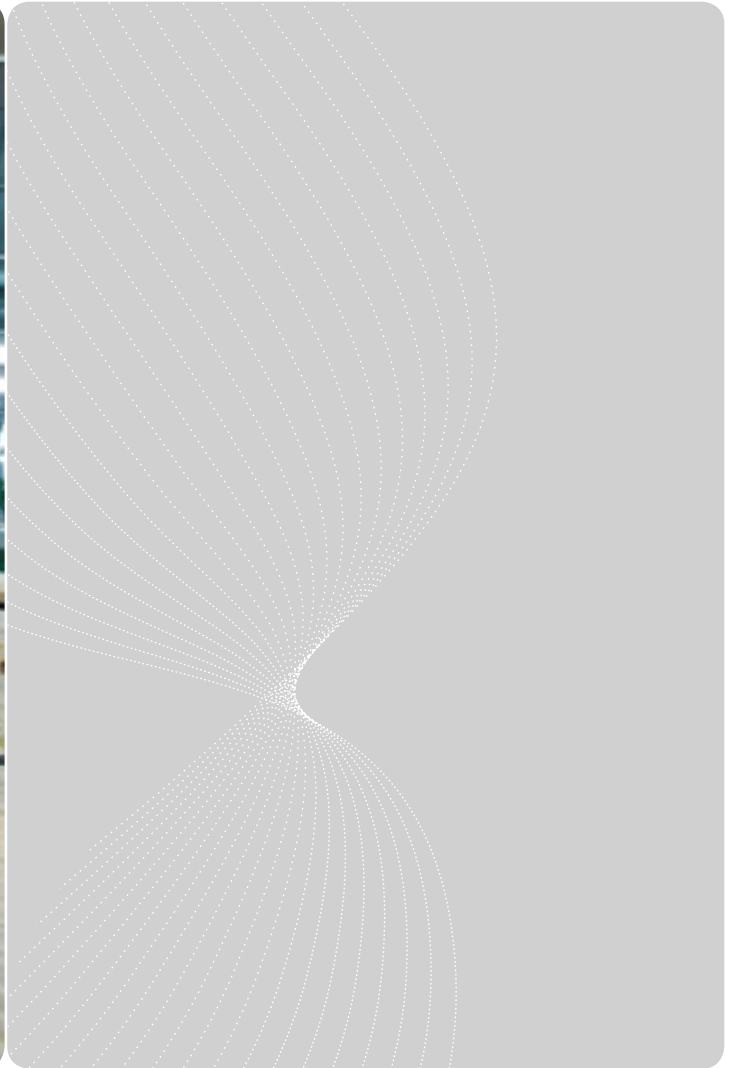




THE SPIRIT OF CHALLENGE

RSWM LIMITED | ANNUAL REPORT 2012-13





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THE SPIRIT OF CHALLENGE

RSWM's resilience is truly reflected in results of FY 2012-13. Prudent Inventory Management during the year to pro-actively beat Raw Material price blues of previous year, creation of employment opportunities for women to meet work-force deficit and cost reduction initiatives added to improved bottom line. A transformation inspired by single priority.

The Spirit of Challenge!

DIFFERENTIATED APPROACH

WHEN THE GOING GETS TOUGH, THE FIRST CASUALTY IS THE INVESTMENT BUDGET.

Even as industry observers advised caution, this is one temptation that RSWM resisted.

RSWM responded with an unmistakable gusto to the gauntlet thrown by the industry. The net loss in 2011-12 notwithstanding, the management at RSWM resolved to continue investing in fresh capacities.

The Company commissioned two capacity increments – the 51,840-spindle addition to its yarn business at Kharigram and 10,632 spindles and 960 rotor addition to its denim business at Mordi helping the Company to capitalise on equipment-related bargains, better delivery schedules and the benefit of having additional capacity at hand as soon as the industry turns around.

This is the result: In 2012-13, the Kharigram expansion provided 10,661 tonnes of quality saleable yarn; the Mordi unit added 6,510 tonnes of yarn and two million metres of fabric. Both cumulatively added ₹284 crore to the Company's topline, which was 12% of the total revenue earned during the year under review.

This sizeable contribution came with a minimal gestation period, helping the Company generate an attractive payback on its investment and strengthen overall profitability.

Out-of-the-box thinking

Although yarn demand climbed steadily, both production and productivity in India's textiles industry were affected by absenteeism. RSWM responded laterally to this unexpected challenge: the Company employed more women workers instead. The result was that 2012-13 yarn production climbed 22% over the previous year.





NOVEL STRATEGY

IN A COMPETITIVE MARKET SPACE, THE USUAL STRATEGY IS TO REDUCE PRICES AND CARVE OUT A LARGER MARKET SHARE.

This is the predictable strategy that RSWM avoided.

On the contrary, RSWM selected to develop products around a superior value-proposition.

- The Company marketed fibre-dyed yarn as a superior alternative to piece-dyed yarn.
- The Company created new products to strengthen its brand positioning in key markets – single yarns in Eastern India and flex-blended yarns in Northern and Western India.
- The Company created jacquard fabrics in the denim segment and launched denims in fluorescent shades for the first time ever in India's denim market.
- The Company developed mélange yarn variants (for the weaving sector also) for garment-related applications.

In doing so, the Company's proportion of value-added products increased with its revenue basket climbing higher, lifting overall realisations and profitability.

RSWM opened a boutique denim store in New Delhi, the first time in India – to showcase its series of denim fabrics and their diverse applications. This retail initiative was enthusiastically received.

UNUSUAL RESPONSE

WHEN OFFTAKE BECOMES BUOYANT AND INDUSTRY REALISATIONS STRENGTHEN, THE PRIORITY TO MANAGE COSTS IS PUSHED DOWN THE ORDER.

This is one point that RSWM did not compromise on.

The Company made a significant shift in its longstanding approach towards better cost management. Instead of the conventional approach of focusing singularly on quantum savings, the Company began to focus on maximising returns via cost optimisation.

The Company embarked on studying equipment and process benchmarking across the industry. For example, the Company invested about ₹60 lac in its fabric division to reduce the consumption of utilities around one-year payback. The Company improved per-person productivity through the increased introduction of women employees on its payroll. The Company strengthened its working capital management; raw material holding was rationalised from the usual six months to three months.

The result: tighter operations strengthened our EBIDTA and net margins by 535 bps and 384 bps respectively in 2012-13 over the previous year.

Power is power

RSWM's 46-MW power generating facility operated at plant load factor of 78.46 % during 2012-13. This provided the Company an uninterrupted source of quality power at a cost lower than what the Company would have paid to source it directly from the State Electricity Grid.









ART OF LOOKING SIDEWAYS

WHEN DEMAND FROM A TRADITIONALLY STRONG CONSUMPTION SEGMENT DECLINES, THE USUAL MANAGEMENT RESPONSE IS TO REDUCE PRODUCTION.

This is a conventional logic that RSWM countered.

The Company continued to believe that an increase in numbers, in terms of population and income, would accelerate fabric consumption in select markets. The result: RSWM selected to focus on these markets; it established a stronger presence in Latin America, entered select markets in ASEAN and CIS countries; it deepened its India presence in 2012-13 through the addition of six regional offices which generated 10,879 tonnes in yarn production. Besides, the Company targeted the institutional fabric customer base – schools, civic and defence sectors – which helped quadruple fabric offtake by institutions over the previous year.

This spirited response made it possible for the Company to more than cover up for the decline in sales in the traditional markets. Overall, the Company reported a 24% increase in sales volumes in 2012-13 over the previous year.

Passion makes everything possible

In RSWM's denim business, the Company's nano-fabric received an overwhelming response in Latin America; the fabric became a generic name among the traders and customers alike!

THIS IS RSWM LIMITED.
AMONG THE LARGEST
PRODUCERS AND EXPORTERS
OF SYNTHETIC YARN FROM
INDIA.

OFFERING ONE OF THE
WIDEST RANGES OF
PRODUCTS ACROSS FIBRE
BLENDS, COUNTS AND
SHADES.

THE LARGEST PRODUCER OF
HIGH-VALUE MELANGE YARNS
IN INDIA.

ONE OF THE MOST
CONSISTENTLY PROFITABLE
YARN PRODUCERS IN INDIA.

Overview

- RSWM Limited is the flagship company of the LNJ Bhilwara Group (business interests in Textiles, Graphite, Power and others).
- Corporate office in Noida (NCR) India; shares listed on the Bombay and National Stock Exchanges.
- Spread across eight state-of-the-art manufacturing facilities in Rajasthan; products marketed pan-India and across 73 countries.
- One of the largest producers and exporters of polyester viscose blended yarn in India.
- Recognised as a Golden Trading House by the Government of India; received the prestigious SRTEPC Export Award for several consecutive years.

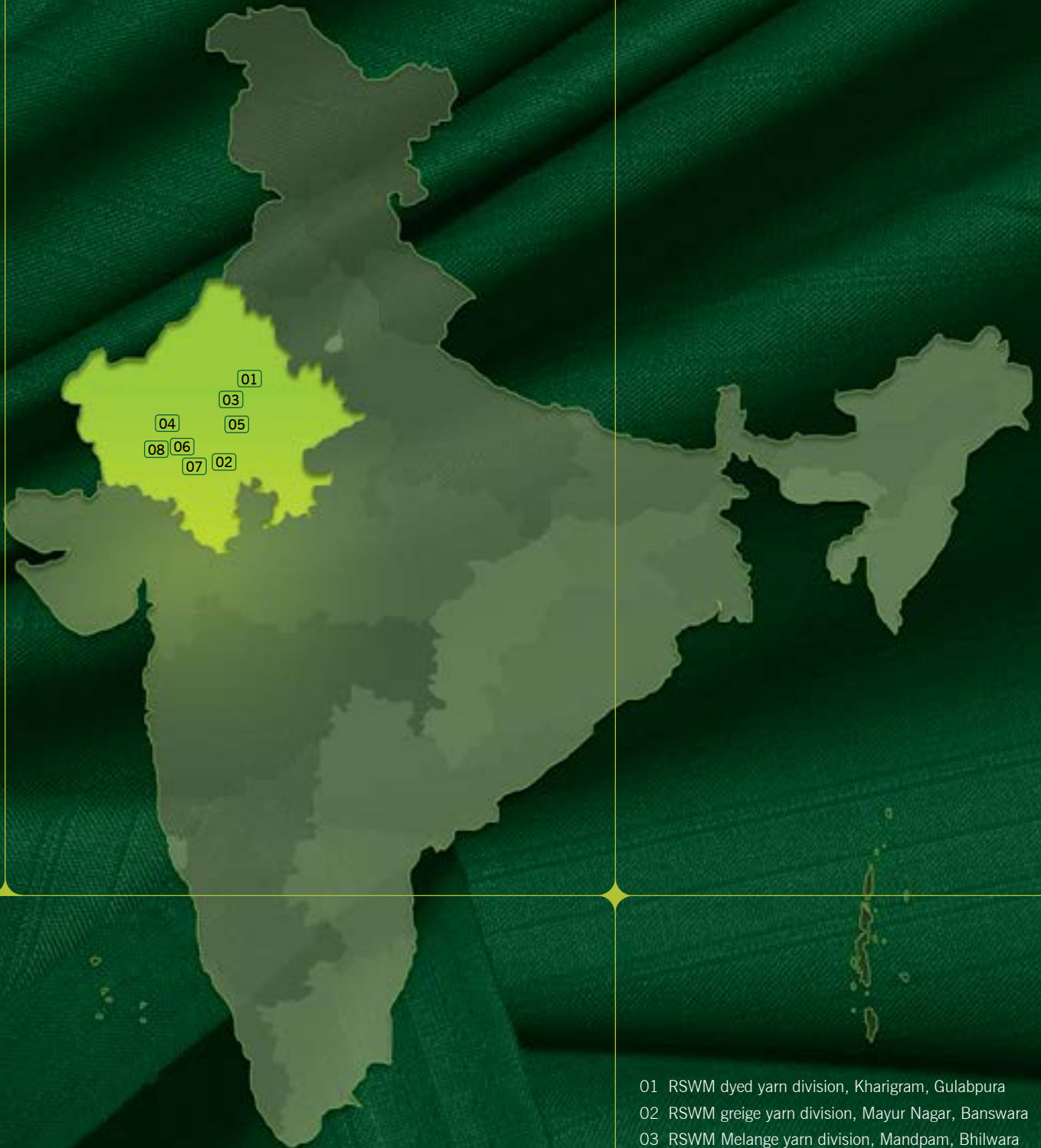
Vision

With unique insight into consumer behavior, we strive to offer the best. Following distinct business strategies, the Company will continue its tradition of manufacturing the finest products.

Mission

RSWM envisages itself as a trend setter of the textile industry. It is committed to introduce innovative products in the industry which will set new standards.

Manufacturing facilities



- 01 RSWM dyed yarn division, Kharigram, Gulabpura
- 02 RSWM greige yarn division, Mayur Nagar, Banswara
- 03 RSWM Melange yarn division, Mandpam, Bhilwara
- 04 RSWM greige yarn division, Rishabhdev
- 05 RSWM dyed yarn division, Ringas
- 06 Mayur Suitings, LNJ Nagar, Mordi
- 07 LNJ Denim, LNJ Nagar, Mordi
- 08 Thermal power plant, LNJ Nagar, Mordi

CHALLENGING SPIRIT. SATISFYING OUTCOME.

Highlights 2012-13

- Increased sales volumes over the previous year – yarn-20%, fabrics -16% and denim- 54%
- Stabilised operations of the newly-commissioned fully-automated brownfield expansion 51,840 spindles at Kharigram
- Created the 'Ultima' brand to market yarn from the new fully-automated Kharigram unit
- Opened six new regional offices facilitating a deeper market penetration across India
- Strengthened its presence in existing and new global markets
- Rationalised average funds cost by about 44 bps through superior financing realignments
- Invested ₹32.26 crore in a 20 MW wind power project through LNJ Power Ventures Ltd.
- Created Sahyog Kendra (safety, quality and HR management experts) to assist teams across locations

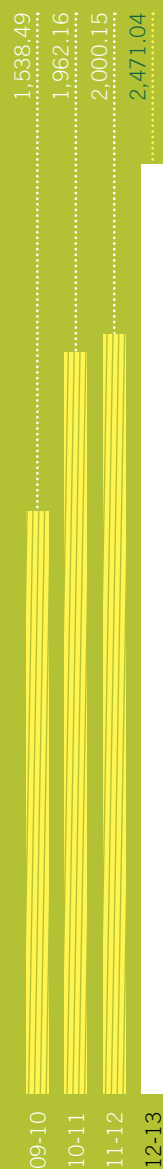
Financial highlights (₹ crore)

	2012-13	2011-12	Change (%)
Gross sales	2471.04	2000.15	23.54%
EBIDTA	331.17	160.99	105.71%
Profit before tax	101.43	(32.15)	415.49%
Profit after tax	67.87	(21.79)	411.47%
Earning per share (₹)	29.32	(9.41)	411.58%
Book value (₹)	141.16	123.03	14.74%
Interest cover	2.73	1.55	76.13%
EBIDTA margin	13.40%	8.04%	535 bps
Net margin	2.75%	(1.09%)	384 bps

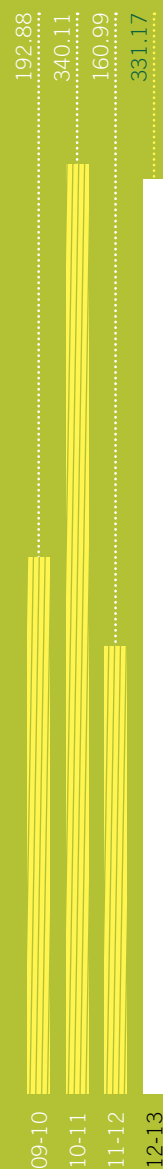


AT RSWM, CONSISTENT GROWTH IS THE RESULT OF PRUDENT BUSINESS STRATEGY AND EFFECTIVE IMPLEMENTATION.

Revenue
(₹ crore)



EBIDTA
(₹ crore)



Profit after tax
(₹ crore)



Book value
(₹ crore)



Reserves and surplus
(₹ crore)



Capital employed
(₹ crore)



DEAR SHAREHOLDERS,

IT GIVES ME IMMENSE PLEASURE TO REPORT THAT THE BUSINESS MODEL OF THE COMPANY WAS DECISIVELY VINDICATED DURING THE FINANCIAL YEAR UNDER REVIEW.

OUR MULTI-PRONGED STRATEGY - VOLUME, VALUE, TECHNOLOGY AND REACH - WILL HELP SUSTAIN OUR MOMENTUM.

Chairman Mr Ravi Jhunjunwala discusses the road ahead.

Over the years, we have invested in the Company with the objective to suffer the least during industry downtrends and rebound the fastest during sectoral recoveries.

I am pleased that the impact of this was visibly showcased during the financial year under review. As the global textile industry stabilised following the volatility of 2011-12, RSWM rebounded with speed: a net profit of ₹67.87 crore in 2012-13 against a net loss of ₹21.79 crore in 2011-12. The extent of this turnaround provides the confidence that RSWM would be the last player standing during an industry trough and the first to run following rebound.



Milestones

There were a number of factors that facilitated the Company's recovery. There was stability in cotton prices in 2012-13; our manufacturing and marketing teams worked passionately to counter the aftershocks of the previous downturn.

As demand from traditional markets recovered, our teams entered new markets like Latin America. As the global appetite of select products declined, our teams sought to identify points of domestic consumption. As some markets showed signs of saturation, we introduced innovative products around a compelling price-value proposition. As markets became increasingly challenging, we strengthened our resource base in terms of equipment, inputs, utilities and time-management.

The results were encouraging: even as revenue and EBIDTA grew 23.54% and 105.71% respectively over 2011-12, our EBIDTA margin expanded 535 bps to 13.40% and net margin increased 384 bps to 2.75% in 2012-13.

Road ahead

I am optimistic about what lies ahead for the following pertinent reasons:

International arena: Global growth is estimated at 3.25% in 2013, the US economy is poised to grow at 3% in the current year from 2% earlier and some European countries are expected to report economic resurgence, all of which augur favourably for the global textile industry.

The Chinese angle: China's aggressive cotton stockpiling (reserve estimated at about 10 million tonnes) from 2011

3.25%

Global growth is estimated at 3.25% in 2013, the US economy is poised to grow at 3% in the current year from 2% earlier.





700,000

At RSWM, we are committed to the achievement of 'LAKSHYA 2016' - 700,000 spindles across our various locations.



that was designed to support the interests of their cotton growers, held their cotton prices about 40% above the prevailing global levels. This policy compelled a number of textile mills to import relatively affordable synthetic yarn, which strengthened realisations for manufacturers like us and the outlook is that this world's largest textile industry will need to increase yarn imports by as much as by a third in 2013.

This policy has important implications. One, as this policy was considered extremely detrimental to the Chinese textile industry, the Chinese Government relaxed its regulation for 2013 – the Government provided textile mills with a one tonne import quota for every three tonnes of expensive state cotton reserves procured. Two, China will largely be out of the global cotton trade, increasing

cotton fibre availability for Indian spinners. Besides, China may not be in a position to dictate global cotton prices, providing price stability. Besides, China is likely to turn to India and Pakistan for its cotton yarn requirement. Three, there could be a sizeable diversion of Indian yarn to China, opening up attractive opportunities within India.

The Indian story: The country's textile industry is expected to capitalise on the extension of TUFS into the Twelfth Five Year Plan (until 2017), which provides concessional loans for capacity expansion and modernisation. The Governments of Gujarat, Madhya Pradesh and Maharashtra introduced favourable textile policies and Hon'ble Chief Minister of Rajasthan has announced the introduction of the new textile policy soon.



Our blueprint

At RSWM, we are committed to the achievement of 'LAKSHYA 2016' - 700,000 spindles across our various locations.

Our initiatives during the last financial year must be seen as leading towards that vision. We commissioned two projects – spinning capacities at Kharigram and Mordi (denim) – and have embarked on the expansion of 50,000 spindles with plans for downstream utilisation of yarn produce. We are optimistic that this will make it possible for us to create a new business vertical with attractive possibilities for sustainable growth.

RSWM will continue to launch new products, widen its geographic footprint in key Indian and global markets and strengthen its value engineering model to

reinforce its competitive advantage – the largest in its space as well as the most competitive.

Message to shareholders

I must impress upon our stakeholders that RSWM is attractively positioned at the threshold of an inflection point where the convergence of volume, value, technology and reach will translate into sustainable momentum that graduates us into one of the leading textile players in our space in the world.

Warm regards,
Ravi Jhunjhunwala
A fellow shareholder

50,000

We have embarked on the expansion of 50,000 spindles with plans for downstream utilisation of yarn produce.



DEAR SHAREHOLDERS,

OUR PERFORMANCE IN 2012-13 WAS ENCOURAGING AS WE REPORTED
A CONSIDERABLE CASH PROFIT OF ₹209.88 CRORE

THERE WERE A NUMBER OF FACTORS THAT TRANSLATED INTO THIS
DRAMATIC IMPROVEMENT.

DISCIPLINE, DEDICATION AND DETERMINATION HELPED RSWM DELIVER A STRONG REBOUND

Managing Director Mr Arun Churiwal provides insights into the Company's improved performance

One, we altered our marketing strategy from a single-minded export focus to a strategy that balanced our exposure between the global and the Indian markets. As the traditional global textile markets addressed a persistent economic slowdown, RSWM successfully sought and identified new pockets within India. This made it possible for us to walk away from price erosion in the global markets and grow our presence in those Indian pockets that provided us with superior realisations and offtake.

Two, we recognised that we would need to sustain our capacity creation with the objective to find new growth drivers. The highlight during the financial year under review was the commissioning of brownfield expansions bringing in incremental volumes just when the market began to recover – the right offerings for the right markets at the right time.



Three, our newly commissioned Kharigram unit – a showpiece in India's textile spinning sector - produced quality material that we branded as 'Ultima'. This brand received an overwhelming response from global and Indian customers, generating a premium in the market price. Despite a marginally higher investment in this unit, it reported significantly lower operating costs on account of its high automation. In a sector plagued by an increase in labour costs, extended training gestation periods and an eventual decline in their availability, this expansion represents a sectoral benchmark.

Four, stability in cotton prices benefited us in two ways: prospects for our mélange yarn (100% cotton fibre-based), which is also the most value-added in our product repository,

improved to the point that we doubled production; our denim yarn spinning capacity, commissioned in late 2011-12, capitalised on a stable cotton fibre environment, we marketed sizeable volumes and going ahead expect to increase our denim fabric capacity in a phased manner in line with growing global demand; stable cotton prices also brought a certain stability to synthetic fibre prices.

In-house initiatives

The cotton price adversity of 2011-12 created a new opportunity for RSWM. The Company reduced its inventory holding from six months to about three months based on the understanding that followed increased use of BT-Cotton and increased the holding capabilities of the cotton-farmers. This entailed that a company like ours could buy cotton

Ultima

Our newly commissioned Kharigram unit – a showpiece in India's textile spinning sector - produced quality material that we branded as 'Ultima'.





Denim boutique

We created a denim boutique chain - a first for India - to offer the Indian consumer its repertoire of numerous denim fabric variants.



across a larger period of time as opposed to the conventional practice of buying the largest quantity in the shortest tenure.

The Company streamlined plant operations, improved process parameters and altered systems to benchmark its performance with the best-in-the-industry – in terms of productivity and utility consumption. The Company also reduced its average funds cost by close to 44 bps through superior debt structuring and negotiation.

In-market initiatives

As the global textile markets bore the brunt of the slowdown in developed and key emerging economies, RSWM selected to strengthen its presence within India. The Company opened regional offices to cement its presence

in important textile clusters, which translated into an appreciable increase in volumes.

In the denim segment, where exports have conventionally been considered mandatory for survival, we added new customers in traditional markets and entered new markets. We created a denim boutique chain – a first for India – to offer the Indian consumer its repertoire of numerous denim fabric variants and their respective applications. I am confident that this initiative will catalyse offtake and recall among discerning customers.

Our product innovation permitted us to replace conventional yarn with new variants around a superior value proposition. Our product innovation extended to our fabric and denim segments, where we developed new



varieties for clients, assuring sustainable revenues, attractive margins, unique recall and wider opportunities, for us.

In-plant initiatives

As a responsible corporate citizen, the Company invested ₹32.26 crore in a SPV for a 20-MW wind power plant in Jaisalmer which, at a PLF of 20-23%, will generate 4.5 MW. The investment will make it possible for the Company to utilise wind power and rationalise operating costs and meet its renewable energy obligations.

Outlook

RSWM intends to install a cumulative two lac spindles in the next three financial years to achieve substantial ground towards 'Lakshya 2016'. As an important step in this direction, the Company has embarked on a ₹200

crore expansion, the nature of which is radically different from its earlier projects that were horizontal in nature (spindle addition). The Company's prospective investments will be in verticals across the textile value chain – spinning, weaving and final product manufacture - leading to the creation of a new vertical (made-ups) starting in FY 2014-15, strengthening our revenues, respect and profitability.

Warm regards,
Arun Churiwal

₹32.26 crore

As a responsible corporate citizen, the Company invested ₹32.26 crore in a SPV for a 20-MW wind power plant in Jaisalmer.



MANAGEMENT DISCUSSION AND ANALYSIS

Economy

Global: Global gross domestic product (GDP) grew 3.2% in 2012 against 3.9% in 2011 following another bout of turbulence in what was always expected to be a slow recovery. Economic conditions improved in the third quarter of 2012 primarily due to acceleration in emerging market economies and in the US, where surprisingly growth was registered on the upside (Source: IMF). On the brighter side, global growth is projected to increase in 2013, as the factors accounting for decelerating global commerce are expected to wane. However, this upturn is projected to be deliberate and time-consuming. The world economy growth is estimated at 3.25% in 2013.



3.25%

The world economy growth is estimated at 3.25% in 2013.



Our Board

(Left to Right) T.G. Regunathan, J.C. Laddha, Shekhar Agarwal, Riju Jhunjhunwala, Ravi Jhunjhunwala, D. N. Davar, Arun Churiwal, Kamal Gupta, A. N. Choudhary



India: The Indian economy decelerated for the second year in succession to 5% in 2012-13 against 6.2% in 2011-12 – the lowest in the last decade – on account of weak growth coming out of its manufacturing, agriculture and service sectors. The Central Statistics Organisation's advance estimate lowered the growth in agriculture and allied activities to 1.8% in 2012-13 against 3.6% 2011-12; manufacturing growth dropped to an estimated 1.9% in 2012-13 from 2.7% in 2011-12 while the services sector (finance, insurance, real estate and business services sectors) grew at a reduced rate of 8.6% in 2012-13 against 11.7% in the previous fiscal. In 2012-13, the industrial sector was plagued by a slowdown in investment and consumption, driven by policy slowdown and disruptions in mining output for most part of the fiscal. The manufacturing sector was impacted by declining private consumption, corporate investment and

export demand. India's farm sector grew 3.6% growth during the 11th Five-Year Plan (2007-12), falling short of the 4% growth target, although this was higher than the growth of 2.5% and 2.4% during the 9th and 10th Five Year Plans. Overall, India's GDP growth is expected to climb to 6.7% in 2013-14 (CRISIL estimates) due to a consumption revival. With advanced economies expected to record only a slight improvement in growth and depleted domestic investment pipeline, India's GDP growth in 2013-14 will be largely dependent on the revival of private consumption growth. Other factors expected to shape India's growth prospects in 2013-14 could comprise a pick-up in agriculture, a normal monsoon, lower interest rates, higher government spending and increased private consumption. In 2013-14, a revival in industrial growth to 5.4% is expected, supported by growth in private consumption and a modest recovery in exports.



Cotton and India

- Cotton is the principal livelihood for an estimated 60 million Indians (including six million farmers).
- Cotton provides 65% of fibre used in India's textile industry.
- Cotton provides a million tonnes of cooking oil.
- Cotton supplies a million tonnes of animal feed.
- Cotton contributes 40 million tonnes of biomass (in the form of cotton plant stalk).
- India accounts for a third of the global cotton acreage but a fifth of the global cotton production

Textile sector

Textile sector and the economy:

The Indian textile industry enjoys an overwhelming presence in its economic existence as it contributes 4% to the gross domestic product, approximately 14% to industrial production, 12% of the country's total exports and is the second largest employment provider. India's commercial banks enjoy an exposure of about ₹1.60 lac crore to the country's textile sector.

Performance: The Indian textiles sector rebounded after a catastrophic 2011-12. As per CMIE estimates, industry sales grew about 7.5% backed by higher volumes and improved realisations; total yarn production increased about 6.8% while fabric production grew about 7.1%.

On the export front, demand remained sluggish across the textile value chain in 2012. Order sizes reduced for apparel exporters, resulting in reduced volumes.

However, rupee realisations increased partly following rupee depreciation (against the USD and the Euro) leading to moderate revenue growth.

The year was marked by margins stability for textile players across the value chain led by steady cotton prices. After trending upwards over June-August 2012, raw cotton prices declined in September 2012 due to higher-than-expected domestic arrivals of cotton.

The textile sector (including dyed and printed) attracted foreign direct investments worth ₹5,656.42 crore (US\$ 1.04 billion) during April 2000 to November 2012.

Government policies: The Indian Government sustained its concessional debt support to the Indian textiles industry through the Technology Upgradation Fund Scheme (TUFS) for the next five years. The Government estimated an outlay of US\$ 3.17 billion (₹15,886 crore) for the Twelfth Five

Year Plan, US\$ 777.2 million (₹3,886 crore) more than the allocation during the Eleventh Five Year Plan ended March 2012. RBI also extended the 2% interest subvention for exporters till 2014, enhancing liquidity. An additional 2% incentive was provided by the government for entities registering higher exports growth.

To boost investments in the spinning segment, the Gujarat Government announced the Gujarat Textile Policy in September 2012, targeting the installation of 2.5 mn spindles worth ₹7,000 crore across the next five years. The Maharashtra Government and Madhya Pradesh Government announced a near 0% interest rate for new textile units.

Other measures in the pipeline include talks with Europe for zero import duty on Indian imports which could provide a level playing field with countries such as Bangladesh in the long run.

Estimates: The Indian textiles and apparel market (US\$58 billion) has the potential to grow at a CAGR of 9% to US\$141 billion by 2021. India's share of the world's textile and apparel exports stands at 4.5%. It is estimated that due to the increasing shift of textile and apparel production to Asian nations and the deteriorating export-competitiveness of China, India's share could grow to 8% by 2020 with a total exports value of US\$ 82 billion.

Cotton and cotton yarn prices are expected to remain stable in 2013. As per The Cotton Corporation of India Ltd., cotton production in the current season (October 2012 to March 2013) is estimated at 35 million bales (1 bale=170 kg) while domestic consumption is expected at 27 million, leaving a 8 million surplus.

BUSINESS OPERATIONS

RSWM is one of the leading players in India's textile industry with interests in the manufacture of yarn, fabric and denim. The Company's operations are conducted across eight locations in Rajasthan. The Company is one of the largest producers and exporters of polyester viscose blended yarn and 100% cotton mélange yarn in India. Periodic investments in cutting-edge competencies and technologies facilitated the manufacture of quality products of an international standard. The Company enjoys a significant global presence with approximately 50% of products exported. RSWM exports a complete range of yarns, fabrics and garments to over 73 countries including South Africa, Australia, Korea, Belgium, Singapore, Italy, Egypt and those of the Middle East.

A. Yarn business

Business snapshot

Installed capacity: 4,08,530 spindles and 4,800 rotors
Global presence: 73 nations

Financial relevance

Revenue: ₹1,972.14 crore
Growth over the previous year: 20%
Contribution to business topline: 80%



Overview

RSWM is more than a Company that figures among the five leading manufacturers of polyester viscose blended yarn in India. It is credited with having laid the foundation of the textile sector in Rajasthan (commenced business at Bhilwara in 1961). The yarn business is the Company's flagship business which contributes more than 80% of its topline.

Over 25% of the Company's yarn output is marketed to brand-enhancing downstream Indian textile players, namely Raymonds, Siyaram, Welspun, Alok, Arvind, among others. The

Company's products are also marketed across 73 nations. More than 15% of the Company's product line is accounted by 'green textiles' marketed to global brands from the US, the EU and Latin America.

The Company enjoys a pan-India presence with ten regional marketing offices (Ahmedabad, Bhilwara, Delhi, Indore, Ichalkaranji, Kolkata, Kanpur, Ludhiana, Mumbai and Tirupur).

Facilities

RSWM operated almost 4,08,530 spindles and produced 1,15,720 MT of yarn across five locations in

Rajasthan in FY 2012-13. The Company commissioned India's most sophisticated unit (51,840 spindles) at its Kharigram facility during the financial year under review. The showpiece unit boasts of sophisticated spinning equipment and automation solutions that eliminate human intervention and maximise productivity. The superior product quality from the unit has enabled the Company to earn a premium above prevailing realisations.

Product portfolio

The Company possesses one of the widest yarn ranges across numerous fibre blends, counts and shades; these

are classified into three categories - grey, dyed, and mélange yarn. Processed fibres comprise polyester, viscose, acrylic, cotton, wool, rayon, nylon, silk, polyamide and linen. The Company also produces a range of specialty products made of unorthodox fibres (soya protein, milk protein, bamboo, bamboo-charcoal and branded fibres such as Tencel®, Greenplus®, Protex®, X-static®, Beltron®, Huvis FR Polyester®, Trevira CS®, Coolmax®, Coolplus®, Birla Modal®, Excel®, Viloft®, Cupro®, Lycra®, Clima®, Seacel®, Dupont's Sorona®, Teijin Conex®, Tworon® and Ingeo (PLA)®). Many of these yarns were developed for specific applications with functional qualities – natural stretch, flame retardant and industrial use.

Greige yarn: Greige yarn is the largest in terms of volume and crucial to the product portfolio. These yarns are produced at the Company's Banswara, Rishabhdev and Kharigram (part capacity) plants.

Dyed yarn: These yarns are made from multiple fibre varieties in line

with customer specifications leading to enhanced realisations. The Company works with multiple fibres (including specialised variants) to address customer requirements. These yarns are spun at the Company's Kharigram and Ringas units.

Melange yarn: RSWM is India's largest mélange yarn manufacturer -- premium yarns from cotton and blends used in knitwear and the weaving sector -- with 44,016 spindles. The Melange yarn commands the highest value-addition in RSWM's yarn portfolio.

Highlights, 2012-13

- Yarn production including Mélange yarn increased 22% from 95,035 MT in 2011-12 to 1,15,720 MT in 2012-13
- Created the 'Ultima' brand to market quality yarn from its sophisticated unit at Kharigram; the yarn was successfully marketed to leading textile brands in India
- Mélange yarn production grew 25% from 7,351 MT in 2011-12 to 9,195 MT in 2012-13

1.68 lac

RSWM's Kharigram unit has the highest spindles for synthetic yarn (1.68 lac ring spindles) at a single location in India.

Manufacturing facilities

	Kharigram	Banswara	Mandpam	Rishabhdev	Ringas	Mordi (denim)
Spindles	1,67,378	95,184	44,016	52,848	27,840	21,264
Rotors	-	3,120	-	-	-	1,680
Product	Synthetic and blended grey and dyed yarns	Cotton 100% and it's blends, Synthetic and blended grey spun yarns	Cotton melange Yarn	Synthetic and blended grey spun yarns	Synthetic and blended dyed yarns	Denim range
Count	5s to 60s	5s to 60s	10s to 60s	5s to 60s	5s to 60s	
Niche products	Yarns for knitting, weaving and carpets	Yarns for knitting, weaving and carpets	Fashion products for hosiery and weaving	Yarns for knitting, weaving and carpets	Yarns for knitting, weaving and carpets	Fabric for leading national and international garment brands, fire retardant fabrics.



Business strengthening initiatives

Shop-floor improvements: The Company focused on maximising equipment utilisation enabling it to capitalise on the upturn in the textile sector. It also worked to commercialise value-added yarn varieties which would widen its opportunity canvas and strengthen business profitability.

- Increased female workers on the Kharigram, Banswara, Mandpam and Rishabhdev shopfloors which improved manpower availability and increased production
- Altered the product mix at various manufacturing locations in line with market demand – increased production of cotton blended yarn in place to polyester-viscose blends, replaced 100% viscose yarns with polyester-viscose blends
- Stabilised operation of the new unit

based at Kharigram which produced 10,669 MT yarn in 2012-13

- Increased the production of mélange yarn by 50% through better equipment utilisation

Marketing: The economic slowdown in the US and in Europe – key global textile markets – impacted yarn exports. The Company took decisive steps to widen its global reach and strengthens its India presence through new product launches and value-addition.

Domestic marketing

- Created a market – international and domestic -- for 17,580 tonnes of quality yarns derived out of the new installed spindles at Kharigram unit; 50% of this output was marketed under the Ultima brand
- Opened offices in key textile markets (Ahmedabad, Ichalkaranji, Indore,

10,669

The Company stabilised operation of the new unit based at Kharigram which produced 10,669 MT yarn in 2012-13



Kolkata, Kanpur and Tirupur) to enhance domestic revenues

- Introduced flex-blended yarn in the key textile markets of Northern and Western India
- Introduced high-value yarns for the knitted fabric sector in Eastern India; introduced high-value lycra yarns in Western India
- Introduced modal yarns and modal-blended yarns in Northern India for exporters; introduced PVA yarns for terry towel manufacturers
- Increased proportion of sales within India for mélange yarns; marketed mélange yarn to the shirting segment, which reduced the dependence on the hosiery sector
- Introduced value-added mélange variants (slub yarn, neppy yarn, neppy with slub, among others) marketed to

the hosiery and weaving sectors; value-added yarns contributed close to 20% of the mélange business in 2012-13

- Marketed fibre-dyed yarn as an alternative to yarn-dyed-yarns in key Northern Indian markets

International marketing

As political, financial and economic turmoil in traditional textile markets adversely impacted yarn offtake, the Company established a strong presence in new markets (Eritrea, Ethiopia, Pakistan, Oman and some other Asian countries besides increasing sales in some key markets e.g. Argentina, Portugal, Slovakia, Tanzania among others). This timely mitigation grew export business by 10% in value terms over 2011-12 despite volumes being at the same level as in the previous year. The Company participated in a number of international fairs and seminars,

which improved product and corporate visibility in the global textile space.

Blueprint, 2013-14

RSWM will focus on increasing the production of yarn and marketing larger volumes of value-added yarn. In the mélange segment, the Company plans to add 3,500 spindles; this unit is expected to commence operations in 2013-14. The Company intends to invest in equipment to increase production of compact yarn and slub yarn for the shirting and hosiery segments respectively and produce Lycra yarn (to cater to the denim market for the first time in India). The marketing team expects to increase the offtake of Lycra blends, polyester-cotton yarns (after adding balancing equipment to increase production) and coarse yarns.

B.



Business snapshot

Fabric capacity:

Weaving - 12 million metres per annum

Processing – 24 million metres per annum

Financial relevance

Revenue: ₹177.49 crore

Growth over the previous year: 16%

Contribution to business topline: 7%



Overview

RSWM manufactures a range of blended suiting fabrics (Mayur brand) in India, marketed by more than 2,000 retailers' pan-India. A sizeable quantity of fabric is also exported to discerning, quality-conscious customers in the Middle East, the Mediterranean region and mainland Europe, the Far East and the US.

Facilities

RSWM produces 12 million metres of suiting fabrics in its vertically-integrated state-of-the-art plant at Mordī (Rajasthan), with an annual fabric processing capacity of 24 million metres. This ISO 9001:2000-accredited unit is also a zero-discharge plant, recycling its treated water in the manufacturing processes and gardening.

Product

The Company possesses a comprehensive product mix comprising

fabrics for formal and semi-formal wear covering unique blends of polyester and viscose in different yarn counts, shades and finishes. The Company is respected for its ability to periodically introduce value-added products in line with customer preferences.

Highlights, 2012-13

- Production and sales volumes increased by 16% and 19% respectively over the 2011-12 level
- Significantly increased sales volumes to institutional customers

Business-strengthening initiatives

The team embarked on the following initiatives to sustain its momentum:

Shop-floor measures: The team undertook benchmarking studies in respect to all of its equipment. This helped rationalise power, water, energy, gas, coal and steam consumption over

the previous year around a 12-month investment payback.

Product development: The team developed the polyester/viscose fibre-based quick wash fabric (with non-stain properties) for the domestic market; it developed a special fabric out of steel fibre for specialised applications by the defence forces.

Marketing: The team added international clients like Marks & Spencer, UK and Huggers, US among others forming a long list of clients from Europe. In the domestic market, the Company bid aggressively for institutional volumes generating considerable revenues from the defence and educational segments.

Blueprint, 2013-14

The business plan comprises a double-digit increase in exports, aggressive penetration in Southern India and increased institutional volumes.

C.



Business snapshot

Fabric capacity: 18 million metres per annum

Financial relevance

Revenue: ₹310.69 crore

Growth over the previous year: 54%

Contribution to business topline: 13%



Overview

The denim division commissioned operations (installed capacity of 18 million metres per annum) with state-of-the-art facilities and certifications like Global Organic Textile Standards (GOTS), Global Recycle Standards, SA 8000, Organic Exchange (OE blended and/or OE 100), OEKO-TEX 100 and REACH. Although, a relatively small segment, the denim business possesses the ability to improvise fabric usage around diverse applications.

Facilities

The Company has a fully-integrated cutting-edge denim manufacturing plant at Mordí. This facility also includes a yarn spinning facility to maintain superior quality and higher degree of reliability and client service. The manufacturing facility also has an

in-house garmenting department for developing denim apparel samples for customers. The business is in line with the Company's strategy to graduate to value-added segments for broad-based growth.

Product

Over the years, the Company created a massive product basket of 3,000+ denim variants. The product range comprises denim-out-of-denim (recycled denim) and work wear like anti-bacterial hydrophobic, hydrophilic, anti-odour and fire-retardant, poly-spectrum in 65 shades, organic cotton fabric, power stretch, plasma denim, rich blended denims of cotton with linen, cotton with Kashmir wool, cotton with hemp, cotton with viscose, 100% tencel, among others.

Highlights 2012-13

- Sales grew by 16% from 12.6 million metres in 2011-12 to 14.6 million metres
- Average realisations increased over the previous year; proportion of value added products in the sales mix increased substantially
- Added international brands to the client list, namely Levis, GAP and Diesel.

Business-strengthening initiatives

Shopfloor initiatives: The Company invested ₹125 crore in fully-automated 10,632 spindles and 960 open-end rotors, augmenting its spinning capacity. This unit will add 24 tonnes of ring-spun and open-end cotton yarn to its daily output. The unit commenced operations in June 2012. The Company maximised



production through the following initiatives:

- Strengthened processes across the shop-floor to eliminate time wastage
- Outsourced weaving to meet client commitments; effectively utilised in-house processing capacities

Product development: The superior value proposition for customers was reflected in the introduction of the following niche products: jacquard fabrics in denim, denims in fluorescent shades for the first time in India, compact yarn in denim fabric for the

knitted denim segment

Marketing: The team widened its marketing network to de-risk from an over dependence on a single sales location. Besides it strengthened its presence within India to reduce its significant dependence on the export market. In 2012-13, the decline in demand from European customers was made up by creating a strong presence in Latin American countries. The nano-fabric received an overwhelming response in these markets where the fabric nomenclature became a brand.

A participation in global textile fairs strengthened client relationships. The Company launched boutiques for displaying denim fabrics within India, strengthening the offtake of value-added products.

Blueprint, 2013-14

The Company intends to expand its processing capacity via an investment of ₹14 crore, enhancing its capacity to 14.5 lac metres a month. The Company intends to establish a presence in new markets, widening its global footprint.

In 2012-13,
the Company continued the
implementation of the OHSAS standards
across its various units.



Quality management

Quality management is an ongoing obsession at RSWM. In the textiles business, quality needs to be impeccable across the entire value chain where the use of sub-standard fibre, inaccurate blending or the careless use of spun yarn can lead to an entire lot being rejected.

The result is that RSWM's facilities comprise best-in-class equipment sourced from globally-reputed textile machinery manufacturers, distinctively showcased in the recent brownfield yarn and denim expansions. Besides, benchmarking itself with best practices

has helped RSWM improve its productivity and quality.

As a result, RSWM's facilities are ISO 9001:2000 and ISO 14001-certified. Other certifications include Oeko-Tex, Control Union Certification, and SA-8000:2001 certification by BSI Management Systems and Fair Trade certification by FLO-CERT.

RSWM's passion for quality products is reflected in its ability to sustain long-term relationships with large and globally-respected textile brands. In 2012-13, these brands accounted for more than

39% of the Company's topline.

During the year under review, the Company continued the implementation of the OHSAS standards across its various units. The Kharigram, Rishabhdev and Ringas units worked towards the IMS certification (comprising ISO 9001, ISO 14001 and OHSAS).

The Mandpam unit is already certified with Integrated Management System (IMS), Oeko-Tex, Organic Exchange (OE blended and/or OE 100), GOTS, SA 8000, Fair Trade (FLO) and Global Recycle Standards (GRS) certifications.

RSWM

also converted the MURATECH manual (for the equipment in Kharigram) from English to Hindi for a better process understanding and ease in troubleshooting.



Financial performance

Despite an economic slowdown across the globe, the Company registered a stellar performance in 2012-13. Gross sales grew 23.54% from ₹2,000.15 crore in 2011-12 to ₹2,471.04 crore in 2012-13 – the growth being prudently balanced between volume increase and value addition.

Disciplined operations, multiple initiatives towards efficient resource utilisation and wastage elimination contained the growth in cost of operations. This coupled with an increased focus towards value addition facilitated a 105.71% jump in the EBIDTA from ₹160.99 crore in 2011-12 to ₹331.17 crore in 2012-13. Also, the EBIDTA margin expanded by 535 bps over 2011-12. Intelligent fund management and superior negotiation with finance partners enabled the Company reduce its average cost of borrowing.

The Company registered a net profit of ₹67.87 crore in 2012-13 against a net loss of ₹21.79 crore in 2011-12 – a turnaround in a single year. The net margin stood at 2.75% in 2012-13 against (-) 1.09% in 2011-12. The return on capital employed improved from 4.15% in 2011-12 to 12.04% in 2012-13.

The Company also improved the health of its Balance Sheet. Long term debt declined significantly which strengthened the Company's long term debt-equity ratio from 2.54 as on March 31, 2012 to 1.89 as on March 31, 2013. The book value per share increased from ₹123.03 as on March 31, 2012 to ₹141.16 as on March 31, 2013.

Information technology

RSWM's efficient IT infrastructure helped accelerate organisational speed, integrate various processes across the organisation and optimise costs. All the

Company's functional locations operated on a specialised ERP platform for the textile sector along with customised modules for the business processes that addressed the Company's unique requirements. The team periodically reviewed and validated the overall security architecture and invested to strengthen the same, on a routine basis. In 2012-13, the IT team organised training sessions for new entrants regarding the software packages (RAMCO/TIM/BPCS). The Company also organised refresher sessions for its staff to grasp the new features that have been added to the software to ensure better work and time-management.

To mitigate the risks due to unforeseen situations, as a business continuity strategy, RSWM is equipped with disaster recovery solutions for ERP, connectivity at all of its plants/locations and of its e-mailing system too.



Human resources

RSWM's intellectual capital represents one of the cornerstones of its success. The Company's human capital comprised 13857 professionally qualified and dedicated workforce. RSWM's all-round employee development was aligned with its business needs. The operations were managed by a strong team that combined a prudent mix of youth and experience. RSWM inducted young engineers, management graduates and other talented individuals, strengthening a sense of diversity.

Recruitment: In 2012-13, the Company recruited about 750 female workers for shop-floor operations, to mitigate absenteeism. A female overseer was deputed to look into their welfare and general issues; a nurse was appointed to address health issues; training sessions were conducted for them. The results were satisfactory; the Kharigram unit's

production losses due to labour issues declined significantly.

Knowledge enhancement: The Company consistently invested in growing its learning curve. Training was provided at various levels to enhance skills and knowledge. The local HR departments across the respective manufacturing facilities organised knowledge improvement programmes, resulting in skill upgradation and improved inter-personal relationships, communication and teamwork. The Company undertook numerous knowledge improvement programmes – an awareness programme on the Company's core purposes, core values and values-led behaviour was held, enhancing personal productivity; ISO 9001:2008 and EMS 14001:2004 compliances; kaizen or continuous improvement; skill development programmes for jobbers, awareness programmes on market complaints, PowerPoint presentations on the 5S's

culture, total safety and support system, quality life programmes and online training on topics like IT, helpdesk complaint system and Intranet.

Performance management: The Company adopted the 'Balanced Scorecard' framework which provides performance objectives and measures across multiple perspectives - financial, customer, internal processes and learning growth. This system has become integral to RSWM. The identification of high performers coupled with enhanced empowerment is helping create the next generation of leaders.

Team building: The Company organised a number of indoor and outdoor sporting meets, attracting participation from officers, staff members, workers and family members. The HR teams also organised excursions for the staff and families in addition to the following initiatives:

- Celebrated national and religious festivals
- Sent 80 trainees for a day-long picnic
- Organised a picnic to Ajmer/Jaipur for all staff members and families, tours for the staff and families to Dwarka, Somnath temple, Akshardham temple, Gir forest and other places of interest in Gujarat.
- Organised a Sports Day and a seven-day games extravaganza for workers
- Observed Women's Day at Mayur Nagar, Lodha
- Organised a volleyball tournament

Safety awareness: The Company created a safety department and laid down policies, procedures and processes to be implemented. The team organised number of seminars for increasing safety awareness. Training was imparted by an



external faculty. Safety exhibitions and mock drills were periodically organised.

Other initiatives: The Company also converted the MURATECH manual (for the equipment in Kharigram) from English to Hindi for a better process understanding and ease in troubleshooting. It also organised eye-check up camps for staff and workers, registered with NSDC for vocational training, organised worker awareness exhibitions on 'dos' and 'don'ts' for the spinning team through posters displayed at different shop floor locations.

Internal control systems

RSWM has strong, proper and adequate internal audit and control systems to ensure that all transactions are

authorised, recorded and reported correctly. The internal control systems consist of comprehensive internal and statutory audits. Internal auditors independently evaluate adequacy of internal controls and concurrently audit the majority of transactions in value terms. Independence of the audit and compliance function is ensured by the direct reporting of the internal auditors to the Audit Committee of the Board. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

Opportunities and threats

Opportunities: The outlook for the textile sector is closely linked to economic

prosperity cascading into improving profitability of corporates and lifestyles of individuals.

Macro perspective: Estimates suggest an economic recovery across the globe more particularly in key textile markets is a likely possibility. Some nations in Europe also have budgeted improved economic growth for 2013. India is also expected to register a 6%-plus GDP growth in 2013-14 which should increase the disposable income in the hands of the average Indian – boosting private consumption. This augurs well for the Indian textile sector.

Further, China's policy that incentivises moving up the textile value chain towards weaving and garmenting



augurs well for India's yarn sector. Besides, favourable government policies implemented by the State Governments of Gujarat, Maharashtra, Madhya Pradesh and Rajasthan are expected to boost investment in the textile space. In addition, stable cotton prices and a good crop forecast for the current cotton year promises adequate availability and price stability of this agro-product.

People power: India's population rose from 1.02 billion to 1.21 billion in the last 10 years. Based on the existing trend, India will cross China's population by 2030. Besides, half of India's population is below 25. Interestingly, in India, the working age has declined sharply, generating higher disposable incomes. Close to 65% of Indians

between 20-60 years are working, leading to higher disposable incomes and lifestyle aspirations.

Micro perspective: Three factors are expected to sustain the Company's growth and profitability momentum going ahead: focus on strengthening its basket of value-added products, significant efforts in widening its global presence and committed efforts in deepening its India reach.

Threats: Erratic climatic conditions could send the initial estimates of the cotton crop awry, which could derail estimates of the Indian textile industry. Other growth impediments comprise the rising price of crude that could increase the prices of synthetic fibre and cause severe

power shortages across India which can have a crippling effect on business operations.

Considering the above factors, the outlook related to the Company's 2013-14 performance is cautiously optimistic.



A SOCIALLY RESPONSIBLE CORPORATE

RSWM believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement of all partners in the development process. It strives to achieve sustainable development in all spheres of life including education, healthcare, women and child development, community development and the environment.



Corporate social responsibility

Education: RSWM has established and promoted a number of schools and training centres, including facilities for the physically-challenged near its manufacturing plants. The Company has been instrumental in the setting up and running of Vivekananda Kendra Vidyalaya at Rishabhdev and Hurda (near Kharigram). These schools have developed facilities addressing the academic, boarding and lodging, transportation, sports, cultural and extra-curricular activities. Over a period of time, the students of these schools have won numerous laurels at various international and national events. These schools have guided some

of the students to become qualified professionals and entrepreneurs and excel in their respective fields.

RSWM extends financial help and assistance for the development of residents surrounding its manufacturing plants. 'The Shramik Kalyan Kosh' is a fund generated from contributions from the Company and its employees and is jointly managed. It is responsible for disbursing financial assistance to deserving and needy students and to provide scholarships to meritorious students and wards of workers.

In 2012-13, the Company undertook important steps for furthering the education to the average Indian



- Adopted a school for the aurally impaired which imparts education to many students
- Provided furniture and other required items to a government school in Kupda and a government secondary school in Billakh
- Distributed 365 spectacles for the school children as identified through the Mahaveer International Organisation

Healthcare: RSWM closely associates itself with healthcare institutions proximate to its manufacturing locations. The Company caters to the diverse needs of these institutions and provides assistance to patients. The Company runs 'Mayur Helpline', a 24-hour free ambulance service for trauma victims from its plant locations.

- Installed an elevator at M.G. Hospital, a government hospital in Banswara
- Constructed a portico near the female ward at the government hospital in Banswara.
- Provided medicinal and financial support for the treatment of over 2,500 patients from adjoining villages on a

monthly-basis at the Shubham Praktik Chikitsalaya, Kharigram, Pragma Mirgi Hospital, Kharigram and Parmarth Oshdhalya, Hurda

- Extended the disaster relief fund to the administration at Asind and Hurda villages in the district of Bhilwara
- Provided 12 days worth of food to the attendants of the patients of M.G. Hospital through the Vagad Seva Sansthan
- Organised a health check-up survey with a team of specialists from Bhilwara led by Dr. J S Jethliya which benefited employees, their families and the neighbouring community.

Community welfare: RSWM undertook a number of initiatives for the upliftment of the community in the areas adjoining its plant locations. In 2012-13, the Company undertook the following people-development initiatives

- Sponsored the kavi sammelan at Kushal Bagh ground during the dussehra fair
- Organised the sneh milan and sneh bhoj for all workers and staff on diwali and laddu chot

■ Provided financial assistance to the Rishabhdev Taluk for Republic Day celebrations and then to the Sarvajanik Seva Ashram, Varanasi

- Created a pyavu hut outside the factory main gate in the summer months (April-June) for providing drinking water to mills' workers and the public at large.
- Distributed solar lantern to villagers in the Kharigram area and the Hukumpura Panchayat of Bhilwara District

■ Provided financial assistance to the PHD Family Welfare Foundation

- Inaugurated an Anganwadi Center, Bhilwara
- Organised a two-day job fair for women participated by 600 girls and 20 companies

In addition, the Kharigram unit invited the heads of the panchayats of the villages in the vicinity of the unit for hearing their grievances and discussing solutions for improvement and providing employment at the unit. Over 110 heads of villages attended the gathering.



Environment

RSWM's commitment to a cleaner world is reflected in important realities – consistent investment in environment-friendly technologies and continuous improvement in operations that minimise consumption of natural resources and effluent generation.

Water management: Since RSWM's plants are in the water-starved state of Rajasthan, the Company continually undertakes various initiatives at its shop-floors aimed at conserving water and maintaining environmental sustainability. The Company operates a reverse osmosis plant at all the units located in Rajasthan. It operates a water harvesting system at Kharigram, Rishabhdev and Ringas.

Energy management: The RSWM shop-floor team continually strives to minimise energy consumption while maximising product output. Each year, the Company undertakes a number of measures towards energy conservation which include replacing motors with superior variants, altering plant lighting systems, introducing waste heat recovery systems among others. The Company's

concern for the environment is reflected in an important investment in 2012-13 – the Company invested ₹32.26 crore in a 20-MW wind power plant at Jaisalmer which will also fulfill its renewable energy obligations.

Green cover management: RSWM's manufacturing units have sprawling landscaped gardens with a proactive approach towards afforestation. The sophisticated water sprinkling and drip systems help in conserving water used for gardening. The staff clubs of the production units organise an annual 'Plantation Day', where saplings of various species of trees are planted in and around the campus. The denim plant has restored greenery to the wasteland in its premises by planting trees and using of treated effluent water for watering.

Certification: The Company has implemented environment management system, EMS 14001, at its Banswara, Kharigram, Mandpam and Rishabhdev units. The Mandpam and Banswara units are also certified for Global Recycle Standards (GRS) process.

2,500

The Company provided medicinal and financial support for the treatment of over 2,500 patients from adjoining villages on a monthly-basis.

MANAGING BUSINESS UNCERTAINTIES

As a diversified enterprise, RSWM institutionalised a system-based approach towards business risk management. A combination of centrally-issued policies and divisionally-evolved procedures provides process robustness and strategies consistent with the management's risk-taking appetite and implementation capability.



01

COMPETITION RISK: INCREASED COMPETITION IN THE TEXTILE SPACE COULD IMPACT PROFITS.

Mitigation measures

The Company's flagship yarn business is progressively insulated from competition for the following reasons:

- The Company provides the widest range of yarns, customised to requirements and in small lots, positioning it as a preferred business partner of fabric manufacturers.
- The Company's investment in cutting-edge technology and process benchmarking with global best-practices ensures superior product quality.
- The Company's wide and deep reach in international and domestic markets ensures consistently growing volumes; the fabric division consumes 2% of the Company's yarn produce.
- The opening of the Chinese market for yarn import is expected to be a significant opportunity.

02

MARKET RISK: A DEMAND DECLINE COULD IMPEDE GROWTH.

Mitigation measures

Demand for textiles is inextricably linked with economic progress and increasing disposable incomes. Estimates suggest

global economic revival especially in key markets. China's textile sector policies are expected to improve prospects of the Indian textile sector. Besides, favourable

policies by the Government at the Centre and State are also expected to strengthen sectoral investments.

03

COST RISK: VOLATILITY IN COTTON AND CRUDE PRICES AND INCREASING ENERGY RATES COULD IMPACT OPERATING MARGINS.

Mitigation measures

Cotton prices are forecast to remain stable in 2013-14 due to the increased availability in India. Besides, China patronising home-grown cotton for use by its textiles sector is expected to

increase global cotton trade as China is the largest cotton importer. This development should stabilise synthetic yarn prices. Besides, a growing reliance on shale gas is expected to rationalise crude prices and the impact on synthetic

yarns. The Company's 46 MW captive power generation unit and a 20 MW Wind Power Unit under Group Captive Scheme set up by an associate ensures a consistent supply of quality power at optimised rates.

04

GROWTH RISK: THE COMPANY MAY NOT HAVE INVESTED IN GROWTH ENGINES FOR THE FUTURE.

Mitigation measures

The management drew out a blueprint ('Lakshya 2016') to reach 7,00,000 spindles by 2016, enabling the Company to capitalise on emerging

opportunities. The Company is working aggressively towards this target. It commissioned India's most sophisticated 51,840-spindle unit and 10,632-spindles at its integrated

denim unit, which should provide a significant impetus. The Company is also deliberating on an expansion of about 50,000 -75,000 spindles in the next 18-24 months.

05

FUNDING RISK: THE COMPANY MAY NOT BE ABLE TO FUND ITS GROWTH APPETITE

Mitigation measures

The Company's ability to garner adequate low-cost funds for funding capital projects is reflected in the

strength of its financial statements. A positive operating cash flow of ₹101.43 crore and a high interest cover of 2.73 in 2012-13 provides considerable

negotiating power with funding institutions.

Cautionary statement

Certain statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'risks and concerns'. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

DIRECTORS' REPORT

Dear Members,

The Directors present the Annual Report together with the audited Balance Sheet and the Statement of Profit and Loss of RSWM Limited for the year ended 31st March, 2013.

Company's Performance

Your Company's performance during the year 2012-2013 is summarised below:

Financial Results

(₹ in crore)

	2012-13	2011-12
Turnover		
Export	720.19	730.35
Domestic	1,750.85	1,269.80
TOTAL	2,471.04	2,000.15
Profit before Interest & Depreciation	331.17	160.99
Less: Interest	121.29	104.04
Profit before Depreciation	209.88	56.95
Less: Depreciation	108.45	89.10
Profit/(Loss) before Tax	101.43	(32.15)
Less: Current Tax	(20.26)	(3.85)
Deferred Tax Liability	(13.30)	(6.51)
Profit/(Loss) after Tax	67.87	(21.79)
Add: Opening Balance	76.19	97.98
Profit available for appropriation	144.06	76.19

Dividend and Other Appropriations

From the amount available for appropriation, ₹6.80 crore is proposed to be transferred to the General Reserve.

Your Directors are pleased to recommend a dividend @100% i.e. ₹10/- per Equity Share of ₹10/- each for the year ended the 31st March, 2013. This will absorb an amount of ₹27.09 crore (inclusive of distribution tax). A proposal for confirmation of the dividend for the year ended 31st March, 2013 will be placed before the shareholders at the ensuing Annual General Meeting.

The balance amount of ₹110.18 crore has been carried over to next year.

Operational Performance

During the year under review, your Company succeeded in meeting the challenges posed by the ongoing global economic crisis and came back strongly with improved efficiency, productivity and profitability.

The Company registered increase of 23.54% in its gross turnover from ₹2,000.15 crore in 2011-12 to ₹2,471.04 crore in 2012-13. The export turnover remained almost static at ₹720.19 crore in 2012-13 as against ₹730.35 crore in 2011-12 whereas domestic turnover increased to ₹1,750.85 crore in 2012-13 from ₹1,269.80 crore in the previous year. The analytical review of the Company's performance and its businesses, including initiatives in the areas of human resources and information technology, have been presented in the section on Management Discussion and Analysis of the Annual Report.

Working results of last three financial years 2010-11 to 2012-13 are given in Annexure – 1 and form part of this report.

Expansion and Modernisation

Your Directors are pleased to inform the Members that the Company during the year continued to make further strides to achieve the targets laid down in pursuit of the 'Lakshya 2016' programme with a targeted turnover of ₹4,500 crore and involving a capex of ₹1,500 crore in stages to be achieved by 2016. Your Directors in the previous year's report had mentioned about the first phase of the above programme involving a capital outlay of ₹355 crore. Your Directors are glad to inform the Members that the Company during the year under review completed the expansion of capacity by 51,840 spindles at the Kharigram Unit of the Company. The Company also set up a spinning facility at the Denim Unit precursor to the scheduled expansion of the weaving capacity at this unit. The above expansions were completed in the second half of the financial year at a total cost of ₹355 crore. The full benefits of the above expansions will be reflected in the working of current financial year 2013-14.

Your Directors further inform the Members that the Company initiated a capital outlay plan for supply and upgradation of Effluent Treatment Plant (ETP) at its Kharigram, Ringas, Denim and TPP Plants and Sewerage Treatment Plant (STP) at all locations at an estimated cost of ₹15.15 crore, as a part of various eco-friendly measures. Your Directors inform the Members that these programmes are expected to be completed in the first quarter of the current financial year, 2013-14.

Subsidiary Company and Joint Venture

Your Directors inform the Members that during the year under review M/s. Cheslind Textiles Limited (CTL), subsidiary of your Company, implemented the CDR scheme approved by the CDR Cell under the aegis of RBI and also approved by the shareholders

of CTL. Your Directors further inform that pursuant to the CDR scheme, your Company was allotted 1,64,00,000 equity shares of ₹10/- each for an aggregate amount of ₹16.40 crore raising the total shareholding of RSWM Limited to 69.85% from 66.07% held in the previous year. Your Directors, report to the Members that the implementation of CDR scheme and infusion of fresh funds have resulted in improvement of performance and profitability of CTL. As the CTL extended its last financial year to 18 months, the financial year 2012-13 of CTL comprises of six months ending on 31st March, 2013.

Your Directors gladly inform the Members that during the year under review, your Company entered into an Agreement with M/s. Bhilwara Energy Limited (BEL) to set up 20 MW Wind Power Project in the State of Rajasthan under the Group Captive Scheme. Your Directors further inform the Members that through this scheme the Company had ensured power supply at a fixed rate for 20 years, which will enable the Company to not only meet its long-term power requirements at a fixed price but also meet its Renewable Power Obligation (RPO) as per Rajasthan Electricity Regulatory Commission's guidelines for RPO regulations. The present minimum cost of a renewable energy certificate is ₹1.50 per unit. Your Directors state that this is a step in the direction of moving towards green energy. Your Directors inform the Members that this Wind Power Project was commissioned in March, 2013 and the power generation has already started.

A Statement of particulars of Cheslind Textiles Limited, subsidiary of the Company is part of the Annual Report. In compliance with Clause 32 of Listing Agreement, audited consolidated financial statements also form part of this Annual Report.

Contribution to the Exchequer

Your Company has contributed an amount of ₹80.92 crore in terms of taxes and duties to the Exchequer.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- appropriate Accounting Policies have been selected and applied consistently and they have 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 as on 31st March, 2013 and of the Profit or Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a 'going concern' basis.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, is given in Annexure –II forming part of this Report.

Directors

The following Directors retire by rotation and being eligible offer themselves for re-appointment:

1. Shri Ravi Jhunjunwala
2. Shri Arun Churiwal
3. Dr. Kamal Gupta

Shri J. C. Laddha was re-appointed as Executive Director of the Company for a further period of two years with effect from the 1st January, 2013 to 31st December, 2014, subject to the approval of the members of the Company. The Board recommends the reappointment of Shri J. C. Laddha.

Shri Riju Jhunjunwala was co-opted on the Board as Additional Director. Shri Riju Jhunjunwala was designated as Joint Managing Director with effect from the 1st May, 2013. The terms and conditions of appointment of Shri Riju Jhunjunwala would be decided in due course, subject to the approval of the members of the Company. The Board recommends the appointment of Shri Riju Jhunjunwala.

Internal Control Systems

Your Company is having adequate internal control systems commensurate with its size and nature of business. The Company is having SOPs in most areas of its operations. These SOPs and internal control systems assured the consistency of financial and operational information and compliance with applicable laws.

The Internal Audit function, head of which reports directly to Audit Committee of the Board, through in-house and external agencies, ensures the adherence to these SOPs and control the deviations/variances, if any, which come to the light.

Particulars of Employees

Statement of particulars of Employees as required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached hereto and is given in Annexure-III forming part of this Report.

Auditors

The Company's Auditors M/s. S. Bhargava Associates and M/s. A. L. Chechani & Co., retire at the conclusion of the ensuing

Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors, if any, are explained wherever necessary, in the appropriate Note to the Accounts.

Corporate Governance

Report on Corporate Governance along with the Certificate of Auditors M/s S. Bhargava Associates, Chartered Accountants, 1, Pareek College Road, Bani Park, Jaipur (Rajasthan) and M/s. A. L. Chechani & Co., Chartered Accountants, 17 Heera Panna Market, Pur Road, Bhilwara (Rajasthan) confirming compliance to conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, form part of the Annual Report.

Acknowledgements

Your Directors express their gratitude to all Customers, Dealers, Suppliers and Investors as well as Banks, Financial Institutions and the Central and State Governments and the Members of the Company for the continued support and cooperation extended by them to the Company. Your Directors also thank the employees of the Company across all levels for the sincere and hard work put in by them during the year under review.

For and on behalf of the Board

Ravi Jhunjunwala
Chairman
DIN - 00060972

Place: Noida
Date: 1st May, 2013

ANNEXURE – I TO DIRECTORS' REPORT

Working Results

	Particulars		2012-13	2011-12	2010-2011
I	PRODUCTION				
	YARN				
A)	Own	(In Tonnes)	1,15,720	94,827	93,913
B)	Job Spinning from outside (Domestic)	(In Tonnes)	-	-	-
	Total		1,15,720	94,827	93,913
	FABRIC & DENIM				
A)	Own	(In, 000 Metres)	27,517	24,296	21,557
B)	Job Weaving from outside	(In, 000 Metres)	321	316	1,599
	Total		27,838	24,612	23,156
II	TURNOVER	(₹ in lacs)			
	YARN				
A)	Domestic				
	Grey Yarn		90,373	67,666	47,347
	Dyed Yarn		53,984	34,627	46,381
	Job Spinning		757	557	329
			1,45,114	1,02,850	94,057
B)	Export				
	Grey Yarn		41,893	45,877	49,034
	Dyed Yarn		22,187	19,008	24,410
			64,080	64,885	73,444
Less	Inter unit/Division transfer		5,413	4,678	3,980
	Total		2,03,781	1,63,057	1,63,521
	FABRIC & DENIM				
A)	Domestic		31,755	25,526	24,563
B)	Export		7,939	8,149	4,918
			39,694	33,675	29,481
Less	Inter unit/Division transfer		-	14	-
	Total		39,694	33,661	29,481
	PROCESSING CHARGES				
	Weaving Charges		85	75	101
	Processing Charges		1,949	1,839	1,839
			2,034	1,914	1,940
Less	Inter unit/division transfer		-	-	6
	Total		2,034	1,914	1,934
	WASTE				
A)	Domestic		1,941	1,577	1,591
B)	Export		-	-	-
Less	Inter unit/division transfer		346	194	311
	Total		1,595	1,383	1,280
	Total Turnover (including excise duty but excluding other operating income)		2,47,104	2,00,015	1,96,216

ANNEXURE – II TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy.

A) Energy Conservation Measures Taken:

I. Spinning

1. Installed VFD on all Chinese Ring Frames-24 nos. / 24,192 spindles.
2. Removed Voltage Stabiliser from Savio Autoconers to support stabiliser losses and also failure of electronic components.
3. Reduced load on compressors by arresting air leakages at Blow Room, Carding, Draw frame, Ring Frame and Autoconer machines for saving of compressed air power apart from reorganising of air cleaning of Machines.
4. Installed LED type Street Lights in our new project which consumes much lower power than normal lights with improved illumination.
5. Installed new ETP plant for dye house effluent treatment with Zero discharge. With this overall water consumption and water wastage is reduced.
6. Installed 1100 KLD RO plant (benefit derived-Such purified water is used in Humidification plant and will increase the life of Humidification plant and its ducts).
7. Up-graded 150 KLD RO Plant to 250 KLD to support Zero Discharge by running it on Effluent RO Reject.
8. Replaced WCS System V-Belts with Cogged Belts for power saving and longer belt life.
9. Optimised Humidification Plant Air Volume as per recommendation of SITRA Audit Report for effective functioning and considerable power saving.
10. Replaced one no. Gear Motor with Inverter Drive at ATE Blow Room Line for optimised power consumption.
11. Replaced HPMV Lamps of Street light with CFL for improved illumination at a reduced cost of power and longer life.
12. Replaced Boiler Fuel from Steam Coal to Pet Coke for considerable cost reduction.
13. Installed one no. High Pressure R.O. Plant to improve recovery.
14. Replaced old pipe lines of Dyeing machines to save leakages of water.

II. Fabric Division

1) Thermopac :-

- a) Replaced APH tubes, Insulation of ID fan duct.
- b) Installed Radiator in FD fan to improve temperature of FD air and APH heat recovery.
- c) Fine-tuned Coal feeding system to save about 500 kg coal per day leading to considerable saving.

Saving of 500 kg coal per day i.e. ₹14.00 lac per annum

2) Hot Water Recovery System :-

- a) Installed Pressure Power Pumps (2 nos.) for Hot Water Recovery with considerable saving .

Saving of ₹3.00 lac per annum

3) VDR No. 2 :-

- a) Installed individual steam trapping system in place of combined trap system, saving 1.5 tonne steam per day leading to noticeable saving.

Saving of 1.5 tonne steam per day i.e. ₹5.00 lac per annum

4) Lighting System :-

- a) Installed Stabiliser in lighting feeder.

Saving of ₹1.00 lac per annum

5) Humidification System :-

Rationalised working of Humidification system by reducing operating hours and maintaining ambient temperature to further reduce power consumption.

Saving of ₹7.00 lac per annum

The estimated saving due to above measures is expected to be ₹30.00 lac per annum

III. Denim Division

1. Blowers of DO at ETP plant is operated on automatic mode resulting into saving of 15 kwh/day.
2. Installed inverters in Speed Frames to save approximately 13 kwh/day.
3. Optimised air balancing at the Humidification plant of phase 1 & phase 2 ensuring savings of about 29.5 kwh/day.

B) Energy Conservation Plan for the Year 2013-14

1. Fire Hydrant Automation, Fire Alarm & Sprinkler System.
2. Boiler APH & Dust Collector.
3. Increase of spindles from 576 to 624 in existing Ring Frames with addition of one section of 48 spindles by which capacity will increase from 44016 spindles to 47200 spindles i.e. 3264 spindles. Approx. cash profit of ₹42 lacs from July/Aug, 2013 onwards.
4. Addition of 2 nos. Compact Attachments imported from M/s Suessen, Germany in Ring Frames.
5. One no. Core Attachment imported from M/s Pinter, Spain in one machine.
6. 2 nos. Slub Attachments from M/s Caipo / Amseller, for more value added products apart from existing specifications of Melange yarn.

7. One no. Schlafhorst Autoconer AC X-5 for balancing the increased production output.
8. One no. Thies Dyeing Machine of 850 kg capacity to fulfill required dyed production.
9. Addition of Automatic Bale Pressing System to reduce manpower requirement and to improve housekeeping.
10. Installation of one no. Transformer of 2 MVA 33/0.433 KV for better load distribution and optimum loading at transformer which will save 600 units per day.
11. Installation of one no. High Pressure R.O. Plant to improve the recovery.
12. Replacement of one Stenter machine of 1995 make. Saving 200 Kwh electricity per day.
13. Replacement of one Drying range of 1995 make. Ensuring saving of 6 tonnes steam per day i.e. one tonne coal per day.

INFORMATION AS PRESCRIBED IN FORM A

A. Power and Fuel Consumption

Sl. No.	Particulars	2012-13	2011-12
1.	Electricity		
a)	Purchased:		
	Units (In Lacs)	1,372.13	1,355.97
	Total Amount (₹ in Lacs)	6,745.10	6,264.51
	Rate/Units (₹)	4.92	4.62
b)	Own Generation:		
I)	Through Thermal Power - Units (In Lacs)	2,809.75	2,185.65
	Cost of Generation	12,996.57	8,811.23
	Cost Per Unit (₹)	4.63	4.03
II)	Through Diesel - Units (In Lacs)	2.48	0.24
	Units per Litre of Diesel	3.35	2.40
	Cost per Unit (₹)	13.37	14.67
III)	Through HFO Generators - Units (In Lacs)	8.78	15.60
	Units Per Litre	2.27	3.20
	Cost Per Unit (₹)	10.14	8.32
2.	Coal		
	Quantity in M.T.	36,499.60	50,209.33
	Total Amount (₹ in Lacs)	2,062.79	1,983.41
	Average rate per M.T. (₹)	5,651.54	3,950.28

Sl. No.	Particulars	2012-13	2011-12
3.	HFO		
	HFO in Litres (In lacs)	3.87	4.88
	Cost of HFO Consumed	89.05	129.77
	Avg Rate (₹/Litre)	23.02	26.59
4.	Other/Internal Generation	N.A.	N.A.
B	Consumption Per Unit of Production		
	Electricity Units : Per Kg. of Yarn	3.26	3.30
	Per Mtr. of Fabric	1.62	1.58
	Per Mtr. of Fabric Processing	0.21	0.27
	Coal (In Kg.) : Per Kg. of Yarn	0.22	0.32

Technology Absorption

Spinning

A) RESEARCH & DEVELOPMENT

We have developed following new technical products during last one year apart from our regular PV/PC products:-

- 1) Stainless Steel Fabric for DMSRDE.
- 2) Parachute Dropping Fabric for Defence.
- 3) FR - NBC (Nuclear, Biological & Chemical) Camouflage Suit Fabric for DMSRDE.
- 4) FR - OWR (Oil & Water Repellent) Fabric for Indian Navy.
- 5) High End TR Fabric for Domestic Market.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. SJ-11 (Simatic S7 Ts Module For Xorella Yarn Conditioning Machine):

Above Module was installed on Xorella Yarn Conditioning Machine to facilitate OEM Engineers at Switzerland or anywhere in the world to get connected with our Machines.

Benefits derived

It will help the Company in case of any breakdown or operational problem in the Yarn Conditioning Machine which if not solved by us or taking more time, than we can ask Xorella Engineers to get connected with machine and extend support to solve the problem.

Neuenhauser, Germany's Automatic Package Transportation System from TFO to Automatic Packing Line was installed to save labour and systematise the whole material handling concept without touching the final packages.

2. Replacement of CMS System of Crossrol Carding Machine with Siemens PLC for better working of Autoleveller.
3. Conversion of Autolevellers of 2 nos. RSB Draw Frames from Analogue to Digital for better quality.

Denim Division

A) RESEARCH & DEVELOPMENT

1. At LNJ Denim, developing two Collections in each year for A/W and S/S season, looking into trends of Europe and US Market. In each collection developed about 50 new qualities. Apart from above, developed about 15 new qualities.
2. Denim products are being designed and developed in a way to cater and delight all Premium Brands. The products are being supplied to almost all leading export and domestic brands like Diesel, Marlboro, Levis Europe, GAP, C & A, Ann Taylor, Gymboree, Polo, Zara, H&M, Jack & Jones, Mavi, Kohl's Wrangler, VF, Spykar, Mufti, Pepe, Giny & Jony etc.
3. Developed DF4038 (123201), specifically for Levis India and Quality No.594906 for Levis Europe and 48 XX for Levis USA and started supplying to them. Executing regular commercial orders in this style. Also more than 10 products are in Levis final selection and commercial orders are getting started.
4. Developed DF4295 for Petit Bateau, DF4068 for Mango and executed commercial order for the same. The development DF4299 for Mufti has been approved and execution of commercial order is in process.

B) ADAPTATION AND INNOVATION IN MACHINES

1. QA Lab upgraded by installation of Fancy Profile in Uster Tester-5, AFIS and Tensorapid for Single Yarn Strength and Elongation Testing.
2. RV Stretching Pulse installed in Airjet Looms to reduce overall hairiness of the fabric.

Expenditure incurred on R & D ₹ In lacs

		2012-13	2011-12
a)	Capital	239.12	69.07
b)	Recurring	606.72	474.02
c)	Total	845.84	543.09
d)	Total R&D Expenditure as percentage of total turnover	0.34	0.27

Foreign Exchange Earnings and Outgo

Your Company's Exports primarily consist of Yarn, Fabric & Denim sold directly as well as through a network of overseas agents. During the year under review, the Company added Eritria, Estonia, Slovenia, Belarus and Panama in their list of export destinations. During the year, the Company has earned Foreign Exchange of ₹686.18 crores at FOB price against an Outgo of ₹106.99 crores compared to previous year earning of Foreign Exchange of ₹693.96 crores at FOB price and outgo of ₹214.08 crores.

ANNEXURE – III TO DIRECTORS' REPORT

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 :

Persons employed throughout the financial year

S.No.	Name of Employee	Designation	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Shri Arun Churiwal	Managing Director	187.97	BA (Hons)	34	17th March, 2009	1610	Contractual	62			
2	Shri J.C.Laddha	Executive Director	175.13	B.Com, FCA	40	1st January, 1988		Contractual	63	Bhilwara Spinners Limited	Whole Time Director	3
3	Shri Prakash Maheshwari	Chief Executive-Corporate Management Services	67.12	BSC, FCA	36	1st April, 2003	-	Permanent	58	HEG Limited	President	14
4	Shri Y.C.Gupta	Chief Executive Denim Business	77.15	CA	36	6th September, 2007	-	Permanent	61	CMT Limited, Mauritius	Chief Executive Director	4
5	Shri Vimal Banka	President	76.26	CA	33	1st April, 1990	8000	Permanent	62	Shashi Commercial Ltd	Manager	4
6	Shri M.L. Jhunjunwala	President	71.52	B.Com, ICWA	39	1st October, 1992	6670	Permanent	58	Rajasthan Textile Mills	Export Manager	13
7	Shri S.C Garg	Chief Executive-Melange Yarn	66.93	B.Text (Tech) MBA	32	17th July, 1993	-	Permanent	56	Fenner India Limited	General Manager	1
8	Shri Sanjay Sharma	Chief Operating Officer	63.60	B.Text (Tech)	35	11th September, 2002	-	Permanent	56	Indo Rama Synthetics India Ltd	Asst. Vice President	7
9	Shri T Dev Joshi	President (Corporate HR & OD)	67.52	B.Sc.,LLB, PGDPM	38	1st December, 2004	-	Permanent	60	Fortis Healthcare Ltd	Head Corporate HR	4

Notes:

1. None of the employee is holding more than 2% of the paid-up capital of the Company.
2. None of the above employee is relative of any Director of the Company.
3. None of the person was employed for the part of the year in receipt of remuneration aggregating to ₹5,00,000/- or more per month.

CORPORATE GOVERNANCE 2012-13

Corporate Governance Philosophy

RSWM Limited (RSWM) remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. We feel that Corporate Governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values. Our Corporate Governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and a high level of integrity in decision-making. RSWM will continue to adopt best-in-class Corporate Governance standards while enhancing the efficiency of its business to maximise long-term shareholder value and serve the interest of our manifold stakeholders.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports RSWM's compliance with the Clause 49.

Board of Directors

Composition

As on 31st March, 2013, RSWM's Board comprises ten Directors. Eight Directors, including the Chairman-Emeritus, the Chairman and the Vice Chairman, are Non-Executive. Of these, five Directors, including one Director nominated by the Export Import Bank of India (lender) are Independent. All the Independent Directors have met the 'independent criteria' as mentioned under Clause 49 of the Listing Agreement.

Number of Board Meetings

During 2012-13, the Board of RSWM met six times on — 4th May, 2012, 9th August, 2012, 26th October, 2012, 30th November, 2012, 7th February, 2013 and 11th March, 2013. The maximum time gap between any two consecutive meetings was less than four months.

Directors' Attendance Record and Directorship Held

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2012-13 during tenure	No. of meetings attended	No. of outside Directorships of public companies*	No. of Outside Board-level Committees where chairperson or member #	
							Member**	Chairperson
1.	Shri L. N. Jhunjhunwala	Chairman - Emeritus	Promoter - Non-Executive	6	-	6	2	1
2.	Shri Ravi Jhunjhunwala	Chairman	Promoter - Non-Executive	6	6	12	4	2
3.	Shri Shekhar Agarwal	Vice Chairman	Promoter - Non-Executive	6	5	5	3	-
4.	Shri Arun Churiwal	Managing Director	Promoter - Executive	6	5	3	1	-
5.	Shri J. C. Laddha	Executive Director	Non-Promoter - Executive	6	6	-	-	-
6.	Dr. Kamal Gupta	Director	Independent - Non-Executive	6	6	6	8	3
7.	Shri D. N. Davar	Director	Independent - Non-Executive	6	6	13	8	5
8.	Shri Sushil Jhunjhunwala	Director	Independent - Non-Executive	6	1	3	1	-
9.	Shri A. N. Choudhary	Director	Independent - Non-Executive	6	6	2	1	-
10.	Shri T. G. Regunathan	Nominee Director – Exim Bank	Independent - Non-Executive	6	6	-	-	-

Notes: * Excludes directorships in private limited companies, foreign companies, memberships of management committees of various chambers, bodies and Section 25 companies

Includes Audit and Shareholders'/Investors' Grievance Committees only.

** Includes Committee chairmanships

The last Annual General Meeting held on 18th September, 2012 was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Shri J. C. Laddha, Executive Director of the Company.

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees.

Information Supplied to the Board

The Board has complete access to all information about the Company. The following information is regularly provided to the Board:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results for the Company and operating divisions and business segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Executive Officer, Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution-related problems
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures regarding the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company

- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme among others.
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movements, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholder-related services such as non-payment of dividend, delay in share transfer among others.
- Details of investment of surplus funds available with the Company

The Board is presented with detailed notes on these matters, as part of the agenda papers of the meeting or directly tabled at the Board meetings, as and when required.

The Board reviews the declaration made by the Management regarding compliance with applicable laws on quarterly basis as well as steps taken by the Company to rectify instances of non-compliances, if any.

Directors with Materially Significant Pecuniary Relationship or Business Transaction with the Company

All Executive Directors receive salaries, allowances, perquisites and commission, while all Non-Executive Directors receive sitting fees. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

Shareholding of Non-Executive Directors

Equity Shares and Convertible Instruments held by Non-Executive Directors as on 31st March, 2013

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Shri L. N. Jhunjhunwala	Promoter - Non-Executive	1,37,112	Nil
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	8,09,094	Nil
Shri Shekhar Agarwal	Promoter - Non-Executive	3,000	Nil
Dr. Kamal Gupta	Independent - Non-Executive	Nil	Nil
Shri D. N. Davar	Independent - Non-Executive	Nil	Nil
Shri T. G. Regunathan	Independent - Non-Executive	Nil	Nil
Shri Sushil Jhunjhunwala	Independent - Non-Executive	Nil	Nil
Shri A. N. Choudhary	Independent - Non-Executive	Nil	Nil

Board-Level Committees

I) Audit Committee

As on 31st March, 2013, RSWM's Audit Committee comprised four members — three of whom, including the Chairman of the Committee, are Independent while the fourth is a Non-Executive Promoter Director. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 292A of the Companies Act, 1956. In 2012-13, the Audit Committee met four times on - 4th May, 2012, 9th August, 2012, 26th October, 2012 and 7th February, 2013.

Details of the Audit Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta (Chairman)	Independent – Non-Executive	4	4	80,000
Shri L. N. Jhunjhunwala	Promoter – Non-Executive	4	-	-
Shri D. N. Davar	Independent – Non-Executive	4	4	80,000
Shri A. N. Choudhary	Independent – Non-Executive	4	4	80,000

Shri Surender Gupta, the Company Secretary, is also the Secretary to the Committee. Invitees to the Audit Committee include the Chief Executive Officer, Chief Financial Officer, Chief Coordinator – Internal Audit and the representatives of the Statutory and the Internal Auditors.

Dr. Kamal Gupta, Chairman of the Audit Committee, possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge. The Chairman of the Audit Committee attended the Annual General Meeting held on 18th September, 2012 to answer shareholder queries.

Company has carried out all functions as mentioned in the terms of reference of the Audit Committee as listed under Clause 49II(D) of the Listing Agreement.

RSWM has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of the financial condition and results of operations of the Company
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors
- Internal audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee

- The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital among others), as part of the quarterly declaration of financial results whenever applicable

- Statement certified by the Statutory Auditors, on an annual basis detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice, if applicable

Pursuant to its terms of reference, the Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

M/s. N. D. Birla & Co., Cost Accountants, were appointed as Cost Auditors of the Company pursuant to section 233B of the Companies Act, 1956. The Cost Audit report for the financial year ended the 31st March, 2012 was filed in XBRL mode on the 20th February, 2013, the due date of which was 28th February, 2013.

II) Remuneration Committee

a) Terms of Reference

The Remuneration Committee is functioning in accordance with the requirements of Schedule XIII to the Companies Act, 1956, as and when required at the time of appointment. The Remuneration Committee is empowered with the powers to determine the remuneration packages of the executive directors.

b) Composition of Remuneration Committee

As on 31st March, 2013, the composition of Remuneration Committee is as follows:

Sl. No.	Name of the Member	Position
1.	Dr. Kamal Gupta (Chairman)	Independent - Non-Executive
2.	Shri D. N. Davar	Independent - Non-Executive
3.	Shri Shekhar Agarwal	Promoter - Non-Executive
4.	Shri T. G. Regunathan	Independent - Non-Executive

c) Meeting and Attendance

In 2012-13, one meeting of Remuneration Committee was held on 26th October, 2012. The detail of attendance of the Remuneration Committee was as under:

Name of the Member	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	1	20,000
Shri D. N. Davar	1	20,000
Shri Shekhar Agarwal	1	20,000
Shri T. G. Regunathan	1	20,000

d) Remuneration Policy

The compensation terms of executive directors are approved by the Board of Directors upon recommendation of the Remuneration Committee and subsequently approved by the shareholders in the General Meeting. The Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The non-executive directors are paid sitting fee for attending the Board Meetings as well as other Committee Meetings.

e) Details of Remuneration Paid or Payable to Directors for 2012-13

(₹)

Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total
Shri L. N. Jhunjhunwala	Promoter - Non-Executive	-	-	-	-
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	1,20,000	-	-	1,20,000
Shri Shekhar Agarwal	Promoter - Non-Executive	2,80,000	-	-	2,80,000
Shri Arun Churiwal	Promoter - Executive	-	62,56,400	1,25,41,000	1,87,97,400
Shri J. C. Laddha	Non-Promoter - Executive	-	81,07,329	94,06,000	1,75,13,329
Dr. Kamal Gupta	Independent - Non-Executive	3,80,000	-	-	3,80,000
Shri D. N. Davar	Independent - Non-Executive	3,00,000	-	-	3,00,000
Shri Sushil Jhunjhunwala	Independent - Non-Executive	20,000	-	-	20,000
Shri A. N. Choudhary	Independent - Non-Executive	2,00,000	-	-	2,00,000
Shri T. G. Regunathan	Independent - Non-Executive	1,40,000	-	-	1,40,000

* Includes sitting fees for all committee meetings.

Includes retirement benefits

The Company does not have any Stock Option Scheme.

III) Shareholders'/Investors' Grievances Committee

As on 31st March, 2013, the Company's Shareholders'/Investors' Grievances Committee comprised of four Directors — Dr. Kamal Gupta (Chairman), Shri Shekhar Agarwal, Shri Arun Churiwal and Shri D. N. Davar.

The Company Secretary, Shri Surender Gupta is the Compliance Officer. During 2012-13, the Committee met four times on 4th May, 2012, 9th August, 2012, 26th October, 2012 and 7th February, 2013.

a) Details of Shareholders'/Investors' Grievance Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	Independent – Non-Executive	4	4	80,000
Shri Shekhar Agarwal	Promoter – Non-Executive	4	4	80,000
Shri Arun Churiwal	Promoter - Executive	4	4	-
Shri D. N. Davar	Independent – Non-Executive	4	4	80,000

The Committee received 12 complaints during the financial year under review, all of which were replied/resolved to the satisfaction of the shareholders.

b) Details of Shareholders'/Investors' Queries and Grievances received and attended by the Company

Sl. No.	Nature of Query/Complaint	Pending as on 1st April, 2012	Received during the year	Addressed during the year	Pending as on 31st March, 2013
1.	Transfer / Transmission / Issue of Duplicate Share Certificate (s)	0	0	0	0
2.	Non-receipt of Dividend	0	5	5	0
3.	Non-receipt of Annual Report	0	1	1	0
4.	Dematerialisation/Rematerialisation of shares	0	0	0	0
5.	Complaints received from:				
	- Securities and Exchange Board of India	0	5	5	0
	- Stock Exchanges	0	0	0	0
	- Registrar of Companies/Ministry of Corporate Affairs	0	1	1	0
	Total	0	12	12	0

The Company also has a Share Transfer Committee to deal with the requests of transfer/transmission of Equity Shares, issue of duplicate share certificates and consolidation/split/replacement of share certificates etc. To expeditiously approve transfer of shares, Shri Shekhar Agarwal, Vice Chairman and Shri P. S. Puri, President (Corporate Finance) also attend and approve the share transfer requests on fortnightly basis under the delegated authorisation of the Board of Directors.

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transfer	24	29,651
Duplicate Share Certificates	3	341
Consolidated/Torn Certificates	2	26,588

General Body Meetings

The details of the Last Three Annual General Meetings:

Financial Year	Date	Time	Location	Special resolution(s) passed
2009-10	16th September, 2010	11:30 A. M	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1
2010-11	23rd September, 2011	11:30 A. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1
2011-12	18th September, 2012	2:00 P. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1

The following Special Resolutions were taken up in the last three Annual General Meetings and were passed with requisite majority.

2009-2010:

- Approval for the reappointment of Shri J.C. Laddha, as Executive Director of the Company.

2010-2011:

- Approval for the alteration in the Articles of Association of the Company.

2011-2012:

- Approval for the reappointment of Shri Arun Churiwal, as Managing Director of the Company.

Postal Ballot

During the year under review, no resolution was passed through postal ballot.

There are no matters proposed to be passed by the Company through postal ballot in the ensuing Annual General Meeting.

Disclosures

a) Related Party Disclosure

As required by the Accounting Standard AS-18, the details of related party transactions are given in Note No. 45 to the Annual Accounts. Material individual transaction with related parties are in the normal course of business on an arm's length basis and do not have any potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit Committee.

b) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting

Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

c) Risk Management

RSWM has a well-defined risk management framework in place. Under this framework, the Management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as and when deemed necessary. RSWM has established procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

d) Details of Non-Compliance by the Company in Previous Years

RSWM has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last three years.

e) Initiatives on Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of RSWM and cautions them on consequences of violations.

f) Compliance with Clause 49

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49. A certificate from Statutory Auditors to this effect is enclosed in the Annual Report.

Adoption of Non-Mandatory Requirements

Remuneration Committee

Although it is not mandatory, the Board of RSWM has constituted

a Remuneration Committee. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'.

Audit Qualifications

The Company's Financial Statements are free from any qualifications by the Auditors and Company continues to adopt best practices to move towards a regime of unqualified financial statements.

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

CEO/ CFO Certification

The CEO and CFO certification of the Financial Statements for the year form part of this Annual Report.

Code of Conduct

RSWM's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company www.rswm.in. Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year. It is further affirmed that access to the Audit Committee of the Company has not been denied to any personnel. A declaration to this effect forms part of this Annual Report.

Means of Communication

The quarterly and annual audited results are forthwith sent to the Stock Exchanges where the Company's shares are listed after they are approved by the Board of Directors. The results of the Company are published in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website www.rswm.in.

The Company has designated an email-id rswm.investor@lnjbhilwara.com.

Shareholders

Appointment or Reappointment of Directors

Eight of the Directors of your Company are liable to retire by

rotation. Of these Directors, at least one-third retire every year and if eligible, present themselves for reappointment. This year, Shri Ravi Jhunjunwala, Shri Arun Churiwal and Dr. Kamal Gupta are retiring by rotation and being eligible, offer themselves for reappointment in the Annual General Meeting.

Shri J. C. Laddha was reappointed as Executive Director for a further period of two years with effect from 1st January, 2013 to 31st December, 2014.

Shri Riju Jhunjunwala, who was co-opted as an Additional Director on the Board was designated as Joint Managing Director with effect from 1st May, 2013.

Their brief resumes are given below:

Shri Ravi Jhunjunwala (57)

Shri Ravi Jhunjunwala is a Non-Executive Promoter Director of the Company. Shri Jhunjunwala holds a degree in B.Com (Hons.) and is also an MBA. He joined the Board of the Company on 18th May, 1979. Shri Jhunjunwala is an industrialist with diversified business experience.

Shri Arun Churiwal (62)

Shri Arun Churiwal is Managing Director of RSWM Limited. He is also Chairman and Managing Director of BSL Limited. He is an eminent industrialist having rich experience of textile industry.

Dr. Kamal Gupta (67)

Dr. Kamal Gupta is an Independent Director of the Company and joined the Board on 26th December, 1987. Dr. Gupta is an FCA, ACWA and Ph.D. He has expertise in the areas of finance, accounting and corporate laws and was formerly Technical Director of The Institute of Chartered Accountants of India. Dr. Gupta is a well known consultant in the field of Accounting, Auditing and Corporate Laws.

Shri J. C. Laddha (63)

Shri J. C. Laddha is FCA with rich experience in Textiles and is Executive Director of RSWM Limited. Shri J. C. Laddha possesses four decades of experience in Textiles and was instrumental in setting up of various projects of the Company and the LNJBhilwara Group.

Shri Riju Jhunjunwala (34)

Shri Riju Jhunjunwala is designated as Joint Managing Director of the Company. Shri Riju Jhunjunwala is a graduate in Business Management Studies. Shri Jhunjunwala is an industrialist with diversified business experience.

Details of Directorship Held in Other Companies

Directors name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Shri Ravi Jhunjunwala	AD Hydro Power Limited	Audit Committee	
	Bhilwara Energy Limited		
	BSL Limited		Shareholders'/Investors' Grievance Committee
	Bhilwara Green Energy Limited		
	Cheslind Textiles Limited		
	HEG Limited		Shareholders'/Investors' Grievance Committee
	Indo Canadian Consultancy Services Limited		
	India Glycols Limited		
	JK Lakshmi Cement Limited		
	Malana Power Company Limited	Audit Committee	
	Maral Overseas Limited		
NJC Hydro Power Limited			
Shri Arun Churiwal	BSL Limited		Shareholders'/Investors' Grievance Committee
	La Opala RG Limited		
	LNJ Financial Services Limited		
Dr. Kamal Gupta	AD Hydro Power Limited		Audit Committee
	Bhilwara Energy Limited		
	HEG Limited		(i) Audit Committee (ii) Shareholders'/Investors' Grievance Committee
	Maral Overseas Limited	(i) Audit Committee (ii) Shareholders'/Investors' Grievance Committee	
	Malana Power Company Limited		Audit Committee
	PNB Gilts Limited	Audit Committee	Shareholders'/Investors' Grievance Committee
Shri J. C. Laddha	None	None	None
Shri Riju Jhunjunwala	Bhilwara Energy Limited		
	Bhilwara Technical Textiles Limited		(i) Audit Committee (ii) Shareholders'/Investors' Grievance Committee
	Bhilwara Green Energy Limited		Audit Committee
	Bhilwara Infotechnology Limited		
	Chango Yangthang Hydro Power Limited		Audit Committee
	Cheslind Textiles Limited		Audit Committee
	HEG Limited		
	LNJ Power Ventures Limited		
NJC Hydro Power Limited		Audit Committee	

* Excludes directorships held in private limited companies, foreign companies, memberships of management committee of various chambers/bodies/ Section 25 companies.

Additional Shareholder Information

Annual General Meeting

Date : 19th September, 2013
Day : Thursday
Time : 12.30 P.M.
Venue : Kharigram, P. O. Gulabpura, Bhilwara District,
Rajasthan – 311021,

Financial Results

Financial year: 1st April, 2012 to 31st March, 2013

For the year ended 31st March, 2013, results were announced on:

- 9th August, 2012 : First quarter
- 26th October, 2012 : Second quarter and Half year
- 7th February, 2013 : Third quarter and nine months
- 1st May, 2013 : Fourth quarter and Annual.

For the year ending 31st March, 2014, quarterly results will be announced within 45 days from the end of each quarter except the fourth quarter when the audited annual results will be published within 60 days.

Book Closure

The dates of book closure are from 10th September, 2013 (Tuesday) to 19th September, 2013 (Thursday) (Both days inclusive).

Dividend Dates

A dividend of 100% i.e. ₹10/- per share on 2,31,48,689 equity shares of ₹10/- each has been recommended by the Board. Subject to the approval of the shareholders at the Annual General Meeting, this will be paid between 11th day and 14th day from the date of AGM.

Listing and Stock Codes

The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31st March, 2014. The stock codes of the Company at BSE and NSE are given below:

Stock Codes of the Company

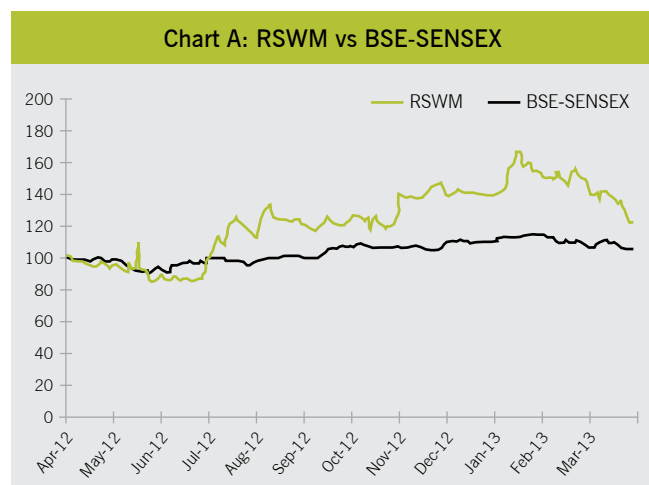
Stock Exchange	Stock Codes
BSE	500350
NSE	RSWM

Stock Data

Share Prices of RSWM at BSE and NSE in 2012-13

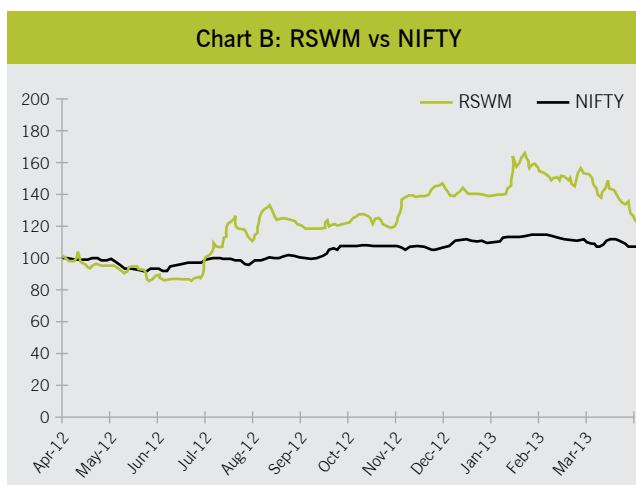
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-12	76.50	68.75	66,960	79.50	69.05	1,32,244
May-12	82.95	60.00	74,740	73.00	59.55	1,17,317
Jun-12	74.70	61.00	51,868	74.00	61.70	78,289
Jul-12	95.45	72.20	1,35,565	94.90	72.00	2,32,429
Aug-12	101.20	84.50	1,69,654	101.00	82.35	1,78,389
Sep-12	94.60	85.20	31,080	94.75	82.05	43,993
Oct-12	105.85	86.50	1,47,325	104.90	85.15	1,76,528
Nov-12	111.75	98.25	1,33,300	111.50	97.00	1,98,213
Dec-12	108.35	99.05	56,158	108.40	97.55	1,42,853
Jan-13	125.65	104.00	1,27,634	126.70	103.10	3,01,459
Feb-13	118.00	104.15	91,484	118.20	103.50	2,24,890
Mar-13	107.80	90.00	25,720	112.55	89.55	1,16,236

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2012-13



Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2012-13 i.e. 1st April, 2012.

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2012-13



Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2012-13 i.e. 1st April, 2012

Shareholding Pattern

Shareholding Pattern by Ownership as on 31st March, 2013

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	1,19,09,804	51.45
Foreign Institutional Investors/Mutual Funds	100	0.00
Public Financial Institutions/State Financial Corporation	7,59,338	3.28
Mutual Funds (Indian)	16,60,979	7.18
Nationalised and other banks	12,376	0.05
NRIs/ Foreign Companies (Other than Promoters)	15,83,681	6.84
Public	72,22,411	31.20
Total	2,31,48,689	100.00

Shareholding Pattern by Size-Class as on 31st March, 2013

Categories	No. of Shareholders	No. of shares held	Percentage
1-1000	11,688	18,25,126	7.89
1001-5000	522	11,30,432	4.88
5001-10000	66	4,81,659	2.08
10001 and above	117	1,97,11,472	85.15
Total	12,393	2,31,48,689	100.00

Dematerialisation of Shares

As on 31st March, 2013, 2,22,13,999 Equity Shares representing 95.96% of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only. The Company makes request to shareholders holding shares in physical form on a regular basis to get shares dematerialised in their own benefit.

The ISIN number for RSWM's equity shares on NSDL and CDSL is INE611A01016.

Share Transfer System

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 15 days from the date of receipt, if the documents are in order in all respects.

Details of Public Funding Obtained in the Last Three Years

RSWM has not obtained any public funding in the last three years.

Outstanding Warrants and their Implications on Equity

The Company has no outstanding warrants/convertible instruments.

Plant Locations

1. Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan.
2. Mayur Nagar, Lodha, P.O. Banswara – 327 001, Distt. Banswara, Rajasthan.
3. LNJ Nagar, Mordi, P.O. Banswara – 327 001, Distt. Banswara, Rajasthan (Denim, Fabric and TPP).
4. Mandpam, Bhilwara – 311 001, Distt. Bhilwara, Rajasthan.
5. Rishabhdev – 313 802, Distt. Udaipur, Rajasthan.
6. Ringas – 332 404, Distt. Sikar, Rajasthan.

Investor Correspondence

Investor correspondence should be addressed to:

Registrar & Share Transfer Agent:

MCS Limited
F-65, 1st Floor,
Okhla Industrial Area Phase I,
New Delhi – 110 020
Phone Nos. : 011-4140 6149-52
Fax No. : 011-4170 9881
E-mail : admin@mcsdel.com

Company Secretary

RSWM Limited
Bhilwara Towers
A-12, Sector 1, Noida
Uttar Pradesh - 201301
Phone Nos. : 0120-4390000/4390300
Fax Nos. : 0120-4277841
E-mail : rswm.investor@lnjbhilwara.com

Registered Office

Kharigram
P.O. Gulabpura
District - Bhilwara
Rajasthan – 311 021, INDIA

Place: Noida
Dated: May 1, 2013

Arun Churiwal
Managing Director
DIN: 00001718

Information pursuant to Clause 5A of the Listing Agreement

The Company transferred 26,538 equity shares in respect of 406 shareholders in the name of "RSWM Limited – Unclaimed Suspense Account" on 9th August, 2012 and these shares were subsequently dematted. Thereafter, the Company did not receive any claim from the shareholders. As on 31st March, 2013, 26,538 shares are still lying in the Unclaimed Suspense Account.

AUDITORS' CERTIFICATE

To the Members,
RSWM Limited

We have examined the compliance of conditions of Corporate Governance by RSWM Limited, for the year ended on the 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance 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.

For S. Bhargava Associates

Chartered Accountants
Firm Regn. No: 003191C

per Sunil Bhargava

Partner
Membership No.: 70964

Place : Noida

Date : May 1, 2013

For A. L. Chechani & Co.

Chartered Accountants
Firm Regn. No: 005341C

per Sunil Surana

Partner
Membership No.: 36093

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We Arun Churiwal, Managing Director & Chief Executive Officer and Brij Mohan Sharma, Chief Financial Officer of RSWM Limited, hereby certify to the Board that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by RSWM Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting in RSWM Limited and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f. We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

Arun Churiwal
*Managing Director &
Chief Executive Officer*

Brij Mohan Sharma
Chief Financial Officer

Place: Noida
Dated: May 1, 2013



FINANCIAL SECTION

Independent Auditors' Report

To the members of
RSWM Limited

Report on the financial statements

We have audited the accompanying financial statements of RSWM Limited (the Company), which comprise the balance sheet as at 31st March, 2013, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read with accounting policies and notes on accounts, 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:

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2013

- b) In the case of the statement of profit and loss, of the profit for the year ended on that date, and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to the following notes in the financial statements:

- a) Note no 33 to the financial statements, elaborating the accounting treatment for promotional benefits under Status Holder Incentive Scheme (SHIS), based on legal and expert opinions;
- b) Note no 34 to the financial statements, relating to treatment for assets held for sale based on contingent contracts of sale; and

Our opinion is not qualified in respect of these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.BHARGAVA ASSOCIATES

Firm registration number: 003191C
Chartered Accountants

per Sunil Bhargava
Partner
Membership No.: 70964

Place : Noida
Date : May 1, 2013

For A.L.CHECHANI & CO.

Firm registration number: 005341C
Chartered Accountants

per Sunil Surana
Partner
Membership No.: 36093

Annexure to Auditor's Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- (i) (a) The fixed assets registers showing full particulars including quantitative details and situation of the assets are being maintained at respective units, are updated at each unit on an ongoing basis.
- (b) The fixed assets are physically verified by the management in a phased programme designed to cover all the assets over a period of three years, which in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. Pursuant to the said programme, a portion of fixed assets has been physically verified by the management during the year and no serious discrepancies were noticed on such verification between the book records and physical assets. These discrepancies have been properly dealt with in the books of accounts.
- (c) The Company has not sold any substantial part of plant & machinery during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification have been dealt adequately in the books of accounts.
- (iii) (a) The Company has granted interest free unsecured loan to a subsidiary covered in the register maintained under Section 301 of the Companies Act, 1956. The amount outstanding at the end of the year is ₹60 lacs and the maximum amount outstanding during the year was ₹1,200 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company, as disclosed in note no 36 to the financial statements.
- (c) There is no overdue amount outstanding as at the Balance Sheet date.
- (d) The Company had not taken any loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) On the basis of selective checks carried out during the course of audit and explanations given to us, adequate internal control systems commensurate with the size of the Company and nature of its business, for purchase of inventory & fixed assets and for sale of goods and services have been devised by the management and is being generally followed. Further, on the basis of our examination of the books and records of the Company, and according to information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) On the basis of our examination and as per information given to us all the contracts or arrangements are needed to be entered into the register maintained in pursuance of section 301 of the Companies Act, have been recorded in the register.
- (b) On the basis of our examination and as per information and explanation given by the management, the price of the goods and materials purchased / of sale of goods, materials and services made pursuant to contracts entered in register maintained under section 301 of the Companies Act, 1956, in respect of each party is reasonable having regard to the prevailing market price at the relevant time. However, in respect of few transactions of goods and services, wherein comparable market prices are not available, the prices are considered reasonable.
- (vi) As per information and explanations given to us, during the year the Company has not accepted deposits from public to which the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 apply
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the records including the books of accounts made and maintained by the Company pursuant to the rules made by the central government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanation given to us and the records examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty,

excise duty, cess and any other statutory dues with the appropriate authorities. Further, there were no undisputed arrears of statutory dues outstanding as at 31st March, 2013, for a period of more than six months from the date they became payable except payment of service tax on management consultancy services, which has been paid before approval of accounts.

- (b) According to the records of the Company and information given to us, the particulars of statutory dues of the sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of disputes and the forum where the dispute is pending are given hereunder:

(₹ In Lacs)

S No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
1	EXCISE DUTY CESTAT, New Delhi	8.51	8.51
2	SERVICE TAX		
	A) CESTAT, New Delhi	204.21	204.21
	B) Commissioner(Appeals), Jaipur	37.94	37.94
3	CESS		
	Appellate Tribunal, Mumbai	17.25	17.25
4	Entry Tax Rajasthan High Court, Double Bench, Jodhpur	1,022.50	985.54
	Total	1,290.41	1,002.79

- (x) There are no accumulated losses in the Company as on 31st March, 2013. Further, the Company has not incurred cash losses during the financial year covered by our audit.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) On the basis of examination of records of the Company and information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clauses 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (xiv) On the basis of examination of books and records of the Company and information and explanation given by the management, the Company is not dealing or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) As per information and explanation given by the management the terms & conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are prima-facie not prejudicial to the interest of the Company.
- (xvi) Based on information and explanation given by the management, the term loans have been applied for the purposes they were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of the cash flow statement of the Company for the year, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the act.
- (xix) The Company has not issued any debentures whether secured or unsecured during the year.
- (xx) The Company has not raised any money through public issue during the year covered by our report.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.BHARGAVA ASSOCIATES
Firm registration number: 003191C
Chartered Accountants

For A.L.CHECHANI & CO.
Firm registration number: 005341C
Chartered Accountants

per Sunil Bhargava
Partner
Membership No.: 70964

per Sunil Surana
Partner
Membership No.: 36093

Place : Noida
Date : May 1, 2013

BALANCE SHEET As at 31st March, 2013

₹ in Lacs

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	2,314.87	2,314.87
(b) Reserves and Surplus	3	30,361.34	26,164.85
Government Capital Grants	3	181.24	209.91
(c) Money received against share warrants		-	-
		32,857.45	28,689.63
(2) Share application money pending allotment		-	-
(3) Non-current Liabilities			
(a) Long-term borrowings	4	71,265.34	81,688.43
(b) Deferred tax liabilities (Net)	5	4,857.27	3,527.12
(c) Other long term liabilities	6	559.90	635.22
(d) Long-term provisions	7	1,725.76	1,415.88
		78,408.27	87,266.65
(4) Current Liabilities			
(a) Short-term borrowings	8	46,662.97	37,609.00
(b) Trade payables	9	4,116.14	3,001.00
(c) Other current liabilities	10	20,119.71	16,595.15
(d) Short-term provisions	11	2,881.71	159.36
		73,780.53	57,364.51
TOTAL		1,85,046.25	1,73,320.79
II. ASSETS			
(1) Non - current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		95,931.96	77,371.17
(ii) Intangible Assets		648.77	619.75
(iii) Capital work-in-progress		1,114.66	25,093.38
(iv) Intangible Assets under development		-	-
		97,695.39	1,03,084.30
(b) Non-current Investments	13	11,067.14	6,027.14
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term loans and advances	14	2,407.78	4,240.82
(e) Other non-current assets	15	112.11	87.48
		1,11,282.42	1,13,439.74
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	39,971.47	32,554.90
(c) Trade Receivables	17	21,607.47	18,441.25
(d) Cash & Cash Equivalents	18	191.03	186.55
(e) Short-term loans and advances	19	2,836.32	2,847.07
(f) Other current assets	20	9,157.54	5,851.28
		73,763.83	59,881.05
TOTAL		1,85,046.25	1,73,320.79

See accompanying notes 1 to 54 forming part of Financial Statements

As per our report of even date

FOR S. BHARGAVA ASSOCIATES
Chartered Accountants
Firm Regn. No. 003191C

FOR A.L.CHECHANI & CO.
Chartered Accountants
Firm Regn.No.005341C

Ravi Jhunjhunwala
Chairman (DIN-00060972)
Arun Churiwal
Managing Director & CEO (DIN-00001718)
J.C. Laddha
Executive Director (DIN-00118527)
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Per **SUNIL BHARGAVA**
Partner
Membership No.70964

Per **SUNIL SURANA**
Partner
Membership No.36093

Place: Noida
Date: May 1, 2013

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2013

₹ in Lacs

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from operations	21	2,47,103.76	2,00,014.92
Less- Excise Duty		1,774.56	1,315.17
Net Revenue		2,45,329.20	1,98,699.75
II. Other Income	22	2,283.52	2,233.45
III. Total Revenue (I+II)		2,47,612.72	2,00,933.20
IV. Expenses:			
Cost of material consumed	23	1,47,767.42	1,30,739.53
Purchases of traded goods	24	2,186.53	1,745.44
Change in inventories of finished goods, work-in-progress and stock- in- trade	25	(5,463.53)	(2,298.00)
Employee benefits expense	26	20,425.02	16,420.49
Finance costs	27	12,129.06	10,403.62
Depreciation and amortisation expense	28	10,845.38	8,910.27
Other expenses	29	49,580.16	38,227.05
Total Expenses		2,37,470.04	20,4148.40
V. Profit before exceptional and extraordinary items and tax (III-IV)		10,142.68	(3,215.20)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		10,142.68	(3,215.20)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		10,142.68	(3,215.20)
X. Tax expense:			
(1) Current Tax		2,025.92	-
(2) Deferred Tax		1,330.15	(651.00)
(3) Provision for Income Tax written back		-	(385.28)
XI. Profit / (Loss) for the period from continuing operations (IX - X)		6,786.61	(2,178.92)
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		6,786.61	(2,178.92)
XVI. Earnings per equity share:			
(1) Basic		29.32	(9.41)
(2) Diluted		29.32	(9.41)

See accompanying notes 1 to 54 forming part of Financial Statements

As per our report of even date

FOR S. BHARGAVA ASSOCIATES

Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA

Partner
Membership No.70964

Place: Noida

Date: May 1, 2013

FOR A.L.CHECHANI & CO.

Chartered Accountants
Firm Regn.No.005341C

Per SUNIL SURANA

Partner
Membership No.36093

Ravi Jhunjunwala

Chairman (DIN-00060972)

Arun Churiwal

Managing Director & CEO (DIN-00001718)

J.C. Laddha

Executive Director (DIN-00118527)

B. M. Sharma

Chief Financial Officer

Surender Gupta

Company Secretary

Notes to the Financial statements

Notes annexed to and forming part of the accounts

NOTE 1 : ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING

The financial statements are prepared on historical cost convention and on the accounting principles of going concern, in accordance with Generally Accepted Accounting Principles ('GAAP'), comprising of the mandatory Accounting Standards, Guidance Notes etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

USE OF ESTIMATES:

In preparation of the financial statements in conformity with Generally Accepted Accounting Principle in India, Management is required to make estimates & assumptions that affected the reported amount of assets & liabilities and the disclosures of contingent liabilities as at the financial reporting date. The amount of revenue & expenditure during the reported period and that of actual results could be different from those of estimates. Any revision to such estimates is recognised in the period in which the same is determined.

II. REVENUE RECOGNITION

- a) Sales revenue is recognised when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty.
- b) Promotional Benefits, Export Incentives and Export Growth Incentives are accounted for on accrual basis when reasonable certainty and their probable use within reasonable time in the normal course of business, is established.
- c) Claims and refunds due from Government authorities and parties, though receivable / refundable are not recognised in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the Company.
- d) Claims lodged with insurance companies are recognised as Income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.
- e) The Government Subsidies and Interest Subsidy under TUFs are recognised on accrual basis and adjusted against the respective expenses.

III. GOVERNMENT GRANTS

Government Grants & subsidies are recognised on the reasonable assurance of receipt of subsidy and completion of all the conditions attached. If the grant is related to an expense then in that case it is deducted for that expense in the year of grant of subsidy.

Government Subsidies relating to depreciable Fixed Assets are treated as Deferred Income as per Accounting Standard AS-12, which are recognised in Statement of Profit & Loss over the useful life of the respective assets.

The Capital Subsidy under TUFs from Ministry of Textiles on specified processing machinery is recognised on a systematic and rational basis by adopting Deferred Income Approach, in proportion of the applicable depreciation over the useful life of the respective assets, and is adjusted against the depreciation in the Statement of Profit and Loss.

IV. INVENTORY VALUATION

- a) Inventories are valued at historical cost and net realisable value whichever is lower on a consistent basis. Historical cost is determined on Actual / Weighted Average basis on relevant categories of Inventories. The net value is determined after providing for obsolete, slow moving and defective inventories, wherever necessary.
- b) The cost of Inventories comprise all costs of purchase, costs of conversion and other direct costs incurred in bringing the inventories to their present location and condition.

V. INVESTMENTS

Non-Current Investments are stated at cost. In case of diminution in value other than temporary, the carrying amount is reduced to recognise the decline. Current Investments are carried at cost or fair value whichever is lower.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

VI. FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

- a) Cost of Fixed Assets comprises of its purchase price, including import duties and other non-refundable taxes or levies, foreign exchange fluctuation on loans against Fixed Assets up to 31st March, 2003, expenditure incurred in the course of construction or acquisition, Start-up, Reconditioning, Commissioning, test runs & experimental production and other attributable costs of bringing the assets to its working conditions for the purpose of use for the business.
- b) Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, at its capitalisation rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.
- c) Assets retired from active use and held for disposal are stated at the lower of their net book value and / or realisable value and are shown separately.
- d) Intangible assets acquired separately are measured on initial recognition at cost. Following initial reorganisation, intangible assets are carried at cost less accumulated amortisation and accumulated losses, if any. Internally generated intangible assets are recognised, if and when the parameters laid down under AS-26 (Intangible Assets) for recognition are satisfied.

VII. LEASES

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc are recognised immediately in the Statement of Profit and Loss

VIII. DEPRECIATION AND AMORTISATION

Depreciation on Fixed Assets and Amortisation on Intangible Assets has been provided as follows:-

- a) On fixed assets existing on September 30, 1987, on straight line method at the rates specified in circular No.1/86 of May 21, 1986, issued by the Department of Company Affairs.
- b) On other fixed assets acquired and put to use after October 1, 1987 on straight-line method at the revised rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as amended, vide Notification No.GSR-756 (E) dated 16th December, 1993 issued by the Department of Company Affairs, except: -
 - i) On Plant and Machinery in the Power Generation Division on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 considering the same as 'Continuous Process Plant'.
 - ii) Leased Assets are depreciated over the useful life /operating period of the lease.
 - iii) Acquired Intangible Assets are amortised from the date of the assets being available for use on Straight Line basis over useful life determined by the Management on technical evaluation at the following rates:
 1. Computer Software - 16.21% p.a.
 2. Enabling Assets - 5.28% p.a.

IX. IMPAIRMENT OF FIXED ASSETS

Factors giving rise to any indication of Impairment of the carrying amounts of Company's Assets are appraised at each Balance Sheet date by the Management to determine and provide/reverse an impairment loss following Accounting Standard AS-28 'Impairment of Assets'.

X. FOREIGN EXCHANGE TRANSACTIONS/TRANSLATIONS

- a) (i) Export and Import transactions not covered by a hedging instrument are accounted for at the prevailing conversion rates on the transaction date.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

- (ii) Monetary items denominated in Foreign Currency (except financial instruments designated as Hedge Instruments) and outstanding at year end are translated at year end conversion rates.
 - (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
 - (iv) Borrowings in Foreign Currency have been recorded initially at the prevailing exchange rate on the date of availment. The gain / loss on Renewal / Payment of the Forward contract booking is accounted for in the Statement of Profit and Loss for the period. Premium or discounts arising on amount covered under Forward Contracts / Fixed Rate Contracts are amortised as expenses or income over the life of such contracts. The exchange gain / loss on un-hedged exposure are valued at the exchange rates prevailing at each balance sheet date.
- b) Pursuant to The Institute of Chartered Accountants of India (ICAI) announcement “Accounting for Derivatives” on the early adoption of Accounting Standard AS-30 “Financial Instruments: Recognition and Measurement”, the Company had early adopted the AS-30 with effect from July 1, 2011, to the extent that such adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

The Company holds foreign currency forward contracts, designated as hedges of expected future sales of yarn/fabric to customers in countries other than India, for which the Company has highly probable forecasted transactions. As permitted by the risk management policy of the Company, the Company also has foreign currency forward contracts outstanding at end of the year designated as hedges of expected future purchases from suppliers in countries other than India for which the Company has firm commitments. Foreign currency forward contracts and cross currency forward contracts are being used to hedge the foreign currency risk of the firm commitments.

The terms of the foreign currency forward contracts have been negotiated to match the terms of the commitments. Whenever there are highly probable transactions for which hedge accounting is claimed and where significant element of hedge ineffectiveness occurs, the same is recognised in the Statement of Profit & Loss.

A financial instrument is designated as an effective hedge after the management objectively evaluates, at the inception of each contract as to whether the instrument is effective in offsetting the cash flows attributable to the hedged risk. The same evaluation is carried out at the end of each reporting period. In the absence of such hedge being identified or being continued to be identified as an effective hedge, the value thereof is taken to the Statement of Profit and Loss.

Exchange difference relating to effective cash flow hedge is accumulated in a Hedging Reserve account. Amounts from Hedging Reserve account are transferred in the Statement of Profit and Loss when-

- i) the forecast transaction materialises, OR
- ii) the hedging instrument expires or is sold, terminated or exercised (except for the replacement or rollover of a hedging instrument into another hedging instrument where such replacement or rollover is part of the instrument's hedging strategy), OR
- iii) the hedge no longer meets the criteria for hedge accounting in AS-30, OR,
- iv) the Company revokes the designation, Exchange difference relating to Fair Value Hedge effectiveness is measured on the reporting date and exchange difference of fair value hedge is recognised in the Statement of Profit & Loss. Hedge effectiveness of financial instruments designated as Hedging instruments is evaluated at the end of each financial reporting period as per the risk management policy of the Company framed under requirements of AS 30 and Para 14A.9 of FEMA.

XI. REPLENISHMENT

Indigenous raw materials had to be used on occasions, for exports, to be subsequently replenished under Duty Free Entitlement Schemes of the Government of India. Therefore, the cost of such indigenous raw materials has been accounted for at its equivalent imported / duty free prices by adjusting the value of such entitlements granted for neutralisation of the import duties and levies.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

XII. EMPLOYEE BENEFITS

a) Defined Contribution Plan:

The Company makes defined contribution to Provident Fund and Superannuation Fund, which are accounted on accrual basis.

b) Defined Benefit Plan:

The Company's Liabilities on account of Gratuity and Earned leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per revised AS-15. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in Statement of Profit and Loss.

XIII. TAXES ON INCOME

- a) Taxes on Income are computed using Tax Deferral Assets or Liability Method where taxes accrues in the same period as the respective revenues and expenses arises. The differences that result between the profit offered for Income Tax and the profit as per Financial Statements are identified for recognition as Deferred Tax Liability timing difference, that originate in one accounting period and reverse in another, based on the tax effect of the prevailing enacted regulations in force.
- b) Deferred Tax Assets are recognised subject to prudence, only if there is virtual certainty that they will be realised and are subject to appropriate reviews at each balance sheet date. For the purpose of measurement of Deferred Tax Liability or Assets, the applicable tax rates and enacted regulations expected to apply in the year in which the temporary differences are expected to be recovered or settled are applied and due consideration of the relief available under the provisions of Chapter VI A of the Income Tax Act, are appropriately considered.
- c) The Minimum Alternate Tax credit available has been adjusted against the Deferred Tax Liability / Current Tax payable as per provision of the Income Tax Act.

XIV. PROVISIONS AND CONTINGENT LIABILITIES / ASSETS

Provisions are made when the present obligation of a past event gives rise to a probable outflow, embodying economic benefits on settlement and the amount of obligation can be reliably estimated.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Assets are neither accounted for nor disclosed in the Financial Statements.

XV. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) among the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

XVI. CASH AND CASH EQUIVALENTS BANK BALANCES

Cash and Bank balances for the purposes of Cash Flow Statement comprise cash at bank, Cash in Hand, Cheques in Hand and other permissible instruments as per Accounting Standard AS-3.

XVII. OTHERS

Amounts related to previous years, arisen / settled during the year have been debited / credited to respective heads of accounts.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 2 : SHARE CAPITAL

(₹ In Lacs)

Particulars	As at	
	31st March, 2013	31st March, 2012
Authorised		
4,75,00,000 (Previous year : 4,75,00,000) Equity Shares of ₹10/- each	4,750.00	4,750.00
25,00,000 (Previous year : 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹150/- each	3,750.00	3,750.00
	8,500.00	8,500.00
Issued		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹10/- each	2,314.87	2,314.87
Subscribed & Fully Paid Up		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹10/- each	2,314.87	2,314.87
	2,314.87	2,314.87

1. Shareholders holding more than 5 % of shares

Name of share holder	As on 31st March. 2013		As on 31st March. 2012	
	Number of Shares	Percentage of holding	Number of Shares	Percentage of holding
Microbase Limited	36,50,970	15.77	36,50,970	15.77
IDFC Sterling Equity Fund	15,72,818	6.79	14,50,000	6.26
LNJ Financial Services Limited	17,67,394	7.63	12,62,998	5.46
Purvi Vanijya Niyojan Limited	12,18,431	5.26	12,18,431	5.26

- There are no shares issued for consideration other than cash in the last 5 financial years. However, 1,35,13,607 Equity shares of ₹10/- each were issued as fully paid up bonus shares by capitalisation of reserves in earlier years. 12,28,689 Equity shares of ₹10/- each were issued for consideration other than cash, pursuant to the scheme of merger of erstwhile Jaipur Polyspin Limited and Mordi Textiles and Processors Limited as approved by the Hon'ble High Court of Rajasthan.
- The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buy back or issue of share capital.
- The Company has only one class of Equity Shares having a par value of ₹ 10/-. Each holder of Equity Shares is entitled to one vote per share. There are no restrictions attached to any Equity Shares. The Company declares and pays dividends, if any, in Indian rupees. During the year ended 31st March, 2013, the amount of per share dividend recognized as distribution to Equity Shareholders was ₹ 10/- (Previous year NIL). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the respective shareholders.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 3 : RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Reserve and Surplus		
(a) Capital Reserve	700.97	700.97
(b) Preference Share Capital Redemption Reserve	5,700.00	5,700.00
(c) Securities Premium Reserve	8,995.23	8,995.23
(d) State Investment Subsidy	70.00	70.00
(e) General Reserve		
(i) Opening Balance	3,242.27	3,242.27
(ii) Additions during the period	680.00	-
	3,922.27	3,242.27
(f) Hedging Reserve		
(i) Opening Balance	(163.09)	-
(ii) Additions during the period	118.16	(163.09)
	(44.93)	(163.09)
(g) Surplus in Statement of Profit and Loss		
Opening Balance	7,619.47	9,798.39
Add : Profit for the period	6,786.61	(2,178.92)
	14,406.08	7,619.47
Less: Appropriations		
(i) Transfer to General Reserve	680.00	-
(ii) Proposed Dividend on Equity Shares	2,314.87	-
(iii) Tax on Dividend	393.41	-
	3,388.28	-
	11,017.80	7,619.47
Total Reserves & Surplus	30,361.34	26,164.85
B. Government Capital Grants (Deferred Income Approach)		
TUFS Capital Investment Subsidy		
(i) Opening Balance	209.91	256.70
(ii) Additions during the period *	19.16	-
Less : Adjusted against depreciation	(47.83)	(46.79)
	181.24	209.91

*Capital Subsidy claim amounting to ₹ 19.16 Lacs is received during the current year out of ₹ 32 lacs reported on 31st March, 2012 as contingent upon eligibility confirmation with Textile Ministry .

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
I SECURED		
(a) Bonds / Debentures	-	-
(b) Term Loans		
From Banks	48,035.57	55,696.12
From Other Parties (FIs)	23,106.91	25,822.34
(c) Deferred Payment Liabilities	-	-
(d) Deposits	-	-
(e) Long Term Maturities of Finance Lease Obligations	-	-
(f) Other Loans and Advances	-	-
	71,142.48	81,518.46
II UNSECURED		
(a) Term Loans		
From Banks	-	-
From FIs	-	-
(b) Deferred Payment Liabilities	122.86	169.97
(c) Deposits	-	-
(d) Loans and Advances from Related parties	-	-
(e) Long Term Maturities of Finance Lease Obligations	-	-
(f) Other Loans and Advances	-	-
	71,265.34	81,688.43

Term loans are secured by way of joint equitable mortgage of all the present and future immovable properties of the Company and hypothecation of movable assets ranking pari passu amongst the term lenders and second charge on the current assets of the Company on pari-passu basis with lenders of working capital loans.

CURRENT YEAR FIGURES

I Secured

Conditions of Term Loans are summarised below:

Floating Rate - Carrying floating interest rate of Base Rate + 1.25% to 3.50% as on 31st March, 2013

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
15-Sep-2013	141.00	-	141.00	2
30-Sep-2013	9.55	-	9.55	2
15-Mar-2015	400.00	200.00	200.00	8
22-Mar-2015	1,009.00	505.00	504.00	8
15-Mar-2016	1,368.00	972.00	396.00	12
25-Mar-2016	2,701.98	1,951.98	750.00	12
30-Mar-2016	2,674.00	1,914.00	760.00	12
25-May-2016	987.00	699.00	288.00	12
20-Dec-2016	2,118.56	1,518.56	600.00	15
20-Sep-2017	12,581.00	10,793.00	1,788.00	18

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
25-Feb-2018	14,400.00	12,768.00	1,632.00	20
20-Jun-2018	12,517.07	10,469.03	2,048.04	21
25-Feb-2019	850.00	850.00	0.00	20
20-Mar-2020	5,675.00	5,395.00	280.00	28
Sub Total	57,432.16	48,035.57	9,396.59	
(b) From Other Parties (FIs):				
20-Sep-2016	620.00	480.00	140.00	14
20-Sep-2017	12,146.91	10,210.91	1,936.00	18
20-Feb-2018	14,000.00	12,416.00	1,584.00	20
Sub Total	26,766.91	23,106.91	3,660.00	
Total	84,199.07	71,142.48	13,056.59	

II Unsecured

(A) Deferred Payment Liability under Sales Tax Deferment Scheme 1987 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
15-Dec-2015	106.68	71.12	35.56	6
Total A	106.68	71.12	35.56	

(B) Deferred Payment Liability under Sales Tax Deferment Scheme 1998 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
1-Apr-2015	20.19	11.53	8.66	7
1-Apr-2015	40.21	40.21	-	1
Total B	60.40	51.74	8.66	
Total A + B	167.08	122.86	44.22	

PREVIOUS YEAR FIGURES

I Secured

Conditions of Term Loans are summarised below:

(1) Fixed Rate - Carrying fixed interest rate of 10% to 12.50% as on 31st March, 2012

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
1-Jan-2013	15.48	-	15.48	3
20-Sep-2017	4,104.00	3,654.00	450.00	22
20-Jun-2018	4,419.00	3,852.48	566.52	25
Total	8,538.48	7,506.48	1,032.00	

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(2) A. Floating Rate - Carrying floating interest rate of Base Rate + 1.25% to 4% as on 31st March, 2012 (₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31-May-2012	194.00	-	194.00	1
15-Sep-2013	433.00	141.00	292.00	6
30-Sep-2013	28.40	9.48	18.92	6
15-Mar-2015	563.00	400.50	162.50	12
22-Mar-2015	1,381.00	1,009.00	372.00	12
15-Mar-2016	1,664.00	1,368.00	296.00	16
25-Mar-2016	3,352.00	2,702.00	650.00	16
30-Mar-2016	3,242.00	2,674.00	568.00	16
25-May-2016	1,203.00	987.00	216.00	16
20-Dec-2016	2,619.00	2,119.00	500.00	19
20-Sep-2017	10,140.00	8,927.00	1,213.00	22
25-Feb-2018	13,514.09	13,514.09	-	20
20-Jun-2018	9,921.45	8,663.57	1,257.88	25
20-Mar-2020	5,895.00	5,675.00	220.00	32
Sub Total	54,149.94	48,189.64	5,960.30	
(b) From Other Parties (Fls):				
20-Sep-2016	730.00	620.00	110.00	18
20-Sep-2017	13,958.00	12,147.00	1,811.00	22
20-Feb-2018	13,055.34	13,055.34	-	20
Sub Total	27,743.34	25,822.34	1,921.00	
Total	81,893.28	74,011.98	7,881.30	

(2) B. Interest Floating Rate - Carrying floating interest rate of Base Rate + 2.75% to 4% as on 31st March, 2012 (₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
28-Feb-2013	880.00	-	880.00	4
30-Apr-2012	375.00	-	375.00	1
Total	1,255.00	-	1,255.00	

*Above term loans are Secured by way of Subservient Charge over the entire movable assets of the Company

II Unsecured

(A) Deferred Payment Liability under Sales Tax Deferment Scheme 1987 of State Government (₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
15-Dec-2015	142.24	106.68	35.56	8
Total A	142.24	106.68	35.56	

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(B) Deferred Payment Liability under Sales Tax Deferment Scheme 1998 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
1-Apr-2015	34.63	23.09	11.54	12
1-Apr-2015	40.20	40.20	-	1
Total B	74.83	63.29	11.54	
Total A + B	217.07	169.97	47.10	

NOTE 5 : DEFERRED TAX LIABILITY

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liability has been calculated as per Accounting Standard AS-22 "Accounting for Taxes on Income" of ICAI. Major components are as under:		
Deferred Tax Liability for		
Depreciation	8,972.21	7,717.77
Total	8,972.21	7,717.77
Deferred Tax Assets		
Unabsorbed depreciation	-	918.33
Disallowance under IT Act	797.47	801.24
Provision for doubtful debts	162.89	152.08
Total	960.36	1,871.65
Deferred Tax Liability	8,011.85	5,846.12
Less : MAT available	3,154.58	2,319.00
Net Deferred Tax Liability	4,857.27	3,527.12

NOTE 6 : OTHER LONG TERM LIABILITIES

(a) Trade Payable	-	-
(b) Security Deposits	513.38	586.75
(c) Other liabilities	46.52	48.47
	559.90	635.22

NOTE 7 : LONG TERM PROVISIONS

(a) Provision for employee benefits (Refer note no. 43)	703.25	430.34
(b) Others		
(i) Provision for Entry Tax (Refer note no. 30)	1,022.51	985.54
	1,725.76	1,415.88

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 8 : SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
I SECURED		
(a) Loan repayable on demand		
From Banks	40,330.96	32,714.37
From Others	6,332.01	4,894.63
(b) Deposits	-	-
(c) Other Loans & Advances	-	-
	46,662.97	37,609.00
II UNSECURED		
(a) Loan Repayable on Demand		
From Banks	-	-
From Others	-	-
(b) Loans and Advances from Related Parties	-	-
(c) Other Loans and Advances	-	-
	46,662.97	37,609.00

- Secured loans repayable on demand include working capital loans secured by hypothecation of raw materials, stock in process, finished goods, semi finished goods, stores, spares, book debts and other current assets as well as second charge on fixed assets of the Company on pari passu basis.
- All loans repayable on demand carry floating interest rate of 9.70% to 12.75%.

NOTE 9 : TRADE PAYABLES

(a) Trade Payable to Related Party		
BSL Ltd.	-	266.20
(b) Trade Payable Others	4,116.14	2,734.80
	4,116.14	3,001.00

Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT) has been made within 45 days and disclosure in accordance with Section 22 of MSMED ACT is as under:-

1. Principal amount remaining unpaid	21.94	8.76
2. Principal amount remaining unpaid above 45 days*	1.49	2.90
3. Interest due on above	-	-
4. Total of (1) and (2) (included in trade payable others)	23.43	11.66
5. Interest paid in terms of Section 16	-	-
6. Interest due and payable for the period of delay in payment	-	-
7. Interest accrued and remaining unpaid	-	-
8. Interest due and payable even in succeeding years	-	-

* The amounts unpaid are on account of detention due to non-resolution of quality claims.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 10 : OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at	
	31st March, 2013	31st March, 2012
(a) Current Maturities of long-term debt	13,056.59	10,168.37
(b) Current maturities of deferred payment liabilities	44.22	47.10
(c) Interest Accrued but not due on borrowing	166.98	127.57
(d) Interest accrued and due on borrowings	-	42.53
(e) Income received in advance	-	-
(f) Un-paid dividend	46.80	51.87
(g) Application money received for allotment of securities and due for refund and interest accrued there on	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Security Deposits	306.35	241.55
(k) Advance from customers	552.72	670.61
(l) Liability towards staff and worker	1,867.86	1,546.58
(m) Government dues	331.58	268.32
(n) Other Payables	26.65	14.77
(o) Commission, discounts etc. payable on sales	1,788.93	1,591.71
(p) Other Liabilities for expenses *	1,931.03	1,824.17
	20,119.71	16,595.15

* Includes liabilities against provision for statutory dues & legal cases

NOTE 11 : SHORT TERM PROVISIONS

(a) Provision for employees benefits	173.43	159.36
(b) Others		
(i) Proposed dividend on Equity Share	2,314.87	-
(ii) Tax on Dividend	393.41	-
(ii) Provision for taxation	-	-
	2,881.71	159.36

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 12 : FIXED ASSETS

(₹ In Lacs)

S. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET CARRYING VALUE				
		As at 1st April 2012	Additions	Acquisitions through business combination	Total	Disposals*	Classified as held for sales #/#	As at 31st March, 2013	Up to 01.04.2012	Deductions**	Eliminated on reclassification as held for sale	Impairment loss/reversal of impairment loss (Net)	For this year 2012-13	Total Up to 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
1	2	3	4	5	6 (3+4+5)	7	8	9	10	11	12	13	14	15	16	17
A)	Tangible Assets															
	Free Hold Land	1,537.69	220.14	-	1,757.83	-	1,757.83	-	-	-	-	-	0.72	0.72	1,757.11	1,537.69
	Lease Hold Land	387.08	0.70	-	387.78	-	387.78	-	5.17	5.05	-	-	10.23#	10.35	377.43	381.91
	Buildings (Including Roads) ***	22,609.84	6,259.83	-	28,869.67	24.61	28,523.58	33.83	5,103.23	33.83	142.11	-	694.40	5,621.69	22,901.89	17,506.61
	Plant and Equipments	1,20,034.57	24,953.83	-	1,44,988.40	1,050.34	1,36,065.76	715.86	70,248.93	715.86	5,112.72	-	9,430.00	73,850.35	62,215.41	49,785.64
	Furniture Fixture and Other	3,476.04	223.43	-	3,699.47	38.53	3,657.11	29.99	1,216.69	29.99	3.23	-	187.61	1,371.08	2,286.03	2,259.35
	Vehicles	1,199.39	123.25	-	1,322.64	113.35	1,209.29	396.14	396.14	57.51	-	-	108.74	447.37	761.92	803.25
	Office Equipments	961.76	90.02	-	1,051.78	17.87	1,032.49	480.05	480.05	11.49	1.13	-	95.49	562.92	469.57	481.71
	Electric Fitting and Water Supply Installation	6,593.29	920.74	-	7,514.03	19.73	7,409.94	1,978.28	1,978.28	16.96	54.50	-	340.52	2,247.34	5,162.60	4,615.01
	Total (A)	1,56,799.66	32,791.94	-	1,89,591.60	1,264.43	1,80,043.78	79,428.49	870.69	870.69	5,313.69	-	10,867.71	84,111.82	95,931.96	77,371.17
B)	Intangible Assets (Acquired)															
	Computer Software	75.70	71.63	-	147.33	-	147.33	59.73	-	-	-	-	20.96	80.69	66.64	15.96
	Enabling Assets	673.30	-	-	673.30	-	673.30	69.52	-	-	-	-	21.65	91.17	582.13	603.79
	Total (B)	749.00	71.63	-	820.63	-	820.63	129.25	-	-	-	-	42.61	171.86	648.77	619.75
	Total (A + B)	1,57,548.66	32,863.57	-	1,90,412.23	1,264.43	1,80,864.41	79,557.74	870.69	870.69	5,313.69	-	10,910.32	84,283.68	96,580.73	77,990.92
C)	Capital Work in Progress :															
	Building Under Construction	5,607.56	310.48	-	5,918.04	5,751.85	166.19	-	-	-	-	-	-	-	166.19	5,607.56
	Plant & Machinery Under Erection/Commissioning	18,513.34	3,263.97	-	21,777.31	20,828.84	948.47	-	-	-	-	-	-	-	948.47	18,513.34
	Pre-operative Expenses pending allocation	972.48	400.17	-	1,372.65	1,372.65	-	-	-	-	-	-	-	-	-	972.48
	Total (C)	25,093.38	3,974.62	-	29,068.00	27,953.34	1,114.66	-	-	-	-	-	-	-	1,114.66	25,093.38
D)	Intangible Assets under development															
	Total (A+B+C+D)	1,82,642.04	36,838.19	-	2,19,480.23	29,217.77	1,81,979.07	79,557.74	870.69	870.69	5,313.69	-	10,910.32	84,283.68	97,695.39	1,03,084.30
	Previous Year	1,52,429.09	32,097.58	-	1,84,526.67	1,884.63	1,82,642.04	71,684.67	1,084.33	1,084.33	-	-	8,957.40	79,557.74	1,03,084.30	80,744.42

Notes : 1. * Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/ Lease hold rights written off.

2. ** Deduction in depreciation ₹6184.38 Lac (previous Year ₹1084.33 Lac)represents adjustment on account of Sale/Transfer/Discarding of fixed assets classified as held for sale.

3. *** Roads and Buildings includes value of irrevocable Licencing right to use of a flat in New Delhi ₹10,00 Lac.

4. # Represents amortisation of lease hold land.

5. # # Classified as per explanation given in note no. 34

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 13 : NON CURRENT INVESTMENTS (AT COST)

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Quoted, Non-Trade		
(i) In Subsidiary Company		
In Equity Shares of ₹10/-each (Unless stated otherwise) fully paid up (At cost)		
Holding		
Name of the Company		
a) 3,16,57,900 (Previous Year 1,52,57,900) Cheslind Textiles Ltd. (Refer note no. 36)	5,849.52	4,209.52
	5,849.52	4,209.52
(ii) In Others		
In Equity Shares of ₹10/-each (Unless stated otherwise) fully paid up (At cost)		
Holding		
Name of the Company		
(a) 9,78,000 HEG Ltd.	34.94	34.94
(b) 372 Whirlpool India Ltd.	0.01	0.01
(c) 30 Vardhman Holding Ltd.	-	-
(d) 150 Tata Construction & Project Ltd.	0.02	0.02
(e) 775 Graphite India Limited (of ₹2/- each)	0.03	0.03
(f) 8,600 State Bank of Bikaner and Jaipur	14.72	14.72
(g) 943 Punjab National Bank	3.68	3.68
(h) 180 Vardhman Textiles Ltd.	0.01	0.01
(i) 36 Vardhman Special Steel Ltd.	-	-
(j) 31,396 BSL Ltd.	0.50	0.50
	53.91	53.91
Total Value of Quoted Non-Trade Investments	5,903.43	4,263.43
B. Unquoted Non-Trade		
(i) In Associates (Refer note no. 34)		
In Equity Shares of ₹10/-each		
(a) 2,60,000 (Previous Year NIL) Share of LNJ Power Ventures Ltd.	26.00	-
In Debenture of ₹1,00,000/-each		
(a) 2,674 (Previous Year NIL) 13.54% Compulsorily Convertible Debenture of LNJ Power Ventures Ltd.	2,674.00	-
	2,700.00	-
(ii) In Others		
In Equity Shares of ₹10/-each		
(a) 2,64,55,650 Bhilwara Energy Ltd.	1,763.71	1,763.71
Share Application Money		
(b) 13,22,782 Bhilwara Energy Ltd. - Rights Issue	700.00	-
	2,463.71	1,763.71
Total Value of Unquoted Non-Trade Investments	5,163.71	1,763.71
Total Cost of Investments	11,067.14	6,027.14
Aggregate Market Value of Quoted Investments	3,957.03	4,305.50

- All investments have been classified as non-trade investments based on the Management's business assessment and legal expert, relied upon by the auditors.
- The cost of investment in Cheslind Textiles Limited includes ₹397.39 lacs (Previous year ₹397.39 lacs) acquisition charges such as brokerage, fees, duties, legal & professional fees and other incidental expenses incurred in the process of acquisition.
- 76,28,950 Equity Shares of Cheslind Textiles Limited are pledged as collateral security with IDBI Bank Limited against loan taken by Cheslind Textiles Limited.
- Bhilwara Energy Limited, on 4th March, 2013, sent a Notice/Letter of Offer of Right issues in said Company, which in principle was accepted by the Company's Board in its meeting held on 11th March, 2013. This offer is valid up to 2nd May, 2013. The Company has paid application money of ₹7.00 Crore. against allotment of 13,22,782 Equity Shares offered @ ₹139.30 each (Including Premium of ₹129.30) and remaining amount of ₹11.43 Crore. payable by 2nd May, 2013, is shown as Commitment in Note No. 48.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 14 : LONG TERM LOANS & ADVANCES

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
(a) Capital Advances	1,583.48	2,312.98
(b) Security Deposits	699.03	590.90
(c) Loans & Advances to Related Parties		
Cheslind Textile Ltd. (Refer note no. 36)	60.00	1,200.00
(d) Other Loans & Advances		
- To Directors of the Company	-	-
- To Officers and Staff of the Company	46.47	100.85
- To Firm or Company under the Same Management	-	-
- To Others	8.14	20.34
- Advance Against Supply	10.66	15.75
	2,407.78	4,240.82

NOTE 15 : OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(i) Long Term Doubtful Trade Receivable	502.65	469.29
Less: Provision for doubtful debts	(502.65)	(469.29)
(ii) Others		
(a) Duty claims and other receivables	111.96	81.98
(b) Bank deposits with more than 12 months maturity	0.15	5.50
	112.11	87.48

NOTE 16 : INVENTORIES (at lower of the Cost or Realisable Value - refer Accounting Policy No.IV - Note 1)

Raw Material		
- Fibre (Includes in-transit ₹275.21 lacs, Previous year ₹214.69 lacs)	15,031.38	13,194.86
- Yarn	721.58	973.03
- Others - Dyes & Chemicals	398.41	238.58
Work in Progress		
- Yarn	6,798.10	5,878.24
- Fabric	913.76	720.19
Finished Goods		
- Yarn	8,438.27	4,772.49
- Fabric	3,889.10	3,320.05
- Garment	132.01	18.27
Traded Goods		
- Yarn	-	76.88
- Fabric	193.03	125.85
- Garment	0.50	9.83
Stores & Spares (Includes in-transit ₹5.86 lacs, Previous year ₹2.41 lacs)	3,266.82	2,895.65
Loose Tools	76.98	240.00
Others - Waste	111.53	90.98
	39,971.47	32,554.90

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 17 : TRADE RECEIVABLES (CURRENT)

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)		
Trade Receivable	21,530.27	18,177.99
Due by Directors	-	-
Due by Officers	-	-
Due by firms/Companies under the Same Management	-	-
Due from Related Parties		
- BSL Limited	27.81	235.50
- Maral Overseas Limited	44.83	27.76
- HEG Limited	4.56	-
	21,607.47	18,441.25

Trade receivable include amount due over 180 days is ₹437.19 lacs (Previous year ₹98.02 lacs)

NOTE 18 : CASH AND CASH EQUIVALENTS

(a) Balance with bank		
(i) Current accounts	41.88	74.75
(ii) Un-paid dividend account *	46.80	51.87
(iii) Margin money account	0.13	0.12
(b) Cheques, Drafts in hand	34.89	21.64
(c) Cash-in-hand	59.18	36.17
(d) Others	-	-
(e) Bank deposits within 3 months maturity	8.15	2.00
	191.03	186.55

* Earmarked for specific use.

NOTE 19 : SHORT- TERM LOANS & ADVANCES

A. Loans and Advances (Unsecured considered good)		
(a) To related Parties		
(i) BSL Ltd.	-	-
(ii) HEG Ltd.	-	-
(iii) Indo Canadian Consultancy Services Ltd.	399.89	158.93
(iv) Malana Power Company Ltd.	6.34	0.07
(v) Cheslind Textile Ltd.	-	21.92
(vi) Bhilwara Energy Ltd.	45.51	14.91
(vii) Maral Overseas Ltd.	11.00	-
(viii) LNJ Power Ventures Ltd.	1.97	-
(b) To Directors	-	-
(c) To Officers	-	-
(d) To Director/Partners in Companies/Firms under the Same Management	-	-
(Unsecured considered doubtful)		
B. Loans and Advances		
(a) To Related Parties	-	-
(b) To Directors	-	-

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 19 : SHORT- TERM LOANS & ADVANCES (CONTD.)

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(c) To Officers	-	-
(d) To Director/Partners in company/Firm under the Same Management	-	-
	464.71	195.83
Less: Provisions for doubtful advances	-	-
	464.71	195.83
C. Other Loans and Advances (Unsecured considered good)		
(a) Security Deposit	17.11	23.28
(b) Advance tax	239.74	257.11
(c) Advance against supply	1,560.91	2,011.94
(d) Others	553.85	358.91
	2,371.61	2,651.24
	2,836.32	2,847.07

NOTE 20 : OTHER CURRENT ASSETS

Duties, Claims and Other Receivables **	1,540.26	1,318.37
Subsidies Receivable	1,585.16	1,786.97
DEPB, DBK & Advance Licence Receivable	1,340.61	850.32
Export Growth Entitlement Receivable	392.41	192.32
SHIS Scheme Benefit Receivable (Refer Note No. 33)	1,624.08	-
Excise Rebate Claim Receivables	1,328.88	1,483.21
Interest receivable from Trade Debtors	255.24	210.83
Bank Deposits above 3 months but within 12 months maturity	2.27	9.26
Assets Held for Sale (Refer Note No. 34)	1,088.63	-
	9,157.54	5,851.28

** Includes amount of insurance claim receivable from insurance company for fire in Denim & Rishabhdev unit ₹663 Lacs (previous Year NIL)

NOTE 21 : REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
(A) Sales		
Manufactured Goods		
Yarn	2,01,320.28	1,61,864.46
Fabric	37,043.69	32,033.58
Garment	295.55	138.71
Traded Goods		
Yarn	162.39	813.17
Fabric	2,117.47	1,413.77
Garment	83.54	75.81
(B) Services and job Processing Charges		
Job & Processing Charges	2,577.72	2,292.07
Other Services	-	-
(C) Export Incentive (Refer Note No. 33)	1,908.53	-
(D) Sale of Waste	1,594.59	1,383.35
	2,47,103.76	2,00,014.92

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 22 : OTHER INCOME

(₹ In Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
(a) Interest Income	669.36	821.06
(b) (i) Dividend from subsidiary companies	-	-
(ii) Dividend from others	50.39	50.17
(c) Net Gain/Loss on sale of investment	-	-
(d) Other non-operating income		
(i) Rent	742.14	715.26
(ii) Consultancy fees	119.34	157.00
(iii) Provision/Liability no longer required written back	381.80	95.37
(iv) Insurance and other claims received	49.82	32.74
(v) profit on sale of stores/raw material	-	-
(vi) Net profit/loss on sale of fixed assets	-	-
(vii) Miscellaneous Receipts	295.68	219.51
(e) Excess provision on specific liabilities and commitments written back	-	20.36
(f) Net gain/loss on foreign currency translation & transaction (Other than considered as finance cost)	(25.01)	121.98
(g) Provision for Doubtful Loans & Advances Written Back	-	-
(h) Prior Period Income	-	-
	2,283.52	2,233.45

NOTE 23 : COST OF MATERIAL CONSUMED

(A) Raw Materials		
Opening Stock	14,406.47	28,401.08
Add: Purchases	1,54,188.51	1,19,570.36
	1,68,594.98	1,47,971.44
Less: Sales, Returns and Adjustments	4,676.19	2,825.44
	1,63,918.79	1,45,146.00
Less: Closing Stock	16,151.37	14,406.47
Raw Material Consumed	1,47,767.42	1,30,739.53
Raw Material Consumption under broad heads:		
(A) Synthetic Fibres		
Polyester	65,687.13	52,274.55
Viscose	24,805.88	27,564.19
Other	3,893.26	2,779.96
(B) Natural Fibre		
Cotton	40,817.02	34,475.13
Other	-	-
(C) Yarn		
Synthetic	4,136.58	8,090.99
Cotton	3,194.79	1,739.62
(D) Grey Fabric	424.81	223.45
(E) Coal	38.08	36.53
(F) Dyes & Chemicals	4,769.87	3,555.11
	1,47,767.42	1,30,739.53

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 24 : PURCHASES OF TRADED GOODS

(₹ In Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Fabric	2,042.91	849.29
Garment	60.16	62.12
Yarn	83.46	834.03
	2,186.53	1,745.44

NOTE 25 : CHANGE IN INVENTORY

CLOSING INVENTORY		
Finished Goods*	12,652.92	8,275.59
Waste	111.53	90.98
Stock in Process	7,711.86	6,598.43
	20,476.31	14,965.00
OPENING INVENTORY		
Finished Goods	8,323.37	6,865.88
Waste	90.98	35.64
Stock in Process	6,598.43	5,765.48
	15,012.78	12,667.00
Increase/(Decrease) in Inventory	5,463.53	2,298.00

*Net of stock used in trial run.

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

(a) Salaries, Wages and Bonus	17,251.24	13,949.62
(b) Contribution to Provident, Gratuity and Other Funds (Refer Note No. 43)	2,831.25	2,226.69
(c) Expense on employee stock option scheme (ESOP) & Employee stock purchase plan (ESPP)	-	-
(d) Workmen and Staff Welfare	342.53	244.18
	20,425.02	16,420.49

NOTE 27 : FINANCE COST

(a) Interest Expenses *	11,749.11	10,020.13
(b) Other borrowing costs	65.05	82.45
(c) Bank charges	314.90	301.04
(d) Applicable net gain/loss on foreign currency translations & transactions	-	-
	12,129.06	10,403.62

* Interest Expenses recorded are Net of Subsidy received/receivable under TUFS, amounting to ₹3327.21 Lacs (Previous Year ₹3158.41 Lacs).

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSES

Tangible Assets	10,867.71	8,932.61
Intangible Assets	42.61	24.79
Total A	10,910.32	8,957.40
Amortisation on Government Capital Grants	47.83	46.79
Excess Depreciation Written Back	17.11	0.34
Total B	64.94	47.13
Total A-B	10,845.38	8,910.27

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 29 : OTHER EXPENSES

(₹ In Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A. Manufacturing Expenses		
(a) Stores and Spare parts Consumed (Net of scrap sales ₹460.78 lacs, Previous Year ₹418.25 lac)	5,659.56	4,836.68
(b) Power and Fuel	23,087.20	17,953.63
(c) Packing Expenses	3,268.77	2,568.55
(d) Processing and Job Charges	1,317.33	718.59
(e) Research and Development	128.36	105.56
(f) Repairs to Building	556.62	339.56
(g) Repairs to Machinery	647.81	461.58
(h) Repair & Maintenance (Other)	239.60	239.07
Total A	34,905.25	27,223.22
B. Administrative Expenses		
(a) Rent	96.31	84.33
(b) Insurance (Net of Recovery ₹77.59 lac, Previous Year ₹121.55 lac)	263.96	224.44
(c) Rates and Taxes	92.04	78.73
(d) Lease Rent	20.33	35.11
(e) Directors' Remuneration and Fees	377.51	109.04
(f) Directors' Travelling	26.52	20.32
(g) Charity and Donations	13.95	-
(h) Payment to Auditors*		
As Auditors	32.41	31.98
For taxation matters	4.60	4.59
For Management services	8.91	8.50
For others	2.59	2.22
For reimbursement of exp.	9.55	7.71
(i) Other miscellenous expenses	1,585.54	1,535.11
Total B	2,534.22	2,142.08
*Payment to auditors during the year include Service Tax amounting to ₹4.05 Lacs (Previous year ₹3.13 Lacs)		
C. Selling Expenses		
(a) Commission	850.37	507.62
(b) Brokerage	182.80	144.79
(c) Incentives and Discounts	1,783.99	1,600.05
(d) Claims and Rebates	182.53	94.27
(e) Freight, Forwarding and Octroi	1,204.19	775.48
(f) Expenses on Export Sales:		
Ocean Freight	3,052.05	2,858.55
Commission	1,259.70	1,088.39
Others	451.96	448.07
(g) Advertisement	269.66	331.42
(h) Foreign Travelling Expenses	204.23	150.28
(i) Other Selling Expenses	642.68	569.05
Total C	10,084.16	8,567.97

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 29 : OTHER EXPENSES (CONTD.)

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
D. Other expenses		
(a) Net loss on Foreign currency transaction & translation (other than considered as finance cost)	(34.64)	54.56
(b) Bad debts and provision for doubtful debts & advances	45.55	64.41
(c) Provision for entry tax	43.35	60.74
(d) Net loss on sale/discarding of Fixed Assets	2,000.00	110.64
(e) profit on sale of stores/raw material	0.25	1.71
(f) Prior period expenses	2.02	1.72
Total D	2,056.53	293.78
Total (A + B + C + D)	49,580.16	38,227.05

OTHER NOTES ON ACCOUNTS

- 30 Jodhpur Bench of Hon Rajasthan High Court, which had earlier in its interim order stayed payment of Entry Tax on the grounds of constitutional validity, has vide order dated January 21, 2011 modified its earlier order following the judgement dated January 12, 2011 of The Hon'ble Supreme Court of India in the case of Binani Cement Ltd's Special Leave Petition and directed the Company to pay 50% of the assessed Entry Tax and provide solvent guarantee for the balance assessed and non-assessed Tax and interest thereon till the date of payment. Accordingly, the Company has paid ₹380.18 Lacs against the entry tax payable up to 31st March, 2010, being 50% of assessed Entry Tax and provided solvent guarantee to the State Government for the balance amount. As on 31st March, 2013 the Company has accounted for provision of ₹1,022.50 Lacs (Previous Year ₹985.54 Lacs) including interest of ₹414.77 Lacs (Previous Year ₹344.08 Lacs).
- 31 Under the Technology Up-gradation Fund Scheme (TUFS) established by Government of India for Textiles, the Company has incurred an expenditure of ₹1,31,133.57 Lacs on various projects (Previous Year ₹1,27,296.79 Lacs). The interest subsidy accrued for the year under this scheme is ₹3,529.17 Lacs (Previous Year ₹3,384.15 Lacs), out of which ₹3,327.21 Lac (Previous Year ₹3158.41 Lac) has been credited to Statement of Profit and Loss net of interest subsidy capitalised. (Ref. Note 27 for details of Interest cost).
- 32 The capital subsidy under TUFS is accounted adopting Deferred Income Approach, and is recognised in Statement of Profit and Loss on a systematic and rational basis over useful life of the assets. A sum of ₹452.29 Lacs till date of Financial Statements is therefore, considered as deferred income, out of which, a sum of ₹47.83 Lacs (previous year ₹46.81) has been recognised against depreciation during the year (up to year ₹181.24 Lacs).
- 33 Foreign Trade Policy 2009-2014 introduced Status Holder Incentive Scheme (SHIS), under which an Exporter is entitled for Scripts @1% of FOB Value of Exports. These Scripts can be used within 18 months of the date of Script, for payment of Import /Excise duties on capital goods and spare parts and are freely transferable .
- Due to inadequate Government Clarification/Notification on eligibility, the application for SHIS was delayed. Upon legal opinion received by the Company during the current year, these applications were made on 23rd August, 2012 & 17th September, 2012 for the year 2009-10 & 2010-11 respectively. Scripts for value of ₹487.41 Lacs for the year 2009-2010 and for ₹731.61 Lacs for the year 2010-2011 were allotted on 8th October, 2012 and 22nd October, 2012 respectively.
- Based on opinion obtained from an expert, the full value of SHIS Scripts received (₹487.41 Lacs for the year 2009-10 & ₹731.61 Lacs for the year 2010-11) and Scripts receivable (₹689.51 Lacs for the year 2012-13), aggregating to ₹1908.53 Lacs have been accounted for as other operating revenue in current Financial Year upon ascertaining it's probable use in the normal course of business and measurement with virtual certainty during the defined period, based on projects approved by the Board, on the date of approval of Balance Sheet.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

The SHIS issued during 2012 are valid for utilisation within next 12 months. Thus, the utilisation of such SHIS has been asserted by the Management to be done within the next 12 months, based on investment plans approved by the Board and Investment Committee on the date of approval of Accounts. Such investments are scheduled to be executed within the next 12 months based on such projects approval by the Board.

- 34 After commissioning of Thermal Power Plant at Banswara in 2007, HFO fuelled Wartsila power generators at various units were considered as standby. During the year, company also invested under Group Captive Scheme in a Special Purpose Vehicle (SPV) viz. LNJ Power Ventures Limited, which on 29th March, 2013 commissioned a 20 MW Wind Power Unit in Rajasthan. As per Power Purchase Agreement signed by Company with SPV, 100% power generated by SPV starting 29th March, 2013 will be for use by company for 20 years at a fixed price. Considering very high cost of retention of Wartsila Power Generators and uneconomical power generation, Company during the year decided to retire them from active use and sell Wartsila Power Generators at all locations, retaining only one at Denim Unit at Mayur Nagar as back-up for use in case of extreme emergency. Consequently Company also decided to sell spare parts and stores of these Wartsila Generators. Resultantly, ₹1901.19 Lac being difference of WDV and realisable value of these generators and ₹93.12 Lacs being difference of Book Value and realisable value of related spare parts and stores, have been charged to Statement of Profit and Loss. Realisable value of Wartsila Generators (₹1,068.46 Lac) and Spares and Stores (₹20.13 Lacs) has been transferred to "ASSETS HELD FOR SALE" as on 31st March, 2013 and shown separately, pending disposal of these assets in Financial Year 2013-14 in terms of the Boards decision dated 1st May, 2013.
- 35 Dispute with Bank of Maharashtra over resetting rate of interest on Term Loan was decided by Banking Ombudsman, Rajasthan, RBI vide his award dated 24th February, 2012. The said award was only partially implemented by Bank of Maharashtra against which Company filed an appeal with Appellate Authority, Dy. Governor, RBI. The Appellate Authority remanded back the case to the Banking Ombudsman, Rajasthan, RBI, who in his revised award dated 16th July, 2012 upheld Company's contention and directed Bank of Maharashtra not to charge interest prospectively at the rate more than 11.75%. Bank of Maharashtra filed appeal against revised award of the Banking Ombudsman, Rajasthan, RBI. Upon submission of our reply to the issues raised by them, Bank of Maharashtra decided to withdraw its appeal and implement awards passed by Banking Ombudsman, Rajasthan, RBI. As a result, Company paid to Bank of Maharashtra outstanding interest amount of ₹45.82 Lacs (₹42.53 Lacs for previous year fully provided for and ₹3.27 Lacs for current year) and closed loan account with the Bank.
- 36 Company's subsidiary Cheslind Textiles Ltd (CTL) engaged in manufacturing Cotton Yarn had suffered losses eroding its entire net worth. Experiencing difficulties in repayment of Term Loans, which were partly guaranteed by RSWM Ltd; CTL approached its lenders for restructuring of its Debts effective from 1st December, 2011. The scheme of certain debts restructuring specifying sacrifices by the lenders and promoters requiring to infuse fresh capital, conversion of existing loans into equity shares and extension of guarantees and additional comfort letters got approved under Corporate Debts Restructuring (CDR) Mechanism on March 30, 2012. As per the approval of Board of Directors, loan of ₹1,200 Lacs and advance of ₹200 Lacs (given on 23.04.12) and ₹240 Lacs (given on 7th May, 2012) respectively (aggregating to ₹1,640 Lacs) have been converted into 1,64,00,000 Equity Shares of ₹10 each in compliance of the aforementioned approved CDR Scheme. Further, interest free loan of ₹60 Lacs has been granted to Cheslind Textile Ltd. in September, 2012, as approved by the Board of Directors in their meeting on 26th October, 2012.
- During the year 2012-13, Cheslind Textiles Ltd. has reported a PBDT of ₹1,206.89 Lacs. On the basis of detailed examination and on its best estimates, the Management considers the decline in the value of investment in Cheslind Textiles Ltd (CTL) a temporary diminution in such value and hence in line with the valuation under AS-13, no provision for diminution in such value is made as at 31st March, 2013.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

- 37 The Company has incurred expenditure on implementation of Spinning Projects at Kharigram and Denim Unit at Mordi, Banswara, which have been considered as Pre-operative Expenses and capitalised to the respective projects on completion. The details of these expenses are as under:-

(₹ in lac)

Particulars	Opening Balance	Additions	Deductions	Closing Balance
Raw Material		532.97	532.97	-
Power & Fuel	48.45	156.40	204.85	-
Payment to and provision for Employees	137.68	88.47	226.15	-
Professional & Consultancy Charges	11.04	2.63	13.67	-
Interest & Financial Expenses	713.21	503.34	1,216.55	-
Misc. and Other Expenses	62.10	21.16	83.25	-
	972.48	1,304.97	2,277.44	-
Less: Recoveries/recoverable	-	(714.36)	(714.36)	-
TOTAL	972.48	590.61	1,563.08	-

- 38 The Company has adopted Accounting Standard AS-30 "Financial Instruments: Recognition and Measurement" and the loss on account of change in effective portion of such forward contracts is taken into Hedging Reserve ₹44.93 Lacs (Loss) as on 31st March, 2013 (Previous year ₹163.09 lac (Loss) and loss ₹96.97 lac on ineffective portion of hedge is taken into Statement of Profit & Loss (₹121.98 Lacs Previous Year) , Refer Note No. 49.
- 39 The loans & advances, debtors and other current assets are reviewed annually and their value in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet as assessed by the Management. However, balance confirmation from parties is under process.
- 40 Response to the letter(s) sent by Company requesting confirmation of balances has been insignificant. Company notes that the Marketing and Accounting team has a system of periodical verification of balances and required adjustments are carried-on that basis regularly. In view of the above, Management considered that impact of reconciliation, on receipt of balance confirmation, would not be significant on the same.
- 41 In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate.
- 42 The figures for the previous year have been regrouped and/or rearranged wherever found necessary to make these comparable with those of the current year.

43 EMPLOYEE BENEFITS – AS - 15

The Company has complied with AS-15 (Revised 2005) and the required disclosures are given hereunder:

(a) Defined Benefit Plans (Funded)

(i) Reconciliation of opening and closing balances of defined benefit obligation.

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,402.10	556.47	2,069.89	525.72
(b) Current Service Cost	328.13	118.11	282.48	95.80
(c) Interest Cost	192.17	44.52	175.94	44.69
(d) Actuarial Gain/loss	255.06	1.39	81.65	(58.51)
(e) Benefits paid	(323.26)	(57.61)	(207.86)	(51.23)
(f) Settlement Cost	-	-	-	-
(g) Defined Benefits obligations at the year end	2,854.20	662.87	2,402.10	556.47

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

43 EMPLOYEE BENEFITS – AS - 15 (CONTD.)

(ii) Reconciliation of opening and closing balances of fair value of plan assets

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,005.82	522.46	1,644.89	460.47
(b) Expected Return on plan assets	200.58	41.80	164.49	28.20
(c) Actuarial Gain/loss	(6.10)	(0.15)	(18.22)	18.45
(d) Employer Contribution	396.28	34.01	422.52	66.58
(e) Benefits paid	(323.26)	(57.61)	(207.86)	(51.23)
(f) Fair Value of the plan assets at the year end	2,273.33	540.50	2,005.82	522.46

(iii) Reconciliation of fair value of obligation & assets

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Present value of obligation as at 31st March, 2013	2,854.20	662.87	2,402.10	556.47
(b) Fair value of Plan Assets as at 31st March, 2013	2,273.33	540.50	2,005.82	522.46
(c) Amount Recognised in Balance Sheet (a-b)	580.87	122.37	396.28	34.01

(iv) Expense recognised during the year

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Current Service Cost	328.13	118.11	282.48	95.80
(b) Interest Cost	192.17	44.52	175.94	44.69
(c) Expected return on plan assets	(200.58)	(41.80)	(164.49)	(28.20)
(d) Actuarial Gain/loss	261.16	1.54	99.88	(70.23)
(e) Others	-	-	-	-
Net Cost (a+b+c+d+e)	580.87	122.37	393.81	42.06

(v) Investment Details of Plan Assets

Name of Retirement Benefit	Name of Trust	Policy number	Investment with	Sharing of Investment
(1) Gratuity	Rajasthan Spinning Staff Gratuity fund trust	0000036	ICICI Prudential Life Insurance Co. Ltd.	100%
(2) Earned Leave		GLS 311308	LIC of India	100%

(vi) There is no amount included in the fair value of plan assets for the Company's own financial instruments and property occupied by or other assets used by the Company.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

(vii) Principle Actuarial Assumptions at the Balance Sheet date:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Discount Rate	8%	8%	8.50%	8.50%
(b) Expected Rate of Return on plan assets	10%	8%	10%	8%
(c) Mortality Index used by the actuary	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)

The estimates of future salary increase considered in actuarial valuation, take account of :inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary. The estimate of contribution for the next year as per actuarial valuation is as under:

- (a) Gratuity ₹580.87 Lacs
- (b) Earned leave ₹122.37 Lacs

(viii)The overall expected return on assets is assumed based on the market prices prevailing on that date over the accounting period. The Company is having approved Gratuity Trust and Leave Encashment Scheme, which is having Insurer Managed Fund. The description of Insurance Policies are "ICICI Pru Group Gratuity Platinum Policy and Employees Leave Encashment-cum-life Assurance of Life Insurance Corporation Of India".

(ix) Experience adjustment

(₹ In Lacs)

	31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010	
	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefit Obligation	2,854.20	662.87	2,402.10	556.47	2,069.89	525.72	1,707.44	469.63
Plan Assets	2,273.33	540.50	2,005.82	522.46	1,645.03	460.47	1,507.41	386.39
Surplus/Deficit	(580.87)	(122.37)	(396.28)	(34.01)	(424.86)	(65.26)	(200.03)	(83.24)
Experience adjustment on plan assets	(6.10)	(0.15)	(18.22)	9.81	(107.83)	5.45	139.96	3.32
Experience adjustment on plan liabilities	(245.04)	1.39	(159.57)	56.30	(127.80)	26.49	(89.98)	5.73

(b) Defined contribution plans

The Company has recognised the following amount as an expense in statement of Profit and Loss and included in the Note No. 44 "Contribution to Provident and other Funds".

(₹ In Lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(i) Employer's Contribution to Provident Fund	1,174.97	1,010.96
(ii) Employer's Contribution to Superannuation	162.74	171.96

The Guidance Note on Implementation of AS-15 (Revised), "Employee Benefits" issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer needs to be treated as defined benefits plan. The Company set up Provident Fund does not have existing deficit of interest, shortfall. With regard to future obligation arising due to interest shortfall (i.e. Government interest to be paid on the Provident Fund Scheme exceeding rate of interest earned on investment) pending issuance of the Guidance Note from Actuarial Society of India, Company actuary has expressed his inability to reliably measure the Provident Fund liability.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

44 SEGMENT REPORTING – AS - 17

The Company's operations predominantly relates to manufacturing of Yarn and Fabric & Denim. On the basis of assessment of the risk and return differential in terms of AS-17, the Company has identified Yarn and Fabric & Denim as primary reportable business segments. Further the geographical segments have been considered as secondary segments and bifurcated into India, Europe, Middle East, America and Other Countries.

The accounting policy in respect of Segments is in conformity with the accounting policies of the enterprise as a whole. The inter segment transfers are accounted at the prevailing market prices charged to unaffiliated customers for similar goods. These transfers are eliminated in consolidation.

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other items i.e. extraordinary items, Loss /Profit on sale of investments and foreign currency transactions, corporate office expenses, etc. not allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the Total Income of the Company.

A. BUSINESS SEGMENT

(₹ In Lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Segment Revenue								
External Sales / Other Operating Income	1,97,214	164,423	48,818	35,464	(1)	67	2,46,031	1,99,954
Inter Segment Transfers	8,278	6,659	1				8,279	6,659
Gross Revenue	2,05,493	1,71,082	48,819	35,464	(1)	67	2,54,310	2,06,613
Segment Result (earnings before interest and taxes)	17,236	3,126	4,507	3,236			21,743	6,362
Less: Interest expenses							(12,129)	(10,403)
Add: Interest received from Debtors							669	821
Unallocable expenses							(1,052)	(917)
Unallocable income							912	922
Profit Before Tax							10,143	(3,215)
Less: Taxation							(3,356)	1,036
Net profit for the year							6,787	(2,179)
Other Information								
Segment Assets	1,21,299	1,02,433	46,921	34,889	16,826	35,999	1,85,046	1,73,321
Segment Liabilities	18,925	16,009	7,364	5,660	3,114	138	29,403	21,807
Capital Employed	1,02,374	86,424	39,557	29,229	13,712	35,861	1,55,643	1,51,514
Capital Expenditure incurred during the year	5,170	22,296	3,639	9,215	76	50	8,885	31,561
Depreciation	7,844	6,626	2,882	2,147	119	137	10,845	8,910
Other Non cash Expenses	-	-	-	-	-	-	-	-

* Includes captive and standby power

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

44 SEGMENT REPORTING – AS - 17 (CONTD.)

B. GEOGRAPHICAL SEGMENT

(₹ In Lacs)

Particulars		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
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Segments Revenue

Based on location of the customers	This Year	1,74,614	29,422	4,518	35,339	2,138	2,46,031
	Previous Year	1,27,347	31,770	6,572	32,251	2,014	1,99,954

Segment Assets

Based on location of the assets	This Year	1,81,261	900	726	2,062	97	1,85,046
	Previous Year	1,67,402	2,086	979	2,773	81	1,73,321

45. RELATED PARTY (2012-13)

(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).	Cheslind Textiles Limited.
(b) Associate	LNJ Power Ventures Limited
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise and relatives of any such individual.	None
(d) Key Management Personnel and their relatives	1) Shri L.N. Jhunjunwala
	2) Shri Ravi Jhunjunwala
	3) Shri Shekhar Agarwal
	4) Shri Arun Churiwal
	5) Shri J.C. Laddha

(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

SN	Company's Name	SN	Company's Name
01.	Aadi Marketing Co. Pvt. Ltd.	21.	Jyoti Knits Pvt. Ltd.
02.	A.D. Hydro Power Ltd.	22.	Kalati Holdings Private Ltd.
03.	Agarwal Finestate Pvt. Ltd.	23.	LNJ Financial Services Ltd.
04.	Agarwal Trademart Pvt. Ltd.	24.	Malana Power Company Ltd.
05.	Apeksha Vyapaar Pvt. Ltd.	25.	Maral Overseas Ltd.
06.	Bhilwara Energy Ltd.	26.	Mayur Knits Pvt. Ltd.
07.	Bhilwara Services Pvt. Ltd.	27.	Maheshwari Vastra Bhandar
08.	Bhilwara Technical Textiles Ltd.	28.	Mandapam Vikas Pvt. Ltd.
09.	BMD Power Pvt. Ltd.	29.	Mandawa Niyojan Pvt. Ltd.
10.	BMD Private Ltd.	30.	Nikita Electrotrades Pvt. Ltd.
11.	BMD Renewable Energy Pvt. Ltd.	31.	Nivedan Vanijya Niyojan Ltd.
12.	BSL Ltd.	32.	Prapti Apparels Company Pvt. Ltd.
13.	Churiwala Properties & Investments Pvt. Ltd.	33.	PRC Niyojan Pvt. Ltd.
14.	Diplomat Leasing & Finance Pvt. Ltd.	34.	Purvi Vanijya Niyojan Ltd.
15.	Essay Marketing Co. Ltd.	35.	Raghav Commercial Ltd.
16.	Giltedged India Securities Ltd.	36.	Raghav Knits & Textiles Private Ltd.
17.	HEG Ltd.	37.	Shashi Commercial Co. Ltd.
18.	India Texfab Marketing Ltd.	38.	Sudiva Spinners Private Ltd.
19.	Indo Canadian Consultancy Services Ltd.	39.	Ultramarine Impex Pvt. Ltd.
20.	Investors India Ltd.	40.	Veronia Tie-up Pvt. Ltd.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

f) Transaction with Related Parties

The following transactions were carried out with the related parties in the ordinary course of business

(₹ In Lacs)

	2012-13	2011-12
I) For the parties referred to in item (a) above.		
Interest Received	-	68.62
Commission received on IEX power	2.15	3.26
Sale of Store	-	28.82
Purchase of Store	2.08	2.97
Sale of Finished Goods & Raw Material	-	382.85
Purchase of Finished Goods & Raw Material	365.59	394.73
Reimbursement received of Revenue Expenditure	0.33	0.51
Management Consultancy Charges	107.87	138.97
Purchased 164 Lacs Shares @ ₹10 of Cheslind Textiles Ltd.	1,640.00	-
Trade Receivable	-	21.88
Outstanding Loan	60.00	1,200.00
II) For the person referred to in item (b) above.	-	-
13.54% Compulsorily convertible Debentures	2,674.00	-
Investment in 2.60 lac Shares of LNJ Power Venture	26.00	-
Reimbursement received of revenue expenditure	1.96	-
Interest @13.54% on Compulsorily Convertible Debentures	55.40	-
Guarantee for compliance of PPA	1,000.00	-
Others Receivable	1.96	-
III) For the person referred to in item (c) above.	-	-
IV) For the persons referred to in item (d) above		
Remuneration and other perquisites	363.10	94.09
Directors Sitting fee	4.00	4.00
V) For the parties referred in (e) above		
Sale of Finished Goods	1,625.64	2,295.11
Sale of Raw Material	58.01	105.71
Purchase of Finished Goods & Raw Material	1,017.07	1,839.54
Sale of Stores & Consumable	1.35	4.51
Purchase of Store & Consumable	3.73	8.57
Rent Received	530.59	502.19
Rent Paid	59.04	68.56
Reimbursement received of Revenue Expenditure	458.37	591.43
Reimbursement made of Revenue Expenditure	45.79	91.86
Job Charges Received	91.42	97.64
Job Charges Paid	74.04	47.69
Management Consultancy Charges	26.22	33.09
Commission received on IEX power	16.75	8.51
Interest Received	3.13	4.47
Investment in right issue of BEL	700.00	-
Trade Receivable	87.49	262.49
Other Receivable	451.71	173.84
Trade Payable	-	264.25

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

46. LEASES - AS - 19

OPERATING LEASES

The Company has taken cars on operating lease, which are non-cancelable for tenure of four years. The minimum rental payables under Operating Leases are as under: -

	(₹ In Lacs)	
	This Year	Previous Year
Lease rental charges for the year	-	37.17
Future Lease rental obligation payable		
- Not later than one year	-	26.08
- Later than one year and not later than five years	-	-

47. EARNINGS PER SHARE- AS – 20

The basic and diluted Earnings Per Share (EPS) have been calculated by dividing Net Profit for the year attributable to equity shareholders by the weighted average number of Equity Shares as per Accounting Standard AS-20 are as under: -

Particulars	Unit	This Year	Previous Year
I) Calculation of Basic EPS			
a) Net Profit after Tax	₹ In Lac	6,786.61	(2,178.92)
b) Dividend on OCPS/Redeemable Preference Share	₹ In Lac	-	-
c) Net Profit available to Equity Share (a-b)	₹ In Lac	6,786.61	(2,178.92)
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic Earning per share	Rupees	29.32	(9.41)
II) Calculation of Diluted EPS			
a) Warrants & OCPS/Redeemable Preference Shares	₹ In Lac	-	-
b) Payment Received	₹ In Lac	-	-
c) Diluted potential Equity Shares	Nos.	-	-
d) Total number of diluted weighted average shares	Nos.	2,31,48,689	2,31,48,689
e) Diluted earning per share	Rupees	29.32	(9.41)

48. CONTINGENT LIABILITIES AND COMMITMENTS (AS-29):

		(₹ In Lacs)	
S. No	PARTICULARS	31st March, 2013	31st March, 2012
A. CONTINGENT LIABILITY NOT PROVIDED FOR :			
(a)	Claims against the Company not acknowledged as debt	44.93	44.93
(b)	Guarantees		
(i)	Default deferred payment guarantee to Exim Bank, ICICI, IDBI, Canara Bank, SBI and SBOM for securing loan given to Cheslind Textiles Ltd. Outstanding Loan { Maximum amount for which company may be liable during next 12 Months – ₹12.44 lacs}	848.92	816.31
(ii)	Guarantee in favour of International Finance Corporation with M/s. HEG Ltd on joint and several basis on behalf of M/s AD Hydro Power Limited.	600.00	600.00
(iii)	Guarantee by ICICI Bank Ltd to LNJ Power Venture Ltd	1,000.00	-
(iv)	Bills discounted with banks	10,244.19	9,151.68

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

48. CONTINGENT LIABILITIES AND COMMITMENTS (AS-29):

(₹ In Lacs)

S. No	PARTICULARS	31st March, 2013	31st March, 2012
(c)	Other money for which the Company is contingently liable.		
(i)	Excise & Customs Duties, Sales tax and Other demands disputed by the Company	296.30	273.85
(ii)	Future Export Obligation Against EPCG	1,883.00	10,997.00
B.	COMMITMENTS OUTSTANDING :		
(i)	Estimated Value of contracts remaining to be executed on capital Accounts and not provided for	11,604.68	9,797.46
(ii)	Commitment to buy 350 lac unit per year at a fixed rate of ₹5.75 per unit for 20 years		
(a)	Current Commitment (for next 12 Months)	2,013.00	-
(b)	Non-current commitment (for next 19 years)	32,238.00	-
(iii)	Against issue of 3200 Compulsorily Convertible Debentures @ ₹1.00 lac each of LNJ Power Venture Ltd	526.00	-
(iv)	Commitment to subscribe 13,22,782 Right shares @ ₹139.30 each of BEL Limited (₹700 lacs partly paid, Ref. Note No.13).	1,143.00	-

- C. The Rajasthan Government had imposed surcharge on shortfall in meeting Renewable Energy Obligation on the power produced from Captive Power Plants vide their Notification dated 23rd March, 2007 and amended later on 24th May, 2011, which was stayed by Hon'ble High Court of Rajasthan. In its Judgement dated 31st August, 2012, Hon'ble High Court of Rajasthan upheld the validity of the aforesaid Notification and amended Notification issued thereafter. The Company has filed a SLP in the Hon'ble Supreme Court through Rajasthan Textile Mills Association (RTMA) against aforesaid Judgment of Hon'ble High Court of Rajasthan which has been accepted.

On the basis of the legal opinion obtained by the Company, the said Notification and amended Notification to date on RE Surcharge are violative of the Article 19 (1) (g) of the Constitution so far as these relate to Captive Power Plants. The Management does not foresee any possible liability on this account and hence provision of liability to date ₹3,138.27 Lacs (Previous Year ₹2,920.83 Lacs) as per original Notification but only ₹735.79 Lacs as per amended Notification has not been made in the books of accounts as no demand has, so far, been raised on account of these dues by Government. The Management does not foresee any liability in future in view of Commissioning of 20 MW Wind Power Unit set-up under the Group Captive Scheme by its Associate Company "LNJ Power Ventures Ltd", power from which will be solely used by the Company together with the aforementioned legal opinions.

- D. There is no other present obligations requiring provisions, in accordance with the guiding principals as enunciated in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities & Contingent Assets" other than provided in the books of accounts.

49. HEDGE ACCOUNTING - AS – 32

- (a) The Company hedges its realisations on export sales and import obligation for Capital Assets/Raw Material through Foreign Exchange Derivative & Hedge Contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No Foreign Exchange Derivative & Hedge Contracts are taken /used for trading or speculative purpose.

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

- (b) The Company has following gross derivatives exposure outstanding as at 31st March, 2013 which have been designated as cash flow hedge to its exposure to movements in foreign exchange rates:

Fair value of gross derivatives exposure outstanding as on 31st March, 2013

S. No.	Particulars	Type of Hedge	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
			Fair value in booking currency (in Lacs)	Fair Value in INR (in Lacs)	Fair value in booking currency (in Lacs)	Fair Value in INR (in Lacs)
1	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	193.02	10,657.00	234.60	12,089.05
	-EUR/INR forward contracts	Cash Flow Hedge	8.01	593.00	22.85	1,534.68
	1(b) Buy					
	-USD/INR forward contracts	Cash Flow Hedge	5.96	328.00	12.74	647.98
	-EUR/INR forward contracts	Cash Flow Hedge	6.09	437.00	-	-
2	Cross Currency Forwards					
	-EUR/USD forward contracts	Cash Flow Hedge	-	-	8.00	572.51
3	Options	Not Applicable	-	-	-	-
	Total			12,014.05		14,844.22

- (c) The periods during which the cash flows from the cash flow hedges outstanding as at 31st March, 2013 are expected to occur and affect the Statement of Profit and Loss are disclosed as under:

Periods during which cash flow hedges outstanding as at 31st March, 2013 are expected to occur and affect the Statement of Profit and Loss

S. No.	Period During Which Cash Flows Are Expected To Occur And Affect Profit And Loss	Fair value in booking currency (in lacs)			
		Buy - USD/INR	Buy - EUR/INR	Sell - USD/INR	Sell -EUR/USD
1	Quarter ending June 30, 2013	272.00	325.16	7,364.90	23.29
2	Quarter ending September 30, 2013	56.00	111.47	3,010.56	569.42
3	Quarter ending December 31, 2013	-	-	281.00	-
	Total	328.00	436.62	10,657.00	592.72

- (d) The movement in hedging reserve during the year ended 31st March, 2013 for derivatives designated as cash flow hedge is as follows:

Particulars	(₹ In Lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Balance at the beginning of the year	163.09	-
Additions on account of changes in the fair value of effective portion cash flow hedge		
For transactions of expected sales in foreign currency	(102.83)	(145.22)
For transactions of import of goods in foreign currency	(15.33)	(17.87)
Amount removed from hedge reserve and included in initial cost of a fixed asset/long term liability, whose acquisition or incurrence was a highly probable forecasted transaction	-	-
Amount transferred to Statement of Profit and Loss	-	-
Balance at the end of the year	(44.94)	(163.09)

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

- (e) During the year there are no forecasted transactions for which hedge accounting had been used in the previous periods, but which is no longer expected to occur.
- (f) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under:

(₹ In Lacs)

S. No.	Particulars	Currency	As at	As at	As at	As at
			31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
			Amount in (FC)	Amount in (FC)	Amount in (₹)	Amount in (₹)
(a)	Secured Loans	USD	-	2.36	-	120.08
(b)	Trade receivables	USD	35.33	15.70	1,917.71	798.66
		EURO	2.39	-	166.05	-
		GBP	1.37	-	112.48	-
(c)	Commission payable	USD	9.76	10.09	529.87	513.38
		EURO	0.28	0.14	19.18	9.51
		GBP	-	0.01	-	0.82
(d)	Advance from Customer	USD	5.33	20.76	289.58	1,056.27
		EURO	0.01	1.57	0.70	106.62
		GBP	-	0.06	-	5.33
(e)	Creditors	USD	0.64	-	34.75	-
		EURO	1.33	0.34	92.73	21.56
		CHF	0.03	-	1.63	-

50. VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF:

(₹ In Lacs)

Particulars	Year ended	Year ended
	31st March, 2013	31st March, 2012
i) Raw Materials	2,719.75	3,870.07
ii) Components and Spare Parts	1,619.26	1,212.46
iii) Capital Goods	2,867.30	12,970.91
Total	7,206.32	18,053.44

51. VALUE OF RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Raw Materials :				
a) Imported	2,665.50	1.80	4,119.75	3.13
b) Indigenous	1,45,101.93	98.20	1,27,421.05	96.87
Total	1,47,767.43	100.00	1,31,540.80	100.00
Components and Spare Parts:				
a) Imported	1,647.52	29.05	1,156.20	23.90
b) Indigenous	4,023.31	70.95	3,680.49	76.10
Total	5,670.83	100.00	4,836.68	100.00
Heavy Fuel Oil:				
a) Imported	-	-	-	-
b) Indigenous	-	-	19.70	100.00

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

52. EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
i) Travelling Expenses	222.40	163.13
ii) Commission / Claims		
a) Commission	1,050.76	938.38
b) Claims	158.03	146.56
Total	1,431.19	1,247.82
iii) Others	63.27	57.83
Total	1,494.46	1,305.65

53. EARNING IN FOREIGN CURRENCY

FOB value of Export	68,618.37	69,395.78
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54. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND / INTERIM DIVIDEND

Year to which Dividend relates	2012-2013	2010-2011
Number of non resident shareholders to whom dividend remitted	-	5
Number of shares on which remittance was made	-	53,53,270
Account remitted (₹ In Lacs)	-	267.66

FOR S. BHARGAVA ASSOCIATES

Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA

Partner
Membership No.70964

Place: Noida

Date: May 1, 2013

FOR A.L.CHECHANI & CO.

Chartered Accountants
Firm Regn.No.005341C

Per SUNIL SURANA

Partner
Membership No.36093

Ravi Jhunjunwala

Chairman (DIN-00060972)

Arun Churiwal

Managing Director & CEO (DIN-00001718)

J.C. Laddha

Executive Director (DIN-00118527)

B. M. Sharma

Chief Financial Officer

Surender Gupta

Company Secretary

CASH FLOW STATEMENT

For the year ended 31st March, 2013

₹ in Lacs

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax and extra ordinary items	10,142.68	(3,215.20)
Add: Depreciation and Amortisation	10,845.38	8,910.27
Dividend received	(50.39)	(50.17)
Interest cost	12,129.06	10,403.62
Exchange Fluctuation	(9.63)	(67.42)
Profit/ Loss on sale of Fixed Assets	2,000.00	110.64
Investment Loss on Liquidation	-	-
Loan and Advances W/off	-	-
Provision for Bad & Doubtful Debts	33.36	64.41
Provision for Bad & Doubtful Advances	-	-
Provision for Diminuation in Value of Investment	-	(20.36)
Provision for Entry Tax	43.35	60.74
Liabilities no longer required written back	(381.80)	(95.37)
Miscellaneous Expenses written off	-	-
Operating Profit Before Working Capital Changes	34,752.01	16,101.16
Inventories	(7,416.57)	10,745.93
Trade Receivables (Current & Non Current)	(3,199.58)	1,884.39
Loans and Advances (Current & Non Current)	1,961.95	(114.11)
Other Assets (Current & Non Current)	(2,262.49)	2,125.48
Trade payables (Current & Non Current)	1,115.14	(3,477.19)
Other Liabilities (Current & Non Current)	1,226.30	(88.26)
Cash Generated from operations	26,176.86	27,177.40
Direct Taxes	(2,025.92)	-
Net cash from operating activities	24,150.94	27,177.40
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(8,884.85)	(31,560.84)
Sales of Fixed Assets	312.00	153.26
Proceeds from /Sale of Investments (Shares)	-	20.36
Purchase of Shares	(5,040.00)	(11.70)
Dividend received	50.39	50.17
Net cash used in investing activities	(13,562.41)	(31,348.75)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	2,630.25	32,483.82
Repayment of Long Term Borrowings	(10,168.00)	(10,884.00)
Increase/Decrease in Short Term Borrowings	9,053.97	(6,188.78)
TUFS Capital Subsidy	1,916.00	-
Exchange Fluctuation	9.63	67.42
Dividend/Interim Dividend paid	-	(1,345.19)
Interest cost	(12,129.06)	(10,403.62)
Net cash from financing activities	(10,584.05)	3,729.65
Net Increase in Cash and Cash equivalents	4.48	(441.70)
Opening Cash and Cash equivalents	186.55	628.25
Closing Cash and Cash equivalents	191.03	186.55

FOR S. BHARGAVA ASSOCIATES

Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA

Partner
Membership No.70964

Place: Noida

Date: May 1, 2013

FOR A.L.CHECHANI & CO.

Chartered Accountants
Firm Regn.No.005341C

Per SUNIL SURANA

Partner
Membership No.36093

Ravi Jhunjhunwala

Chairman (DIN-00060972)

Arun Churiwal

Managing Director & CEO (DIN-00001718)

J.C. Laddha

Executive Director (DIN-00118527)

B. M. Sharma

Chief Financial Officer

Surender Gupta

Company Secretary

STATEMENT PURSUANT TO APPROVAL UNDER SECTION 212 (8) OF THE COMPANIES ACT

In terms of General approval granted by the Central Government under section 212 (8) of the Companies Act, 1956, copies of Balance Statement of Profit and Loss, Report of the Board of Directors and the Report of the Auditors of the subsidiary company have not been attached with the Balance Sheet of the Company. However, the consolidated financial statements of the Company, includes the results of the subsidiary company. The copies of the Annual Accounts of the Company's subsidiary, for the year ended 31st March, 2013 and related detailed information can be sought by any investor of the Company or its Subsidiary on making a written request to the Company in this regard. The Annual Accounts of the subsidiary company are also available for inspection during business hours at the Company's registered office and at the concerned subsidiary's office.

₹ in Lacs

1. Name of subsidiary	Cheslind Textiles Limited	
	As at 31st March, 2013	As at 31st March, 2012
1 Capital	4,532.33	2,309.39
2 Reserves	(951.76)	(1,251.22)
3 Total Assets	12,673.78	10,451.20
4 Total liabilities	9,922.68	10,467.83
5 Details of Investment	317.10	255.00
6 Turnover	20,114.57	15,189.27
7 Profit/loss before taxation	511.95	(3,167.70)
8 Provision before taxation & DTL written back	(32.83)	-
9 Profit/loss after taxation	544.78	(3,167.70)
10 Proposed dividend	NIL	NIL

Independent Auditors' Report to the Consolidated Financial Statements

To the Board of Directors of
RSWM Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of RSWM Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements, applying consolidation principles as per AS - 21 and AS - 23 issued by the ICAI, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information, based on the reports /certificates of other auditors on separate financial statements and on the other financial information of the components, and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to the following notes in the consolidated financial statements:

- a) Note no 31 of the financial statements, which explains the impact of different depreciation policies being used by the subsidiary company and impact thereof.
- b) Note no 34 to the financial statements, elaborating the accounting treatment for promotional benefits under Status Holder Incentive Scheme (SHIS), based on legal and expert opinions;
- c) Note no 35 to the financial statements, relating to treatment for assets held for sale based on contingent contracts of sale; and
- d) Note no 38 to the financial statements, which describes difference in accounting for hedges under AS -30 and AS -32 and accounting for derivatives.
- e) Note no 43 to the financial statements, containing separate disclosures for employee benefit expenses under AS -15 for parent and subsidiary company.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets (net) of ₹12,673.78 lacs as at 31st March, 2013, total revenues of ₹951.76 lacs and net cash outflows amounting to ₹1,144.08 lacs for the year then ended. These financial statements been audited by other auditors whose audit reports have been furnished to us, and our opinion in so far as it relates to these amounts included in respect of the subsidiary is based solely on the aforementioned financial statements as submitted to us whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For S.BHARGAVA ASSOCIATES

Firm registration number: 003191C

Chartered Accountants

per Sunil Bhargava

Partner

Membership No.: 70964

Place : Noida

Date : May 1, 2013

For A.L.CHECHANI & CO.

Firm registration number: 005341C

Chartered Accountants

per Sunil Surana

Partner

Membership No.: 36093

CONSOLIDATED BALANCE SHEET As at 31st March ,2013

(₹ In Lacs)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	2,314.87	2,314.87
(b) Reserves and Surplus	3	26,949.05	22,369.53
Government Capital Grants	3	181.24	209.91
(c) Money received against share warrants		-	-
(d) Minority shareholders' interest		829.47	(5.57)
		30,274.63	24,888.74
(2) Share application money pending allotment			
(3) Non-current Liabilities			
(a) Long-term borrowings	4	77,204.91	87,493.91
(b) Deferred tax liabilities (Net)	5	4,857.27	3,527.12
(c) Other long term liabilities	6	559.90	635.22
(d) Long-term provisions	7	1,793.64	1,485.56
		84,415.72	93,141.81
(4) Current Liabilities			
(a) Short-term borrowings	8	47,962.66	38,616.91
(b) Trade payables	9	6,229.44	4,423.42
(c) Other current liabilities	10	20,522.93	17,361.88
(d) Short-term provisions	11	2,920.73	333.04
		77,635.76	60,735.25
TOTAL		1,92,326.11	1,78,765.80
II. ASSETS			
(1) Non - current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		1,03,205.75	84,858.79
(ii) Intangible Assets		1,169.48	1,045.27
(iii) Capital work-in-progress		1,193.93	25,098.91
(iv) Intangible Assets under development		-	-
		1,05,569.16	1,11,002.97
(b) Non-current Investments	13	5529.72	2,072.62
(c) Deferred tax Assets (Net)		-	-
(d) Long-term loans and advances	14	2,523.33	3,225.51
(e) Other non-current assets	15	645.08	87.48
		1,14,267.29	1,16,388.58
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	42,237.89	33,756.91
(c) Trade Receivables	17	22,605.94	19,038.28
(d) Cash & Bank balances	18	360.01	356.28
(e) Short-term loans and advances	19	3,083.97	3,160.44
(f) Other current assets	20	9,771.01	6,065.31
		78,058.82	62,377.22
TOTAL		1,92,326.11	1,78,765.80

See accompanying notes 1 to 49 forming part of financial statements

As per our report of even date

FOR S. BHARGAVA ASSOCIATES
Chartered Accountants
Firm Regn. No. 003191C

Per **SUNIL BHARGAVA**
Partner
Membership No.70964

FOR A.L.CHECHANI & CO.
Chartered Accountants
Firm Regn.No.005341C

Per **SUNIL SURANA**
Partner
Membership No.36093

Ravi Jhunjhunwala
Chairman (DIN-00060972)
Arun Churiwal
Managing Director & CEO (DIN-00001718)
J.C. Laddha
Executive Director (DIN-00118527)
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place: Noida
Date: May 1, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the year ended 31st March , 2013

(₹ In Lacs)

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from operations	21	2,67,393.40	2,15,204.19
Less- Excise Duty		1,774.56	1,315.17
Net Revenue		2,65,618.84	2,13,889.02
II. Other Income	22	2,197.92	2,026.30
III. Total Revenue (I+II)		2,67,816.76	2,15,915.32
IV. Expenses:			
Cost of material consumed	23	1,59,695.92	1,41,849.43
Purchases of traded goods	24	2,186.53	1,745.44
Change in inventories of finished goods, work-in-progress and stock- in- trade	25	(5,516.38)	(1,903.67)
Employee benefits expense	26	21,690.97	17,463.25
Finance costs	27	13,277.42	11,689.41
Depreciation and amortisation expense	28	11,540.32	9,785.40
Other expenses	29	54,287.35	41,668.96
Total Expenses		2,57,162.13	2,22,298.22
V. Profit before exceptional and extraordinary items and tax (III-IV)		10,654.63	(6,382.90)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		10,654.63	(6,382.90)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		10,654.63	(6,382.90)
X. Tax expense:			
(1) Current Tax		1,993.09	-
(2) Deferred Tax		1,330.15	(651.00)
(3) Provision for Income Tax written back		-	(385.28)
XI. Profit / (Loss) for the period from continuing operations (IX - X)		7,331.39	(5,346.62)
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		7,331.39	(5,346.62)
XVI. Minority Interest		160.89	(1,074.80)
XVII. Profit/(Loss) for the period after minority interest (XV+XVI)		7,170.50	(4,271.82)
XVIII. Share of Results of Associate		(0.86)	-
XIX. Profit/(Loss) for the period (XVII+XVIII)		7,169.64	(4,271.82)
XX. Earnings per equity share:			
(1) Basic		30.97	(18.45)
(2) Diluted		30.97	(18.45)

See accompanying notes 1 to 49 forming part of financial statements

As per our report of even date

FOR S. BHARGAVA ASSOCIATES
Chartered Accountants
Firm Regn. No. 003191C

Per **SUNIL BHARGAVA**
Partner
Membership No.70964

Place: Noida
Date: May 1, 2013

FOR A.L.CHECHANI & CO.
Chartered Accountants
Firm Regn.No.005341C

Per **SUNIL SURANA**
Partner
Membership No.36093

Ravi Jhunjhunwala
Chairman (DIN-00060972)
Arun Churiwal
Managing Director & CEO (DIN-00001718)
J.C. Laddha
Executive Director (DIN-00118527)
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

A) Basis and Principles of Consolidation

The Consolidated Financial Statements (CFS) of the Company and its Subsidiaries are prepared under historical cost convention and on the Accounting Principles of going concern, in accordance with Generally Accepted Accounting Principles (“GAAP”) applicable in India and in the same manner as the Company has followed for its separate Financial Statements, using uniform accounting policies for similar transaction. All significant Intra-group balances, Intra-group transactions, resulting unrealised profits have been eliminated on consolidation and the figures have been recast, rearranged or regrouped, wherever considered necessary.

B) Components Considered

The following Components considered in preparation of consolidated Financial Statements –

Subsidiary Company :

Name	Country	Ownership (%)	Period Considered	Audited/Board Approved
Cheslind Textiles Limited (CTL)	India	66.07%	01.04.2012 to 25.07.2012	Audited
		69.85%	26.07.2012 to 31.03.2013	Audited

The consolidation of the Financial Statements of the Parent and its Subsidiaries has been done on line-by-line basis by adding together, like items of assets, liabilities, income and expenses as per AS -21.

C) Accounting Policies

The Accounting Policies of the Parent and of its Subsidiaries/Joint Ventures are similar and inline with the Generally Accepted Accounting Principles (“GAAP”) in India except for the policy for depreciation and accounting of foreign exchange derivatives and hedge contracts, mentioned as below:-

- The depreciation on Plant and Machinery of CTL has been provided on the rates considering as “Continuous Process Plant” as against the rates applicable for “Triple Shift Operation” depreciation applied by the Parent.
- The depreciation on Vehicles of CTL has been provided on Written Down Value Method on pro-rata basis in the manner and rates prescribed in Schedule XIV of the Companies Act, 1956 as against Straight Line Method adopted by the Parent.
- The Subsidiary Cheslind Textiles Limited (CTL) has followed Accounting Standard -11 issued by the Institute of Chartered Accountants of India for accounting of foreign exchange derivatives and hedge contracts.

As the Accounting Policies of the Parent have been mentioned in the separate Financial Statements of the Parent, therefore the same has not been reproduced here.

D) Goodwill

The excess of cost to the Company of its investment in the Subsidiaries over the Parent’s portion of equity of the subsidiary at the date on which investment is made, is described as “Goodwill” on consolidation and recognised as an asset in the Consolidated Financial Statements.

E) Minority Interest

Minority interest in the Net Assets of the subsidiaries consist of the amount of equity attributable to Minorities at the date on which investment is made and Minorities’ share of movements in equity since the date when Parent Subsidiary relationship came into existence, to the date of Balance Sheet.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 1 : ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING

The financial statements are prepared on historical cost convention and on the accounting principles of going concern, in accordance with Generally Accepted Accounting Principles ('GAAP'), comprising of the mandatory Accounting Standards, Guidance Notes, etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

USE OF ESTIMATES:

In preparation of the financial statements in confirmatory with Generally Accepted Accounting Principle in India, management is required to make estimates & assumptions that affected the reported amount of assets & liabilities and the disclosures of contingent liabilities as at the financial reporting date. The amount of revenue & expenditure during the reported period and that of actual results could be different from those of estimates. Any revision to such estimates is recognised in the period in which the same is determined.

II. REVENUE RECOGNITION

- a) Sales revenue is recognised when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty.
- b) Promotional Benefits, Export Incentives and Export Growth Incentives are accounted for on accrual basis when reasonable certainty and their probable use within reasonable time in the normal course of business, is established.
- c) Claims and refunds due from Government authorities and parties, though receivable / refundable are not recognised in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the Company.
- d) Claims lodged with insurance companies are recognised as Income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.
- e) The Government subsidies and Interest Subsidy under TUFS are recognised on accrual basis and adjusted against the respective expenses.

III. GOVERNMENT GRANTS

Government grants & subsidies are recognised on the reasonable assurance of receipt of subsidy and completion of all the conditions attached. If the grant is related to an expense then in that case it is deducted for that expense in the year of grant of subsidy.

Government Subsidies relating to depreciable Fixed Assets are treated as Deferred Income as per Accounting Standard- 12, which are recognised in Statement of Profit & loss over the useful life of the respective assets.

The Capital Subsidy under TUFS from Ministry of Textiles on specified processing machinery is recognised on a systematic and rational basis by adopting Deferred Income Approach, in proportion of the applicable depreciation over the useful life of the respective assets, and is adjusted against the depreciation in the Statement of Profit and Loss

IV. INVENTORY VALUATION

- a) Inventories are valued at historical cost and net realisable value whichever is lower on a consistent basis. Historical cost is determined on Actual / Weighted Average basis on relevant categories of Inventories. The net value is determined after providing for obsolete, slow moving and defective inventories, wherever necessary.
- b) The cost of Inventories comprise all costs of purchase, costs of conversion and other direct costs incurred in bringing the inventories to their present location and condition.

V. INVESTMENTS

Non-Current Investments are stated at cost. In case of diminution in value other than temporary, the carrying amount is reduced to recognise the decline. Current Investments are carried at cost or fair value whichever is lower.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

VI. FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

- a) Cost of Fixed Assets comprises of its purchase price, including import duties and other non-refundable taxes or levies, foreign exchange fluctuation on loans against Fixed Assets up to 31st March, 2003, expenditure incurred in the course of construction or acquisition, Start-up, Reconditioning, Commissioning, test runs & experimental production and other attributable costs of bringing the assets to its working conditions for the purpose of use for the business.
- b) Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, at its capitalisation rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.
- c) Assets retired from active use and held for disposal are stated at the lower of their net book value and / or realisable value and are shown separately.
- d) Intangible assets acquired separately are measured on initial recognition at cost. Following initial reorganisation, intangible assets are carried at cost less accumulated amortisation and accumulated losses, if any. Internally generated intangible assets are recognised, if and when the parameters laid down under AS-26 (Intangible Assets) for recognition are satisfied.

VII. LEASES

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognised immediately in the Statement of Profit and Loss

VIII. DEPRECIATION AND AMORTISATION

Depreciation on Fixed Assets and Amortisation on Intangible Assets has been provided as follows:-

- a) On fixed assets existing on September 30, 1987, on straight line method at the rates specified in circular No.1/86 of May 21, 1986, issued by the Department of Company Affairs.
- b) On other fixed assets acquired and put to use after October 1, 1987 on straight-line method at the revised rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as amended, vide Notification No.GSR-756 (E) dated 16th December, 1993 issued by the Department of Company Affairs, except:
 - i) On Plant and Machinery in the Power Generation Division on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 considering the same as 'Continuous Process Plant'.
 - ii) Leased Assets are depreciated over the useful life /operating period of the lease.
 - iii) Acquired Intangible Assets are amortised from the date of the assets being available for use on Straight Line basis over useful life determined by the Management on technical evaluation at the following rates:
 1. Computer Software - 16.21% p.a.
 2. Enabling Assets - 5.28% p.a.

IX. IMPAIRMENT OF FIXED ASSETS

Factors giving rise to any indication of Impairment of the carrying amounts of Company's Assets are appraised at each Balance Sheet date by the Management to determine and provide/reverse an impairment loss following Accounting Standard (AS- 28)- 'Impairment of Assets'.

X. FOREIGN EXCHANGE TRANSACTIONS/TRANSLATIONS

- a) (i) Export and Import transactions not covered by a hedging instrument are accounted for at the prevailing conversion rates on the transaction date.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

- (ii) Monetary items denominated in Foreign Currency (except financial instruments designated as Hedge Instruments) and outstanding at year end are translated at year end conversion rates.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- (iv) Borrowings in Foreign Currency have been recorded initially at the prevailing exchange rate on the date of availment. The Gain / Loss on Renewal / Payment of the Forward contract booking is accounted for in the Statement of Profit and Loss for the period. Premium or discounts arising on amount covered under Forward Contracts / Fixed Rate Contracts are amortised as expenses or income over the life of such contracts. The exchange gain / loss on un-hedged exposure are valued at the exchange rates prevailing at each balance sheet date.

- b) Pursuant to The Institute of Chartered Accountants of India (ICAI) announcement "Accounting for Derivatives" on the early adoption of Accounting Standard AS 30 "Financial Instruments: Recognition and Measurement", the Company had early adopted the AS-30 with effect from July 1, 2011, to the extent that such adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

The Company holds foreign currency forward contracts, designated as hedges of expected future sales of yarn/fabric to customers in countries other than India, for which the Company has highly probable forecasted transactions. As permitted by the risk management policy of the Company, the Company also has foreign currency forward contracts outstanding at end of the year designated as hedges of expected future purchases from suppliers in countries other than India for which the Company has firm commitments. Foreign currency forward contracts and cross currency forward contracts are being used to hedge the foreign currency risk of the firm commitments.

The terms of the foreign currency forward contracts have been negotiated to match the terms of the commitments. Whenever there are highly probable transactions for which hedge accounting is claimed, and where significant element of hedge ineffectiveness occurs, the same is recognised in the Statement of Profit & Loss.

A financial instrument is designated as an effective hedge after the management objectively evaluates, at the inception of each contract as to whether the instrument is effective in offsetting the cash flows attributable to the hedged risk. The same evaluation is carried out at the end of each reporting period. In the absence of such hedge being identified or being continued to be identified as an effective hedge, the value thereof is taken to the Statement of Profit & Loss.

Exchange difference relating to effective cash flow hedge is accumulated in a Hedging Reserve account. Amounts from hedging reserve account are transferred in the Statement of Profit and Loss when-

- i) the forecast transaction materialises, OR
- ii. the hedging instrument expires or is sold, terminated or exercised (except for the replacement or rollover of a hedging instrument into another hedging instrument where such replacement or rollover is part of the instrument's hedging strategy), OR
- iii) the hedge no longer meets the criteria for hedge accounting in AS 30, OR,
- iv) the Company revokes the designation, Exchange difference relating to Fair Value Hedge effectiveness is measured on the reporting date and exchange difference of fair value hedge is recognised in the Statement of Profit & Loss. Hedge effectiveness of financial instruments designated as Hedging instruments is evaluated at the end of each financial reporting period as per the risk management policy of the Company framed under requirements of AS 30 and Para 14A.9 of FEMA.

XI. REPLENISHMENT

Indigenous raw materials had to be used on occasions, for exports, to be subsequently replenished under Duty Free Entitlement Schemes of the Government of India. Therefore, the cost of such indigenous raw materials has been accounted for at its equivalent imported / duty free prices by adjusting the value of such entitlements granted for neutralisation of the import duties and levies.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

XII. EMPLOYEE BENEFITS

a) **Defined Contribution Plan:**

The Company makes defined contribution to Provident Fund and Superannuation Fund, which are accounted on accrual basis.

b) **Defined Benefit Plan:**

The Company's Liabilities on account of Gratuity and Earned leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per revised AS-15. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in statement of Profit & Loss.

XIII. TAXES ON INCOME

- a) Taxes on Income are computed using Tax Deferral Assets or Liability Method where taxes accrues in the same period as the respective revenues and expenses arises. The differences that result between the profit offered for Income Tax and the profit as per financial statements are identified for recognition as Deferred Tax Liability timing difference, that originate in one accounting period and reverse in another, based on the tax effect of the prevailing enacted regulations in force.
- b) Deferred Tax Assets are recognised subject to prudence, only if there is virtual certainty that they will be realised and are subject to appropriate reviews at each balance sheet date. For the purpose of measurement of Deferred Tax Liability or Assets, the applicable tax rates and enacted regulations expected to apply in the year in which the temporary differences are expected to be recovered or settled are applied and due consideration of the relief available under the provisions of Chapter VI A of the Income Tax Act, are appropriately considered.
- c) The Minimum Alternate Tax credit available has been adjusted against the Deferred Tax Liability / Current Tax payable as per provision of the Income Tax Act.

XIV. PROVISIONS AND CONTINGENT LIABILITIES / ASSETS

- a) Provisions are made when the present obligation of a past event gives rise to a probable outflow, embodying economic benefits on settlement, and the amount of obligation can be reliably estimated.
- b) Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.
- c) Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- d) Contingent Assets are neither accounted for nor disclosed in the financial statements.

XV. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) among the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

XVI. CASH AND CASH EQUIVALENTS BANK BALANCES

Cash and bank balances for the purposes of cash flow statement comprise cash at bank, Cash in hand, cheques in hand and other permissible instruments as per Accounting Standard AS-3.

XVII. OTHERS

(Besides debit / credit in previous year adjustment account),

Amounts related to previous years, arisen / settled during the year have been debited / credited to respective heads of accounts.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 2 : SHARE CAPITAL

(₹ In Lacs)

Particulars	As at	
	31st March, 2013	31st March, 2012
AUTHORISED		
4,75,00,000 (Previous year : 4,75,00,000) Equity Shares of ₹10/- each	4,750.00	4,750.00
25,00,000 (Previous year : 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹150/- each	3,750.00	3,750.00
	8,500.00	8,500.00
ISSUED		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹10/- each	2,314.87	2,314.87
SUBSCRIBED & FULLY PAID UP		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹10/- each	2,314.87	2,314.87
	2,314.87	2,314.87

1. Shareholders holding more than 5 % of shares

Name of share holder	As on 31st March, 2013		As on 31st March, 2012	
	Number of Shares	Percentage of holding	Number of Shares	Percentage of holding
Microbase Limited	36,50,970	15.77	36,50,970	15.77
IDFC Sterling Equity Fund	15,72,818	6.79	14,50,000	6.26
LNJ Financial Services Limited	17,67,394	7.63	12,62,998	5.46
Purvi Vanijya Niyojan Limited	12,18,431	5.26	12,18,431	5.26

- There are no shares issued for consideration other than cash in the last 5 financial years. However, 1,35,13,607 Equity shares of ₹10/- each were issued as fully paid up bonus shares by capitalisation of reserves in earlier years. 12,28,689 Equity shares of ₹10/- each were issued for consideration other than cash, pursuant to the scheme of merger of erstwhile Jaipur Polyspin Limited and Mordi Textiles & Processors Limited as approved by the Hon'ble High Court of Rajasthan.
- The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buy back or issue of share capital.
- The Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. There are no restrictions attached to any equity shares. The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the respective shareholders.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 3 : RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Reserve and Surplus		
(a) Capital Reserve	700.97	700.97
(b) Preference Share Capital Redemption Reserve	5,700.00	5,700.00
(c) Securities Premium Reserve	8,995.23	8,995.23
(d) State Investment Subsidy	70.00	70.00
(e) General Reserve		
(i) Opening Balance	3,242.27	3,242.27
(ii) Additions during the period	680.00	-
	3,922.27	3,242.27
(f) Hedging Reserve		
(i) Opening Balance	(163.09)	-
(ii) Additions during the period	118.16	(163.09)
	(44.93)	(163.09)
(g) Surplus in Statement of Profit & Loss		
Opening Balance	3,824.15	8,095.97
Add : Profit for the period	7,170.50	(4,271.82)
	10,994.65	3,824.15
Less: Appropriations		
(i) Transfer to General Reserve	680.00	-
(ii) Proposed Dividend on Equity Shares	2,314.87	-
(iii) Tax on Dividend	393.41	-
	3,388.28	-
	7,606.37	3,824.15
Total	26,949.91	22,369.53
(h) Share in Reserve of Associate		
Opening Balance of Profit & Loss Account	-	-
Addition During the Year	(0.86)	-
Total Reserves & Surplus	26,949.05	22,369.53
B. Government Capital Grants (Deferred Income Approach)		
TUFS Capital Investment Subsidy		
(i) Opening Balance	209.91	256.70
(ii) Additions during the period*	19.16	-
Less : Adjusted against depreciation	(47.83)	(46.79)
	181.24	209.91

Capital Subsidy claim amounting to ₹19.16 Lacs is received during the current year out of ₹32 lacs reported on 31st March, 2012 as contingent upon eligibility confirmation with Textile Ministry .

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at	
	31st March, 2013	31st March, 2012
I SECURED		
(a) Bonds / Debentures	-	-
(b) Term Loans		
From Banks	52,672.65	60,256.11
From Other Parties (FIs)	24,099.40	26,817.83
(c) Deferred payment Liabilities	-	-
(d) Deposits	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	76,772.05	87,073.94
II UNSECURED		
(a) Term Loans		
From Banks	-	-
From FIs	310.00	250.00
(b) Deferred payment Liabilities	122.86	169.97
(c) Deposits	-	-
(d) Loans and Advances from Related parties	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	77,204.91	87,493.91

Term Loans of RSWM Ltd.

I Secured

Term loans are secured by way of joint equitable mortgage of all the present and future immovable properties of the Company and hypothecation of movable assets ranking pari passu amongst the term lenders and second charge on the current assets of the Company on pari-passu basis with lenders of working capital loans:

CURRENT YEAR FIGURES

Conditions of Term Loans are summarised below:

(1) Floating Rate - Carrying floating interest rate of Base Rate + 1.25% to 3.50% as on 31st March, 2013

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
15-Sep-2013	141.00	-	141.00	2
30-Sep-2013	9.55	-	9.55	2
15-Mar-2015	400.00	200.00	200.00	8
22-Mar-2015	1,009.00	505.00	504.00	8
15-Mar-2016	1,368.00	972.00	396.00	12
25-Mar-2016	2,701.98	1,951.98	750.00	12
30-Mar-2016	2,674.00	1,914.00	760.00	12
25-May-2016	987.00	699.00	288.00	12
20-Dec-2016	2,118.56	1,518.56	600.00	15
20-Sep-2017	12,581.00	10,793.00	1,788.00	18
25-Feb-2018	14,400.00	12,768.00	1,632.00	20
20-Jun-2018	12,517.07	10,469.03	2,048.04	21

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
25-Feb-2019	850.00	850.00	-	20
20-Mar-2020	5,675.00	5,395.00	280.00	28
Sub Total	57,432.16	48,035.57	9,396.59	
(b) From Other Parties (FIs):				
20-Sep-2016	620.00	480.00	140.00	14
20-Sep-2017	12,146.91	10,210.91	1,936.00	18
20-Feb-2018	14,000.00	12,416.00	1,584.00	20
Sub Total	26,766.91	23,106.91	3,660.00	
Total	84,199.07	71,142.48	13,056.59	

PREVIOUS YEAR FIGURES

(1) Fixed Rate - Carrying fixed interest rate of 10% to 12.50% as on 31st March, 2012

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
1-Jan-2013	15.48	-	15.48	3
20-Sep-2017	4,104.00	3,654.00	450.00	22
20-Jun-2018	4,419.00	3,852.48	566.52	25
Total	8,538.48	7,506.48	1,032.00	

(2) A Floating Rate - Carrying floating interest rate of Base Rate + 1.25% to 4% as on 31st March, 2012

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31-May-2012	194.00	-	194.00	1
15-Sep-2013	433.00	141.00	292.00	6
30-Sep-2013	28.40	9.48	18.92	6
15-Mar-2015	563.00	400.50	162.50	12
22-Mar-2015	1,381.00	1,009.00	372.00	12
15-Mar-2016	1,664.00	1,368.00	296.00	16
25-Mar-2016	3,352.00	2,702.00	650.00	16
30-Mar-2016	3,242.00	2,674.00	568.00	16
25-May-2016	1,203.00	987.00	216.00	16
20-Dec-2016	2,619.00	2,119.00	500.00	19
20-Sep-2017	10,140.00	8,927.00	1,213.00	22
25-Feb-2018	13,514.09	13,514.09	-	20
20-Jun-2018	9,921.45	8,663.57	1,257.88	25
20-Mar-2020	5,895.00	5,675.00	220.00	32
Total	54,149.94	48,189.64	5,960.30	

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(b) From Other Parties (FIs):				
20-Sep-2016	730.00	620.00	110.00	18
20-Sep-2017	13,958.00	12,147.00	1,811.00	22
20-Feb-2018	13,055.34	13,055.34	-	20
Total	27,743.34	25,822.34	1,921.00	

(2) B. Floating Rate - Carrying floating interest rate of Base Rate + 2.75% to 4% as on 31st March, 2012

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:*				
28-Feb-2013	880.00	-	880.00	4
30-Apr-2012	375.00	-	375.00	1
Total	1,255.00	-	1,255.00	

* Above term loans are secured by way of subservient charge over the entire moveable assets of the Company:

Term Loans of Subsidiary

Secured

Term loans are secured by way of joint equitable mortgage of all the present and future immovable properties of the Company and hypothecation of movable assets ranking pari passu amongst the term lenders and second charge on the current assets of the Company on pari passu basis with lenders of working capital loans mentioned herein below.

CURRENT YEAR FIGURES

1) Fixed Rate - Carrying fixed interest rate of 9% to 11.75% as on 31st March, 2013

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
(a) From Bank				
31-Mar-14	260.30	-	260.30	4
1-Jul-18	216.49	216.49	-	18
15-Sep-20	516.00	512.00	4.00	30
31-Dec-20	86.77	82.77	4.00	31
31-Dec-20	1,285.10	1,285.10	-	21
1-Mar-21	1,305.99	1,269.99	36.00	96
(b) From Other Parties (FIs)				
20-Mar-21	996.49	992.49	4.00	32
Total	4,667.14	4,358.84	308.30	

Above term loans are additionally secured by letter of comfort of RSWM Limited

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
31-Mar-15	28.99	16.55	12.44	8
1-Jan-18	538.58	538.58	-	16
31-Dec-20	350.00	350.00	-	27
31-Mar-21	365.60	365.60	-	28
Total	1,283.17	1,270.73	12.44	

Above term loans are additionally secured by Default Deferred Payment Guarantee of RSWM Limited

PREVIOUS YEAR FIGURES

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
(a) From Bank				
1-Jan-18	398.00	398.00	-	16
1-Jul-18	199.84	199.84	-	18
15-Sep-20	511.31	507.31	4.00	34
31-Dec-20	88.53	84.53	4.00	35
31-Dec-20	1,276.02	1,276.02	-	27
1-Mar-21	1,325.99	1,289.99	36.00	36
(b) From Other Parties (FIs)				
20-Mar-21	999.49	995.49	4.00	36
Total	4,799.18	4,751.18	48.00	

Above term loans are additionally secured by letter of comfort of RSWM Limited

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
31-Mar-15	41.43	29.43	12.00	12
1-Jan-18	92.33	92.33	-	16
31-Dec-20	330.00	330.00	-	21
28-Feb-21	352.55	352.55	-	83
Total	816.31	804.31	12.00	

Above term loans are additionally secured by Default Deferred Payment Guarantee of RSWM Limited

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

II Unsecured Loans of RSWM Ltd.

CURRENT YEAR FIGURES

(A) Deferred Payment Liability under Sales Tax Deferment Scheme 1987 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
15th December 2015	106.68	71.12	35.56	6
	106.68	71.12	35.56	

(B) Deferred Payment Liability under Sales Tax Deferment Scheme 1998 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
1st April 2015	20.19	11.53	8.66	7
1st April 2015	40.21	40.21	-	1
	60.40	51.74	8.66	
Total A + B	167.08	122.86	44.22	

PREVIOUS YEAR FIGURES

(A) Deferred Payment Liability under Sales Tax Deferment Scheme 1987 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
15th December 2015	142.24	106.68	35.56	8
	142.24	106.68	35.56	

(B) Deferred Payment Liability under Sales Tax Deferment Scheme 1998 of State Government

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2012			Installments due after 31st March, 2012
	Total Outstanding	Long term maturity	Current maturity	
1st April 2015	34.63	23.09	11.54	12
1st April 2015	40.20	40.20	-	1
	74.83	63.29	11.54	
Total A + B	217.07	169.97	47.10	

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 4 : LONG-TERM BORROWINGS (CONTD.)

II Unsecured Loans (contd.)

Unsecured Loans of Subsidiary

CURRENT YEAR FIGURES

(₹ In Lacs)

Date of Maturity	Outstanding 31st March, 2013			Installments due after 31st March, 2013
	Total Outstanding	Long term maturity	Current maturity	
From related party	60.00	60.00	-	
From Other	310.00	310.00	-	
	370.00	370.00	-	

NOTE 5 : DEFERRED TAX LIABILITY

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Deferred tax liability has been calculated as per Accounting Standard 22 "Accounting for Taxes on Income" of ICAI. Major components are as under:		
Deferred Tax Liability for		
Depreciation	8,972.21	7,717.77
Total	8,972.21	7,717.77
Deferred Tax Assets		
Unabsorbed depreciation	-	918.33
Disallowance under IT Act	797.47	801.24
Provision for doubtful debts	162.89	152.08
Total	960.36	1,871.65
Deferred Tax Liability	8,011.85	5,846.12
Less : MAT available	3,154.58	2,319.00
Net Deferred Tax Liability	4,857.27	3,527.12

NOTE 6 : OTHER LONG TERM LIABILITIES

(a) Trade Payable	-	-
(b) Security Deposits	513.38	586.75
(c) Other liabilities	46.52	48.47
	559.90	635.22

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 7 : LONG TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Provision for employee benefits (Refer note no. 43)	771.14	500.02
(b) Others	-	-
(i) Provision for Entry Tax (Refer note no. 30)	1,022.50	985.54
	1,793.64	1,485.56

NOTE 8 : SHORT TERM BORROWINGS

I SECURED		
(a) Loan repayable on demand		
From Banks	41,627.95	33,721.28
From Others	6,332.01	4,894.63
(b) Deposits	-	-
(c) Other Loans & Advances	-	-
	47,959.96	38,615.91
II UNSECURED		
(a) Loan Repayable on Demand		
From Banks	-	-
From Others	-	-
(b) Loans & Advances from Related parties	-	-
(C) Other Loans & Advances	2.70	1.00
	2.70	1.00
	47,962.66	38,616.91

- Secured loans repayable on demand include working capital loans secured by hypothecation of raw materials, stock in process, finished goods, semi finished goods, stores, spares, book debts and other current assets as well as second charge on fixed assets of the Company on paripassu basis.
- All loans repayable on demand carry floating interest rate of 9.70% to 12.75%.

NOTE 9 : TRADE PAYABLES

(a) Trade Payable to Related Party		
BSL Ltd	-	266.20
(b) Trade Payable Others	6,229.44	4,157.22
	6,229.44	4,423.42

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 9 : TRADE PAYABLES (CONTD.)

Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. (MSMED ACT) has been made with in 45 days and disclosure in accordance with Section 22 of MSMED ACT is as under:-

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
1. Principal Amount remaining unpaid	21.94	8.76
2. Principal Amount remaining unpaid above 45 days*	1.49	2.90
3. Interest due on above	-	-
4. Total of (1) and (2) (included in trade payable others)	23.43	11.66
5. Interest paid in terms of section 16	-	-
6. Interest due and payable for the period of delay in payment	-	-
7. Interest accrued and remaining unpaid	-	-
8. Interest due and payable even in succeeding years	-	-

* The amounts unpaid are on account of detention due to non-resolution of quality claims.

NOTE 10 : OTHER CURRENT LIABILITIES

(a) Current Maturities of long-term debt	13,377.33	10,228.37
(b) Current maturities of deferred payment liabilities	44.22	47.10
(c) Interest Accrued but not due on borrowing	178.57	301.73
(d) Interest accrued and due on borrowings	-	42.53
(e) Income received in advance	-	-
(f) Un-paid dividend	54.47	63.06
(g) Application money received for allotment of securities and due for refund and interest accrued there on	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Security Deposits	306.35	323.84
(k) Advance from customers	571.97	698.99
(l) Liability towards staff and worker	1,867.86	1,571.29
(m) Government dues	363.32	303.99
(n) Other Payables	27.82	14.77
(o) Commission, discounts etc. payable on sales	1,788.93	1,591.71
(p) Other Liabilities for expenses*	1,942.09	2,174.50
	20,522.93	17,361.88

* Includes liabilities against provision for statutory dues & legal cases

NOTE 11 : SHORT TERM PROVISIONS

(a) Provision for employees benefits	212.45	267.85
(b) Others		
(i) Proposed dividend on Equity Share	2,314.87	-
(ii) Tax on Dividend	393.41	-
(ii) Provision for taxation	-	65.19
	2,920.73	333.04

Notes to the Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 12 : FIXED ASSETS

(₹ In Lacs)

No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET CARRYING VALUE				
		As at 1st April, 2012	Additions	Acquisitions through business combination	Total Disposals*	Reclassified as held for sales #	As at 31st March, 2013 (6-7-8)	Up to 1st April, 2012	Deductions**	Eliminated on reclassification as held for sale	Impairment loss/reversal of impairment loss (Net)	For the year 2012-13	Total Up to 31st March, 2013 (10-11-12+13+14)	As at 31st March, 2013 (9-15)	As at 31st March, 2012	
1.	2.	3.	4	5	6 (3+4+5)	7	8	9 (6-7-8)	10	11	12	13	14	15 (10-11-12+13+14)	16 (9-15)	17
A)	Tangible Assets															
	Free Hold Land	1,642.45	220.14	-	1,862.59	-	1,862.59	-	-	-	-	-	0.72	0.72	1,861.87	1,642.45
	Lease Hold Land	387.08	0.70	-	387.78	-	387.78	5.17	5.05	-	-	-	10.23#	10.35	377.43	381.91
	Buildings (Including Roads)***	25,061.82	6,275.04	-	31,336.86	24.61	321.48	30,990.77	6,002.29	33.83	142.11	-	769.96	6,596.31	24,394.46	19,059.53
	Plant and Equipments	1,34,630.26	25,416.59	-	1,60,046.85	1,068.58	7,872.30	1,51,105.97	79,440.92	717.96	5,112.72	-	10,002.96	83,613.20	67,492.77	55,189.34
	Furniture Fixture and Other	3,568.23	233.94	-	3,802.17	38.53	3.83	3,759.81	1,269.37	29.99	3.23	-	192.31	1,428.46	2,331.35	2,298.86
	Vehicles	1,260.72	127.75	-	1,388.47	119.97	-	1,268.50	442.92	63.62	-	-	112.50	491.80	776.70	817.80
	Office Equipments	1,005.57	94.29	-	1,099.86	17.92	1.42	1,080.52	500.47	11.54	1.13	-	97.76	585.56	494.96	505.10
	Electric Fitting and Water Supply Installation	7,319.79	921.11	-	8,240.90	19.73	84.36	8,136.81	2,356.01	16.96	54.50	-	376.05	2,660.60	5,476.21	4,963.79
	Total (A)	1,74,875.94	33,289.56	-	2,08,165.48	1,289.34	8,283.39	1,98,592.75	90,017.15	878.95	5,313.69	-	11,562.49	95,387.00	1,03,205.75	84,858.79
B)	Intangible Assets (Acquired)															
	Computer Software	82.31	71.63	-	153.94	-	-	153.94	66.07	-	-	-	21.12	87.19	66.75	16.23
	Enabling Assets	673.30	-	-	673.30	-	-	673.30	69.52	-	-	-	21.65	91.17	582.13	603.79
	Goodwill on Consolidation	425.25	95.35	-	520.60	-	-	520.60	-	-	-	-	-	-	520.60	425.25
	Total (B)	1,180.86	166.98	-	1,347.84	-	-	1,347.84	135.59	-	-	-	42.77	178.36	1,169.48	1,045.27
	Total (A + B)	1,76,056.80	33,456.54	-	2,09,513.32	1,289.34	8,283.39	1,99,940.59	90,152.74	878.95	5,313.69	-	11,605.26	95,565.36	1,04,375.23	85,904.06
C)	Capital Work in Progress :															
	Building Under Construction	5,607.56	319.13	-	5,926.69	5,751.85	-	1,74.84	-	-	-	-	-	-	1,74.84	5,607.56
	Plant & Machinery Under Erection/Commissioning	18,518.87	3,334.60	-	21,853.47	20,834.38	-	1,019.09	-	-	-	-	-	-	1,019.09	18,518.87
	Pre-operative Expenses pending allocation	972.48	400.17	-	1,372.65	1,372.65	-	-	-	-	-	-	-	-	-	972.48
	Total (C)	25,098.91	4,053.90	-	29,152.81	27,958.88	-	1,193.93	-	-	-	-	-	-	1,193.93	25,098.91
D)	Intangible Assets under development															
	Total (A+B+C+D)	2,01,155.71	37,510.44	-	2,38,666.13	29,248.22	8,283.39	2,01,134.52	90,152.74	878.95	5,313.69	-	11,605.26	95,565.36	1,05,568.16	1,11,002.97
	Previous Year	1,70,879.56	32,175.98	-	2,03,055.54	1,899.83	-	2,01,155.71	81,414.66	1,094.45	-	-	9,832.53	90,152.74	1,11,002.97	89,464.90

Notes : 1. * Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/written off.

2. ** Deduction in depreciation ₹6,192.64 Lac (previous Year ₹1,094.45 Lac)represents adjustment on account of Sale/Transfer/Discarding of fixed assets Classified as held for sale.

3. *** Roads and Buildings includes value of irrevocable Licencing right to use of a flat in New Delhi ₹10.00 Lac.

4. # Represents amortisation of lease hold land.

5. ## Classified as per explanation given in note no. 35

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 13 : NON CURRENT INVESTMENTS (AT COST)

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Quoted, Non-Trade		
In Equity Shares of ₹10/- each (Unless stated otherwise) fully paid up (At cost)		
Holding Name of the Company		
(a) 9,78,000 HEG Limited	34.94	34.94
(b) 372 Whirlpool India Limited	0.01	0.01
(c) 30 Vardhman Holding Limited	-	-
(d) 150 Tata Construction & Project Limited	0.02	0.02
(e) 775 Graphite India Limited (of ₹2/- each)	0.03	0.03
(f) 8,600 State Bank of Bikaner & Jaipur	14.72	14.72
(g) 943 Punjab National Bank	3.68	3.68
(h) 180 Vardhman Textiles Ltd.	0.01	0.01
(i) 36 Vardhman Special Steel Limited	-	-
(j) 31,396 BSL Limited	0.50	0.50
Total Value of Quoted Non-Trade Investments	53.91	53.91
B. Unquoted Non-Trade		
(i) In Associates		
In Equity Shares of ₹10/-each		
(a) 2,60,000 (Previous Year NIL) Share of LNJ Power Ventures Ltd	26.00	-
In Debenture of ₹1,00,000/- each		
(a) 2674 (Previous Year NIL) 13.54% Compulsorily Convertible Debenture of LNJ Power Ventures Ltd	2,674.00	-
	2,700.00	-
(ii) In Others		
In Equity Shares of ₹10/-each		
(a) 2,64,55,650 Bhilwara Energy Limited	1,763.71	1,763.71
(b) 25,00,000 Ind Eco Ventures Ltd.	250.00	250.00
(c) 50,000 Indowind Power Pvt. Ltd.	5.00	5.00
(d) 21,000 Asian Wind Energy Pvt. Ltd.	2.10	-
(e) 60,000 Shree Rengraj Ispat Industries Pvt. Ltd.	60.00	-
Share Application Money		
(f) 13,22,782 Bhilwara Energy Limited - Rights Issue	700.00	-
	2,780.81	2,018.71
Total Value of unquoted Non-Trade Investments	5,480.81	2,018.71
Cost of Investments	5,534.72	2,072.62
Add - Increase in Value of Investment In Associate		
Pre-acquisition goodwill	(4.14)	-
Add - During the Year	(0.86)	-
Closing Balance	(5.00)	-
Total Cost of Investments	5,529.72	2,072.62
Aggregate Market Value of Quoted Investments	3,957.03	4,305.50

- All investments have been classified as non-trade investments based on the management's business assessment and legal expert, relied upon by the auditors.
- Bhilwara Energy Limited, on 4th March, 2013, sent a Notice/Letter of Offer of Right issues in said Company, which in principle was accepted by The Company's Board in its meeting held on 11th March, 2013. This offer is valid up to 2nd May, 2013. Company has paid application money of ₹7.00 Cr. against allotment of 13,22,782 Equity Shares offered @ ₹139.30 each (Including Premium of ₹129.30) and remaining amount of ₹11.43 Cr. payable by 2nd May, 2013, is shown as Commitment in Note No. 48

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 14 : LONG TERM LOANS & ADVANCES

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
UNSECURED, CONSIDERED GOOD		
(a) Capital Advances	1,583.48	2,312.98
(b) Security Deposits	874.58	775.59
(c) Loans & Advances to Related Parties	-	-
(d) Other Loans & Advances		
- To directors of the Company	-	-
- To Officers & staff of the Company	46.47	100.85
- To Firm or company under the same management	-	-
- To Others	8.14	20.34
- Advance Against Supply	10.66	15.75
	2,523.33	3,225.51

NOTE 15 : OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(i) Long Term Doubtful Trade Receivable	502.65	469.29
Less: Provision for doubtful debts	(502.65)	(469.29)
(ii) Others	532.97	-
(a) Duty claims and other receivables	111.96	81.98
(b) Bank deposits with more than 12 months maturity	0.15	5.50
	645.08	87.48

NOTE 16 : INVENTORIES (at lower of the Cost or Realisable Value - refer Accounting Policy No.IV - Note 1)

Raw Material		
- Fibre (Includes in-transit ₹275.21 lacs, Previous year ₹214.69 lacs)	16,725.69	13,833.94
- Yarn	721.58	973.03
- Others - Dyes & Chemicals	398.41	238.58
Work in Progress		
- Yarn	7,201.15	6,214.34
- Fabric	913.76	720.19
Finished Goods		
- Yarn	8,485.35	4,834.09
- Fabric	3,889.10	3,320.05
- Garment	132.01	18.27
Stock in Trade		
- Yarn	-	76.88
- Fabric	193.03	125.85
- Garment	0.50	9.83
Stores & Spares (Includes in-transit ₹5.86 lacs, Previous year ₹2.41 lacs)	3,385.10	3,057.60
Loose Tools	76.98	240.00
Others - Waste	115.23	94.26
	42,237.89	33,756.91

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 17 : TRADE RECEIVABLES (CURRENT)

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured considered good)		
Trade Receivable	22,528.74	18,775.02
Due by Directors	-	-
Due by Officers	-	-
Due by firms/companies under the same management	-	-
Due from Related Parties		
- BSL Limited	27.81	235.50
- Maral Overseas Limited	44.83	27.76
- HEG Limited	4.56	-
	22,605.94	19,038.28

Trade receivable include amount due over 180 days is ₹437.19 lac (Previous year ₹98.02 lac)

NOTE 18 : CASH AND CASH EQUIVALENTS

(a) Balance with bank		
(i) Current accounts	46.73	76.64
(ii) Un-paid dividend account*	54.47	63.06
(iii) Margin money account	155.35	154.16
(b) Cheques, Drafts in hand	34.89	21.64
(c) Cash-in-hand	60.42	38.78
(d) Others	-	-
(e) Bank deposits with in 3 months maturity	8.15	2.00
	360.01	356.28

* Earmarked for specific use

NOTE 19 : SHORT- TERM LOANS & ADVANCES

A Loans & Advances (Unsecured considered good)		
(a) To related Parties		
(i) BSL Ltd	-	-
(ii) HEG Ltd.	-	-
(iii) Indo Canadian Consultancy Services Ltd.	399.89	158.93
(iv) Malana Power Co. Ltd.	6.34	0.07
(v) Bhilwara Energy Ltd	45.51	14.91
(vi) Maral Overseas Ltd.	11.00	-
(vii) LNJ Power Ventures Ltd	1.97	-
(b) To Directors	-	-
(c) To Officers	-	-
(d) To Director/Partners in Companies/Firms under the same management	-	-
(Unsecured considered doubtful)		
B Loans & Advances		
(a) To related Parties	-	-
(b) To Directors	-	-

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 19 : SHORT- TERM LOANS & ADVANCES

(₹ In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(c) To Officers	-	-
(d) To Director/Partners in company/firm under the same management	-	-
	464.71	173.91
Less: Provisions for doubtful advances	-	-
	464.71	173.91
C. Other Loans & Advances (Unsecured considered good)		
(a) Security Deposit	17.11	31.02
(b) Advance tax	278.53	351.41
(c) Advance against supply	1,638.73	2,132.56
(d) Others	684.89	471.54
	2,619.26	2,986.53
	3,083.97	3,160.44

NOTE 20 : OTHER CURRENT ASSETS

Duties, Claims and Other Receivables*	1,815.79	1,361.42
Subsidies Receivable	1,707.55	1,846.81
DEPB, DBK & Advance Licence Receivable	1,554.42	949.90
Export Growth Entitlement Receivable	392.41	192.32
SHIS Scheme Benefit Receivable (Refer note no.34)	1,624.07	-
Excise Rebate Claim Receivables	1,330.63	1,494.77
Interest receivable from trade debtors	255.24	210.83
Bank deposits above 3 months but within 12 months maturity	2.27	9.26
Assets Held for Sale (Refer note no.35)	1,088.63	-
	9,771.01	6,065.31

* Includes amount of insurance claim receivable from insurance company for fire in Denim & Rishabhdev unit ₹663 Lacs (previous Year NIL)

NOTE 21 : REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
(A) Sales		
Manufactured Goods		
Yarn	2,19,767.41	1,75,380.88
Fabric	37,043.69	32,033.04
Garment	295.55	138.71
Traded Goods		
Yarn	162.39	813.17
Fabric	2,117.47	1,413.77
Garment	83.54	75.81
(B) Services and job Processing Charges		
Job & processing charges	2,600.51	2,338.80
Other Services	-	-
(C) Export Incentive (Refer note no.34)	2,083.61	-
(D) Sale of Waste	3,239.23	3,010.01
	2,67,393.40	2,15,204.19

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 22 : OTHER INCOME

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Interest Income	671.32	752.44
(b) (i) Dividend from subsidiary companies	-	-
(ii) Dividend from others	50.39	50.17
(c) Net Gain/(Loss) on sale of investment	-	-
(d) Other non-operating income		
(i) Rent	742.18	715.26
(ii) Consultancy fees	23.34	18.03
(iii) Liability no longer required written back	381.80	95.37
(iv) Insurance and other claims received	49.86	32.74
(v) profit on sale of stores/raw material	-	-
(vi) Net profit/loss on sale of fixed assets	-	0.43
(vii) Miscellaneous Receipts	304.04	219.52
(e) Excess provision on specific liabilities and commitments written back	-	20.36
(f) Net gain/(Loss) on foreign currency translation & transaction (Other than considered as finance cost)	(25.01)	121.98
(g) Provision for Doubtful Loans & Advances Written Back	-	-
(h) Prior Period Income	-	-
	2,197.92	2,026.30

NOTE 23 : COST OF MATERIAL CONSUMED

(A) Raw Materials		
Opening Stock	15,045.55	32,555.95
Add: Purchses	1,67,249.41	1,28,050.18
	1,82,294.96	1,60,606.13
Less: Sales, Returns and Adjustments	4,772.19	3,711.15
	1,77,522.77	1,56,894.98
Less: Closing Stock	17,826.85	15,045.55
Raw Material Consumed	1,59,695.92	1,41,849.43
Raw Material Consumption under broad heads:		
(A) Synthetic Fibres		
Polyester	65,687.13	52,274.55
Viscose	24,858.10	27,950.08
Other	3,893.26	2,779.96
(B) Natural Fibre		
Cotton	52,693.30	45,199.14
Other	-	-
(C) Yarn		
Synthetic	4,136.58	8,090.99
Cotton	3,194.79	1,739.62
(D) Grey Fabric	424.81	223.45
(E) Coal	38.08	36.53
(F) Dyes & Chemicals	4,769.87	3,555.11
	1,59,695.92	1,41,849.43

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 24 : PURCHASES OF TRADED GOODS

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Fabric	2,042.91	849.29
Garment	60.16	62.12
Yarn	83.46	834.03
	2,186.53	1,745.44

NOTE 25 : CHANGE IN INVENTORY

CLOSING INVENTORY		
Finished Goods*	12,700.00	8,337.19
Waste	115.24	94.26
Stock in Process	8,114.90	6,934.54
	20,930.14	15,365.99
OPENING INVENTORY		
Finished Goods	8,384.96	7,178.65
Waste	94.26	38.28
Stock in Process	6,934.54	6,245.39
	15,413.76	13,462.32
Increase/(Decrease) in Inventory	5,516.38	1,903.67

*Net of stock used in trial run

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

(a) Salaries, Wages and Bonus	18,388.20	14,901.19
(b) Contribution to Provident, Gratuity and Other Funds (Refer note no.43)	2,934.73	2,289.35
(c) Expense on employee stock option scheme (ESOP) & Employee stock purchase plan (ESPP)	-	-
(d) Workmen and Staff Welfare	368.04	272.71
	21,690.97	17,463.25

NOTE 27 : FINANCE COST

(a) Interest Expenses*	12,670.85	11,161.53
(b) Other borrowing costs	167.60	187.85
(c) Bank charges	438.97	347.75
(d) Applicable net gain/loss on foreign currency translations & transactions	-	(7.72)
	13,277.42	11,689.41

* Interest Expenses recorded are net of Subsidy received/receivable under TUFS amounting to ₹3327.21 Lacs (Previous Year ₹3158.41 Lacs)

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSES

Tangible Assets	11,562.49	9,807.13
Intangible Assets	42.77	25.40
Total	11,605.26	9,832.53
Amortisation on Government Capital Grants	47.83	46.79
Excess Depreciation Written Back	17.11	0.34
	64.94	47.13
	11,540.32	9,785.40

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 29 : OTHER EXPENSES

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Manufacturing Expenses		
(a) Stores and Spare parts Consumed (Net of scrap sales ₹460.78 lac, Previous Year ₹418.25 lac)	5,784.18	4,935.10
(b) Power and Fuel	25,666.64	19,863.06
(c) Packing Expenses	3,471.97	2,738.47
(d) Processing and Job Charges	1,317.33	718.59
(e) Research and Development	128.36	105.56
(f) Repairs to Building	586.10	366.90
(g) Repairs to Machinery	1,211.64	895.97
(h) Repair & Maintenance (Other)	239.60	239.07
	38,405.82	29,862.72
B. Administrative Expenses		
(a) Rent	118.05	96.35
(b) Insurance (Net of Recovery ₹77.59 lac, Previous Year ₹121.55 lac)	288.35	243.84
(c) Rates and Taxes	113.60	99.71
(d) Lease Rent	20.33	35.11
(e) Directors' Remuneration and Fees	377.51	109.04
(f) Directors' Travelling	26.52	20.32
(g) Charity and Donations	13.95	-
(h) Payment to Auditors*		
As Auditors	36.40	35.84
For taxation matters	5.16	5.64
For Management services	8.91	8.50
For others	2.59	7.66
For reimbursement of exp.	9.78	8.47
(i) Other miscellaneous expenses	2,006.96	1,721.06
	3,028.11	2,391.54
*Payment to auditors during the year include Service Tax amounting to ₹4.05 Lac (Previous year ₹3.13 Lac)		
C. Selling Expenses		
(a) Commission	870.66	540.59
(b) Brokerage	182.80	144.79
(c) Incentives and Discounts	1,783.99	1,600.05
(d) Claims and Rebates	182.53	94.27
(e) Freight, Forwarding and Octroi	1,234.40	873.13
(f) Expenses on Export Sales:		
Ocean Freight	3,261.99	2,992.61
Commission	1,609.19	1,330.32
Others	553.69	448.07
(g) Advertisement	269.66	331.42

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

NOTE 29 : OTHER EXPENSES (CONTD.)

(₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
(h) Foreign Travelling Expenses	204.23	150.28
(i) Other Selling Expenses	642.68	569.05
	10,795.82	9,074.58
D. Other expenses		
(a) Net loss on Foreign currency transaction & translation (other than considered as finance cost)	(38.18)	97.29
(b) Bad debts and provision for doubtful debts & advances	45.55	64.41
(c) Provision for entry tax	43.35	60.74
(d) Net loss on sale/discarding of Fixed Assets	2,004.61	114.25
(e) profit on sale of stores/raw material	0.25	1.71
(f) Prior period expenses	2.02	1.72
	2,057.60	340.12
	54,287.35	41,668.96

OTHER NOTES ON ACCOUNTS

30. Jodhpur Bench of Hon'ble Rajasthan High Court, which had earlier in its interim order stayed payment of Entry Tax on the grounds of constitutional validity, has vide order dated January 21, 2011 modified its earlier order following the judgement dated January 12, 2011 of The Hon'ble Supreme Court of India in the case of Binani Cement Ltd's Special Leave Petition and directed the Company to pay 50% of the assessed Entry Tax and provide solvent guarantee for the balance assessed and non-assessed Tax and interest thereon till the date of payment. Accordingly, the Company has paid ₹380.18 Lacs against the entry tax payable up to 31st March, 2010, being 50% of assessed Entry Tax and provided solvent guarantee to the State Government for the balance amount. As on 31st March, 2013 the Company has accounted for provision of ₹1,022.50 lacs (Previous Year ₹985.54 Lacs) including interest of ₹414.77 lacs (Previous Year ₹344.08 lacs).
31. The depreciation on plant & machinery of Cheslind Textiles Limited has been provided at the rate applicable on "Continuous Process Plan" on year to year basis based on Technical Experts advise. As the depreciation being provided on the rates applicable for the triple shift operation, "The depreciation would have been higher by ₹262 Lacs (Previous Year ₹401 Lacs) Upto this year ₹3,089 lacs.
32. Under the Technology Up-gradation Fund Scheme (TUFS) established by Government of India for Textiles, the Company has incurred an expenditure of ₹1,31,133.57 lacs on various projects (Previous Year ₹1,27,296.79 Lacs). The interest subsidy accrued for the year under this scheme is ₹3,529.17 lacs (Previous Year ₹3,384.15 lacs), out of which ₹3,327.21 lac (Previous Year ₹3,158.41 lacs) has been credited to Statement of Profit and Loss net of interest subsidy capitalised. (Ref. Note 27 for details of Interest cost)
33. The capital subsidy under TUFS is accounted adopting Deferred Income Approach, and is recognised in Statement of Profit & Loss on a systematic and rational basis over useful life of the assets. A sum of ₹452.29 lacs till date of Financial Statements is therefore, considered as deferred income, out of which, a sum of ₹47.83 lacs (previous year ₹46.81) has been recognised against depreciation during the year (up to year ₹181.24 lacs).

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

34. Foreign Trade Policy 2009-2014 introduced Status Holder Incentive Scheme (SHIS), under which an Exporter is entitled for Scripts @1% of FOB Value of Exports. These Scripts can be used within 18 months of the date of Script, for payment of Import /Excise duties on capital goods and spare parts and are freely transferable .
- Due to inadequate Government Clarification/Notification on eligibility, The application for SHIS was delayed. Upon legal opinion received by the Company during the current year, these applications were made on 23rd August, 2012 & 17th September, 2012 for the year 2009-10 & 2010-11 respectively. Scripts for value of ₹487.41 lacs for the year 2009-2010 and for ₹731.61 lacs for the year 2010-2011 were allotted on 8th October, 2012 and 22nd October, 2012 respectively.
- Based on opinion obtained from an expert, the full value of SHIS Scripts received (₹487.41 lacs for the year 2009-10 & ₹731.61 lacs for the year 2010-11) and Scripts receivable (₹689.51 lacs for the year 2012-13), aggregating to ₹1,908.53 lacs have been accounted for as "Other Operating Revenue", by parent Company in current Financial Year upon ascertaining its probable use in the normal course of business and measurement with virtual certainty during the defined period, based on projects approved by the Board, on the date of approval of Balance Sheet.
- The SHIS issued during 2012 are valid for utilisation within next 12 months. Thus, the utilisation of such SHIS has been asserted by the Management to be done within the next 12 months, based on investment plans approved by the board and Investment Committee on the date of approval of Accounts. Such investments are scheduled to be executed within the next 12 months based on such projects as approved by the Board.
- On the same lines, Cheslind Textiles Limited has accounted for ₹158.22 lacs as Other Operating Income in the current financial year.
35. After commissioning of Thermal Power Plant at Banswara in 2007, HFO fuelled Wartsila power generators at various units were considered as standby. During the year, company also invested under Group Captive Scheme in a Special Purpose Vehicle (SPV) viz. LNJ Power Ventures Limited, which on 29th March, 2013 commissioned a 20 MW Wind Power Unit in Rajasthan. As per Power Purchase Agreement signed by the Company with SPV, 100% power generated by SPV starting 29th March, 2013 will be for use by company for 20 years at a fixed price. Considering very high cost of retention of Wartsila Power generators and uneconomical power generation, Company during the year decided to retire them from active use and sell Wartsila Power Generators at all locations, retaining only one at Denim Unit at Mayur Nagar as back-up for use in case of extreme emergency. Consequently Company also decided to sell spare parts and stores of these Wartsila Generators. Resultantly, ₹1,901.19 lac being difference of WDV and realisable value of these generators and ₹93.12 lac being difference of Book Value and realisable value of related spare parts and stores, have been charged to Statement of Profit and Loss. Realisable value of Wartsila Generators (₹1,068.46 Lac) and Spares and Stores (₹20.13 Lac) has been transferred to "ASSETS HELD FOR SALE" as on 31st March, 2013 and shown separately, pending disposal of these assets in Financial Year 2013-14 in terms of the Boards decision dated 1st May, 2013.
36. Dispute with Bank of Maharashtra over resetting rate of interest on Term Loan was decided by Banking Ombudsman, Rajasthan, RBI vide his award dated 24th February, 2012. The said award was only partially implemented by Bank of Maharashtra against which Company filed an appeal with Appellate Authority, Dy. Governor, RBI. The Appellate Authority remanded back the case to the Banking Ombudsman, Rajasthan; RBI, who in his revised award dated 16th July, 2012 upheld Company's contention and directed Bank of Maharashtra not to charge interest prospectively at the rate more than 11.75%. Bank of Maharashtra filed appeal against revised award of the Banking Ombudsman, Rajasthan, RBI. Upon submission of our reply to the issues raised by them, Bank of Maharashtra decided to withdraw its appeal and implement awards passed by Banking Ombudsman, Rajasthan, RBI. As a result, Company paid to Bank of Maharashtra outstanding interest amount of ₹45.82 lacs (₹42.53 lacs for previous year fully provided for and ₹3.27 lacs for current year) and closed loan account with the Bank.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

- 37 The Company has incurred expenditure on implementation of Spinning Projects at Kharigram and Denim Unit at Mordi, Banswara, which have been considered as Pre-operative Expenses and capitalised to the respective projects on completion. The details of these expenses are as under:-

(₹ in lac)				
Particulars	Opening Balance	Additions	Deductions	Closing Balance
Raw Material	-	532.97	532.97	-
Power & Fuel	48.45	156.40	204.85	-
Payment to and provision for Employees	137.68	88.47	226.15	-
Professional & Consultancy Charges	11.04	2.63	13.67	-
Interest & Financial Expenses	713.21	503.34	1,216.55	-
Misc. and Other Expenses	62.10	21.16	83.25	-
	972.48	1,304.97	2,277.44	-
Less: Recoveries/recoverable		(714.36)	(714.36)	-
TOTAL	972.48	590.61	1,563.08	-

38. The parent Company has adopted Accounting Standard AS-30 "Financial Instruments: Recognition and Measurement" and the gain/loss on account of change in effective portion of such forward contracts is taken into Hedging Reserve (₹44.93 Lacs as on 31/03/2013, previous year ₹163.09 lac) and loss ₹96.97 lac on ineffective portion of hedge is taken into Statement of Profit & Loss (₹121.98 Lacs, previous year Gain ₹96.97 lacs). For details, refer Note No. 49. However, Subsidiary Cheslind Textiles Limited has its export realisation through exchange derivative and hedge contract in the normal course of business so as to reduce the risk of exchange fluctuation. No foreign exchange derivative and hedge contracts are taken public used for Trading or speculative purpose. Pursuant to the announcement on "Accounting for Derivative issued by the Institute of Chartered Accountants of India on March 29, 2008 and as per the Accounting Policy, the Parent Company had accounted for these aggregating ₹20.85 lacs (Previous Year ₹6.51 lacs) during the current year, computed on mark to market basis on the foreign exchange derivative and hedge contract, outstanding as on 31st March, 2013.
39. The loans & advances, debtors and other current assets are reviewed annually and their value in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet as assessed by the Management. However, balance confirmation from parties is under process.
40. Response to the letter(s) sent by Company requesting confirmation of balances has been insignificant. Company notes that the Marketing and Accounting team has a system of periodical verification of balances and required adjustments are carried-on that basis regularly. In view of the above, management considered that impact of reconciliation, on receipt of balance confirmation would not be significant on the same.
41. In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate
42. The figures for the previous year have been regrouped and/or rearranged wherever found necessary to make these comparable with those of the current year.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

43 EMPLOYEE BENEFITS – AS - 15

The Parent company and the Subsidiary Company (Cheslind Textiles Limited) have complied with Accounting Standard 15 (Revised 2005) and the required Disclosures for Parent Company and Subsidiary Company are given hereunder:

A) PARENT COMPANY

(a) Defined Benefit Plans (Funded)

(I) Reconciliation of opening and closing balances of defined benefit obligation. (₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,402.10	556.47	2,069.89	525.72
(b) Current Service Cost	328.13	118.11	282.48	95.80
(c) Interest Cost	192.17	44.52	175.94	44.69
(d) Actuarial Gain/loss	255.06	1.39	81.65	(58.51)
(e) Benefits paid	(323.26)	(57.61)	(207.86)	(51.23)
(f) Settlement Cost	-	-	-	-
(g) Defined Benefits obligations at the year end	2,854.20	662.87	2,402.10	556.47

(ii) Reconciliation of opening and closing balances of fair value of plan assets (₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,005.82	522.46	1,644.89	460.47
(b) Expected Return on plan assets	200.58	41.80	164.49	28.20
(c) Actuarial Gain/loss	(6.10)	(0.15)	(18.22)	18.45
(d) Employer Contribution	396.28	34.01	422.52	66.58
(e) Benefits paid	(323.26)	(57.61)	(207.86)	(51.23)
(f) Fair Value of the plan assets at the year end	2,273.33	540.50	2,005.82	522.46

(iii) Reconciliation of fair value of obligation & assets (₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Present value of obligation as at 31st March, 2013	2,854.20	662.87	2,402.10	556.47
(b) Fair value of Plan Assets as at 31st March, 2013	2,273.33	540.50	2,005.82	522.46
(c) Amount Recognised in Balance Sheet (a-b)	580.87	122.37	396.28	34.01

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

43 EMPLOYEE BENEFITS – AS - 15 (CONTD.)

(iv) Expense recognised during the year

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Current Service Cost	328.13	118.11	282.48	95.80
(b) Interest Cost	192.17	44.52	175.94	44.69
(c) Expected return on plan assets	(200.58)	(41.80)	(164.49)	(28.20)
(d) Actuarial Gain/loss	261.16	1.54	99.88	(70.23)
(e) Others	-	-	-	-
Net Cost (a+b+c+d+e)	580.87	122.37	393.81	42.06

(v) Investment Details of Plan Assets

Name of Retirement Benefit	Name of Trust	Policy number	Investment with	Sharing of Investment
(1) Gratuity	Rajasthan Spinning Staff Gratuity fund trust	0000036	ICICI Prudential Life Insurance Co. Ltd.	100%
(2) Earned Leave		GLES 311308	LIC of India	100%

(vi) There is no amount included in the fair value of plan assets for the Company's own financial instruments and property occupied by or other assets used by the Company.

(vii) Principle Actuarial Assumptions at the Balance Sheet date:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Discount Rate	8%	8%	8.50%	8.50%
(b) Expected Rate of Return on plan assets	10%	8%	10%	8%
(c) Mortality Index used by the actuary	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)

The estimates of future salary increase considered in actuarial valuation, take account of :inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary. The estimate of contribution for the next year as per actuarial valuation is as under:

- (a) Gratuity ₹580.87 lacs
 (b) Earned leave ₹122.37 lacs

(viii)The overall expected return on assets is assumed based on the market prices prevailing on that date over the accounting period. The Company is having approved Gratuity Trust and Leave Encashment Scheme, which is having Insurer Managed Fund. The description of Insurance Policies are "ICICI Pru Group Gratuity Platinum Policy and Employees Leave Encashment-cum-life Assurance of Life Insurance Corporation Of India".

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

43 EMPLOYEE BENEFITS – AS - 15 (CONTD.)

(ix) Experience adjustment

(₹ In Lacs)

	31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010	
	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefit Obligation	2,854.20	662.87	2402.10	556.47	2,069.89	525.72	1,707.44	469.63
Plan Assets	2,273.33	540.50	2,005.82	522.46	1,645.03	460.47	1,507.41	386.39
Surplus/Deficit	(580.87)	(122.37)	(396.28)	(34.01)	(424.86)	(65.26)	(200.03)	(83.24)
Experience adjustment on plan assets	(6.10)	(0.15)	(18.22)	9.81	(107.83)	5.45	139.96	3.32
Experience adjustment on plan liabilities	(245.04)	1.39	(159.57)	56.30	(127.80)	26.49	(89.98)	5.73

B) SUBSIDIARY COMPANY (Cheslind Textiles Limited)

(a) Defined Benefit Plans (Funded/Unfunded)

(i) Reconciliation of opening and closing balances of defined benefit obligation.

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) At the beginning of the year	28.43	29.51	30.51	26.20
b) Current Service Cost	2.59	3.84	7.94	3.75
c) Interest Cost	1.16	1.21	3.75	2.11
d) Actuarial (Gain)/Loss	0.09	2.73	1.30	14.73
e) Benefits paid	(7.10)	(2.12)	(15.07)	(17.28)
f) Settlement Cost	-	-	-	-
g) On disposal of undertaking	-	-	-	-
h) Defined Benefits Obligation at year end	25.17	29.71	28.43	29.51

(ii) Reconciliation of opening and closing balances of fair value of plan assets

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) At beginning of the year	27.34	-	30.11	-
b) Expected Return on plan assets	1.09	-	3.61	-
c) Actuarial (Loss)/Gain	(1.09)	-	(1.30)	-
d) Employer Contributions	-	-	10.00	17.28
e) Benefits paid	(7.10)	-	(15.08)	(17.28)
f) Fair Value of the plan assets at the year end	20.23	-	27.34	-

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

43 EMPLOYEE BENEFITS – AS - 15 (CONTD.)

(iii) Reconciliation of fair value of obligation & assets

(₹ In Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) Present value of obligation as at the end of the year	27.33	29.71	28.43	29.51
b) Fair Value of plan assets as at the end of the year	20.23	-	27.33	-
c) Amount recognised in Balance Sheet (a-b)	7.10	29.71	1.10	29.51

(iv) Expense recognised during the year

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) Current Service Cost	2.59	3.84	7.94	3.75
b) Interest Cost	1.16	1.21	3.75	2.11
c) Expected return on plan assets	(1.09)	-	(3.61)	-
d) Actuarial (Gain)/Loss	1.18	2.73	2.61	14.73
e) Others	-	-	-	-
f) Net Cost (a+b-c+d+e)	3.84	2.32	10.69	20.59

(v) Investment Details of Plan Assets

Name of Retirement Benefit	Name of Trust	Policy number	Investment with	Sharing of Investment
1) Gratuity		520003	LIC of India	100%
2) Earned Leave	NA	NA	NA	NA

vi) There is no amount included in the fair value of plan assets for the Company's own financial instruments and property occupied by or other assets used by the Company.

(vii) Principle Actuarial Assumptions at the Balance Sheet date:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) Discount Rate	8.20%	8.20%	8.20%	8.20%
b) Expected Rate of Return on plan assets	8.00%	-	8.00%	-
c) Mortality Index used by the actuary	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)

* As the Books of Cheslind Textiles Limited were closed on 30th September, 2012, the valuation for 31st March, 2012 is not available, therefore previous year figures are of 30th September, 2012.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

(b) Defined contribution plans

The Company has recognised the following amount as an expense in statement of Profit & Loss and included in the Note No. 44 "Contribution to Provident and other Funds".

	(₹ In Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(i) Employer's Contribution to Provident Fund	1,174.97	1,010.96
(ii) Employer's Contribution to Superannuation	162.74	171.96

The Guidance Note on Implementation of AS-15 (Revised), "Employee Benefits" issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer needs to be treated as defined benefits plan. The Company set up Provident Fund does not have existing deficit of interest shortfall. With regard to future obligation arising due to interest shortfall (i.e. Government interest to be paid on the Provident Fund Scheme exceeding rate of interest earned on investment) pending issuance of the Guidance Note from Actuarial Society of India, Company actuary has expressed his inability to reliably measure the Provident Fund liability.

44 SEGMENT REPORTING – AS - 17

The Company's operations predominantly relates to manufacturing of Yarn and Fabric & Denim. On the basis of assessment of the risk and return differential in terms of AS-17, the Company has identified Yarn and Fabric & Denim as primary reportable business segments. Further the geographical segments have been considered as secondary segments and bifurcated into India, Europe, Middle East, America and Other Countries.

The accounting policy in respect of Segments is in conformity with the accounting policies of the enterprise as a whole. The inter segment transfers are accounted at the prevailing market prices charged to unaffiliated customers for similar goods. These transfers are eliminated in consolidation.

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other items i.e. extraordinary items, Loss /Profit on sale of investments and foreign currency transactions, corporate office expenses, etc. not allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the Total Income of the Company.

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

44 SEGMENT REPORTING – AS - 17 (CONTD.)

A. BUSINESS SEGMENTS

(₹ In Lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended 31st March, 2013	year ended 31st March, 2012	Year ended 31st March, 2013	year ended 31st March, 2012	Year ended 31st March, 2013	year ended 31st March, 2012	Year ended 31st March, 2013	year ended 31st March, 2012
Segment Revenue								
External Sales / Other Operating Income	2,17,512	1,79,600	48,818	35,464	(1)	67	2,66,330	2,15,131
Inter Segment Transfers	8,278	6,659	1	-	-	-	8,279	6,659
Gross Revenue	2,25,791	1,86,259	48,819	35,464	(1)	67	2,74,609	2,21,790
Segment Result Earning before Tax and Interest	17,652	3126	4,507	3236	-	-	22,159	4,687
Less: Interest (net)							(11,460)	(10,937)
Unallocable expenses (net of Income)							(44)	(916)
Unallocable income								(783)
Profit Before Tax							10,655	(6,383)
Less: Taxation							(3,324)	1036
Net profit for the year							7,331	(5,347)
Other Information								
Segment Assets	1,33,998	1,11,828	46,921	34,888	11,407	32,050	1,92,326	1,78,766
Segment Liabilities	21,548	18,442	7,364	5,659	3,114	138	32,026	24,239
Capital Employed	1,12,450	93,386	39,557	29,229	8,293	31,912	1,60,300	1,54,527
Capital Expenditure incurred during the year	5,170	22,374	3,639	9,215	76	50	8,885	31,639
Depreciation	7,844	7,501	2,882	2,147	119	137	10,845	9,785
Other Non Cash Expenses	-	-	-	-	-	-	-	-

* Includes Captive and Standby Power

B. GEOGRAPHICAL SEGMENT

Particulars		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
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Segments Revenue

Based on location of the customers	This Year	1,77,354	38,307	5,792	41,174	3703	2,66,330
	Previous Year	1,33,455	32,200	6,608	40,814	2054	2,15,131

Segment Assets

Based on location of the assets	This Year	1,87,674	900	772	2,836	144	1,92,326
	Previous Year	1,69,348	2,171	979	6,186	81	1,78,765

* Includes captive & Standby power

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

45. RELATED PARTY (2012-13) - CONSOLIDATED

(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).	None
(b) Associate	None
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	None
(d) Key Management Personnel and their relatives	1) Mr. L.N. Jhunjhunwala
	2) Mr. Ravi Jhunjhunwala
	3) Mr. Shekhar Agarwal
	4) Mr. Arun Churiwal
	5) Mr. J.C.Laddha

(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

SN	Company's Name	SN	Company's Name
01.	Aadi Marketing Co. Pvt. Ltd	21.	Jyoti Knits Pvt. Ltd.
02.	AD Hydro Power Ltd.	22.	Kalati Holdings Private Ltd.
03.	Agarwal Finestate Pvt. Ltd.	23.	LNJ Financial Services Ltd.
04.	Agarwal Trademart Pvt. Ltd	24.	Malana Power Company Ltd.
05.	Apeksha Vyapaar Pvt. Ltd	25.	Maral Overseas Ltd.
06.	Bhilwara Energy Limited	26.	Mayur Knits Pvt. Ltd
07.	Bhilwara Services Pvt. Ltd	27.	Maheshwari Vastra Bhandar
08.	Bhilwara Technical Textiles Ltd	28.	Mandapam Vikas Pvt. Ltd.
09.	BMD Power Pvt. Ltd	29.	Mandawa Niyojan Pvt. Ltd
10.	BMD Private Ltd.	30.	Nikita Electrotrades Pvt. Ltd
11.	BMD Renewable Energy Pvt. Ltd	31.	Nivedan Vanijya Niyojan Limited
12.	BSL Ltd.	32.	Prapti Apparels Company Pvt. Ltd.
13.	Churiwala Properties & Investments Pvt. Ltd	33.	PRC Niyojan Pvt. Ltd
14.	Diplomat Leasing & Finance Pvt. Ltd.	34.	Purvi Vanijya Niyojan Ltd
15.	Essay Marketing Co. Ltd.	35.	Raghav Commercial Ltd.
16.	Giltedged India Securities Ltd.	36.	Raghav Knits & Textiles Private Ltd.
17.	HEG Limited	37.	Shashi Commercial Co. Ltd.
18.	India Texfab Marketing Limited	38.	Sudiva Spinners Private Ltd.
19.	Indo Canadian Consultancy Services Ltd	39.	Ultramarine Impex Pvt. Ltd.
20.	Investors India Ltd.	40.	Veronia Tie-up Pvt. Ltd

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

45. RELATED PARTY (2012-13) - CONSOLIDATED (CONTD.)

f) Transaction with Related Parties

The following transactions were carried out with the related parties in the ordinary course of business

	2012-13	2011-12
		(₹ In Lacs)
I) For the parties referred to in item (a) above.	-	-
II) For the person referred to in item (b) above.	-	-
III) For the person referred to in item (c) above.	-	-
IV) For the persons referred to in item (d) above		
Remuneration and other perquisites	363.10	94.09
Directors Sitting fees	4.00	4.00
V) For the parties referred in (e) above		
Sale of Finished Goods	1,625.64	2,295.11
Sale of Raw Material	58.01	105.71
Purchase of Finished Goods & Raw Material	1,017.07	1,839.54
Sale of Stores & Consumable	1.35	4.51
Purchase of Store & Consumable	3.73	8.57
Rent received	530.59	502.19
Rent Paid	59.04	68.56
Reimbursement received of revenue expenditure	458.37	591.43
Reimbursement made of revenue expenditure	45.79	91.86
Job charges received	91.42	97.64
Job charges paid	74.04	47.69
Management Consultancy Charges	26.22	33.09
Commission received on IEX power	16.75	8.51
Interest Received	3.13	4.47
Sale of Export Licenses –DEPB, SHIS etc	10.87	-
Visiting Expenses paid	0.16	-
Advance against investment in rights issue of Bhilwara Energy Limited	700.00	-
Trade Receivable	87.49	262.49
Other Receivable	451.71	173.84
Trade Payable	-	264.25

46. LEASES - AS - 19

OPERATING LEASES

The Company has taken cars on operating lease, which are non-cancelable for tenure of four years. The minimum rental payables under Operating Leases are as under: -

	This Year	Previous Year
		(₹ In Lacs)
Lease rental charges for the year	-	37.17
Future Lease rental obligation payable		
- Not later than one year	-	26.08
- Later than one year and not later than five years	-	-

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

47. EARNINGS PER SHARE- AS – 20

The basic and diluted Earnings Per Share (EPS) have been calculated by dividing Net Profit for the year attributable to equity shareholders by the weighted average number of Equity Shares as per AS 20 are as under: -

Particulars	Unit	This Year	Previous Year
I) Calculation of Basic EPS			
a) Net Profit after Minority Interest, Earning in Joint Ventures, Associates & Tax	₹ In lac	7,170.50	(4,271.82)
b) Dividend on OCPS/Redeemable Preference Share including tax	₹ In lac	(0.86)	-
c) Net Profit available to Equity Share (a-b)	₹ In lac	7,169.64	(4,271.82)
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic Earning per share	Rupees	30.97	(18.45)
II) Calculation of Diluted EPS			
a) Warrants & OCPS/Redeemable Preference Shares	₹ In lac	-	-
b) Payment Received	₹ In lac	-	-
c) Diluted potential equity shares	Nos.	-	-
d) Total number of diluted weighted average shares	Nos.	2,31,48,689	2,31,48,689
e) Diluted earning per share	Rupees	30.97	(18.45)

48. CONTINGENT LIABILITIES AND COMMITMENTS (AS 29):

(₹ In Lacs)

S. No	PARTICULARS	31st March, 2013	31st March, 2012
A.	CONTINGENT LIABILITY NOT PROVIDED FOR :		
(a)	Claims against the Company not acknowledged as debt	44.93	44.93
(b)	Guarantees		
(i)	Default deferred payment guarantee to Exim Bank. ICICI, IDBI, Canara Bank, SBI and SBOM for securing loan given to Cheslind Textile Ltd. Outstanding Loan { Maximum amount for which company may be liable during next 12 Months – ₹12.44 lacs}	848.92	816.31
(ii)	Guarantee in favour of International Finance Corporation with M/s. HEG Ltd on joint and several basis on behalf of M/s A. D. Hydro power Limited.	600.00	600.00
(iii)	Guarantee by ICICI Bank Ltd to LNJ Power Venture Ltd	1,000.00	-
(iv)	Bills discounted with banks	15,244.98	12,318.34
(c)	Other money for which the Company is contingently liable.		
(i)	Excise & Customs Duties, Sales tax and Other demands disputed by the Company	556.67	418.22
(ii)	Future Export Obligation Against EPCG	1,883.00	10,997.00
B.	COMMITMENTS OUTSTANDING :		
(i)	Estimated Value of contracts remaining to be executed on capital Accounts and not provided for	11,604.68	9,797.46
(ii)	Commitment to buy 350 lac unit per year at a fixed rate of ₹5.75 per unit for 20 years		
(a)	Current Commitment (for next 12 Months)	2,013.00	-
(b)	Non-current commitment (for next 19 years)	32,238.00	-
(iii)	Against issue of 3200 Compulsorily Convertible Debentures @ ₹1.00 lac each of LNJ Power Venture Ltd	526.00	-
(iv)	Commitment to subscribe 13,22,782 Right shares @ ₹139.30 each of BEL Limited (₹700 lacs partly paid, Ref. Note No.13).	1,143.00	-

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

48. CONTINGENT LIABILITIES AND COMMITMENTS (AS 29) (CONTD.)

- C. The Rajasthan Government had imposed surcharge on shortfall in meeting Renewable Energy Obligation on the power produced from Captive Power Plants vide their Notification dated 23rd March, 2007 and amended later on 24th May, 2011, which was stayed by Hon'ble High Court of Rajasthan. In its Judgement dated 31st August, 2012, Hon'ble High Court of Rajasthan upheld the validity of the aforesaid Notification and amended Notification issued thereafter. The Company has filed a SLP in the Hon'ble Supreme Court through Rajasthan Textile Mills Association (RTMA) against aforesaid Judgment of Hon'ble High Court of Rajasthan which has been accepted.

On the basis of the legal opinion obtained by the Company, the said Notification and amended Notification to date on RE Surcharge are violative of the Article 19 (1) (g) of the Constitution so far as these relates to Captive Power Plants. The Management does not foresee any possible liability on this account and hence provision of liability to date ₹3,138.27 lacs (Previous Year ₹2,920.83 lacs) as per original Notification has been made. ₹735.79 lacs as per amended Notification has not been made in the books of accounts as no demand has, so far, been raised on account of these dues by Government. The Management does not foresee any liability in future in view of Commissioning of 20 MW Wind Power Unit set-up under the Group Captive Scheme by its Associate Company "LNJ Power Venture Ltd", power from which will be solely used by the Company together with the aforementioned legal opinions.

- D. There is no other present obligations requiring provisions, in accordance with the guiding principals as enunciated in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities & Contingent Assets" other than provided in the books of accounts

49. HEDGE ACCOUNTING - AS – 32

- (a) The Company hedges its realisations on export sales and import obligation for Capital Assets/Raw Material through Foreign Exchange Derivative & Hedge Contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No Foreign Exchange Derivative & Hedge Contracts are taken /used for trading or speculative purpose.
- (b) The Company has following gross derivatives exposure outstanding as at 31st March, 2013 which have been designated as cash flow hedge to its exposure to movements in foreign exchange rates:

Fair value of gross derivatives exposure outstanding as on 31st March, 2013

S. No.	Particulars	Type of Hedge	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
			Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)	Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)
1	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	193.02	10,657.00	234.60	12,089.05
	-EUR/INR forward contracts	Cash Flow Hedge	8.01	593.00	22.85	1,534.68
	1(b) Buy					
	-USD/INR forward contracts	Cash Flow Hedge	5.96	328.00	12.74	647.98
	-EUR/INR forward contracts	Cash Flow Hedge	6.09	437.00	-	-
2	Cross Currency Forwards					
	-EUR/USD forward contracts	Cash Flow Hedge	-	-	8.00	572.51
3	Options	Not Applicable	-	-	-	-
	Total			12,014.05		14,844.22

- (c) The periods during which the cash flows from the cash flow hedges outstanding as at 31st March, 2013 are expected to occur and affect the Statement of Profit and Loss are disclosed as under:

Periods during which cash flow hedges outstanding as at 31st March, 2013 are expected to occur and affect the Statement of Profit and Loss

S. No.	Period During Which Cash Flows Are Expected To Occur And Affect Profit And Loss	Fair value in booking currency (in lacs)			
		Buy - USD/INR	Buy - EUR/INR	Sell - USD/INR	Sell - EUR/USD
1	Quarter ending June 30, 2013	272.00	325.16	7,364.90	23.29
2	Quarter ending September 30, 2013	56.00	111.47	3,010.56	569.42
3	Quarter ending December 31, 2013	-	-	281.00	-
	Total	328.00	436.62	10,657.00	592.72

Notes to the Consolidated Financial statements

Notes annexed to and forming part of the accounts (contd.)

49. HEDGE ACCOUNTING - AS – 32 (CONTD.)

- (d) The movement in hedging reserve during the year ended 31st March, 2013 for derivatives designated as cash flow hedge is as follows: (₹ In Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Balance at the beginning of the year	163.09	-
Additions on account of Changes in the fair value of effective portion cash flow hedge		
-For transactions of expected sales in foreign currency	(102.83)	(145.22)
-For transactions of import of goods in foreign currency	(15.33)	(17.87)
Amount removed from hedge reserve and included in initial cost of a fixed asset/ long term liability, whose acquisition or incurrence was a highly probable forecasted transaction	-	-
Amount transferred to Statement of Profit and Loss	-	-
Balance at the end of the year	(44.94)	(163.09)

- (e) During the year there are no forecasted transactions for which hedge accounting had been used in the previous periods, but which is no longer expected to occur.
- (f) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under:

S. No.	Particulars	Currency	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
			Amount in (FC)	Amount in (FC)	Amount in (₹)	Amount in (₹)
(a)	Secured Loans	USD	-	2.36	-	120.08
(b)	Trade receivables	USD	35.33	15.70	1,917.71	798.66
		EURO	2.39	-	166.05	-
		GBP	1.37	-	112.48	-
(c)	Commission payable	USD	9.76	10.09	529.87	513.38
		EURO	0.28	0.14	19.18	9.51
		GBP	-	0.01	-	0.82
(d)	Advance from Customer	USD	5.33	20.76	289.58	1,056.27
		EURO	0.01	1.57	0.70	106.62
		GBP	-	0.06	-	5.33
(e)	Creditors	USD	0.64	-	34.75	-
		EURO	1.33	0.34	92.73	21.56
		CHF	0.03	-	1.63	-

FOR S. BHARGAVA ASSOCIATES

Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA

Partner
Membership No.70964

Place: Noida

Date: May 1, 2013

FOR A.L.CHECHANI & CO.

Chartered Accountants
Firm Regn.No.005341C

Per SUNIL SURANA

Partner
Membership No.36093

Ravi Jhunjunwala

Chairman (DIN-00060972)

Arun Churiwal

Managing Director & CEO (DIN-00001718)

J.C. Laddha

Executive Director (DIN-00118527)

B. M. Sharma

Chief Financial Officer

Surender Gupta

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March , 2013

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	10,654.63	(6,382.90)
Add: Depreciation and Amortisation	11,540.32	9,785.40
Dividend received	(50.39)	(50.17)
Interest cost	13,277.42	11,689.41
Exchange Fluctuation	(13.17)	(24.69)
Profit/ Loss on sale of Fixed Assets	2,004.61	113.82
Provision for Bad & Doubtful Debts	33.36	64.41
Provision for Diminuation in Value of Invest	-	(20.36)
Provision for Entry Tax	43.35	60.74
Liabilities no longer required w/back	(381.80)	(95.37)
Operating Profit Before Working Capital Changes	37,108.33	15,140.29
Inventories	(8,480.98)	14,679.35
Trade Receivables (Current & Non Current)	(3,601.02)	2,119.97
Loans and Advances (Current & Non Current)	896.81	(129.21)
Other Assets (Current & Non Current)	(3,194.80)	2,314.45
Trade payables (Current & Non Current)	1,806.02	(3,462.85)
Other Liabilities (Current & Non Current)	465.59	79.70
Cash Generated from operations	24,999.95	30,741.70
Direct Taxes	(1,993.09)	-
Extraordinary item	-	-
Net cash from operating activities	23,006.86	30,741.70
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(9,456.20)	(31,639.24)
Sales of Fixed Assets	324.11	155.16
Proceeds from /Sale of Investments (Shares)	-	20.36
Investment in Shares / Debentures	(3,462.10)	(266.70)
Dividend received	50.39	50.17
Net cash used in investing activities	(12,543.80)	(31,680.25)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	3,062.28	32,149.39
Repayment of Long Term Borrowings	(10,205.20)	(10,884.00)
Increase/Decrease in Short Term Borrowings	9,345.75	(7,797.35)
TUFS Capital Subsidy	19.16	-
Exchange Fluctuation	13.17	24.69
Dividend/Interim Dividend paid	-	(1,345.19)
Interest cost	(13,277.42)	(11,689.41)
Equity investment by minority	582.93	-
Net cash from financing activities	(10,459.33)	458.13
Net Increase in Cash and Cash equivalents	3.73	(480.42)
Opening Cash and Cash equivalents	356.28	836.70
Closing Cash and Cash equivalents	360.01	356.28

FOR S. BHARGAVA ASSOCIATES

Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA

Partner
Membership No.70964

Place: Noida

Date: May 1, 2013

FOR A.L.CHECHANI & CO.

Chartered Accountants
Firm Regn.No.005341C

Per SUNIL SURANA

Partner
Membership No.36093

Ravi Jhunjunwala

Chairman (DIN-00060972)

Arun Churiwal

Managing Director & CEO (DIN-00001718)

J.C. Laddha

Executive Director (DIN-00118527)

B. M. Sharma

Chief Financial Officer

Surender Gupta

Company Secretary

FINANCIAL INDICATORS

(₹ in crore)

S. No.	Description	2007-08	2008-09	2009-10	Revised Schedule VI		
					2010-11	2011-12	2012-13
1	Gross Turnover	1,173.83	1,302.24	1,538.49	1,962.16	2,000.15	2,471.04
2	Net Turnover	1,167.83	1,292.55	1,530.76	1,950.59	1,987.00	2,453.29
1	PBIDT	121.55	76.97	192.88	340.11	160.99	331.17
2	Interest	43.75	67.99	56.73	78.74	104.04	121.29
2	PBDT	77.80	8.98	136.15	261.37	56.95	209.88
3	Depreciation (Net)	66.39	72.67	87.64	80.15	89.10	108.45
3	Surplus Depreciation Written Back						
4	(Loss) on disposal of Garment Business	(10.30)					
5	(Loss) from foreign Exchange Fluctuations	0.31	(31.64)				
7	P B T	1.42	(95.33)	48.51	181.22	(32.15)	101.43
8	TAX	1.15	(31.48)	12.48	58.26	(10.36)	33.56
9	PAT	0.27	(63.85)	36.03	122.96	(21.79)	67.87
1	EPS (IN ₹)	0.12	(28.01)	14.68	53.08	(9.41)	29.32
2	Equity	23.15	23.15	23.15	23.15	23.15	23.15
1	Total Capital Employed	1,419.76	1,312.40	1,284.55	1,661.17	1,733.21	1,850.46
2	Net Worth	311.55	227.30	234.23	310.78	286.90	328.57
3	Deferred Tax Liability (DTL)	47.86	15.46	17.92	41.78	35.27	48.57
4	Net Worth and DTL	359.41	242.76	252.15	352.56	322.17	377.14
5	Long Term Loans	818.76	845.39	782.17	592.21	815.18	711.42
6	Working Capital Loans	241.53	223.30	248.43	437.98	376.09	466.63
7	Unsecured Loans	0.06	0.95	1.79	2.11	1.70	1.23
8	Total Borrowings(5+6+7)	1,060.35	1,069.64	1,032.39	1,032.30	1,192.97	1,179.28
9	Fixed Assets (Net)	910.53	866.03	802.07	807.44	1,030.84	976.95
10	Investments	73.59	64.44	60.15	60.15	60.27	110.67
1	Operating Profit Margin %	10.41	5.95	12.60	17.44	8.10	13.50
2	Return on Capital Employed %(PBIT/ Capital Emp.)	3.89	0.33	8.19	15.65	4.15	12.04
3	Return on Sales % (PAT/ Turnover)	0.02	(4.94)	2.35	6.30	(1.10)	2.77
4	Return on Net Worth %	0.09	(28.09)	15.38	39.56	(7.59)	20.66
5	Debt Equity Ratio	2.63	3.72	3.35	1.91	2.85	2.17
6	Interest Cover Ratio	2.78	1.13	3.40	4.32	1.55	2.73
7	Fixed Assets Cover Ratio	1.11	1.02	1.03	1.36	1.26	1.37

**Success is a journey
not a destination.**

– Ben Sweetland

CORPORATE INFORMATION

BOARD OF DIRECTORS

L. N. Jhunjhunwala	<i>Chairman-Emeritus</i>
Ravi Jhunjhunwala	<i>Chairman</i>
Shekhar Agarwal	<i>Vice Chairman</i>
Arun Churiwal	<i>Managing Director & CEO</i>
Riju Jhunjhunwala	<i>Joint Managing Director</i>
Kamal Gupta	<i>Director</i>
D. N. Davar	<i>Director</i>
Sushil Jhunjhunwala	<i>Director</i>
A. N. Choudhary	<i>Director</i>
T. G. Regunathan	<i>Director (Nominee, EXIM Bank)</i>
J. C. Laddha	<i>Executive Director</i>

KEY EXECUTIVES

Corporate Office

Prakash Maheshwari	<i>Chief Executive (Corporate Management Services)</i>
B. M. Sharma	<i>Chief Financial Officer</i>
T. Dev Joshi	<i>President (Corporate HR & OD)</i>
M. L. Jhunjhunwala	<i>President, Mumbai</i>

Business Heads

J. C. Laddha	<i>Chief Executive (Yarn & TPP)</i>
S. C. Garg	<i>Chief Executive (Melange yarn)</i>
Y. C. Gupta	<i>Chief Executive (Denim)</i>
Nirmal Jain	<i>Chief Executive (Fabric)</i>

COMPANY SECRETARY

Surender Gupta

AUDITORS

S. Bhargava Associates
A. L. Chechani & Co.

BANKERS

State Bank of Bikaner & Jaipur
AXIS Bank Ltd.
Bank of Baroda
Central Bank of India
Dena Bank
Export-Import Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Mysore
UCO Bank
Union Bank of India

REGISTERED OFFICE

Kharigram, P.O. Gulabpura – 311 021
Distt. Bhilwara (Rajasthan)

CORPORATE OFFICE

Bhilwara Towers, A-12, Sector – 1,
Noida – 201 301, U.P.

PLANT LOCATIONS

- Kharigram, P.O. Gulabpura – 311 021
Distt. Bhilwara, Rajasthan
- LNJ Nagar, Mordi, P.O. Banswara – 327 001, Rajasthan
(Denim, Fabric & TPP)
- Mayur Nagar, Lodha, P.O. Banswara - 327 001, Rajasthan
- Mandpam, Bhilwara – 311 001, Rajasthan
- Rishabhdev – 313 802, Distt. Udaipur, Rajasthan
- Ringas – 332404, Distt. Sikar, Rajasthan



RSWM LIMITED

Regd. Office: Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan)

NOTICE

Notice is hereby given that the Fifty-Second Annual General Meeting of the members of the Company will be held on Thursday the 19th day of September, 2013 at 12:30 P.M. at the Registered Office of the Company at Kharigram, P.O. Gulabpura -311 021, District Bhilwara, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2013 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To declare the Dividend on Equity Shares.
3. To appoint a Director in place of Shri Ravi Jhunjunwala, who retires by rotation and being eligible, offers himself for reappointment
4. To appoint a Director in place of Shri Arun Churiwal, who retires by rotation and being eligible, offers himself for reappointment
5. To appoint a Director in place of Dr. Kamal Gupta, who retires by rotation and being eligible, offers himself for reappointment
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the consent of the members of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creation of such mortgage(s) and charges in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on the assets of the Company, both present and future and the whole of the undertaking of the Company and/ or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of:

- State Bank of Bikaner and Jaipur (SBBJ) in connection with Term Loan of ₹ 11.25 crore and ₹ 9.50 crore under Technology Upgradation Fund Scheme (TUFS).
- Union Bank of India (UBI) in connection with Term Loan of ₹ 26.74 crore and ₹ 8.62 crore in order to replace high cost debts of Axis Bank Limited.
- Bank of Baroda (BOB) in connection with Term Loan of ₹ 12.00 crore under Technology Upgradation Fund Scheme (TUFS).

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to SBBJ, UBI and BOB under the Loan Agreements entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with SBBJ, UBI and BOB the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution.”

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
“RESOLVED THAT the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation of Second Charge subject to the First Charge of the Term Lenders on all the immovable and movable properties of the Company, wheresoever situated, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of :
 - The consortium Banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Axis Bank Ltd., Union Bank of India and ICICI Bank Ltd. for granting to the Company Working Capital Facilities to the extent of ₹ 776.00 crore (Rupees Seven Hundred and Seventy Six crore only) or to any enhancements in the limits in future from time to time.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lenders the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

9. To consider and if deem fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner set out below:
The following para be added at the end of the existing Article 110.
"For the purpose of conducting of Board Meeting or that of any Committee of the Board and for the purpose of quorum of such meetings participation of Directors through video conferencing or tele conferencing or through any other electronic or other media shall also be considered as valid as permitted by applicable laws from time to time."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-
"RESOLVED THAT Shri Riju Jhunjunwala who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, and Article 92 of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of ₹ 500/- (Rupees five hundred only) u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Riju Jhunjunwala for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."
11. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:-
"RESOLVED THAT Shri P. S. Dasgupta, who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, and Article 92 of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of ₹ 500/- (Rupees five hundred only) u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Shri P. S. Dasgupta for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."
12. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION
"RESOLVED THAT
a) pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII and subject to such approvals as may be necessary, approval of the members be and is hereby accorded to the reappointment of Shri J.C. Laddha as Executive Director of the Company with effect from the 1st January, 2013 for a period of two years on the remuneration as set out in the Explanatory Statement annexed hereto.
b) The Board of Directors of the Company be and is hereby also authorised to :
i) Agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to Shri J.C. Laddha.
ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."
13. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION
"RESOLVED THAT
a) pursuant to the provisions of Sections 198, 269, 309, 316 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII and subject to such approvals as may be necessary, approval of the members be and is hereby accorded to the appointment of Shri Riju Jhunjunwala as Joint Managing Director of the Company, with effect from the 1st May, 2013 for a period of three years on the remuneration as set out in the Explanatory Statement annexed hereto.
b) The Board of Directors of the Company be and is hereby also authorised to :
i) Agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to Shri Riju Jhunjunwala.
ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."

By Order of the Board
For RSWM LIMITED

Surender Gupta
Company Secretary

Place: Noida
Date : 24th July, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under item Nos. 7, 8, 9, 10, 11, 12 & 13 and relevant details in respect of item Nos. 3, 4, 5, 9, 10, 11, 12 & 13 pursuant to clause 49 of the Listing Agreement are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 10th September, 2013 to Thursday, the 19th September, 2013 (both days inclusive).
4. Members are requested to:
 - (i) Quote their Folio number/client ID in all correspondence with the Company.
 - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account such as Client ID and DPID numbers for identification.
6. Members seeking any information/clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the registered office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/clarification ready.
7. In accordance with the provisions of Section 205A of the Companies Act, 1956, the dividend remaining unpaid/unclaimed for 7 years is required to be transferred to the Investor Education and Protection Fund. Accordingly, the share holders who have not encashed the dividend warrants so far for the financial year ended the 31st March, 2006 and subsequent financial years are requested to make their claims to the Company.

Members may please note that the unclaimed dividends prior to year 2005-2006 have already been transferred to appropriate authorities.
8. Members holding shares in physical form are requested to furnish their email ID through e-mail at **rswm.investor@lnjbhilwara.com** and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual report etc. through e-mail. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.
9. The Annual Report of the Company will also be available on the website of the Company, **www.rswm.in**. Documents in physical form shall be sent to members upon request.
10. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
11. In case of transfer of Shares in physical form, transferee is requested to furnish a copy of the PAN card to the Registrar & Transfer Agent for registration of transfer of shares.

ANNEXURES TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.7

The Company had approached State Bank of Bikaner & Jaipur (SBBJ) for financial assistances in the form of Rupee Term Loans of ₹ 11.25 crore and ₹ 9.50 crore under Technology Upgradation Fund Scheme (TUFS) for installation of Effluent Treatment Plants of the Company and for the expansion in its existing unit at Mandpam respectively, Union Bank of India to replace high cost debts of ₹ 26.74 crore and ₹ 8.62 crore of Axis bank and also from Bank of Baroda for ₹ 12.00 crore for installation of equipment for replacement, value addition and balancing of production at different units. The referred financial assistances from the lenders are to be secured by mortgage/charge of the assets of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter-alia that the Board of Directors of the Company shall not, without the consent of members of the Company in general meeting sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking. Since the mortgaging by the Company of its immovable and moveable properties as aforesaid in favour of SBBJ, UBI and BOB may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copies of sanction letters received from the lender and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the resolution for approval.

None of the Directors is concerned or interested in the resolution.

ITEM NO. 8

The Company is availing working capital facilities from the consortium of banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Axis Bank Ltd., Union Bank of India and ICICI Bank Ltd. to the extent of ₹ 776.00 crore (Rupees Seven Hundred and Seventy Six crore only).

Section 293(1)(a) of the Companies Act, 1956, provides inter-alia that the Board of Directors of the Company shall not, without the consent of members of the Company in general meeting sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking. Since the creation of second charge by the Company on its fixed assets may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copies of sanction letters received from these Banks and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the resolution for approval.

None of the Directors is concerned or interested in the resolution except Shri T.G. Regunathan, who being nominee of Export-Import Bank of India, may be deemed to be interested to the extent of working capital facilities granted by Export-Import Bank of India.

ITEM NO. 9

As per the Articles of Association of the Company, the Board shall meet together at least once in every three months so that at least four such meetings shall be held in every year for the dispatch of business and may adjourn and otherwise regulate its meeting and proceeding as it thinks fit. The Ministry of Corporate Affairs, Government of India, vide its circular no. 28/2011 dated the 20th May 2011, allowed participation by Directors in the Board /Committee meetings through electronic mode through Video-conferencing. Although the Article of Association of the Company do not restrict the conduct of meeting through electronic means, it is considered advisable to amend the Article of Association of the Company in the proper perspective. To incorporate this in the Articles, your Directors recommend amending Article no. 110 carrying the matter as mentioned in the notice. As per provisions of the Companies Act, 1956, Articles may be altered with the approval of shareholders by way of special resolution.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is any way concerned or interested in the said resolution.

ITEM NO. 10

Shri Riju Jhunjunwala was co-opted as an Additional Director of the Company with effect from the 1st May, 2013 and he ceases to hold office from the date of Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. Notice under Section 257 of the Companies Act, 1956 has been received along with a security deposit of ₹ 500/- (Rupees five hundred only) from a member of the Company signifying his intention to move the resolution as set out in Item No. 10 of this notice.

Your Directors recommend the resolution for approval.

None of the Directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala are interested in this resolution.

ITEM NO. 11

Shri P. S. Dasgupta was co-opted as an Additional Director of the Company with effect from the 24th July, 2013 and he ceases to hold office from the date of Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. Notice under Section 257 of the Companies Act, 1956 has been received along with a security deposit of ₹ 500/- (Rupees five hundred only) from a member of the Company signifying his intention to move the resolution as set out in Item No. 11 of this notice.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Shri P. S. Dasgupta is concerned or interested in this resolution.

ITEM NO.12

The term of appointment of Shri J.C. Laddha, as Executive Director expired on the 31st December, 2012. The Board of Directors in their meeting held on the 26th October, 2012 have reappointed Shri J.C. Laddha as Executive Director for a further period of two years commencing from the 1st January, 2013 in accordance with the Companies Act, 1956 and Schedule XIII thereto. The terms of remuneration have also been approved by the Remuneration Committee of the Board of Directors as per the requirement of the Companies Act, 1956 read with Schedule XIII. The terms and conditions of his appointment are as under:

1. Salary : ₹ 4,00,000/- per month with annual increase of ₹ 50,000/- per month
2. Commission : Upto 0.75% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.
3. Personal Pay : ₹ 1,80,500/- per month.
4. Perquisites : In addition to the salary, commission and personal pay, Shri J. C. Laddha shall be entitled to the following perquisites:

Category 'A'

i) Housing :

- a) The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the salary, over and above 10% payable by him, or
- b) In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
- c) In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling laid down in (a) above shall be paid.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per Income Tax Rules, 1962 and shall be subject to a ceiling of 10% of the salary.

ii) Medical Reimbursement:

Expenditure incurred for the Executive Director and his family, subject to a ceiling of salary in a year or two months salary over a period of two years.

iii) Leave Travel Concession:

For the self and family once in a year incurred in accordance with the rules specified by the Company.

iv) Club fees:

Fees for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.

v) Personal Accident Insurance:

Of an amount, the annual premium of which not to exceed ₹10,000/-.

For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

i) Provident Fund:

Company's contribution to Provident Fund shall be as per the scheme of the Company.

ii) Superannuation/Annuity Funds:

Company's contribution to Superannuation /Annuity fund shall be in accordance with the scheme of the Company.

iii) Gratuity:

Payable as per the rules of the Company.

Category 'C'

i) Car:

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

ii) Telephone:

Telephone at residence. Personal long distance calls shall be billed by the Company.

Minimum Remuneration

Notwithstanding anything to the contrary hereinabove contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Executive Director by way of salary, personal pay, perquisites and allowances not exceeding the sum specified in Para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956.

Information pursuant to para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956 is enclosed as **Annexure-A**.

The reappointment of Shri J. C. Laddha as Executive Director of the Company and payment of remuneration to him requires the approval by the Company in general meeting by special resolution in accordance with the relevant provisions of the Companies Act, 1956 read with Para 1(B) of Section II of Part II of the Schedule XIII to the said Act. The Resolution set out in the notice at Item no. 12 is intended for this purpose.

None of the Directors except Shri J. C. Laddha himself is concerned or interested in this resolution.

ITEM NO. 13

The Board of Directors of the Company in their meeting held on the 1st May, 2013, appointed Shri Riju Jhunjhunwala as Joint Managing Director commencing from the 1st May, 2013. Further, the Board of directors at its meeting held on the 24th July, 2013 set out the terms and conditions of his appointment as Joint Managing Director for a period of three years commencing from the 1st May, 2013 as hereunder:

1. Salary : ₹ 2,50,000/- per month with annual increase of ₹ 30,000/- per month.
2. Commission : 0.75% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.
3. Perquisites : In addition to salary and commission Shri Riju Jhunjhunwala shall be entitled to the following perquisites.

Category 'A'

- i) Housing :
 - a) The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the salary, over and above 10% payable by him, or
 - b) In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
 - c) In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling laid down in (a) above shall be paid.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per Income Tax Rules, 1962 and will be subject to a ceiling of 10% of the salary.
- ii) Medical Reimbursement :

Expenditure incurred for the Joint Managing Director and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession :

For the self and family once in a year incurred in accordance with the rules specified by the Company.
- iv) Club fees :

Fees for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.
- v) Personal Accident Insurance :

Of an amount, the annual premium of which not to exceed ₹10,000/-.

For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

- i) Provident Fund :

Company's contribution to Provident Fund shall be as per the scheme of the Company.
- ii) Superannuation/Annuity Funds :

Company's contribution to Superannuation/Annuity fund shall be in accordance with the scheme of the Company.
- iii) Gratuity:

As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.

Category 'C'

- i) Car :

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.
- ii) Telephone :

Telephone at residence. Personal long distance calls shall be billed by the Company.

Minimum Remuneration

Notwithstanding anything to the contrary hereinabove contained, where, in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Joint Managing Director by way of salary, perquisites and allowances not exceeding the sum specified in Para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956.

Information pursuant to para 1(B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956 is enclosed as **Annexure-A**.

The appointment of Shri Riju Jhunjunwala as Joint Managing Director of the Company and payment of remuneration to him requires the approval by the Company in general meeting in accordance with the relevant provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The resolution set out in the notice is intended for this purpose. The Board recommends the resolution for approval of the members as Special Resolution.

The particulars mentioned in the resolution and the explanatory statement may be treated as abstract of terms and conditions of remuneration of Shri Riju Jhunjunwala and memorandum of interest of directors under the provisions of Section 302 of the Companies Act, 1956.

None of the directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala, may be deemed to be concerned or interested in this resolution.

Annexure - A

INFORMATION PURSUANT TO THE PARA 1(B) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 FOR ITEM NO. 12 AND 13.

I. General Information

1. Nature of Industry:

The Company is in the business of manufacturing textiles, primarily it is in the business of yarn, fabric and Denim

2. Date or expected date of commercial production:

Subsequent to the incorporation of the Company on the 17th October, 1960, the Company obtained certificate of commencement of business on the 28th December, 1960.

3. Financial performance based on given indicators:

The financial performance of the Company during the previous three financial years is as under:

(₹ crore)

	Financial Year Ended 31.03.2013	Financial Year Ended 31.03.2012	Financial Year Ended 31.03.2011
Turnover			
Export	720.19	730.35	783.62
Domestic	1,750.85	1,269.80	1,178.54
TOTAL	2,471.04	2,000.15	1,962.16
Profit before Interest & Depreciation	331.17	160.99	340.11
Less: Interest	121.29	104.04	78.74
Profit before Depreciation	209.88	56.95	261.37
Less: Depreciation	108.45	89.10	80.15
Profit/(Loss) before Tax	101.43	(32.15)	181.22
Less: Current Tax	(20.26)	(3.85)	34.40
Deferred Tax Liability	(13.30)	(6.51)	23.86
Profit/(Loss) after Tax	67.87	(21.79)	122.96

4. Export performance and net foreign exchange collaborations:

Export sales of the Company was marginally lower at ₹ 720.19 crore in 2012-13 as against ₹ 730.35 crore in 2011-12. The earning in foreign currency was ₹ 686.18 crore in 2012-13 as compared to ₹ 693.96 crore in 2011-12.

5. Foreign investments or collaborators, if any:

During this financial year, there is no foreign investment or collaboration.

II. Information about the appointee:

Shri J.C Laddha, Executive Director

1. Background details.

Shri J.C Laddha aged 63 years holds a degree in Chartered Accountancy. He has 40 years of rich experience of Textile Industry. He was appointed as Executive Director of the Company on the 1st January, 1990.

Since his appointment as Executive Director, he has successfully overseen completion of re-structuring of the operations of the Company, modernization, expansion and up-gradation of production processes etc. He has also led the company grow inorganically by various acquisitions.

2. Past Remuneration.

A comparison of past remuneration and the proposed remuneration is given below:

	Previous Remuneration (1st January, 2010 to 31st December, 2012) (in ₹)	Proposed Remuneration (1st January, 2013 to 31st December, 2014) (in ₹)
Salary per month	₹ 2,35,000 per month with an annual increase of ₹ 40,000/-	₹ 4,00,000/- per month with an annual increase of ₹ 50,000/-
Commission	Upto 0.75% of the net profits of the Company as computed in the manner laid down in section 309(5) of the Companies Act, 1956	Upto 0.75% of the net profits of the Company as computed in the manner laid down in section 309(5) of the Companies Act, 1956
Personal pay	₹ 1,69,500 per month	₹ 1,80,500/- per month

All other terms of appointment remain unchanged as stated above in this explanatory statement

3. Recognition or awards.

Shri J.C Laddha has represented Company in various Business Associations.

4. Job profile and his suitability.

Being the Executive Director, he is overall in-charge of the operations of the Company subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in Executive Director.

Taking into account Shri J. C. Laddha's qualifications and prior experience, industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Executive Director of the Company and in view of his contribution to the Company since his appointment, the Board considers the remuneration paid/proposed to be paid to him to be in the best interests of the Company. The Board is confident that Shri J.C Laddha's management capabilities will enable the Company progress further.

5. Remuneration proposed.

Remuneration proposed is as set out above in the item No.12 of the explanatory statement. The remuneration to Shri J.C Laddha has the approval of the Board and Remuneration Committee. The terms of remuneration up to period ended the 31st December, 2012 are same as already approved by the Shareholders at their meeting held on the 16th September, 2010. The proposed remuneration for the period commencing from the 1st January, 2013 upto the 31st December, 2014 is subject to Shareholders' approval by way of Special Resolution and the same has already been approved by Remuneration Committee and Board of Directors at their respective meetings held on the 26th October, 2012.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin).

The Company has a paid up share capital of nearly ₹ 23.15 Crore as on the 31st March, 2013, and is presently listed on two stock exchanges with approx., 12,500 shareholders. It is in the business of Manufacturing, Yarn and Fabric. Considering the size of the Company, the profile of Shri J.C Laddha, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Excepting the payment of remuneration for his services as Executive Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Shri J.C Laddha himself is interested.

Shri Riju Jhunjunwala

1. Background details

Shri Riju Jhunjunwala aged 34 years holds a degree in Business Management Studies. He is an industrialist with diversified business experience. He was appointed as Joint Managing Director of the Company on the 1st May, 2013.

He is Managing Director of Bhilwara Energy Limited and Non-Executive Director on the Boards of HEG Limited, BSL Limited, Bhilwara Infotechnology Limited, Bhilwara Technical Textiles Limited, Cheslind Textiles Limited, LNJ Bhilwara Textile and Anusandhan Vikas Kendra, besides other Private Companies. He is also on Board committees of various Companies.

2. Past Remuneration

He was appointed as Joint Managing Director with effect from the 1st May, 2013.

3. Recognition or awards

Shri Riju Jhunjunwala has represented Company in various Business Associations. He has also been member of Young Business Committee at the Confederation of Indian Industry.

4. Job profile and his suitability

Being the Joint Managing Director, he is overall in-charge of the affairs of the Company subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in Joint Managing Director.

Taking into account Shri Riju Jhunjunwala's qualifications and prior experience, industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Joint Managing Director of the Company, and in view of his contribution in his previous stint as Joint Managing Director of the Company during 2003 to 2009, the Board considered his appointment to be in the best interest of the Company. The Board is confident that Shri Riju Jhunjunwala's management capabilities will enable the Company progress further.

5. Remuneration proposed

Remuneration proposed is as set out above in the item no. 13 of the explanatory statement. The remuneration to Shri Riju Jhunjunwala has the approval of the Board and Remuneration Committee. The terms of remuneration up to period ended the 30th April, 2016 are subject to the approval of the shareholders. The proposed remuneration for the period commencing from the 1st May, 2013 upto the 30th April, 2016 is subject to Shareholders' approval by way of Special Resolution and the same has already been approved by Remuneration Committee and Board of Directors at their respective meetings held on the 24th July, 2013.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)

The Company has a paid up share capital of nearly ₹ 23.15 Crore as on the 31st March, 2013, and is presently listed on two stock exchanges with approx., 12,500 shareholders. It is in the business of Manufacturing, Yarn and Fabric. Considering the size of the Company, the profile of Shri Riju Jhunjunwala, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Excepting the payment of remuneration for his services as Joint Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Shri Riju Jhunjunwala himself and Shri L. N. Jhunjunwala and Shri Ravi Jhunjunwala being relatives of Shri Riju Jhunjunwala are interested.

III. Other Information:

1. Reason for loss or inadequate profits.

The Company earned net profit to the tune of ₹67.87 crores during the financial year ended the 31st March, 2013 as per the annual accounts approved by the Board of Directors at its meeting held on the 1st May, 2013. However, the Company incurred a loss of ₹21.79 crores during the year ended the 31st March, 2012. This information as per Schedule XIII to the Companies Act, 1956 is given as the reappointment/appointment of Shri J. C. Laddha and Shri Riju Jhunjunwala was made before the approval of Annual Accounts for the year ended the 31st March, 2013 by the Board of Directors.

2. Steps taken or proposed to be taken for improvement.

The Company has recently completed expansion and modernization programmes. The Company is focusing on the marketing and value addition to achieve the optimum benefits in its operations. At the same time the Company is aiming on cost reduction measures in order to reduce costs and improve profitability.

3. Expected increase in productivity and profits in measurable terms.

In view of the above steps taken by the Company along with the other measures, the Company has recovered from the loss incurred in the financial year 2011-12 which was a bad year for the textile industry and has earned net profit of ₹ 67.87 crore during the financial year 2012-13.

Details of the Directors Seeking appointment/re-appointment in forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director Category	Shri Ravi Jhunjhunwala Promoter- Non Executive	Shri Arun Churiwal Promoter-Executive	Dr. Kamal Gupta Independent- Non Executive	Shri P. S. Dasgupta Independent- Non Executive	Shri J.C. Laddha Non-Promoter - Executive	Shri Riju Jhunjhunwala Promoter- Executive
Interse relationship	Father of Shri Riju Jhunjhunwala	N.A.	N.A.	N.A.	N.A.	Son of Shri Ravi Jhunjhunwala
Date of Birth	28 th October, 1955	15 th May, 1950	12 th February, 1946	30 th June, 1955	12 th December, 1949	13 th January, 1979
Date of Appointment	18 th May, 1979	23 rd October, 2003	26 th December, 1987	24 th July, 2013	1 st January, 1990	1 st May, 2013
Qualification	B.Com, (Hons.) MBA	B.A. (Hons)	FCA, FICWA, Ph.D	B. A. (Hons.), LL.B., Post Graduate Diploma – Corporate Laws & Labour Laws.	B.Com. FCA	Graduate in Business Management Studies
Expertise in specific functional areas	Industrialist with diversified business experience	Rich Experience of Textile Industry	Consultant in the areas of Finance, Accounting and Corporate Laws, Former Technical Director of The Institute of Chartered Accountants of India.	Renowned International Corporate lawyer and represents a leading law firm in Delhi.	Possesses rich experience in Textile Industry.	Industrialist with diversified business experience.
List of other Public Companies in which Directorships held	1. AD Hydro Power Limited 2. Bhiwara Energy Limited 3. Bhiwara Green Energy Limited 4. BSL Limited 5. Chesind Textiles Limited 6. HEG Limited 7. India Glycols Limited 8. Indo Canadian Consultancy Services Limited 9. JK Lakshmi Cement Limited 10. Malana Power Company Limited 11. Maral Overseas Limited 12. NJC Hydro Power Limited	1. BSL Limited 2. La Opala RG Limited 3. LNJ Financial Services Limited	1. AD Hydro Power Limited 2. Bhiwara Energy Limited 3. HEG Limited 4. Malana Power Company Limited 5. Maral Overseas Limited 6. PNB Gilts Limited	1. Asian Hotels (North) Limited 2. Bhiwara Technical Textiles Limited 3. Cummins India Limited 4. Ester Industries Limited 5. Interstar Financial Services Limited 6. Maral Overseas Limited 7. Otis Elevator Co. India Limited 8. Timken India Limited 9. Tricone Projects India Limited	None	1. Bhiwara Energy Limited 2. Bhiwara Green Energy Limited 3. Bhiwara Infotechnology Limited 4. Bhiwara Technical Textiles Limited 5. Chango Yangthang Hydro Power Limited 6. Chesind Textiles Limited 7. HEG Limited 8. LNJ Power Ventures Limited 9. NJC Hydro Power Limited
Chairman/Member of the Committee of the Board of Directors of the Company	None	1. Shareholders' / Investors' Grievance Committee – Member	1. Audit Committee- Chairman 2. Shareholders' / Investors' Grievance Committee – Chairman	None	None	None
a) Audit Committee	1. AD Hydro Power Limited - Chairman 2. Malana Power Company Limited – Chairman	None	1. AD Hydro Power Limited – Member 2. HEG Limited – Member 3. Malana Power Company Limited – Member 4. Maral Overseas Limited – Chairman 5. PNB Gilts Limited - Chairman	1. Bhiwara Technical Textiles Limited – Member 2. Cummins India Limited - Member 3. Maral Overseas Limited - Member 4. Otis Elevator Co. Limited - Member 5. Timken India Limited - Chairman 6. Tricone Projects India Limited – Member	None	1. Bhiwara Technical Textiles Limited – Member 2. Bhiwara Green Energy Limited - Member 3. Chango Yangthang Hydro Power Limited – Member 4. Chesind Textiles Limited – Member 5. NJC Hydro Power Limited – Member
b) Shareholders'/ Investors' Grievances Committee	1. HEG Limited – Member 2. BSL Limited – Member	BSL Ltd.-Member	1. HEG Limited – Member 2. Maral Overseas Limited – Chairman 3. PNB Gilts Limited – Member	1. Bhiwara Technical Textiles Limited - Chairman 2. Cummins India Limited - Member 3. Otis Elevator Co. Limited – Member	None	1. Bhiwara Technical Textiles Limited – Member
No. of Equity Shares held in Company	8,09,094	1,610	Nil	Nil	Nil	1,75,000

PROXY FORM



RSWM LIMITED

Regd. Office: Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan)

DP ID/CL ID/Folio No. No. of Shares held

I/We..... of being a member/members of RSWM Limited, hereby appoint of or failing him/her of as my/our proxy in my/our absence to attend and vote on my/our behalf at the 52nd Annual General Meeting of the Company to be held on Thursday the 19th September, 2013 at 12.30 P.M. at the Registered Office of the Company at Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan) of the Company and/or at any adjournment thereof.

Signed this day of 2013.

Signature

Please affix
15 Paise
Revenue
Stamp here

NOTE: The Proxy Form, duly completed, must reach the Registered Office of the Company, not less than forty-eight hours before the time of holding this Meeting.

ATTENDANCE SLIP



RSWM LIMITED

Regd. Office: Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan)

DP ID/CL ID/Folio No. No. of Shares held

Full name of shareholder

Full name of Proxy / Representative

I hereby record my presence at the 52nd Annual General Meeting of the Company to be held on Thursday the 19th September, 2013 at 12.30 P.M. at the Registered Office of the Company at Kharigram P.O. Gulabpura – 311 021, District Bhilwara (Rajasthan).

Signature of the shareholder / proxy / representative*.....

Note: Please fill in this attendance slip and hand over at the entrance of the Meeting hall.

* Strike out whichever is not applicable



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL




RSWM Limited
an LNJ Bhilwara Group Company


Registered Office:
Kharigram, P.O.: Gulabpura - 311 021
Distt. Bhilwara (Rajasthan), India.
website: www.rswm.in/www.lnjbhilwara.com

**FORM A
RSWM LIMITED**

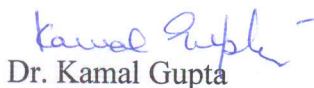
1.	Name of the Company:	RSWM LIMITED
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	<p>MATTER OF EMPHASIS: We draw attention to the following notes in the financial statements:</p> <p>a) Note no. 33 to the financial statements, elaborating the accounting treatment for promotional benefits under Status Holder Incentive Scheme (SHIS), based on legal and expert opinions;</p> <p>b) Note no. 34 to the financial statements, relating to treatment for assets held for sale based on contingent contracts of sale; and</p> <p>Our opinion is not qualified in respect of these matters.</p>
4.	Frequency of observation	The matter of emphasis has appeared for the first time in the auditor's report for the financial year ended the 31 st March, 2013.



Arun Churiwal
Chief Executive Officer &
Managing Director

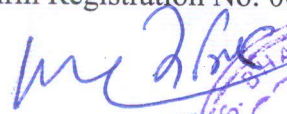



B. M. Sharma
Chief Financial Officer



Dr. Kamal Gupta
Chairman - Audit Committee

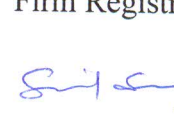
Auditors of the Company:
For S. Bhargava Associates
Firm Registration No. 003191C


Sunil Bhargava
(Partner)
Membership No. 70964



Dated: 24th July, 2013

For A.L. Chechani & Co.
Firm Registration No. 005341C


Sunil Surana
(Partner)
Membership No. 36093

