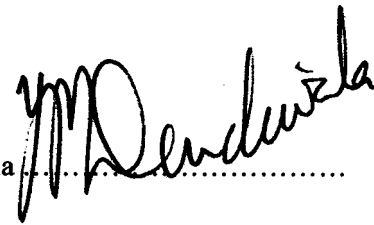
OUR REF. :

03.05.2016

## FORM 'A'

**(For audit report with unmodified opinion)**

**[ Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

1.	Name of the Company	Century Textiles and Industries Limited
2.	Annual financial statements for the year ended	31st March, 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not Applicable
5.	To be signed by	
	Whole-time Director	Shri D.K. Agrawal .....  DIN : 00040123
	CFO	Shri R.K. Dalmia ..... 
	Auditor of the Company	Dalal & Shah ..... 
	Auditor of the Company	
	Audit Committee Chairman	Shri Yazdi P. Dandiwala .....  DIN: 0105000



# Dalal & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Century Textiles and Industries Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Century Textiles and Industries Limited** ("the Company"), which comprise the Balance Sheet as at March, 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028  
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Registered Office and Head office : 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028

Dalal & Shah (a Partnership Firm) converted into Dalal & Shah LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAF-3596) with effect from December 21, 2015. Post its conversion to Dalal & Shah LLP, its ICAI registration number is 102021W/W100110 (ICAI registration number before conversion was 102021W)

# Dalal & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of Century Textiles and Industries Limited

Report on the Financial Statements

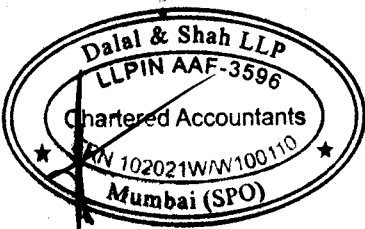
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### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March, 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2016 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 A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March, 31, 2016 on its financial position in its standalone financial statements;



# Dalal & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of Century Textiles and Industries Limited

Report on the Financial Statements

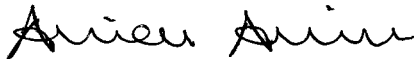
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- ii. The Company has made provision as at March, 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2016

For Dalal & Shah LLP

Firm Registration Number: 102021W/W100110

Chartered Accountants



Anish P Amin

Partner

Membership Number: 040451

Mumbai

May 03, 2016

# Dalal & Shah LLP

Chartered Accountants

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Century Textiles and Industries Limited on the standalone financial statements for the year ended March 31, 2016

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

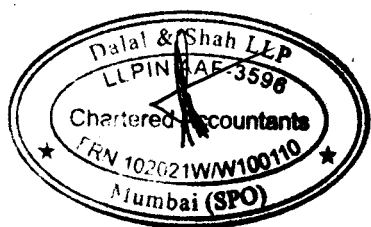
1. We have audited the internal financial controls over financial reporting of Century Textiles and Industries Limited ("the Company") as of March, 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Century Textiles and Industries Limited on the standalone financial statements for the year ended March 31, 2016

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### Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. 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, 2016, 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 Dalal & Shah LLP  
Firm Registration Number: 102021W/W100110  
Chartered Accountants



Anish P Amin  
Partner  
Membership Number: 040451



# Dalal & Shah LLP

Chartered Accountants

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Century Textiles and Industries Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of the immovable property other than self-constructed immovable property (buildings) as disclosed in fixed assets [Note - 9] and investments [Note - 10] to the financial statements, are held in the name of the Company, except for the following freehold land:
    - 1) 53.47 acres of land (Rs. 4.75 crore) are yet pending to be registered with government authorities.
    - 2) 27.98 acres of land (Rs. 0.01 crore) where there are discrepancies with respect to area as compared with government records.
    - 3) 3.57 acres of land (Rs. 0.01 crores) for which sale deed is yet to be executed.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanation given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 of the Act. In respect of loans granted to, guarantees or security in respect of any loan and Investments made in body corporate by the Company, the provisions of Section 186 of the Act has been complied with.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities.



# Dalal & Shah LLP

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- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crores)*	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Custom Duty	7.55	1987 to 2013	Departmental Authorities
		0.21	2000 to 2001	High Court
		16.08	1996 to 2016	Tribunal (CESTAT)
The Central Excise Act, 1944	Excise Duty	0.96	1987 to 2016	Departmental Authorities
		26.01	1994 to 2011	High Court
		6.27	1997 to 2007	Supreme Court
		98.89	1994 to 2012	Tribunal (CESTAT)
Sales Tax & Entry Tax Acts of respective states	Sales Tax and Entry Tax	87.11	1986 to 2016	Departmental Authorities
		22.44	1999 to 2016	High Court
		167.42	2002 to 2016	Supreme Court
		0.12	1994 to 2006	Tribunal
The Finance act 1994	Service Tax	0.38	2005 to 2011	Departmental Authorities
		0.95	2005 to 2010	High Court
		0.07	2005 to 2016	Tribunal (CESTAT)

\*Net of amounts deposited

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



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- xiii. According to the information and explanation given to us, all the transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has made a preferential allotment of equity shares against share warrants during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal and Shah LLP  
Chartered Accountants  
Firm Registration Number: 102021W/ W100110



Anish P Amin  
Partner  
Membership Number: 040451

Place: Mumbai  
Date: May 3, 2016