

RSWM/SECTT/2020  
August 24, 2020

<p>BSE Limited Corporate Relationship Department, 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI - 400 001.</p> <p><b>Scrip Code: 500350</b></p>	<p>National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051.</p> <p><b>Scrip Code: RSWM</b></p>
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**Sub : Notice of 59<sup>th</sup> Annual General Meeting (AGM) and Annual Report of the Company for the financial year 2019-20.**

Dear Sir/ Madam,

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Notice of the 59<sup>th</sup> Annual General Meeting and the Annual Report of the Company for the financial year 2019-20.

The above is also uploaded on the website of the Company [www.rswm.in](http://www.rswm.in)

Kindly take the same on record.

Thanking You,

Yours faithfully,  
For **RSWM LIMITED**



**SURENDER GUPTA**  
**AVP – LEGAL & COMPANY SECRETARY**  
**FCS – 2615**

[rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

Encl.: As above

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GSTIN: 08AAACR9700M1Z3

**Corporate Identification Number: L17115RJ1960PLC008216**



# TAILORED TO TURN AROUND

RSWM LIMITED | ANNUAL REPORT 2019-20

**FORWARD-LOOKING STATEMENT**

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS - WRITTEN AND ORAL - THAT WE PERIODICALLY MAKE CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED WHEREVER POSSIBLE TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATES', 'ESTIMATES', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. READERS SHOULD BEAR THIS IN MIND. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.





It can happen to every business across the world.

In their endeavour to journey up the hill, it could end up going down the road.

The reason for this is simple.

Business is about people. And people make mistakes. Day in and day out. And you are allowed to. Because, without mistakes there is, and will never be, any progress.

But sometimes mistakes stay on, akin to a boiled frog. (It stays in heating water for longer than his own good).

At RSWM, we spotted our share of boiled frogs (read mistakes) too.

But then, we resolved enough was just enough.

**We decided to change.**

We embraced our mistakes as sources for learning; we leveraged them as fuel to challenge the status quo, break trends and adopt the new. We altered our operating model.

*Simply put...*

...WE

TAILORED



BETWEEN THE COVERS:

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FROM THE  
CHAIRMAN & MANAGING DIRECTOR'S DESK



## SIMPLY PUT..

WE TAILORED OUR turnaround.

"I LOOK INTO THE FUTURE WITH OPTIMISM. AS A TEAM, WE WILL BRING IN THE POWER OF DISCIPLINED CREATIVITY TO FIND NEWER WAYS TO GROW. AND THEN APPROACH THESE OPPORTUNITIES WITH A DETERMINATION TO SEIZE THE FUTURE ONE DAY AT A TIME, ONE RELATIONSHIP AT A TIME."



**WE RESOLVED TO  
TURN AROUND  
THE FORTUNE  
OF EVERY  
PRODUCT  
VERTICAL.**

**Dear friends,**

*I feel privileged to address you as the new Chairman of your Company; one that is taking giant strides towards a better and brighter future.*

The last 15 months have been very exciting at RSWM as the entire team took definitive steps in that direction – our goal being a comprehensive turnaround in business operations which will make each product vertical an independent profit centre, which when cumulated will take the Company into a new orbit.

RSWM was primarily banking on its yarn business to pull the Company forward. The fabric vertical remained bleeding, for years.

Our products were relevant, our brands continued to generate a recall, our people were dedicated. But, I feel they continued to work under a set of paradigms that were no longer relevant and allowed the power of inertia to carry them along. Maybe, they got caught up in the pressure for short-term targets; it compromised the Company's long-term health.

As the phrase goes, especially in today's time and age, health is wealth. And when the business is healthy, only then it can be wealthy. And generate returns for all its stakeholders.

With this objective in mind we resolved to turn around the fortunes of every product vertical.

A successful turnaround really comes down to one thing, which is a focus on cash and cash returns. That means bringing a business back to its basic elements of success. Is it generating cash or burning it? And, even more specifically, which investments in the business are generating or burning cash?

This then became our guiding star. We determined to make RSWM a lean-mean fighting machine. We analysed wide and deep, to unearth the reasons of the decline rather than its symptoms. We drew up the contours of our turnaround strategy. And left it for our people to execute it.

Enthused that this was 'their' objective, our team members took rapid strides in a short time period – it unlocked miraculous energy within the organisation. So, while the timber in our team remained steadfast, the old-wood fell by the way. The processes did not change, the approach certainly did. And costs did not spike because knowledgeable team members were able to zero in on marginal spending, covering additional expenditure by smartly trimming organisational flab.

Had it not been for the Coronavirus pandemic, RSWM's financial performance would have suitably reflected the organisation-wide efforts.

**Look into future with optimism.**

*As a team, we will bring in the power of disciplined creativity to find newer ways to grow. And then approach these opportunities with a determination to seize the future one day at a time, one relationship at a time.*

*We appreciate your support as we unravel fortunes*

*Warm regards*  
**Riju Jhunhunwala**  
Chairman & Managing Director





IT'S ABOUT OUR

BETTER  
TOMORROW



◦ **We** are one of the largest manufacturers and exporter of blended spun yarns from India.  
◦ It was a good place to be in.  
◦ But good is the enemy of great. And being great meant removing 'one of .....' from the above statement.



That was a daunting call, but not an impossible one. The path was

challenging, because change resides in every challenge. And change meant taking a plunge.

We saw it, measured the risks, and jumped to a new dawn.

## IT'S ABOUT OUR BETTER TOMORROW

### We stepped up the task

**We** added some muscles to our feet on the street. So, instead of monitoring only despatches, we sharpened our focus on new bookings too. Ensuring that the pipeline was always adequately full – order booking for the month jumped over 40%. We sharpened our focus on quality. For that plant efficiency was monitored. Every day for every plant. Our customer issues dropped by a third of what they used to be.

### We worked towards relevance

**We** developed a more relevant production planning mechanism based on a holistic approach which considered current deliveries, staggered deliveries, in-stock material, raw material availability and machine availability. As a result, a larger proportion of material manufactured in a month, was shipped out in the same period. In doing so, we were able to lock in our margins better – gross margins climbed 242 bps over the previous year. Our customers sought the contemporary, because their customers demanded it. We replenished our offering with 2,393 relevant yarns, some of which have seen healthy traction – we sold 3,653 tonnes of our new products in 2019-20 itself.

### We sought to step up

**We** decided to be upward

mobile in terms of volume and value.

From a volume standpoint, we operationalised 4,896 spindles at our Ringas facility. From a value perspective, we converted our one line from grey yarn (commodity) to dyed yarns – the additional volume of value-added products improved the overall realisation.

### We invested in sustainability

**We** looked at our operations from the prism of sustainability. We decided to take our first definitive step in that direction. Because we firmly believe that success is fleeting; sustainability is lasting. We invested in a 20 MW renewable power capacity. It reduced our burden on the Earth and on our pockets.

**Our** efforts were rewarded. Our yarn business reported a considerably better performance for 11 months of the fiscal. Then, we got hit by the pandemic, which largely negated our growth.

It's ok. For this is only a phase. It has come, it will go. But what we have done will remain, will only get better and will deliver returns. And we will get to where we want to be.





THERE'S A LOT TO  
**FEEL**  
**GOOD** ABOUT



Our product was the Merc in its class back then. The inputs, the men, the machinery – everything stood out from the rest. But you see, the world changed faster than we thought. New technologies rapidly influenced consumer behaviours—and expectations—and continue to do so. Even the Merc has to evolve.



We didn't sit back idle. We stepped on the paddle and rode hard

through the woods to the cadence of an evolving way of doing business.

We wanted to lead. So here is what we did.

THERE'S A LOT TO  
**FEEL GOOD** ABOUT





### We made defining changes

**So**, we partnered with contemporary, quality-respecting, job-workers, hitherto considered a taboo for the organisation, only to make a solid entry into India's leading denim market – in the last quarter of 2019-20 we sold 14 lakh metres of denim fabric in that market - something never achieved even in an entire year. Next, we overhauled the inventory management system which infused significant liquidity into the otherwise parched divisional coffers. To make this more effective we altered our operating model – we institutionalised the concept of manufacturing only against confirmed orders – after all perseverance delivers performance.

That was not all. We streamlined our working capital management - balanced receivables with payables – with far-reaching positives.

### We made every step count

**Yes**. Every process, across the operational value chain, was given due focus; actual performance was mapped against benchmarks; we toiled to reduce the delta. The healthy workforce, in mind and body, fell in line; the non-performers fell off the path – and we significantly narrowed gap. Our weaving wastage, that ate into production collapsed, our spinning, finishing and sizing faults were trimmed – net result was that our 'fresh output' jumped by 10%.

### We moved with speed

**We** visited every customer, big or small; while we sorted out historical issues that tarnished relations, we surprised them with contemporary offering that excited them. We infused fresh thought into our product development team; we used the new-found ingenuity to surprise leading brands with customised

product baskets; we left no stone unturned; we provided no opportunity for them to utter a 'No'.

We sold, on an average 19-20 lakh metres every month, a level considered beyond imagination in yester years.

### We stopped at nothing

**We** overhauled our attitude, of 'our assets for our products'. We sweated our spare spinning capacity to the maximum – we used some output; we sold the rest. We had additional revenue. We optimised our costs. The net result of spinning per se became a profit contributor – a first time for the division.

**Yes**, it was all happening, all at the same time. Our year-end losses declined to a third of what it was a year ago. Moreover, we were well on our way for a positive bottomline for Q4 of 2019-20 had it not been for the pandemic. The colour of the bottomline will definitely change – from red to black – sooner than later. What motivates us is that, our people are excited because they feel that good things are transpiring – in the marketplace and at the shopfloor. They feel good to be part of something special – a carefully tailored turnaround.



IT'S THE START OF

SOMETHING  
SPECIAL



For a brand that continues to stick on the minds of the masses, even now, despite years of no brand promotion.....*kuch to special hoga* about that brand.

It's shine and glamour was dulled, a bit, maybe it was our own doing. So, we resolved to put Mayur in the spotlight once again, after all even a diamond is only a stone until it is cut and chiseled.

So, fiscal 2019-20 which could have become a year of excuses, mind you that would have been the easiest fallback plan, actually became one of great solutions.





We learnt from denim  
and cut the choppy  
waters in fabrics with

more powerful strokes.  
We made the change,  
and took tumble turns

to reach for the finishing  
line.

**IT'S THE START OF  
SOMETHING SPECIAL**

**We committed on rocking our ship... really hard**

**So**, we moved our marketing office and warehousing facility to Mumbai; a haven of brands, trends and creations. It was competitive, yet rewarding. It unmade and remade brands. We manufactured our fabrics, in units other than our own; we cleared our sheds, to occupy retailer shelves – faster. We saved cost. We saved time. We were in the place we wanted to be. The 'can't do without' in our knowledge capital got replaced with a 'must do' mindset. Even as the feet-on-the-floor reduced, the hands-on-deck only got stronger. We worked harder. We worked smarter.

**Next, we increased organisational agility and efficiency**

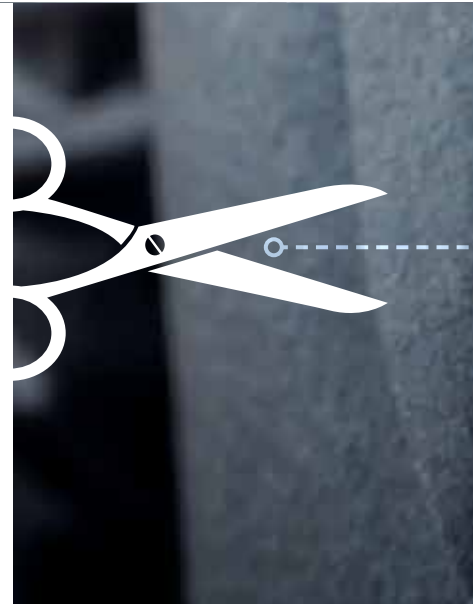
**We** re-entered into our 'once' healthy East India markets and within a few months re-established our brand and remained agile to the opportunities emerging in the North East. We moved higher, from the 'low-hanging' to 'high-perched' opportunities. We on-boarded a creativity veteran, changed our strategy and team bandwidth to engage more meaningfully with the Ready Made Garment (RMG) brands – we secured business from large brands. Success never tasted sweeter.

We adopted the 'Work from Home' concept in letter and spirit. We zoomed in on and with every customer – discussed industry fortunes and innovative trends – we leveraged this knowledge and launched our new Commuter range of anti-microbial, anti-viral fabrics which, we hear, is attracting customer attention.

**And, we focused on getting the product right**

**Everyone**, from the shopfloor to the topfloor, remained fixated on getting it right. Every upward move on the quality barometer was celebrated. Every slip analysed to the last stop. Customer complaints became everybody's business. Our only endeavour being to nurture an enduring customer relation.

**These** efforts have not yielded results in 2019-20, because we have only just started. But, yes, it is the start of something special. These are the initial steps towards our definite business turnaround.





RSWM IS A

# LEADER

IN THE DOMESTIC AND INTERNATIONAL TEXTILE INDUSTRY. IT IS ONE OF THE LARGEST MANUFACTURERS AND EXPORTERS OF SYNTHETIC AND BLENDED SPUN YARNS FROM INDIA.

Total Sales (₹ crore)

# 2,771



Employees

# 16,634

Sales by revenue vertical

# 79%

Yarn

# 21%

Fabrics (incl. denim)

Manufacturing facilities

# 10

Global presence (nations)

# 84

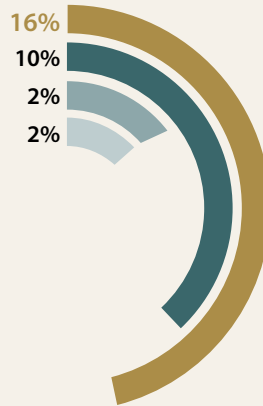
Sales by market



# 70%



# 30%



- Africa, South East & Far East Asia
- Europe
- Middle East
- Americas

Numbers that matter

# 139,500

Yarn capacity (MT)



# 345lakh

Fabric capacity (Mtrs)



# 2,183

Capital employed (₹crore)



# 1,034

Fixed assets (₹crore)

# 174

NSE market capitalisation (₹crore)

# RSWM's FOCUS



Goal

## CONSISTENT PROFITABLE GROWTH

Our focus areas

**Reduce**  
operating and  
fixed costs

**Infuse**  
energy into  
the team

**Enhance**  
man-machine  
productivity

**Develop & deliver**  
customer relevant  
product

**De-leverage**  
the financial  
statements

Our business approach

### Yarn business

**Focus** on value-added products to increase contribution

**Disciplined** efforts to improve operational efficiency leading to better asset and resource utilisation

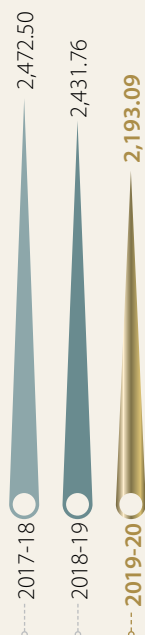
### Fabric business

**Cost** and quality management reign supreme

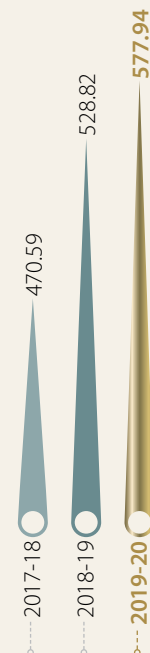
**Challenge** status quo in operating standards and process to enhance productivity

**Establish** dominance in traditional markets and reach out to new consuming hubs

Revenue from yarn (incl. mélange)  
(₹crore)

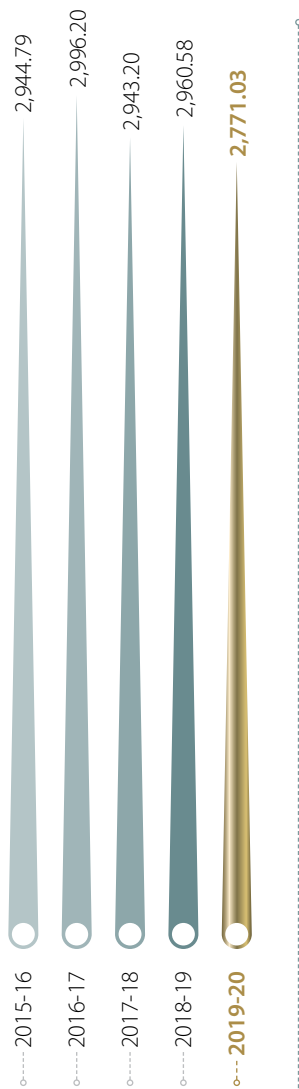


Revenue from fabrics (incl. denim)  
(₹crore)

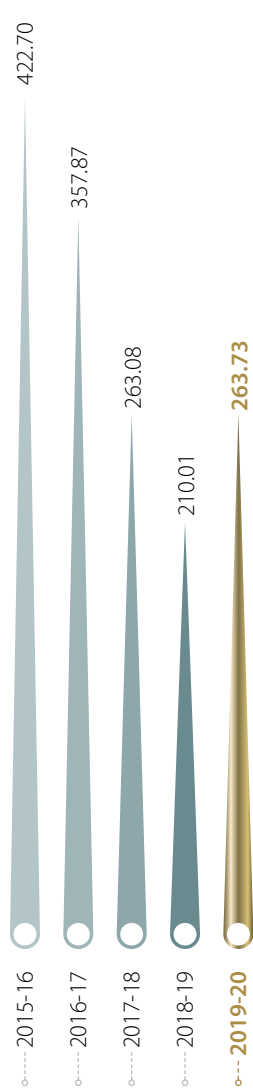


# KEY PERFORMANCE INDICATORS

Revenue from operations  
(₹crore)



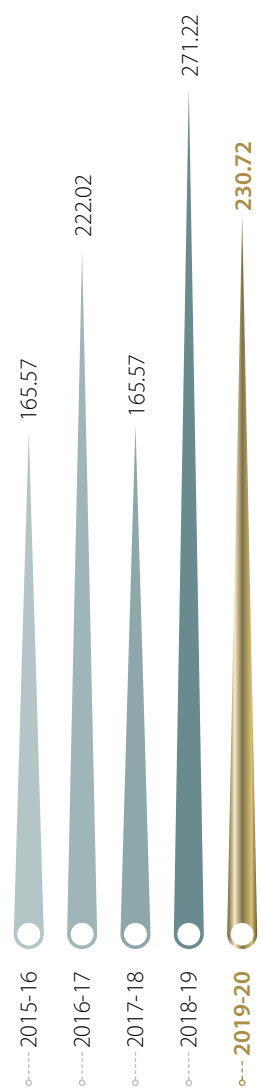
EBIDTA  
(₹crore)

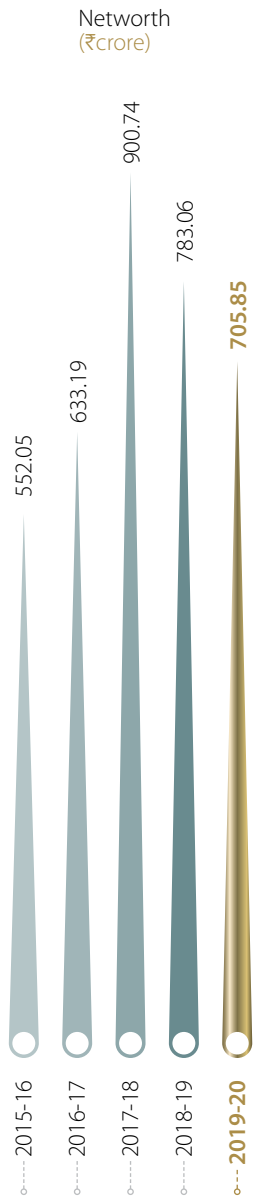


Profit/(Loss) for the year  
(₹crore)



Net Cash flow from operations  
(₹crore)









6

Manufacturing facilities



4,23,824

Spindles



1,27,140

Output in 2019-20 (MT)



79

Contribution to revenue (%)

OUR PRODUCT VERTICAL **YARN BUSINESS**

RSWM is among the five leading manufacturers of polyester viscose blended yarn in India. The Company possesses one of the widest yarn ranges of fibre blends, counts and shades with a special focus on value-added variants. In addition to a large customer base in India comprising brand-enhancing downstream textile players, the Company's yarns also find

acceptance across 45 countries, exports contributed 26% of the yarn business.

Mélange yarns represent the value-added segment within the yarn business. Spun at the Mandpam and Kanyakheri plants these products generate significant premium over

grey yarns even as they are quantitatively smaller than the other segments. These yarns are primarily used in casual wear, sportswear, shirts, socks, inner wear as well as towels, and other home linen.

**Initiatives:** In 2019-20, the Company streamlined the operations of the additional spindles at Ringas. It also commenced operations of its brownfield capacity at its recycled poly fibre plant. During this period, the management implemented structural changes - conventional systems and processes were queried for their relevance and important modifications were made. Business as a whole improved considerably.



**2**  
Manufacturing facilities



**203**  
Looms



**311L**  
Mtr



**21**  
Contribution to revenue (%)

Output in 2019-20

OUR PRODUCT VERTICAL : **FABRIC BUSINESS**

Earlier looked upon as two business verticals – Fabrics and Denim – the Management has clubbed these products into a single vertical.

Marketed under the Mayur brand, the Company's fabric are manufactured at its ISO 9001: 2000-certified integrated plant in Mordī (Rajasthan). The unit also houses the entire range of fabric processing and

finishing equipment, making it possible to process fabrics and provide world-class finishes – all under one roof. The Company's product range comprises fabrics for formal and semiformal wear.

The denim business customises fabrics around diverse applications. The Company's integrated denim manufacturing plant in Mordī comprises a yarn spinning facility and a high-speed loom complemented by a fabric processing system.

**Initiatives:** The management implemented path-breaking steps with an objective of turning the fabric vertical around to winning way – in a nutshell, it has completely altered the operating model of the fabrics division, for the better. The complete impact of this transformation would be reflected in subsequent years the current year being marred by the fast spreading global pandemic.

WE ARE AN ENTIRELY NEW COMPANY TODAY.

# PROFITABILITY & PERFORMANCE

HAVE BECOME THE OPERATIVE WORDS



**The Annual Report last year had said that 2018-19-20 would be an inflection point for RSWM. How far did it happen?**

**Fiscal** 2019-20 was a year of taking tough calls and making pathbreaking changes in the way we looked at business and conducted our operations. The results would have been there before you, had it not been for the pandemic. We were well on our way to report a turnaround. In the first 11 months (April 2019 to February 2020), we were at a bottomline of about ₹45 crore. But March 2020 was a complete washout, which dragged it down to ₹23 crore for the full year. All our hard work over the most part of the year was jeopardised by a microbe that literally shut down the world.

**But as business never stops, what is happening at RSWM?**

**Despite** the headwinds, we are an entirely new company today. Profitability and performance have become the operative words. We questioned every system and process and evaluated it from a cost and profit perspective. We worked zealously on becoming competitive. We did everything necessary to shed flab from the organisation. We had to take some really tough calls because we resolved to make a sharp turnaround.

**Let's start with debt management.**

**From** a debt perspective, we did a good job this time. We liquidated our investments in group companies, sold non-productive assets and dead investments, and utilised the cash flow to pare the debt by ₹178 crore. This included prepayment of high-cost loans of ₹25 crore. Our interest burden was down 9.32% over the previous year..

**What were the seminal changes in the denim division?**

**The** changes were pathbreaking. We changed the entire operating model. We partially replaced in-house manufacturing with outsourcing and turned the production planning process on its head. Cost management was under the spotlight – every rupee spent was queried and debated. We became more aggressive in the marketplace and made a definite attempt to resolve pending issues and forge alliances. We did have considerable success. We also re-entered markets which we had vacated earlier due to our follies. In a nutshell, we announced to the world that we were back. Our biggest success was a substantial increase in business volumes with Levi's. The denim division sold 19-20 lakh metres of fabric every month for about 5-6 months till the lockdown. It was an incredible feat, especially because the infrastructure remained the same.

**What about fabrics? Is there a similar story?**

**Certainly.** In fact, there're quite a few of them. We leveraged the job-working model in fabrics as well. We shifted our marketing set-up to Mumbai to be in the thick of things with regard to fashion, brands and trends – the three aspects that are critical for success in fabrics. Our brand-approach procedure was overhauled; our RMG section forged alliances with select garment brands. We committed on maximising the utilisation of our assets; our processing house was transformed from being a cost centre a few months ago to a revenue generator on a sustainable basis. We made product quality paramount – nothing below standard was accepted. Our hard work paid and we made a mark in the new markets we entered.

**That was an overhaul of sorts. How did the team respond?**

**There** were dissents, of course, and exits of some senior members. Questions were raised. But we remained undeterred because we had tremendous faith in our goal and confidence in the way to get there. All this opposition lasted till the team saw their passion transforming into performance. And then, the mood changed from apprehension to excitement.



### What about the yarn business? How did you take it ahead?

**We** made some structural changes in the yarn business as well. Our raw material procurement and management systems were changed, our production planning was overhauled, order procurement and delivery were monitored stringently, quality became everyone's responsibility, and we skewed the operating capacities from commodity products to value-added variants. Our margins scaled considerably on these moves.



### What is your take on the current year?

**The** Covid-19 pandemic is spreading wider and deeper across the globe every passing day. It's causing irreversible losses to both lives and businesses. And, there's no respite in sight. Scientists across the world are working tirelessly to come up with a vaccine but I believe it will continue to stay with us for long. The faster we adapt to the new normal with this menace, the better it is. From a business standpoint, the first quarter of the current year appears to be total disappointment. We have lost the Spring-Summer 2020 season. Moreover, retailers who are stocked for this season would find it difficult to clear their inventory despite the phased removal of lockdown. This could impact our Autumn-Winter 2020 season, too. While I am hopeful of demand trickling in from the second half of 2020-21 for all our product verticals, the performance numbers for the full year would remain subdued.

# MANAGING BUSINESS UNCERTAINTIES

**Uncertainties** refer to risks in business parlance. The risk management framework is an integral part of the business model at RSWM and focuses on making the organisation stronger that yields profitable growth. It is devised to proactively predict, identify and mitigate the existing and emerging risks.



**01 Growth risk**  
The pandemic continues to wreak havoc on the business. The uncertainty among the people is likely to have a significant impact on consumerism, cascading into a sharp drop in demand for textile products – fabrics, denim and garments.

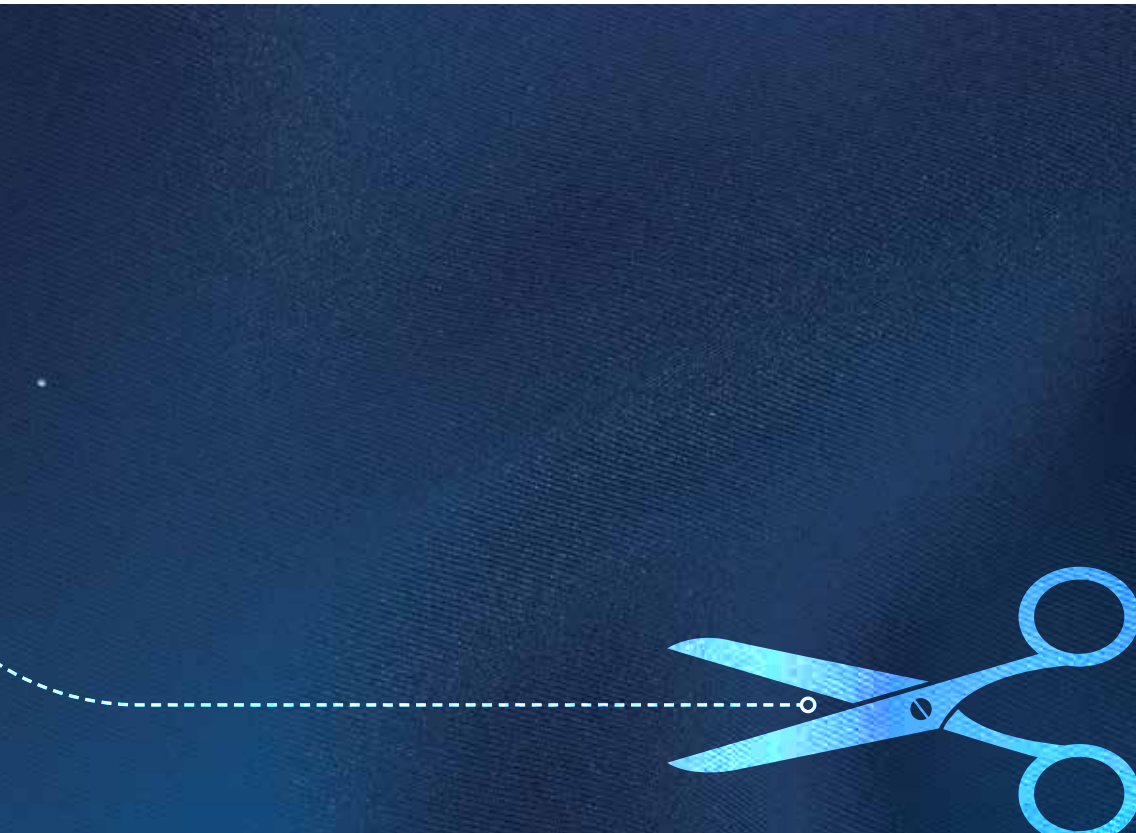
**Lowering the risk profile**  
This reality would bite every enterprise operating in the textile space. RSWM will wait resolutely for the tide to turn. And this will happen only when the ailing retail sector

gets a jumpstart. Through the months of May and June 2020, the Company has worked strategically to rationalise its cost structure, pruned its debt liability, and reduced its external liabilities. This positions the Company to sail through the choppy waters with little damage to its books

**02 Raw material sourcing risk**  
In the textile business, timely sourcing of raw material can become a critical differentiator between success and failure.

**Lowering the risk profile**  
RSWM has altered its framework from a person-based sourcing method to knowledge-based sourcing solution, backed by data and on-field realities, in 2019-20. This will certainly

facilitate making flawless decision making. For the short term, the Company has hedged itself by making the best use of price drop in cotton and man-made fibres after Covid-19 triggered a slump in demand. This would help us optimise our cost structure.



**03 Single vertical risk**  
**Sole** dependence on the yarn vertical to deliver profits for the organisation appears unsustainable for the medium term.

**Lowering the risk profile**  
**RSWM** has resolved to make each revenue vertical an independent profit-generating unit. To make it a reality, the Company implemented a host of pathbreaking initiatives in 2019-20. The denim unit would have posted a heartening profit in the last quarter of 2019-20 only to be thwarted by the pandemic. It expects to achieve the objective in a couple of years.

**04 People risk**  
**The** turnaround initiatives would have ruffled feathers which could have an impact on performance.

**Lowering the risk profile**  
**RSWM** has sharpened its focus on two aspects – performance and profitability – and disciplined itself not to be complacent. It has partially replaced the exits with movers and performers. While it rattled some, it also drove home the message that what was will not

remain and what is will sustain. **RSWM** recognised, rewarded and raised the performers. This has worked wonders as it inspired the team, even those sitting on the fence, to step up. As a result, productivity and performance in every revenue vertical has leapfrogged.

**05 IT security risk**  
**The** digital connect has become the core of every business. Data leakage from the system could be detrimental.

**Lowering the risk profile**  
**RSWM** comprehends the criticality of IT and its security in this age of digital business. It has made considerable investments towards securing the IT infrastructure and data from being intruded upon.  
**Installed** the Antispam technology with DMARC email security which restricts unauthorised spammers/hackers to use the Company domain to send spoofed/forged emails  
**Invested** in the Endpoint Security, Web Security and Endpoint Firewall that allows real-time monitoring of infrastructure at all plants, sales offices and the corporate office  
**Installed** the next-generation gateway firewall with the latest firmware. It secured the network premises based on port restrictions and on the basis of application with latest virus updates.



MANAGEMENT  
**DISCUSSION**  
& ANALYSIS



### Indian economy

**The** Indian economy has been going through a rough patch for the last two years with 2019-20 being witness to the steepest slump in growth. The country's GDP expansion was revised from 7.5% at the beginning of the 2019-20 to 4.2% at the close of the year against 6.1% (revised) a year ago.

The slowdown was triggered by a mix of both internal as well as external factors such as a synchronised global slowdown, historically poor automobile sales and diminishing customer confidence. The situation worsened when most public sector banks were weighed under a huge burden of Non-Performing Assets (NPAs). The NBFC crisis weakened the financial health of the economy further.

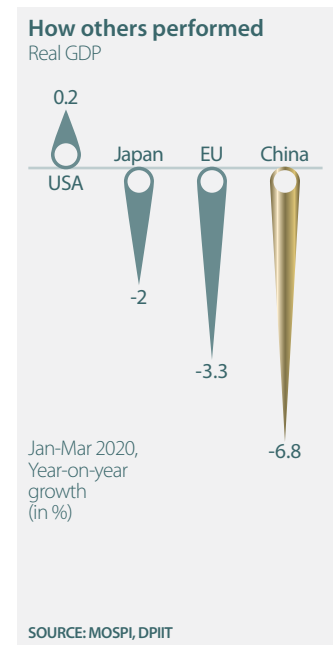
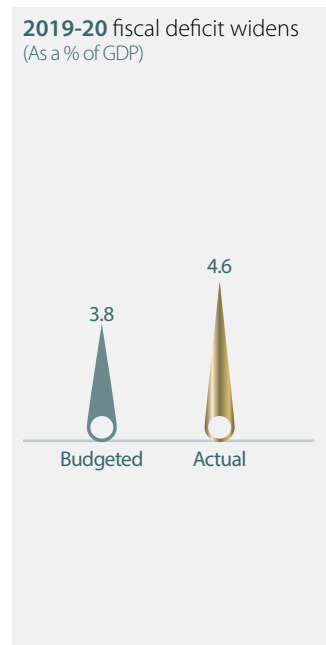
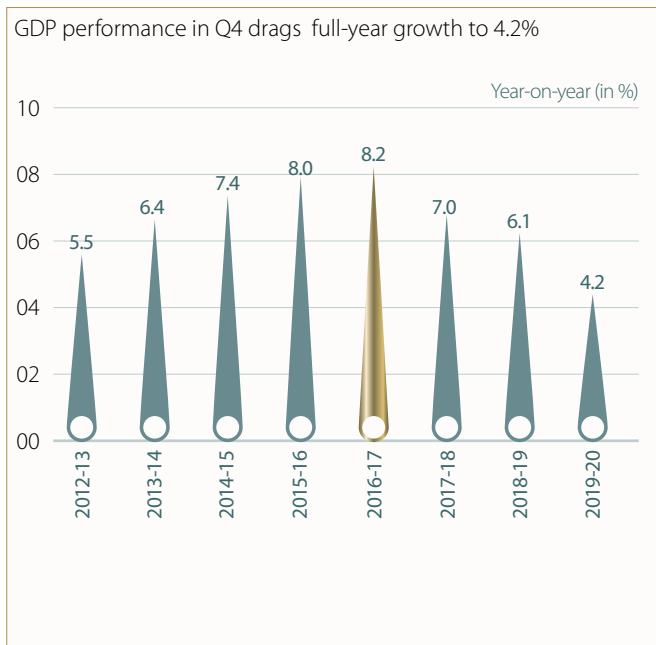
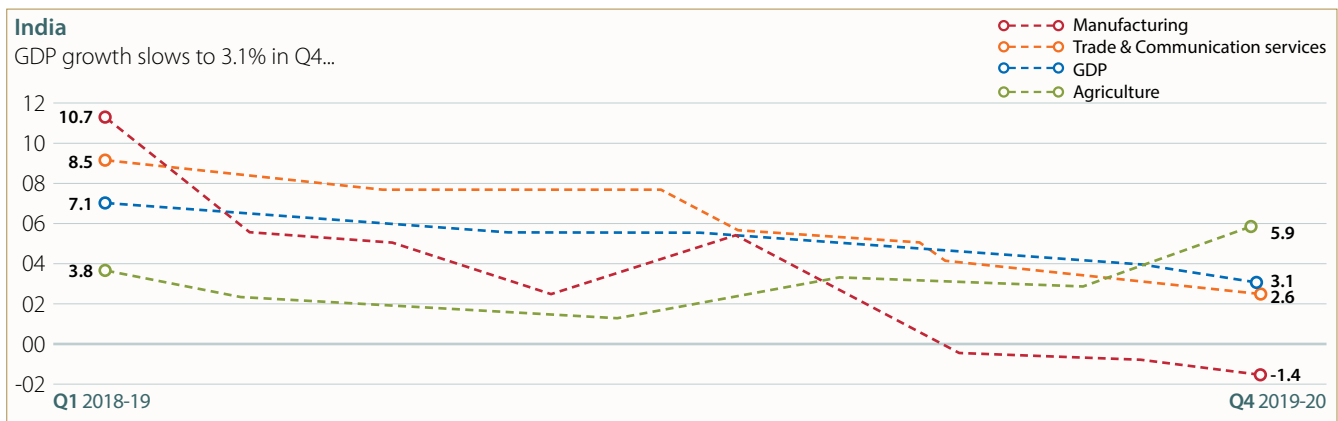


On the output front, agri (3.7% growth) and mining sectors seem to have held forts. On the expenditure front, government spending seems to have saved the day. Manufacturing and gross fixed capital formation were disappointing. Three components of demand dropped - consumption demand slowed, while investments and exports were in the negative territory.

The wobbly economy was pushed to the edge by the outbreak of the Covid-19 pandemic in early 2020. India enforced one of the longest and the strictest lockdowns in the world to contain the spread of the disease. It triggered severe demand-supply shocks and nixed the economy's incipient recovery with further job losses across sectors.

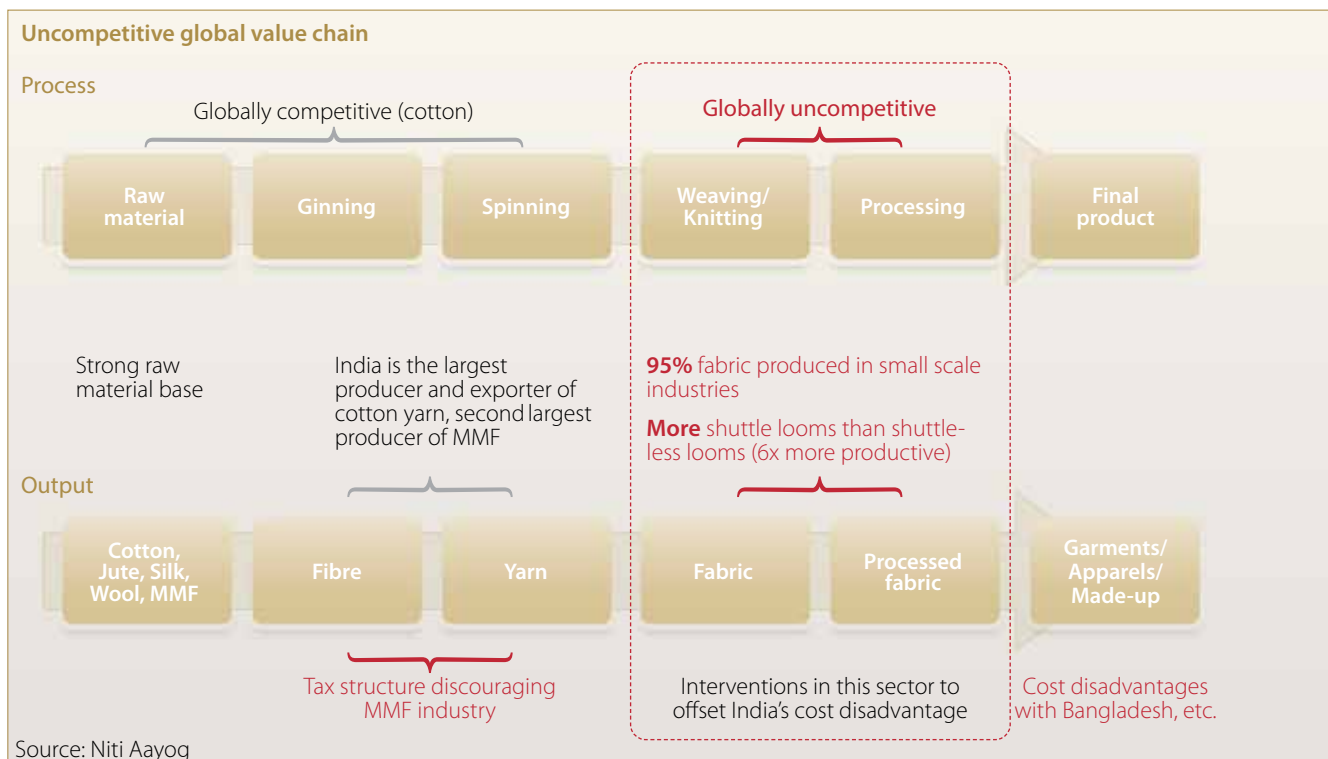
In April 2020, India's manufacturing and services sectors recorded the sharpest contraction among the world's top 10 economies. Despite the dark clouds, experts see a silver lining once the lockdown is lifted, and remain optimistic about a resurgence in Indian economy.

Source : Bloomberg, Mint, CSA



## INDIAN TEXTILE INDUSTRY

The textile and apparel industry is one of the earliest industries to have developed in India. Its inherent and unique strength is its incomparable employment potential because of the presence of the entire value chain – from fibre to apparel manufacturing – within the country. India is the second-largest manufacturer of textiles and clothing in the world. It is also the second-largest exporter of textiles and apparels with a share of 5% of global trade. While India has the advantage of the entire value chain in the industry, currently the value chain is uncompetitive.



India has a very strong raw material base – both natural and manmade fibres (MMFs) – that helped the country emerge as the world's largest producer of cotton. Though India leads in cotton yarn exports, it remained a marginal player when it comes to cotton fabric in global exports.

China has a substantial share of 51% in cotton fabrics when compared to India's 5–6% share. The situation is almost the same in case of MMF. This comparison suggests that India is not able to scale up the value chain significantly enough to meet the global demand despite being the largest producer and exporter of cotton yarns. Approximately 95% of the weaving sector in India is unorganised in nature. The decentralised power loom and

hosiery sector contribute 85% of the total fabric production. The processing segment is also dominated by a large number of independent, small-scale enterprises. As a result, the weaving sector continues to be plagued with inadequate knowledge, low focus on research, innovation in new product development and low technology upgrade and automation, resulting in low productivity.

### Performance in 2018-19

The domestic textiles and apparel industry, including handicrafts, stood at \$140 billion in 2018-19. Domestic consumption of \$100 billion was split into apparels at \$74 billion, technical textiles at \$19 billion and home furnishings at \$7 billion. Exports were worth the

remaining \$40 billion.

Exports of textile stood at \$20.5 billion, apparels at \$16.1 billion and handlooms at \$3.8 billion. The share of textile and clothing in India's total exports stood at 12% in 2018-19. FDI in the textiles and apparel industry stood at \$3.1 billion in 2018-19. (as per latest data sources)

### Impact of Covid-19

The Indian textile and apparel industry is in the throes of a severe crisis and it needs an immediate fix. The Covid-19 pandemic came as a huge setback to a sector which had been grappling with the aftershock of demonetisation and other negative economic indicators. Data emerging from most corners of the world do not hold out any positive for the Indian

textile industry. Leading global apparel brands have whittled down their operations, booked massive inventory losses, and cancelled new orders in the wake of the Corona crisis. The situation is likely to prompt many global buyers to file for bankruptcy or seek liquidation, which would leave textile manufacturers, including those in India, with crippling levels of bad debt. Closed stores and shutdown factories across the country for a period extending more than a month has added to the woes of textile and apparel manufacturers.

Yet, everything is not over, and just the way the economy takes a U-turn every time it is beaten down, there will be a revival. The growing anti-China sentiment that was triggered by the US-China trade standoff intensified after the Coronavirus outbreak in China. This is likely to pave way for India to earn global attention after the tide turns favourable. The government has taken important steps which have helped the Indian textile industry to capitalise on

- opportunities. These include:
- Providing adequate low-cost funding by banks.
  - Improving the country's export-import policies and continuation of export incentives.
  - Amending labour laws to help improve productivity and support smooth functioning.
  - Change in the definition of Micro, Small and Medium Enterprises (MSME), which form the backbone of the

- textile industry.
- Faster disbursement of the textile ministry's special fund for the sector.

#### The New Textile Policy 2020: A Window of hope

The government is formulating the New Textile Policy 2020 to make the sector competitive, modern, sustainable and inclusive. This policy is expected to provide a special focus on manufacturing of apparels and garments, technical textiles, man-made fibre products and

exports. It aims to position India as a fully integrated, globally competitive manufacturing and export hub. It will entail the strategy and action plan for the country's textile and apparel segments, while maintaining a pre-eminent position in handicrafts and handloom. The entire effort is based on the prime minister's 'Make in India' drive. It aims to identify one strong product with export potential from every district and cluster

## MAN-MADE TEXTILES

**India** is a leading manufacturer of man-made textiles. The Indian fabrics are known for their excellent workmanship, colours and durability. Heavy investments in world-class manufacturing plants, continuous innovation, new product mix and strategic market expansion have made Indian man-made fibres (MMF) fit to take the centre stage in global arena.



#### Performance

In 2018-19, export of man-made staple fibres stood at \$572 million. Shipping of man-made yarns, fabrics and made-ups reached \$4.9 billion and readymade garments of manmade fibres \$3.85 billion in the year. During April-November 2019, export of man-made staple fibres stood at \$353.99 million, while man-made yarns, fabrics and made-ups reached \$3.17 billion and readymade garments

of manmade fibres \$2.32 billion. Fibre consumption is dominated by man-made fibres (MMF) with 70% share in the global market, while natural fibres constitute the rest. Contrary to the global trend, fibre consumption in India is skewed towards natural fibres, especially cotton, because of its abundant availability. A slight shift towards man-made fibres could completely alter the fortunes for Indian MMF players. (as per latest data sources)

#### Impact of Covid-19

Man-made fibre textile manufacturers suffered from huge losses and shortage of funds because of cancellation and deferred orders in the wake of the Corona virus epidemic. The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC), which represents the man-made fibre textile segment, has sought a Covid-19 relief package from the government for the textile industry, including the entire value chain of the

man-made fibre textile segment. The demands include a special export incentive of 3% on fibres and yarns, 4% on fabrics and 5% on made-ups for at least six months or till the impact of Covid-19 subsides and the global markets stabilise, and a separate package for man-made fibre textiles as this segment has been reeling under an inverted duty structure under the GST regime.

## THE SPINNING INDUSTRY

According to the Northern India Textile Mills Association (NITMA), an apex body representing the sector, India's cotton-spinning industry has been struggling with shrinking profitability for years due to a sharp decline in yarn exports, cheaper imports, state and central levies on exports and high interest rates.



Bangladesh, Sri Lanka and Indonesia have been flooding the markets with cheaper garments and yarns because of lower cost of raw materials. India's competitiveness at a global level is also low because of embedded taxation. According to the industry body, excess spinning capacity in the country and poor demand for yarns from overseas markets have led to accumulation of stocks and a shortage of liquidity in the industry.

### Performance

Fiscal 2019-20, which was expected to be a good year for the Indian spinning industry, belied expectations. The demand uptick seen in the last quarter of the previous year didn't sustain. Cotton yarn

exports, the key revenue spinner for the industry, declined nearly 30% in the first half of the year, driving a large section of the segment to run at sub-optimal levels.

Multiple challenges, including a demand slowdown in the domestic as well as export markets and unfavourable raw material prices, led to a poor performance for the sector during the year.

Operating profitability for the domestic spinning sector in 2019-20 is expected at multi-year lows, closer to the level last witnessed in 2011-12, when most players suffered sizeable losses on inventory due to a steep unexpected correction in cotton prices. *(as per latest data sources)*

### Outlook

A correction in realisations, even as cotton prices have remained relatively stable on the back of scaled-up market interventions by the Cotton Corporation of India (CCI), are expected to contract the spinners' contribution to the margins. With no meaningful recovery in sight and continued uncertainty on the extent and duration of the impact of the Corona virus outbreak, ICRA has assigned a 'negative' outlook on the cotton spinning sector.

**70%**  
Proportion of man-made fibres in the total fibre consumption globally.

## FIBRE & YARN - MAN-MADE

**Man-made fibres (MMF)** witnessed a period of stabilisation on the back of stable crude prices, which has helped stabilise EBITDA margins and improve credit metrics.



Following a fall in margins in 2018-19 owing to the volatility in crude prices, profitability improved in 2019-20. The segment's interest coverage and net leverage bettered in 2019-20 riding on stable crude prices and improved demand.

MMF is likely to gain from the instability in cotton prices, with many companies improving production/utilisation on the back of higher demand. The decline in demand and production of cotton yarn have augured well for synthetic yarns, which posted growth in the third quarter.

### Evolving trends

**Shift in preference:** Increasing price volatility and concerns over durability and sustainability have prompted fashion marques to gradually shift to a fibre mix with a tilt towards synthetics, especially polyester and viscose. Improvement in technical properties of MMF has also supported this trend.

**Millennials and lifestyle:** The new-age consumer is fitness conscious and opts for sports and physical exercises. He looks out for clothing with a

combination of comfort and performance. Man-made fibres and yarns have made a headway in the trail of this emerging trend in active-wear market and most of the international brands are choosing MMF because of its properties like durability, elasticity, water-proofing, stain resistance, fire retardance, moisture absorbance, sustainability and technical soundness..

### The Cotton Paradox

Cotton is beautiful, breathable and defines our national narrative. It is also a water-intensive crop and may be overdependent on pesticides. Its processing footprint isn't great either. According to the World Wildlife Fund, it takes 2,700 litres of water to produce one cotton T-shirt. You can go natural and biodegradable but that may not always add up to sustainability.

## THE DENIM INDUSTRY

**Denim** is a high-growth category. The value growth in denim wear is fuelled by increased demand for stretch and light-weight fabric, varying colours, styling and detailing. This trend is emerging across all categories of men's, women's and kids' wear.



The Indian denim market has been in the black for years. The Denim Manufacturers' Association has pegged the Indian denim jeans industry at \$3.6 billion with the annual growth averaging 9% over the last five years. The steady growth is credited to a rise in consumerism, a bridge in luxury gap and advancements in denim fashion. The demand for denim wear has also made massive inroads into rural India.

### Changing trends

After a few years of glut in the domestic market arising out of excess capacity, the Indian denim industry may finally see the demand-supply gap narrowing. The denim market has seen a slowdown and the overcapacity is getting adjusted after the initial impact of demonetisation and the Goods and Services Tax (GST) regime. With no new capacities or fresh investments made for the medium term, the excess

capacity accumulated over the years has begun being utilised. With mass consumption expected to improve and denim players going for more premium products, gross margins in the industry are also expected to improve over the coming years. This estimate has also been endorsed by India Ratings and Research (Fitch Group) in its recent report on the sector.

The rating agency expects minimal greenfield investments in the sector as sub-optimal utilisation levels will not entice any players to invest before 2021-22, given that the current capex will require two to three years to stabilise. India Ratings also expects the return of wholesale and consumer demand for basic denim in the domestic market, while exports of value-added denim will improve on capacity utilisation.

### Growth drivers

Within the overall Indian apparel space, the denim wear market has evolved significantly over the last few years. The industry posted rapid growth, buoyed by fashion-conscious youths. The change in classification of consumer wardrobe has acted as a growth driver for denim wear in India.



**Increasing youth segment**  
Youth (15 to 29 years old) who comprise 26% of the consuming population



**Influence of international brand**  
It has widened the perspective of consumers which in turn has resulted in higher acceptability of new trends, styles in the market.



**Increasing rural spending**  
Increased purchasing power, percolation of mass media, awareness and reach of e-commerce and fashion trends and inclination towards western trends are driving the demand.



**Casualisation of fashion**  
Casual wear categories such as denim, activewear, casual shirts, and fashionable skirts are outpacing the growth of formal wear in India. This is reflective of the changing consumer trend and increasing use of casual wear in offices as well as at home



**Alternative retail channel**  
Alternative apparel retailing is evolving in India at a rapid pace; jeans are no exception to this trend



**Rise of private label**  
Private label-led players such as FBB, Max and V-Mart have identified the value price point gaps and have launched products in the value fashion segment.

## OPERATIONAL PERFORMANCE

At RSMW, the fiscal 2019-20 was a shakeout year as the leadership worked fervently on graduating business operations to a higher level where profitable business growth becomes sustainable.

The team streamlined the workforce, questioned the status quo, challenged the norms, overhauled traditional practices and upgraded conventional business processes.

While the man-machine productivity improved on the shopfloor, RSMW became significantly more visible at key marketplaces in an all-out effort to consolidate its dominance in

the textile market. In a nutshell, the organisation stayed abuzz with fervent activity.



## FINANCIAL PERFORMANCE

The fiscal 2019-20 was a test of nerves for the Company as the markets lost the steam because of the economic slowdown. Discretionary expenses consequently took a backseat, driving the demand for products across the textile value chain downhill.

Despite the adversity, the Company performed well during the year under review. Even though the turnover declined to ₹2,771.03 crore from ₹2,960.58 crore a year ago, profitability improved considerably. The Company's pre-tax profit turned around from ₹(32.79) crore in 2018-19 to ₹23.56 crore in 2019-20 – a commendable turnaround given the challenging circumstances. The profitability could have risen had the Covid-19 pandemic not slammed the brakes on businesses.

Overhauling of the raw material procurement system, coupled with strict control on costs, enabled the Company to report a 25.6% increase in EBITDA – from ₹210.01 crore in 2018-19 to ₹263.74 crore in 2019-20, while the operating margin improved from 7.09% to 9.52%. Also, Return on Networth improved from -3.10% in 2018-19 to 3.21% in 2019-20. The Company successfully optimised the capital employed in the business from ₹2,537.62 crore as on March 31, 2019 to

₹2,182.58 crore by end-March 2020. As a result, the Return on Capital Employed improved from 3.42% in 2018-19 to 6.05% in 2019-20. It reflects the efficient utilisation of every rupee invested in the business. During the year, the Company made a concerted effort to deleverage the organisation. As a step towards this goal, the Company sold off some conventional looms and some non-productive assets. As a

result, the Company's Net Fixed Assets declined to ₹1,034.34 crore as on March 31, 2020 from ₹1,144.15 crore a year ago. The total borrowings declined to ₹1,052.17 crore as on March 31, 2020 from ₹1,237.42 crore last year. This has improved the debt-equity ratio from 1.69 to 1.51 and reduced the interest liability from ₹119.52 crore in 2018-19 to ₹108.51 crore in 2019-20.

Net cash from operations dropped from ₹271.2 crore in 2018-19 to ₹230.7 crore in 2019-20.

Key Ratios	2019-20	2018-19	% change
<b>Stability Ratios</b>			
Debt equity Ratio	1.51	1.69	(10.65)
Debt Service Coverage Ratio	0.85	0.79	7.59
Interest Coverage Ratio	2.43	1.76	38.07
<b>Liquidity Ratios</b>			
Current Ratio (incl. CPTL)	1.15	1.01	13.86
Current Ratio (excl. CPTL)	1.30	1.24	4.84
Debtor Turnover Ratio (days)	33	41	(19.51)
Inventory Turnover Ratio (days)	67	53	26.42
<b>Profitability Ratios</b>			
Operating Profit Margin (%)	9.52	7.09	34.27
Net Profit Margin (%)	0.82	(0.82)	200%

**Disclosure of Accounting Treatment**  
The Company has followed the same Accounting treatment as prescribed in the relevant Indian Accounting Standards while preparing the Financial Statements.





## HUMAN RESOURCE

**Intellectual capital** has always been the key to success at RSWM. This critical competitive edge helped it stand out of the clutter.

People-centric policies have created a unique bond between RSWM and its 16,000-plus team. This is evident in the fact that a large number of employees are attached with the Company for more than 10 years.

The HR team has sharpened its focus on succession planning. It successfully implemented Project UDAAN, where the team carried out a competency mapping exercise to draw up the leadership pipeline. These executives underwent a structured learning and development programme for building skill and competency for taking over leadership roles. The HR team intensified its knowledge enhancement initiative for the shopfloor team and imparted training on technical skills.

The Company hosted various programmes to celebrate festivals like Ganesh Chaturthi, Navratri, Diwali, Holi and Christmas, which nurtured a healthy team and fostered family bonding. The team organised various sports events throughout the year. The participation from team members was encouraging. The HR squad proactively worked towards setting up processes to keep the employees safe after the Covid-19 turmoil unfolded. The senior management and leadership team maintained regular communication with the entire RSWM team to boost their morale through the lockdown period. It also developed a road map for aligning to the 'new normal', drew up an action plan, reinforced the review mechanism for safety of business operations and its people. For 2020-21, the HR team is working to digitalise all the processes for a faster and more accurate service to the organisation. The team is working on an Employee Engagement Survey which will throw light on the gap between assumptions and realities and help improve engagements.



## INFORMATION TECHNOLOGY

The changing global business dynamics called for more integrated operation to ensure sustainable growth and information technology has emerged as a critical aspect to bind the dispersed locations and form a seamlessly connected organisation. IT has catalysed productivity, efficiency, control and decision-making.



In fact, RSWM believes that business cannot function in this age without IT intervention. Business processes at RSWM are based on the M3 ERP platform that provides end-to-end integration. It was rolled out in 2019-20 to cover the fabric and denim verticals and then it was extended to cover all functions and business verticals. After making significant investments in IT solutions for enhancing efficiency in the previous year, the IT team focused on strengthening the security systems to ensure that its data infrastructure remained safe and the corporate brand stayed untarnished. A host of measures were implemented to make it a success.

- A centralised network security solution was implemented to secure network authentication.
- An antispam technology with email security was introduced to safeguard the company domain from unauthorised spammers/hackers.
- The Company invested in Endpoint Security, Web Security and Endpoint Firewall with a centralised dashboard which facilitates real-time monitoring of infrastructure at all plants, sales offices and the corporate office.
- A high-end Gateway Firewall with the latest firmware was set up to secure the network premises based on port restrictions, and protected the IT set-up from new-age virus attacks.
- A centralised OS Patch management system was set up to secure servers and workstations with latest bug fixes as well as security patches.
- A Hybrid Email Infrastructure was built to provide flexibility of email client interface.
- After improving the data centre connectivity and application response time through higher bandwidth and redundancy in 2018-19, the Company installed sophisticated solutions to maintain the system's health in data centre. This should further improve the reliability of the data centre going forward.
- Some of the other projects successfully implemented by the IT team during the period under review include:
- Active Directory, Policies, DNS and DHCP for centralised resources and security administration for enhancing user experience and simplifying resource availability.
- A contemporary solution for incident, change and problem management for streamlining the incident management and network monitoring discipline.

## INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

RSWM maintains a system of well-established policies and procedures for internal control of operations and activities.

The Company continuously strives to integrate the entire organisation – from strategic support functions like finance, human resource and regulatory affairs to core operations like research, manufacturing and supply chain management.

The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues.

The Company has appointed independent agencies as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

The Company has obtained ISO 9001 and ISO 14001 certifications and adheres to standard operating practices in its manufacturing and operating activities.

## RISK MANAGEMENT

The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risks and their mitigation measures of the Company are placed before the Board periodically for review and improvement.



## CORPORATE INFORMATION

**L. N. Jhunjhunwala** Chairman-Emeritus

### BOARD OF DIRECTORS

**Riju Jhunjhunwala**  
Chairman & Managing Director

**B. M. Sharma**  
Joint Managing Director

**A. N. Choudhary**  
Director

**Archana Kapoor**  
Director

**Ravi Jhunjhunwala**  
Director

**Arun Churiwal**  
Director

**P.S. Dasgupta**  
Director

**Shekhar Agarwal**  
Director

**Dr. Kamal Gupta**  
Director

**Deepak Jain**  
Director

### KEY MANAGERIAL PERSONNEL

**Riju Jhunjhunwala**  
Chairman & Managing Director  
Chief Executive Officer

**Surender Gupta**  
Company Secretary

**Prakash Maheshwari**  
Chief Executive  
(Corporate Affairs & TPP)

**Rajeev Jain**  
Chief Executive (Yarn)

**B. M. Sharma**  
Joint Managing Director

**Avinash Bhargava**  
Chief Financial Officer

**Suketu Shah**  
Chief Executive  
(Denim & Fabric)

**Arvind Gupta**  
President & Chief Marketing  
Officer

**Manoj Sharma**  
President and CHRO

### AUDITORS

Lodha & Co.  
S. S. Kothari Mehta & Co.

### REGISTERED OFFICE

Kharigram,  
P.O. Gulabpura - 311 021  
Dist. Bhilwara (Rajasthan)

### CORPORATE OFFICE

Bhilwara Towers,  
A-12, Sector - 1,  
Noida - 201 301 (U.P.)

### BANKERS

State Bank of India  
Bank of Baroda  
Canara Bank  
Central Bank of India  
Export-Import Bank of India  
HDFC Bank Limited  
ICICI Bank Limited  
Indusind Bank Limited  
Punjab National Bank  
Union Bank of India  
Yes Bank Limited  
Shinhan Bank

### PLANT LOCATIONS

Kharigram,  
P.O. Gulabpura,  
Dist. Bhilwara - 311 021,  
Rajasthan

LNJ Nagar, Mordi,  
Dist. Banswara - 327 001  
Rajasthan (Denim,  
Fabric and TPP)

Mayur Nagar, Lodha,  
Dist. Banswara - 327 001  
Rajasthan

Mandpam,  
Dist. Bhilwara - 311 001  
Rajasthan

Kanyakheri,  
Dist. Bhilwara - 311 025  
Rajasthan

Rishabhdev,  
Dist. Udaipur - 313 802  
Rajasthan

Ringas,  
Dist. Sikar - 332 404,  
Rajasthan  
(Spinning and Green Fibre)

# DIRECTORS' REPORT

Dear Members,  
The Directors present the Annual Report together with the audited Balance Sheet and the Statement of Profit and Loss and other financial statements of RSWM Limited for the year ended March 31, 2020.



## Company's Performance

Your Company's performance during the year 2019-20 is summarized below:

Financial Results	(₹ in Crores)	
	2019-20	2018-19
<b>Turnover</b>		
Export	827.23	1,020.17
Domestic	1,943.80	1,940.41
<b>TOTAL</b>	<b>2,771.03</b>	<b>2,960.58</b>
Profit before Interest & Depreciation	263.74	210.01
Less: Interest/Finance Cost	108.51	119.52
Profit before Depreciation & Amortisation	155.23	90.49
Less: Depreciation & Amortization	131.67	123.28
Profit/(Loss) before Tax	23.56	(32.79)
Less: Current Tax	17.09	Nil
Deferred Tax Liability/(Asset)	(16.20)	(8.52)
Profit/(Loss) after Tax	22.67	(24.27)
Add: Opening Balance	352.40	354.24
Add: Profit on Sale of Equity shares held in HEG Limited	78.58	29.73
Less: Dividends & Others	0.75	7.30
Profit available for appropriation	454.40	352.40

## Number of Meetings of the Board

The particulars of the meetings held during the year along with the details regarding the meetings attended by the Directors form part of the Corporate Governance Report.

The composition of the Board and its Committees has also been given in detail in the report on Corporate Governance.

## Dividend and other Appropriations

Keeping in mind the financial position of the Company during the financial year under review, your Directors do not recommend any dividend on the Equity Shares of the Company.

No amount is proposed to be transferred to General Reserve. The amount available for appropriation ₹49.10 Crore has been carried over to next year.

## Operational Performance

Your Directors inform the members that during the year under review, your Company faced unprecedented challenges due to global economic slowdown including the domestic markets. Your Company geared itself and took all measures to withstand the challenges particularly in the second half of financial year. Due to these steps your Company was able to achieve better performance. Though the Company recorded a lower turnover at ₹2,771.03 Crores as against ₹2,960.58 Crores, partially due to lockdown at the fag end of the financial year, the operating profit of the Company improved significantly at ₹263.74 Crores against ₹210.01 Crores in the previous financial year. Profit before depreciation also increased to ₹155.23 Crores against ₹90.49 Crores recorded in the previous financial year. The Company also recorded profit after tax of ₹22.67 Crores against a loss of ₹24.27 Crores in the previous year. Your Directors inform the member that the financial statements of your Company had been drawn on the IND-AS for the financial year ended March 31, 2020 with comparatives.

Your Company took various decisions and steps during the year under review to overcome these challenges which included rationalisation of costs, monetization of investments and sale of surplus land and fixed assets. The Company also focused on exploring new markets in the vague of economic slowdown in the existing markets and also worked on improving and innovating the product mix as well as operational efficiency. However towards the end of current financial year, the global world faces another challenge in the form of COVID-19, the impact of which would be known in due

course. Your Company is also aware of the challenges and taking all steps to counter the post challenges.

The analytical review of the Company's performance and its businesses, including initiatives in the areas of human resources and information technology, has been presented in the section on Management Discussion and Analysis forming part of the Annual Report.

Working results of last three financial years 2017-18 to 2019-20 are given in Annexure – I and form part of this report.

#### Expansion and Modernization

Your Directors inform the members that the Company did not incur any further capital expenditure on expansion and modernization programme due to difficult economic conditions during the year under review except the normal capex for smooth running of the operations of the Company. However, your Directors are pleased to inform the members that ongoing Capex on implementation of ERP Phase 2 at Denim and Fabric Divisions was completed within its stipulated budget of ₹7 Crores.

Your Company is closely observing the economic conditions and taking all measures to boost its performance as soon as the global economic situation improve.

#### Subsidiary Companies, Joint Ventures & Associates

Your Directors in their previous report had informed the members about the investment by the Company in M/s. LNJ Skills & Rozgar Private Limited which is involved in skill development related activities. Your Directors also reported in the previous report that your Company acquired 54.26% shareholding in M/s. LNJ Skills & Rozgar Private Limited at an investment of ₹11.80 Crores and acquired 11,80,000 Equity shares in the Company. M/s. LNJ Skills & Rozgar Private Limited became subsidiary of your Company w.e.f. November, 2018. Your Directors further inform the members that M/s. LNJ Skills & Rozgar Private Limited subsequently ceased to be the subsidiary of the Company in April, 2019 with the allotment of equity shares by them to other entities to further their business. However, your Company continues to hold 47.30% shareholding in M/s. LNJ Skills & Rozgar Private Limited and therefore it has acquired the status of Associate of your Company. Your Directors are hopeful that with this investment, your Company would continue to contribute its bit in enhancing the skill levels of our countrymen.

Your Directors in their previous report informed the members that Hero Wind Energy Private Limited, who acquired the stake of M/s. LNJ Power Ventures Limited, had become Joint Venture partner with the Company. Your Directors are of the view that there is no significant influence of your Company on the operations of M/s. LNJ Power Ventures Limited throughout the year and therefore it no longer remains Associate of your Company from April, 2018 onwards.

Further as reported in the previous report, your Company is holding significant investment in Bhilwara Energy Limited and is represented

by Shri Riju Jhunjhunwala, Chairman and Managing Director of your Company on their Board, where also he is holding the position of Managing Director. Your Directors inform the members that your Company sold its investment in M/s. Bhilwara Energy Limited comprising of 1,69,38,599 equity shares of ₹10/- each constituting 10.21% to M/s. HEG Limited as approved by your Board on 10th April, 2019 for a consideration of ₹84.85 Crores. However, your Company continues to hold 1,25,24,960 Equity Shares constituting 7.56% of paid up capital in M/s. Bhilwara Energy Limited. Your Directors are of the view that your Company continues to exercise its significant influence on BEL by the representation of Shri Riju Jhunjhunwala, Chairman and Managing Director on the Board of BEL and accordingly continue to treat M/s. Bhilwara Energy Limited as its Associate. Accordingly, M/s Bhilwara Energy Limited continues to be Associate of your Company.

A statement containing the salient features of the financial statements of M/s. LNJ Skills & Rozgar Private Limited and M/s. Bhilwara Energy Limited in the prescribed format AOC 1 is annexed as Annexure - II.

#### Contribution to the Exchequer

Your Company has contributed an amount of ₹263.65 crores in terms of taxes and duties to the Exchequer.

#### Corporate Social Responsibility

Your Directors feel pleasure to inform the members that your Company has been on the forefront to fulfil its obligation towards the society at large and accordingly made its contribution in whole gamut of activities such as sanitation and safe drinking water, eradicating hunger, poverty and malnutrition, promoting education, skills development, empowering women, ensuring environmental sustainability, ecological balance, protection of national heritage, help to armed forces veterans and promotion of rural sports etc. During the financial year 2019-20 your Company has incurred ₹0.82 crore on account of CSR activities which includes health care, sanitation & safe drinking water ₹0.21 crore; promoting education, skills development ₹0.26 crore; ensuring environment sustainability, ecology balance ₹0.10 crore, protection of national heritage, culture ₹0.19 crore and towards empowering women, help to armed forces veterans & training to promote rural sports ₹0.06 crore.

Your Directors inform the members that the Corporate Social Responsibility Committee comprising of Shri Arun Churiwal, Shri Riju Jhunjhunwala and Shri Amar Nath Choudhary monitors the expenditure incurred on the CSR activities and formulate an annual budget for these activities. Your Directors also review the progress periodically.

The details of the CSR spent by the Company are annexed as Annexure III forming part of this report.

#### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Directors inform the members that your Company continuously looks out for energy conservation measures in all areas of operation across its various Units. Similarly your Company endeavors to lookout for up-gradation and absorption of technology. Your Company also spends continuously on Research and Development. Your Directors are glad to inform the members that your Company is a net foreign exchange earner. The relevant detail as required to be disclosed with respect to Energy Conservation, Technology absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Annexure – IV forming part of this report.

#### Extract of Annual Return

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in prescribed format MGT-9 is annexed as Annexure – V.

#### Directors & Key Managerial Personnel

Shri Ravi Jhunjhunwala and Shri Arun Churiwal, Directors retire by rotation and being eligible offer themselves for reappointment.

During the financial year under review, Shri Dharmendar Nath Davar, Independent Director resigned from the Board with effect from 24th July, 2019 due to health reasons. Further Shri Jagdish Chandra Laddha, Non Independent Director also resigned from the Board with effect from 31st July, 2019 due to other commitments. Your Directors place on record their appreciation for the services rendered by Shri Dharmendar Nath Davar and Shri Jagdish Chandra Laddha during their tenure on the Board.

Your Directors further inform the members that the members of the Company at the previous Annual General Meeting of the Company held on 11th September, 2019 approved the re-appointment of Dr. Kamal Gupta and Shri Amar Nath Choudhary as Independent Directors for the second term of five years commencing from 16th September, 2019 by Special Resolution(s).

Your Directors further inform the members that declarations have been taken from the Independent Directors at the beginning of the financial year stating that they meet the criteria of independence as specified under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors inform the members that at its meeting held on 15th June, 2020 Shri Ravi Jhunjhunwala, Chairman and Shri Shekhar Agarwal, Vice Chairman of the Board expressed their desire to relinquish from the Chairmanship and Vice Chairmanship respectively keeping in view the natural progression and succession planning. Your Directors agreed to respect their wish and requested them to provide their continuous guidance by continuing on the Board, which was agreed to by them.

The Board of Directors of the Company subsequently elected Shri Riju Jhunjhunwala, Managing Director as the new Chairman of the Board with immediate effect considering his long standing association and familiarity with the Company's business. Your Directors are hopeful that your Company shall continue to progress under the leadership of Shri Riju Jhunjhunwala.

Your Directors at the above meeting also approved the reappointment of Shri B.M. Sharma as Joint Managing Director of the Company upon commendation of Nomination and Remuneration Committee for a further period of two years with effect from 7th August, 2020 after the completion of his present term on 6th August, 2020. The proposal with regard to his reappointment would be put up at ensuing Annual General Meeting for approval of the Members.

During the year, Shri Riju Jhunjhunwala, Managing Director & Chief Executive Officer, Shri Brij Mohan Sharma, Joint Managing Director & Chief Financial Officer and Shri Surender Gupta, Company Secretary acted as Key Managerial Personnel.

#### Directors' Appointment and Remuneration Policy

As your Directors informed the members in their previous report, a Nomination and Remuneration Policy had been framed by your Company for the appointment of Directors and Senior Management and fixation of their remuneration. The Nomination and Remuneration Policy as framed is annexed as Annexure VI and forms part of this report.

Your Directors inform the members that the Nomination and Remuneration Committee as well your Directors endeavor to follow the policy and all appointments at Board and Senior Management are considered at the meetings of the Committee and the Board.

#### Annual Evaluation by the Board

Your Board of Directors, during the financial year under review, carried out annual evaluation of its own performance as well as its Committees and also of the individual Directors in the manner as enumerated in the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors feel pleasure in informing the members that the performance of the Board as a whole and its members individually was adjudged satisfactory.

#### Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments are given in the Notes to the Financial Statements at appropriate places.

#### Particulars of Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are on arm's length basis and in the ordinary course of business. During the financial year, there were no material contracts or arrangements entered into by the Company with any of the related party. Your Directors draw attention of the members to Note No.39 to the financial statement, which contain particulars with respect to transactions with related parties. The policy on dealing with the related party transactions as approved by the Board of Directors is disclosed on the website of the Company under the following link <https://www.rswm.in/wp-content/uploads/2020/05/Related-Party-Transaction-Policy.pdf>

#### Significant and Material Orders Passed by the Regulators or Courts

During the year under review, there were no significant and materials orders passed by the Regulators or Courts.

#### Risk Management Policy

The Company has adopted the risk management policy which aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. Your Directors periodically review the risks associated with the business or which threaten the prospects of the Company.

#### Internal Control Systems

Your Directors inform the members that your Company has put in place strong internal control systems commensurate with the size of the Company. Further, your Directors take utmost care to ensure that all assets are properly safeguarded and reliable information is provided to the management. Your Directors endeavor to inform the members that all the obligations of the Company are properly adhered to.

Your Directors place utmost importance on continuous strengthening of internal control systems. As reported in the previous report, your Company has put in place a system whereby all areas of the operations of the Company are reviewed by the internal as well as external professionals and independent audit firms. Your Company takes adequate measures with respect to gaps, if any, reported. The Audit Committee of your Company regularly monitors the annual operating plans, risk assessment and minimization procedures as well as mitigation plans. Your Directors endeavor to continuously improve and monitor the internal control systems.

### Particulars of Employees

The information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of the employees is annexed as Annexure –VII.

Further, pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the relevant statement is annexed as Annexure - VIII.

### Auditors

#### Statutory Auditors

As your Directors informed the members in their previous report M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No.000756N), Joint Statutory Auditors of the Company, who were appointed at the 53rd Annual General Meeting of the Company held on 16th September, 2014 for a term of 5 years, have been reappointed for second term of five years from the conclusion of 58th Annual General Meeting of the Company held on 11th September, 2019 till the conclusion of 63rd Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act, 2013.

M/s. Lodha & Co, Chartered Accountants (Firm Registration No.301051E), were appointed as Joint Statutory Auditors of the Company at the 56th Annual General Meeting of the Company held on 27th September, 2017 for a term of 5 years till the conclusion of 61st Annual General Meeting and accordingly continue with their term till 61st Annual General Meeting of the Company.

Further, both the Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under.

The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts. The Auditors' Report does not contain qualification, reservation or adverse remark.

#### Internal Auditors

Your Directors, during the year under review, appointed M/s. P.K. Deora & Co., Chartered Accountants (Firm Registration No.004167N), M/s. BGJC & Associates LLP, Chartered Accountants (Firm Registration No.003304N) and M/s. ASM Bhargava & Co., Chartered Accountants (Firm Registration No.019378C) to act as the Internal Auditors of the Company for the financial year 2019-20 pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

#### Secretarial Auditor

Your Directors, during the year under review, also appointed Shri Mahesh Gupta, Practicing Company Secretary (Membership No. FCS 2870 and CP No.1999) Proprietor of M/s Mahesh Gupta & Company, Company Secretaries, Delhi as the Secretarial Auditor of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of Secretarial Audit is annexed as Annexure IX.

#### Cost Auditor

Your Directors inform the Members that Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, Textile Companies are required to get their cost records audited. In this connection, the Board of Directors of the Company on the commendation of Audit Committee had approved the appointment of M/s. N. D. Birla & Company, Cost Accountants, (Firm Registration No. 000028), Ahmedabad as the Cost Auditor of the Company for the year ending March 31, 2020.

#### Corporate Governance

Report on Corporate Governance along with the Certificate of Auditors M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No 000756N), Plot No-68, Okhla Industrial Area, Phase III, New Delhi

-110020 and M/s. Lodha & Co., Chartered Accountants (Firm Registration No.301051E), 12, Bhagat Singh Marg, New Delhi – 110001 confirming compliance to conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

#### Whistle Blower Policy

Your Directors inform the Members that with the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. Policy adopted by the Company contains a framework whereby the identity of the complainant is not disclosed. The policy has been disclosed on the website of the Company, the link of which is given hereunder:

<https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM-Whistle-Blower-Policy-2018.pdf>

#### Management Discussion and Analysis Report

Management Discussion and Analysis Report as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

#### Directors' Responsibility Statement.

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis; and
- They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Acknowledgements

Your Directors take this opportunity to thank Customers, Members, Suppliers, Bankers, Business Partners/Associates, Central and State Governments for their consistent support and co-operation extended to the Company. We also acknowledge the significant contribution made by the employees by their dedication and hard work and trust reposed on us. We look forward to have the same support in our endeavor to help the Company to grow faster.

For and on behalf of the Board

**Riju Jhunjunwala**  
Chairman & Managing Director  
DIN - 00061060

Place: Noida (U.P)  
Date: June 15, 2020



## Annexure I to Directors' Report

Working Results				
Particulars		2019-20	2018-19	2017-18
<b>I Production</b>				
<b>Yarn</b>	In MTs			
Own		1,26,047	1,28,509	1,36,110
Job Spinning from outside (Domestic)		18	-	-
		<b>1,26,065</b>	<b>1,28,509</b>	<b>1,36,110</b>
<b>Fiber</b>	In MTs	40,967	22,015	18,464
		<b>40,967</b>	<b>22,015</b>	<b>18,464</b>
<b>Fabric and Denim</b>	In thousand meters			
Own		11,928	28,846	25,379
Job Weaving from outside (Domestic)		1,117	-	-
		<b>13,045</b>	<b>28,846</b>	<b>25,379</b>
<b>II Turnover</b> ₹ in Lakhs				
<b>Yarn</b>				
<b>Domestic</b>				
Grey Yarn		87,072	84,722	92,530
Dyed Yarn		71,705	79,808	70,087
Job Spinning		988	926	1,186
<b>Total (Domestic Yarn)</b>		<b>1,59,765</b>	<b>1,65,456</b>	<b>1,63,803</b>
<b>Export</b>				
Grey Yarn		43,718	56,521	59,079
Dyed Yarn		26,760	32,593	28,402
<b>Total (Export Yarn)</b>		<b>70,478</b>	<b>89,114</b>	<b>87,481</b>
<b>Total (Domestic and Export Yarn)</b>		<b>2,30,243</b>	<b>2,54,570</b>	<b>2,51,284</b>
Less: Inter Unit/ Division Transfer/ Job Receipt/ Incentives, Discounts & Rebate Claims as per Ind AS		11,435	7,115	7,404
<b>Net Turnover (Yarn)</b>		<b>2,18,808</b>	<b>2,47,455</b>	<b>2,43,880</b>
<b>Fiber</b>				
<b>Domestic</b>		27,142	17,991	13,785
Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		23,142	17,455	13,699
<b>Net Turnover (Fiber)</b>		<b>4,000</b>	<b>536</b>	<b>86</b>
<b>Fabric and Denim</b>				
<b>Domestic</b>		36,193	32,107	37,291
<b>Export</b>		12,393	13,085	9,163
<b>Total (Fabric and Denim)</b>		<b>48,586</b>	<b>45,192</b>	<b>46,454</b>
Less: Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		991	1,038	965
<b>Net Turnover (Fabric and Denim)</b>		<b>47,595</b>	<b>44,154</b>	<b>45,489</b>
<b>Weaving and Processing Charges</b>				
Weaving Charges		7	1,086	1,331
Processing Charges		3,449	2,641	2,398
<b>Total (Weaving and Processing Charges)</b>		<b>3,456</b>	<b>3,727</b>	<b>3,729</b>
Less: Inter Unit/ Division Transfer		1,952	2,337	2,748
<b>Net Weaving and Processing Charges</b>		<b>1,504</b>	<b>1,390</b>	<b>981</b>
<b>Skill Services</b>		<b>2,585</b>	-	-
<b>Waste</b>				
<b>Domestic</b>				
Yarn		3,176	3,520	4,916
Fabric and Denim		323	222	251
		<b>3,499</b>	<b>3,742</b>	<b>5,167</b>
Less: Inter Unit/ Division Transfer				
Yarn		888	1,219	1,294
<b>Net Waste Sales</b>		<b>2,611</b>	<b>2,523</b>	<b>3,873</b>
<b>Net Turnover</b>		<b>2,77,103</b>	<b>2,96,058</b>	<b>2,94,309</b>

## Annexure II to Directors' Report

### Form: AOC-I

#### Statement pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 related to Associate Companies

Associates			(₹ in Lakhs)
Name of Associate	Bhilwara Energy Limited	LNJ Skills & Rozgar Private Limited	
Latest audited Balance Sheet Date	March 31, 2020	March 31, 2020	
Shares of Associate held by the Company on the year end			
Nos.	1,25,24,960	11,80,000	
Amount of Investment in Associate	2,343.97	1,180.00	
Extent of Holding %	7.56%	47.30%	
Description of how there is significant influence	Board Representation	Holding more than 20%	
Reason why the associate is not consolidated	N.A.	N.A.	
Net worth attributable to shareholding as per latest Balance Sheet	5,412.47	1,261.18	
Profit/(Loss) for the year	2,885.63	45.65	
i. Considered in Consolidation	246.04	21.59	
ii. Not Considered in Consolidation	2,639.59	24.06	

1. Names of associates or Joint Ventures which are yet to commence operations. – N.A

2. Names of associates or Joint ventures which have been liquidated or sold during the year- N.A

#### For and on behalf of Board of Directors

##### Riju Jhunjunwala

Chairman and Managing Director  
DIN: 00061060

##### B. M. Sharma

Joint Managing Director & Chief Financial Officer  
DIN: 08195895

##### Surender Gupta

Company Secretary  
M. No. FCS - 2615

## Annexure III to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

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

A brief outline of the Company's CSR policy is given hereunder

- To develop a foundation, which shall take up all the CSR initiatives being carried out by the Company. This foundation will also take up specific CSR projects with defined objectives, budget and timelines for delivery.
- To develop and institutionalize mechanisms and systems for identification, implementation and monitoring of CSR initiatives/projects.
- To implement CSR initiatives/projects in the geographical vicinity of the manufacturing units.
- To implement CSR initiatives/projects preferably in the economic vicinity of its business operations.
- To create and develop sustainable models of socio-economic development with active inputs and participation of the target audience. These models should become self-sustainable in terms of implementation and financial support over a period of time.
- To collaborate with Government bodies/agencies and other NGOs for selected developmental initiatives/projects in the region.
- To collaborate with local communities and concerned institutions for implementation of developmental initiatives/projects.
- To seek voluntary contributions from its manpower assets for participation in the implementation of these initiatives/projects.
- To ensure that these initiatives and developmental projects are in line with the statutory guidelines provided by Government and statutory agencies on Environmental, Health and Safety.

Overview of projects or programmes undertaken is given in the Para 5 of this statement.

The web link of CSR Policy of the company is stated herein below;

[https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM\\_CSR\\_POLICY.pdf](https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM_CSR_POLICY.pdf)

**2. The Composition of CSR Committee.**

Shri Arun Churiwal (Chairman)

Shri Riju Jhunjhunwala

Shri Amar Nath Choudhary

**3. Average net profit of the Company for last three financial years.**

Average net profit: ₹3,355.02 Lakhs.

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

The Company is required to spend ₹67.10 Lakhs

**5. Details of CSR spent during the financial year;**

(a) Total amount to be spent for the financial year;

₹129.18 Lakhs (including an amount of ₹62.08 Lakhs which remained unspent for the financial year 2018-19)

(b) Total amount spent for the financial year

Out of total obligation of ₹129.18 Lakhs, the Company has spent ₹81.60 Lakhs.

(c) Amount unspent, if any; ₹47.58 Lakhs

(d) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lakhs)

Sr. No.	CSR Project or activity Identified	Sector in which the Project is covered	Locations	Amount Outlay (Budget) project or Program wise	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			District & State where the projects or programs was undertaken			
(i)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Health care, sanitation and safe drinking water	Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	35.00	20.98	Direct
(ii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Promoting education, skills development	Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	30.00	25.78	Direct
(iii)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups;	Empowering women	Bhilwara, Udaipur & Sikar (Rajasthan)	2.00	0.17	Direct
(iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Ensuring environment sustainability, ecology balance	Bhilwara, Udaipur & Sikar (Rajasthan)	17.00	9.77	Direct
(v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;	Protection of National Heritage, Culture	Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	32.00	18.65	Direct
(vi)	Measures for the benefit of armed forces veterans, war widows and their dependents;	Help to armed forces veterans	Banswara (Rajasthan)	3.00	1.10	Direct
(vii)	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports;	Training to promote rural sports	Banswara, Bhilwara (Rajasthan)	10.18	5.15	Direct
(viii)	Contribution to the Prime Minister's national relief Fund, Swachh Bharat Kosh, Clean Ganga fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	-	-	-	-	-
(ix)	Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);	-	-	-	-	-
(x)	Rural development projects	-	-	-	-	-
(xi)	Slums Area Development	-	-	-	-	-
(xii)	Disaster management, including relief, rehabilitation and reconstruction activities.	-	-	-	-	-
<b>TOTAL</b>				<b>129.18</b>	<b>81.60</b>	

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.**

As some of the activities could not be completed before March 31, 2020, the budgeted funds remained partially unutilized. These activities will be completed in financial year 2020-21 and the balance funds would be utilized accordingly. The CSR amount to be spent during financial year 2020-21 will be in addition to unutilized amount for the financial year 2019-20.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and of the Company.**

The object of the CSR is met keeping into consideration the agreed schedules, with definitive and clear objectives and dialogue with the stakeholders and sharing of knowledge and building of trust.

**Arun Churiwal**

Director and Chairman CSR Committee

DIN 00001718

**Riju Jhunjunwala**

Chairman and Managing Director

DIN 00061060

## Annexure IV to Directors' Report

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

#### A. Energy conservation measures taken during FY 2019-20

Energy conservation dictates that how much concerned a company is in conducting its business operations with minimization of power units and decreasing the side effects of global warming. The Company has undertaken following major steps:

#### I Yarn Business

##### I.I P V Yarn Business

###### 1 Kharigram Unit

- Saved energy from leakages and losses of compressed air and saved around 1,110 units per day.
- Saved energy by replacement of compressed air mist nozzle with high-pressure water pump fogging system and saved approximate 375 units per day.
- Installed humidity controller in H-plant for S/Air and R/Air to control the speed of fans and saved around 1,250 units per day.
- Replaced yarn godown halogen lights with LED lights and saved around 24 units per day.
- Relocated complete distribution system of Mill no. 6 to minimize the T&D losses and saved around 420 units per day.

###### 2 Banswara Unit

- Replaced old water pumps and motors by new energy efficient pumps with IE3 motors in water distribution system.
- Intermediate on-off system implemented through cyclic timer for rotary air filters and dust collector motor in humidification plant.
- Replaced conventional street light with 15 watt LED street lights and Plant lights with 16 watt LED tube lights.
- Replaced old inefficient air blower with energy efficient one at sewage treatment plant.
- Installed inverters for supply and return air fans of humidification plant.
- Installed HMI to control humidification plant return and supply air volume through variable frequency drive as per outside ambient condition.
- Daily checking and arresting of compressed air leakages in machines and lines.
- Reduced fresh water consumption by using waste water in a suitable process in a campus by analysing the quality of water as per application.

###### 3 Rishabhdev Unit

- Continuous monitoring of air leakages in air compressor lines in various machines i.e. Blow room, Carding, Draw-frame, Speed frame, Ring-frame and Autoconer, resulting saving in compressed air power consumption. There has been a saving of ₹9.35 lakhs by lower consumption of 354 units/day.
- Maintained the power factor at 0.996 to 0.999 and reduced the cable and transmission losses. This has resulted in a reduction of the power bill by ₹ 37.37 Lakhs.
- In the effort of water conservation, used STP water for plantation through drip irrigation. Rejected water of R.O. also used for plantation.

###### 4 Ringas Unit

- Compressed Air leakage arrested in Autoconer and other machines.

- Controlled the speed of supply air fan through VFD in humidification plant.
- Installed roof top solar power plants of 791 Kw and 382 Kw respectively at spinning and RCPF units.
- Conventional 36 W tube light rods replaced with suitable type of 18 W LED lights in the plant.
- Started using signal isolator in Luwa humidification tower for supply air fan and return air fan control by pump signal.

##### 5 Recycled Polyester Staple Fibre Unit

- Optimized the compressed air requirement at different sections by arresting leakage and setting the air pressure. This saved the power consumption.
- Controlled the speed of pet flakes column dryers pulse motor through V.F.D to minimize the damage of gearbox and save the energy.
- Wash line no.1 sesotec sorting machine rejection conveyer motors speed was reduced using VFD saved the energy.
- Installation of 382 Kw roof top solar power plant to use non-conventional source of renewable energy and to save the power cost.
- Used LDR/ Recycle auto analog timer to control the plant lights and save energy.
- Used differential pressure switches to control RO and raw water supply pumps to save energy.

##### 6 Thermal Power Plant

- Reduced auxiliary power consumption by installation of VFDs in motors, replacement of CT Fan Blades to FRP and replacement of AC Fan Drives.
- Replaced 35W LED lights in places of 70W ones.
- Operated ACC VFDs on temperature control from DCs.

#### I.II Mélange Yarn Business

##### 1 Mandpam Unit

- The parking time at both the ends optimized in Ring Frames, OHTC of Luwa and Elgi Jacobee machines.
- Humidification plant in mill no-4, made fully automatic by putting PLC and software from Luwa.

##### 2 Kanyakheri Unit

- Optimized use of humidification plant and compressor without affecting quality and saved 2,80,000 units of power.

#### II Denim and Fabric Business

##### 1 Denim Unit

- Replaced of plant lighting with energy saving LED lighting like, FTL 36 and high bay lighting of 150 W in plant and saved 378 units/day.
- Arrested compressed air spinning section by continuous monitoring. The consumption of compressed air reduced by 346 cfm/ day and saved power 1,700 units/day.
- Installed AC Drive in cooling fan motor of finishing stenter machine and saved 75 units of power per day.
- Ceramic insulation coating done at VDR Drum (side facing) of rope dyeing machine to reduce the steam consumption by 0.50 ton per day.
- Replaced of aluminium fan of supply and return air fan in

humidification plant with FRP Fan in weaving section and caring area spinning phase-1 and saved power consumption by 600 units/day.

## 2 Fabric Unit

- Reduction in consumption of compressed air by arresting leakages in weaving and process areas. This has saved air consumption by 229 units/day.

### Summary of energy conserved during the FY 2019-20

Unit	Capital investment on energy saving equipments (₹in Lakhs)	Energy saved (Lakh units)	Amount of energy saving (₹in Lakhs)
Kharigram	4.25	0.11	0.89
Banswara	6.52	1.060	8.24
Ringas-Spg.	5.92	0.91	7.24
Mandpam	6.17	1.216	9.49
Denim	21.52	2.22	17.21
Thermal Power Plant	42.06	7.37	57.14
<b>Total</b>	<b>86.44</b>	<b>12.886</b>	<b>100.21</b>

## B. Energy conservation plans for the FY 2020-21

### I Yarn Business

#### I.I P V Yarn Business

##### 1 Kharigram Unit

- Replacement of compressed air mist nozzle with high-pressure water pump fogging system in remaining yarn-conditioning room. This will save around 1,079 units per day.
- Replacement of 60 Nos. 2-blade fan with 6-blade fan in H-plant SA & RA Fan. This will save around 2,088 units per day.
- Replacement of 400 W metal halide light with 125 W LED flood light in yarn godowns. This will save around 126 units per day.
- Modification of cooling tower water line to stop 18.5 Kw motor. This will save around 260 units per day.
- Installation of semi-automated 6-TPH boiler to control FD, ID Fan and screw feeder with respect to steam pressure and temperature. This will save approximate 11 units of power and coal consumption of 85 Kg per day.
- Installation of 15kw VFD in H-Plant washer pump. This will save around 36 units per day.
- Installation of centrifugal compressor of 4,344 CFM to fulfil entire plant compressed air requirement. This will save around 1,500 Units per day.
- Installation of 4th Stage RO to reduce final rejection MEE as MEE treatment cost is approximate ₹900/KL & 4th Stage RO treatment cost is ₹615/KL.
- Automation of Mill No. 9 A humidification plant. This will save around 250 units per day.

##### 2 Banswara Unit

- Saving of power by replacing inefficient old motors with energy efficient motors IE3/IE4.
- Water conservation by reducing wastage, arresting leakages, continuous monitoring and awareness.
- Saving of compressed air power consumption by monitoring and arresting leakages on regular basis.
- Saving of energy by reducing idle running of machines.
- Saving of power consumption at humidification tower by optimum running as per ambient condition through auto control of supply, returns and pump motors.

- Saving of energy by replacing old air conditioners and ceiling fans by 5-star /3-star rating equipments.
- Reduction in standby energy of domestic equipments in guesthouse and staff colony through awareness.

##### 3 Rishabhdev Unit

- Installing of inverter on pneumafil fan Motor of LR-6 Tower in M-1A.
- Installing of inverter drive on TFO machines where coarser count running with RPM of 4,000-6,000.
- Using of Solar Energy for Seiger machines in both the plants.

##### 4 Ringas Unit

- Optimizing the Compressed Air requirement of Auto corner Machines by attending air leakages (80 CFM).
- Replacement of old pumps by high efficiency pumps with energy efficient motor IE3 in mill no. 1 to 3 H-Plant towers.
- Replacement old rewinded 22 KW motors of Murtha TFO machine by 22 KW IE3 energy efficient motors.
- Installing PLC to control the S/Air & R/Air fan VFD as per 24 hours clock, to take benefits during night hours.
- Controlling speed of supply air fan at humidification plant through VFD.
- Controlling of pump through VFD at humidification plant to optimize running and to save power consumption.
- Installing of condensate recovery system for increasing boiler feed water temperature.
- Collection of water from H-plant and then condensate recovery.

##### 5 Recycled Polyester Staple Fibre Unit

- To Convert the Line 1 HTM Electrical heating load Spinning (Beam and CPF) on thermic fluid heating. This will save power units of around 1,700 per day.
- To automatize steam hood blowers at Drawline no. 1 with VFD. This will save power units of around 77 per day.
- To control RHS dryer Air blowers with V.F.D at Draw line no 3. This will save power units of around 160 per day.

##### 6 Thermal Power Plant

- Replacement of CEP motors to energy efficient motors, conversion of CT Fans to turbine fans and retrofitting of FD Fan VFD.

#### I.II Mélange Yarn Business

##### 1 Kanyakheri Unit

- Reduction of power consumption at humidification plant from 346 units/1,000 spindles to 330 units/1,000 spindles.
- Installing timers on overhead cleaners on ring frames to save around 500 units of power per day depending up on the count. The payback period of these timers is 2 months.
- To fully automatize humidification plant to save power consumption by 600 units per day.
- Installing drives on pneumafil motors in ring frames to save power consumption by around 800 units of power per day. The payback period of such drives is one year.

#### II Denim and Fabric Business

##### 1 Denim Unit

- Fitting of variable speed AC drive on supply/ return air fan of H-plant. This will save around 890 units of power per day.
- Replacement of aluminum fan of Supply & return air fan in H-Plant with FRP Fan spinning-2. This will save 15% of present power consumption in H- plant.
- Replacement of screw compressor with new technology Centrifugal compressor with dryer of 4,500 cfm with silencing canopy. This will save power consumption by 4,838 units/day.

- Installing high pressure motor operated fogging system against air operated fogging system in blow room phase 1 & 2 and use of motor operated fogging system in the AWT of H-plant. This will, save power consumption to a good extent.
- Ceramic insulation on dry can cylinders of pad steamer machine and sizing machine which can save steam. The pay back is less than one year.

## 2 Fabric Unit

- Ceramic insulation coating at VDR Drum (side facing) of VDR process machines to reduce the steam consumption. This will save consumption of steam by 4.3 MT per day.
- Replacement of pump at ETP with energy saving one to save 98 units of power per day.
- Automation of NEW VDR -20 No. Yamuna make by Forbes Marshall. This will save consumption of steam by 3.7 MT per day.
- Replacement of aluminum fan of supply and return air fan in H-Plant with FRP Fan in weaving section and caring area new weaving plant. This will save 416 units of power per day.

## C. New Products developed during the FY 2019-20

### I Yarn Business

#### I.I P V Yarn Business

##### 1 New Product Development

- Introduced "AROMA" brand which is made with 100% herbal and natural dyes with antibacterial and mosquito repellent function. These dyes are extracted from the waste of natural material and are truly sustainable.
- Product range with the tag "RSWM EDGE Wick" introduced. These products are made with the blends of R Elan functional fibers, like, Kooltex, Air Therm, and Micro Polyester and feel fresh to cater the functional requirements of the sports wears.
- Introduced products made with 100% recycled polyester and with blends of recycled cotton, to cater the requirement of sustainable products in market.
- Introduced the Naia Blend products for knitwear with smooth feel and quick dry.
- Introduced Lenzing Ecovera with mélange shades and nylon blends with viscose and polyester for sweater knit segment to cater the demand in both domestic and overseas markets.
- Introduced Fancy coarse yarns qualities like, Mega Mix, Beetle, and Casual, developed with 100% recycle polyester to cater the demand in domestic sweater markets.
- Introduced "VIJETA", the injection-slubs quality, for suiting segment and "KESARI", "STAR" and "STAR HD" qualities for shirting segment.
- Launched "DIVERCITY Spring Summer 2021 Collection" at PV Paris in February-2020.
- Different types slubs grindle products (spun and filaments), like, spiral slubs with Poly /Flex, Vis/Flex, nappy slubs with the saleable waste.
- Micro modal for sewing threads.
- Yarn (4/12s, 4/16s & 2/16s) from 51 mm viscose.
- Yarn with micro-denier fibre for 40s PV.
- Elite compact yarn 3/14, 3/13, 3/12s tencel.
- Recycled Polyester 100% yarn is produced in Eli-twist for value addition.
- 10/10s multifold yarn is successfully established which, is a value added product.

##### 2 New Process, Process Optimization, Quality Up gradation, Waste Reduction, Cost or Manpower Reduction

- In Optical and Polyester process, parameters are revised,

improved and optimized in Autoconer cuts.

- Overall basic yarn quality is improved thus cuts level are reduced.
- Created flexibility to process PV yarns as per market requirement.
- Commissioned machines to produce multifold yarns up to 12 ply.
- Yarn recovery is increased.
- Developed upto 45% Linen blended yarn which was sold at better prices.

#### I.II Mélange Yarn Business

##### 1 New Product Development

- Introduced negative slub, slub-over, slub-injection, slub with slub and different types of mosaic yarns in mélange on Skaat attachment.
- Introduced TFO Grindle product with 4.0 TPI.
- Developed a vast range of sustainable products in fancy with recycled cotton, recycled polyester with organic cotton, BCI cotton and Fairtrade cotton, Eri Silk (Ahimsa silk) with cotton blend, Organic wool, European Hemp, European Flex, Lenzing Ecovera and Birla Livaeco, for all leading brands worldwide.
- Introducing yarn on yarn product for creating fancy effect in yarn.
- Introducing herbal dyes on cotton and other fibers.
- Introducing, anti-bacterial, anti-odour, anti-mosquito repellent in 100% cotton yarn as well as in polyester-cotton yarns.
- Introducing 6mm cotton length fiber for creating light heather effect in yarn.
- Introduced draw frame and speed frame grindle mélange yarn by variation of percentage of component for better clarity of innovative mélange effects.
- Introduced 55% Linen with cotton mélange yarn up to 20's Ne.
- Introduced 50% Cashmere wool with 50% cotton mélange yarn up to 30's Ne.

#### II Denim and Fabric Business

##### 1 New Product Development-Denim

- Sustainability denim like Refibra, Liva Eco, Ecovera against Tencel and Viscose product line.
- Laser friendly denim product range by modifying Indigo dyeing method and processing activities as a part of sustainability product range.
- Performance denim product range like Cooltex, All weather feel fresh and high durability products.

##### 2 New Product Development- Fabric

- Inherent FR Courser count slubs (2/5 ne) piece dyed curtain fabric.
- Inherent FR Medium fine count slubs (2/24 ne) piece dyed curtain fabric.
- Fibre dyed Denim fabric development. Poly viscose cotton knit look lycra fabric.
- TR fabric development for brand and domestic market.
- Super fine premium poly wool – 70/30 product development. For brand in 2/90x1/60 nm pw.
- Weft Stretch fabric with anti-microbial and water repellent treated finish developed by piece dyed rout.
- Weft stretch fibre dyed fabric developed and Bi stretch product developed.
- Develop the fragrance finish for domestic market.



- High Tensile as well as High Density fabric developed.
- Courser count PV twisted product developed.
- Kid bags development in courser count (3/14 ne).
- Piece dyed Recycle weft stretch product developed.
- Nylon cotton - 36/64 product developed for uniform.

#### D. Technology absorption and up gradation during the FY 2019-20

##### I Yarn Business

##### I.I PV Yarn Business

##### 1 Kharigram Unit

- Replacement of 18 old machines of PINTER with New Optifil PINTER in SJ11 unit as Electronics failure is higher in coarser count machine.

##### 2 Ringas Unit

- 6 MT Fluidized bed high efficiency boiler with 24 kg. Pressure for higher steam temperature.
- It is also proposed to replace Espro-M Autoconer with new one.

##### 3 Recycled Polyester Staple Fibre Unit

- Electrical heating at Pet Flacks Column Dryers (PFD) at Spinning Line No 1 has been converted to Thermic Fluid heating and taking huge energy saving of around 4,300 units per day.
- Existing VAM which is being operated in line no 2 & 3 has also been connected at Spinning Line No 1 and electrical chiller has been stopped. Due to this up gradation, saved 850 units of power per day.

##### 4 Thermal Power Plant

- Increased heat exchanger surface area of ACC.
- It is also proposed to install back pressure turbine in process steam header to reduce auxiliary power consumption and DCS controlled auto standby operation for instrument air compressors for reliable generation.

##### I.II Mélange Yarn Business

##### 1 Mandpam Unit

- Installed variable drive in fiber cutter machine to cut the fiber from 6 to 44 mm as per the requirement.
- Installed skatt fancy attachment to ring frame machine to produce new pattern of injection slubs, normal slubs and mosaic yarn.
- Installed 6 nos. LC-361 cards with LA-7/6 fine feed on mill No.2 grey line for higher production with better quality.
- Installed Luwa dust and waste removal system in mill no.2 grey section, for better cleaning and keeping good housekeeping.
- Installed Vetal make metal extraction and spark detection system in mill no.2 grey line to avoid fire accidents.
- Installed 12 gauge flat knitting machine for making sweater of double yarn for lab dips.

##### II Denim and Fabric Business

##### 1 Fabric Unit

- KD machine - cylinder replacement and upgradation with drive, PLC and touch screen.
- Upgradation of TMT Machine - with drive, PLC and touch screen.
- Main gear box for Shiner-calendar machine, Nippco.
- Ostoff Singing machine-replacement of 2 burners.
- Supply air Duct replacement work of Picanol loom area.
- Steam damage line and fire hydrant replacement work.

#### E. Expenditure on Research and Development during the FY 2019-20

(₹ in Lakhs)				
Sr. No.	Unit	Capital Expenditure	Revenue	Total Amount
1	Kharigram	4.23	359.3	363.53
2	Banswara	-	254.39	254.39
3	Rishabhdev	2.36	79.37	81.73
4	Ringas-Spg.	0.28	112.04	112.32
5	Ringas-RCPF	16.71	52.95	69.66
6	Mandpam	5.14	126.2	131.34
7	Kanyakheri	-	41.26	41.26
8	Denim	38.63	200.06	238.69
9	Fabric	-	132.55	132.55
<b>Total</b>		<b>67.35</b>	<b>1,358.12</b>	<b>1,425.47</b>

#### F. Details of major machines installed during the FY 2019-20

(₹ in Lakhs)			
No.	Unit	Name of Machine	Model/Make
1	Kharigram	Flocked Roller Cleaning Machine	Sagar
		Semi Flat Knitting Machine	Elex
		Peass Versa Assembly Model	Versa
		Roving Waste Opener	Heena
		Hot Air Oven	PEW-9A
		Tow Cutter	GSL
		Unispray	Rainbow
2	Rishabhdev	Fogging System	Venkateswara
		TFO Machine	VJ -250 m/n 120
		Jumbo Versa winding	Versa
3	Mandpam	SSM Winder	Xeno-Ywdigicone
		Cards (6 Nos.)	LC-361
		Fine Feed (6 Nos.)	LA-716
		Dust and Waste Removal System	Luwa
		Metal Extraction System	Vetal
		Spark Detection System	Vetal
4	Kanyakheri	Skaat Fancy Attachment	Skaat
		Blender	Unispray Sarita 4,305
5	Denim	Spectrophotometer	X-Rite

#### G. Foreign Exchange Earnings and Outgo

##### 1 Activities relating to export, initiatives to increase exports, development of new export markets for product and services and export plan

The Company has continued to maintain focus and avail export opportunities based on economic consideration. During the year, the Company has made exports worth ₹ 793.92 Crores (\$113.27 million) on FOB Basis.

##### 2 Total Foreign Exchange Earned and Used

Particulars	(₹ in Crore)
Foreign Exchange earned in terms of actual inflows	793.92
Foreign Exchange used in terms of actual outflows	120.16

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L17115RJ1960PLC008216
ii) Registration Date	: October 17, 1960
iii) Name of the Company	: RSWM Limited
iv) Category / Sub-Category of the Company	: Company having Share Capital
v) Address of the Registered office and contact details	: Kharigram, Post Office Gulabpura -311 021 Distt. Bhilwara, (Rajasthan), India Phone +91-1483-223144 to 223150, 223478 email : skg@lnjbhilwara.com
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: MCS Share Transfer Agent Limited F-65, 1st Floor, Okhala Industrial Area, Phase-I, New Delhi -110 020 Phone +91-11-41406149-52, Fax No. 011-41709881 E-mail : helpdeskdelhi@mcsregistrars.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Spinning, Weaving & Processing of manmade textile fibres	2470	65.88
2	Cotton Spinning & weaving	2352	34.12

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	LNJ Skills & Rozgar Pvt. Ltd 40, Community Centre, New Friends Colony, Bhilwara Bhawan, New Delhi-110025	U74999DL2016PTC301465	Associate	47.30	2(6)
2	Bhilwara Energy Limited 40-41, Community Centre, New Friends Colony, Bhilwara Bhawan, New Delhi-110025	U31101DL2006PLC148862	Associate	7.56	2(6)

#### IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the Year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A) Promoters</b>									
<b>1 Indian</b>									
(a) Individual / HUF	18,08,068	-	18,08,068	7.68	18,08,068	-	18,08,068	7.68	-
(b) Central Govt									-
(c) State Govt (s)									-
(d) Bodies Corporate	57,10,202	-	57,10,202	24.25	57,77,438	-	57,77,438	24.53	0.28
(e) Banks / FI									
(f) Any Other									
<b>Subtotal (A)(1)</b>	<b>75,18,270</b>	<b>-</b>	<b>75,18,270</b>	<b>31.93</b>	<b>75,85,506</b>	<b>-</b>	<b>75,85,506</b>	<b>32.21</b>	<b>0.28</b>
<b>2 Foreign</b>									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corporate	49,34,770	-	49,34,770	20.95	49,34,770	-	49,34,770	20.95	-
(d) Banks / FI									
(e) Any Other									
<b>Subtotal (A) (2)</b>	<b>49,34,770</b>	<b>-</b>	<b>49,34,770</b>	<b>20.95</b>	<b>49,34,770</b>	<b>-</b>	<b>49,34,770</b>	<b>20.95</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A) (1) + (A) (2)</b>	<b>1,24,53,040</b>	<b>-</b>	<b>1,24,53,040</b>	<b>52.88</b>	<b>1,25,20,276</b>	<b>-</b>	<b>1,25,20,276</b>	<b>53.16</b>	<b>0.28</b>
<b>(B) Public shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds	16,49,821	1,930	16,51,751	7.01	1,77,758	1,930	1,79,688	0.76	(6.25)
(b) Banks / FI	50,898	994	51,892	0.22	46,296	994	47,290	0.20	(0.02)
(c) Central Govt.									
(d) State Govt. (s)	94,133	1,732	95,865	0.41	94,133	1,732	95,865	0.41	-
(e) Venture Capital Funds									
(f) Insurance Companies	1,00,031	-	1,00,031	0.42	1,00,031	-	1,00,031	0.42	-
(g) FIs	2,91,475	-	2,91,475	1.24	1,38,214	-	1,38,214	0.59	(0.65)
(h) Foreign Venture Capital Funds									
(i) Others									
<b>Sub-total (B) (1)</b>	<b>21,86,358</b>	<b>4,656</b>	<b>21,91,014</b>	<b>9.30</b>	<b>5,56,432</b>	<b>4,656</b>	<b>5,61,088</b>	<b>2.38</b>	<b>(6.92)</b>
<b>B 2 Non-institutions</b>									
(a) Bodies Corporate									
i) Indian	14,14,974	3,546	14,18,520	6.02	34,48,331	3,542	34,51,873	14.66	8.64
ii) Overseas	-	4,18,500	4,18,500	1.78	-	4,18,500	4,18,500	1.78	0
(b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	38,95,236	2,70,445	41,65,681	17.69	36,17,459	2,56,672	38,74,131	16.45	(1.24)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	24,29,178	-	24,29,178	10.31	24,80,085	-	24,80,085	10.53	0.22
(c) Others									
i) Trust	100	-	100	-	110	-	110	-	
ii) NRI	4,14,919	1,071	4,15,990	1.77	1,84,903	1,071	1,85,974	0.79	(0.98).
iii) Investor Education and Protection Fund Authority Ministry of Corporate Affairs	58,819	-	58,819	0.25	58,805	-	58,805	0.25	-
<b>Sub-total (B) (2)</b>	<b>82,13,226</b>	<b>6,93,562</b>	<b>89,06,788</b>	<b>37.82</b>	<b>97,89,693</b>	<b>6,79,785</b>	<b>1,04,69,478</b>	<b>44.46</b>	<b>6.64</b>
<b>(B) Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,03,99,584</b>	<b>6,98,218</b>	<b>1,10,97,802</b>	<b>47.12</b>	<b>1,03,46,125</b>	<b>6,84,441</b>	<b>1,10,30,566</b>	<b>46.84</b>	<b>(0.28)</b>
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A) + (B) + (C)</b>	<b>2,28,52,624</b>	<b>6,98,218</b>	<b>2,35,50,842</b>	<b>100.00</b>	<b>2,28,66,401</b>	<b>6,84,441</b>	<b>2,35,50,842</b>	<b>100.00</b>	<b>-</b>

ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year- 31.03.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
1	Shri Laxmi Niwas Jhunjunwala	1,37,112	0.58	-	1,37,112	0.58	-	-
2	Shri Ravi Jhunjunwala	8,09,094	3.44	-	8,09,094	3.44	-	-
3	Smt. Mani Devi Jhunjunwala	3,60,208	1.53	-	3,60,208	1.53	-	-
4	Shri Riju Jhunjunwala	1,75,000	0.74	-	1,75,000	0.74	-	-
5	Smt. Rita Jhunjunwala	1,56,048	0.66	-	1,56,048	0.66	-	-
6	Smt. Sushila Devi Chokhani	65,332	0.28	-	65,332	0.28	-	-
7	Shri Rishabh Jhunjunwala	40,000	0.17	-	40,000	0.17	-	-
8	Lakshmi Niwas Jhunjunwala(huf)	35,664	0.15	-	35,664	0.15	-	-
9	Ravi Jhunjunwala (huf)	25,000	0.11	-	25,000	0.11	-	-
10	Shri Arun Kumar Churiwal	1,610	0.01	-	1,610	0.01	-	-
11	Shri Shekhar Agarwal	1,500	0.01	-	1,500	0.01	-	-
12	Shri Shantanu Agarwal (HUF)	1,500	0.01	-	1,500	0.01	-	-
13	LNJ Financial Services Ltd.	18,80,462	7.98	-	19,33,370	8.21	-	0.23
14	Purvi Vanijya Niyojan Ltd.	14,53,749	6.17	-	14,68,077	6.23	-	0.05
15	Nivedan Vanijya Niyojan Ltd.	8,65,074	3.67	-	8,65,074	3.67	-	-
16	Investors India Ltd.	5,29,955	2.25	-	5,29,955	2.25	-	-
17	Akunth Textile Processors Pvt. Ltd	1,40,000	0.59	-	1,40,000	0.59	-	-
18	N.R. Finvest Pvt. Ltd.	2,40,000	1.02	-	2,40,000	1.02	-	-
19	Bharat Investments Growth Ltd.	1,44,300	0.61	-	1,44,300	0.61	-	-
20	Raghav Commercial Ltd.	3,47,800	1.48	-	3,47,800	1.48	-	-
21	Kalati Holdings Pvt. Ltd.	1,06,573	0.45	-	1,06,573	0.45	-	-
22	India Tex Fab Marketing Ltd.	2,289	0.01	-	2,289	0.01	-	-
23	Micro Base Ltd.	36,50,970	15.50	-	36,50,970	15.50	-	-
24	Microlight Investments Ltd.	10,85,000	4.61	-	10,85,000	4.61	-	-
25	Corn Hill Investments Ltd.	1,98,800	0.84	-	1,98,800	0.84	-	-
<b>Total</b>		<b>1,24,53,040</b>	<b>52.88</b>		<b>1,25,20,276</b>	<b>53.16</b>		<b>0.28</b>

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S No		Shareholding at the beginning of the year-01.04.2019		Cumulative Shareholding during the Year- 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,24,53,040	52.88	1,25,20,276	53.16
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	#		#	
	At the end of the year	1,24,53,040	52.88	1,25,20,276	53.16

#Transfer/Acquisition of Shares by the Promoter Group as per details in the next page.

S. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	LNJ Financial Services Ltd.	18,80,462	7.98	01.12.2017	52,908	Transfer	19,33,370	8.21
		<b>19,33,370</b>	<b>8.21</b>	<b>31.03.2020</b>			<b>19,33,370</b>	<b>8.21</b>
2	Purvi Vanijya Niyojan Ltd.	14,53,749	6.17	01.12.2017	14,328	Transfer	14,68,077	6.23
		<b>14,68,077</b>	<b>6.23</b>	<b>31.03.2020</b>			<b>14,68,077</b>	<b>6.23</b>

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

S. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	10,47,737	4.45	01.04.2019				
				16.08.2019	(8,071)	Transfer	10,39,666	4.41
				30.08.2019	(31,931)	Transfer	10,07,735	4.28
				06.09.2019	(91,358)	Transfer	9,16,377	3.89
				13.09.2019	(37,725)	Transfer	8,78,652	3.73
				20.09.2019	(47,953)	Transfer	8,30,699	3.53
				30.09.2019	(24,970)	Transfer	8,05,729	3.42
				04.10.2019	(806)	Transfer	8,04,923	3.42
				18.10.2019	(1,07,697)	Transfer	6,97,226	2.96
				25.10.2019	(18,013)	Transfer	6,79,213	2.88
				01.11.2019	(1,09,347)	Transfer	5,69,866	2.42
				08.11.2019	(22,707)	Transfer	5,47,159	2.32
				15.11.2019	(1,14,835)	Transfer	4,32,324	1.84
				22.11.2019	(9,730)	Transfer	4,22,594	1.79
				10.01.2020	(1,111)	Transfer	4,21,483	1.79
				17.01.2020	(54,423)	Transfer	3,67,060	1.56
				24.01.2020	(58,601)	Transfer	3,08,459	1.31
				31.01.2020	(1,046)	Transfer	3,07,413	1.31
				07.02.2020	(5,702)	Transfer	3,01,711	1.28
				14.02.2020	(5)	Transfer	3,01,706	1.28
				21.02.2020	(14,630)	Transfer	2,87,076	1.22
				28.02.2020	(15,052)	Transfer	2,72,024	1.16
				06.03.2020	(61,898)	Transfer	2,10,126	0.89
				13.03.2020	(16,316)	Transfer	1,93,810	0.82
				20.03.2020	(10,595)	Transfer	1,83,215	0.78
		1,77,333	0.75	31.03.2020	(5,882)	Transfer	1,77,333	0.75
2	L AND T MUTUAL FUND TRUSTEE LIMITED -L AND T LARGE AND MIDCAP FUND	5,91,735	2.51	01.04.2019				
				01.11.2019	(1,24,056)	Transfer	4,67,679	1.99
				08.11.2019	(26,495)	Transfer	4,41,184	1.87
				15.11.2019	(2,85,724)	Transfer	1,55,460	0.66
				22.11.2019	(1,55,460)	Transfer	-	-
		NIL	NIL	31.03.2020	NIL	NIL	NIL	NIL

S. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	DELTRA LIMITED	3,90,600	1.66	01.04.2019		Nil movement during the year		
		3,90,600	1.66	31.03.2020			3,90,600	1.66
4	DOLLY KHANNA	2,94,036	1.25	01.04.2019				
				05.04.2019	(3,000)	Transfer	2,91,036	1.24
				12.04.2019	(3,500)	Transfer	2,87,536	1.22
				26.04.2019	(7,000)	Transfer	2,80,536	1.19
				03.05.2019	(2,000)	Transfer	2,78,536	1.18
				10.05.2019	(4,000)	Transfer	2,74,536	1.17
				17.05.2019	(6,000)	Transfer	2,68,536	1.14
				24.05.2019	(22,000)	Transfer	2,46,536	1.05
				31.05.2019	(14,000)	Transfer	2,32,536	0.99
				07.06.2019	(4,500)	Transfer	2,28,036	0.97
				14.06.2019	(6,000)	Transfer	2,22,036	0.94
				21.06.2019	(4,000)	Transfer	2,18,036	0.93
				29.06.2019	(2,000)	Transfer	2,16,036	0.92
				05.07.2019	(3,000)	Transfer	2,13,036	0.90
				12.07.2019	(2,000)	Transfer	2,11,036	0.90
				19.07.2019	(3,000)	Transfer	2,08,036	0.88
				26.07.2019	(2,000)	Transfer	2,06,036	0.87
				02.08.2019	(4,000)	Transfer	2,02,036	0.86
				09.08.2019	(6,000)	Transfer	1,96,036	0.83
				16.08.2019	(1,000)	Transfer	1,95,036	0.83
				23.08.2019	(20,815)	Transfer	1,74,221	0.74
				30.08.2019	(15,463)	Transfer	1,58,758	0.67
				04.09.2019	(634)	Transfer	1,58,124	0.67
				06.09.2019	(1,000)	Transfer	1,57,124	0.67
				20.09.2019	(10,295)	Transfer	1,46,829	0.62
				30.09.2019	(14,590)	Transfer	1,32,239	0.56
				04.10.2019	(8,736)	Transfer	1,23,503	0.52
				11.10.2019	(5,949)	Transfer	1,17,554	0.50
				18.10.2019	(4,000)	Transfer	1,13,554	0.48
				25.10.2019	(3,000)	Transfer	1,10,554	0.47
				08.11.2019	(4,000)	Transfer	1,06,554	0.45
				15.11.2019	(7,000)	Transfer	99,554	0.42
				22.11.2019	(3,500)	Transfer	96,054	0.41
				29.11.2019	(1,000)	Transfer	95,054	0.40
				06.12.2019	(5,727)	Transfer	89,327	0.38
				13.12.2019	(5,000)	Transfer	84,327	0.36
				20.12.2019	(2,781)	Transfer	81,546	0.35
				27.12.2019	(2,500)	Transfer	79,046	0.34
				31.12.2019	(3,000)	Transfer	76,046	0.32
				10.01.2020	(1,000)	Transfer	75,046	0.32
				17.01.2020	(2,000)	Transfer	73,046	0.31
				24.01.2020	(1,000)	Transfer	72,046	0.31
				07.02.2020	(6,000)	Transfer	66,046	0.28

S. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				14.02.2020	(4,000)	Transfer	62,046	0.26
				28.02.2020	(14,000)	Transfer	48,046	0.20
				06.03.2020	(4,000)	Transfer	44,046	0.19
				13.03.2020	(5,000)	Transfer	39,046	0.17
		39,046	0.17	31.03.2020			39,046	0.17
5	HARDIK B. PATEL	2,28,514	0.97	01.04.2019				
				29.06.2019	(78,000)	Transfer	1,50,514	0.64
				05.07.2019	2,000	Transfer	1,52,514	0.65
				12.07.2019	2,000	Transfer	1,54,514	0.66
				19.07.2019	2,829	Transfer	1,57,343	0.67
				02.08.2019	(1,50,000)	Transfer	7,343	0.03
				09.08.2019	4,576	Transfer	11,919	0.05
				16.08.2019	725	Transfer	12,644	0.05
				23.08.2019	3,000	Transfer	15,644	0.07
				18.10.2019	1,243	Transfer	16,887	0.07
				25.10.2019	20,000	Transfer	36,887	0.16
				08.11.2019	3,221	Transfer	40,108	0.17
				15.11.2019	1,49,000	Transfer	1,89,108	0.80
				22.11.2019	1,50,728	Transfer	3,39,836	1.44
				03.01.2020	78,000	Transfer	4,17,836	1.77
		7,836	0.03	31.03.2020	(4,10,000)	Transfer	7,836	0.03
6	MINAL BHARAT PATEL	2,17,272	0.92	01.04.2019				
				26.07.2019	(1,85,000)	Transfer	32,272	0.14
				02.08.2019	(15,600)	Transfer	16,672	0.07
				18.10.2019	4,01,406	Transfer	4,18,078	1.78
				25.10.2019	40,308	Transfer	4,58,386	1.95
				01.11.2019	1,00,457	Transfer	5,58,843	2.37
				08.11.2019	1,17,383	Transfer	6,76,226	2.87
				15.11.2019	2,13,452	Transfer	8,89,678	3.78
				22.11.2019	7,887	Transfer	8,97,565	3.81
				13.12.2019	84,400	Transfer	9,81,965	4.17
				03.01.2020	9,400	Transfer	9,91,365	4.21
				06.03.2020	500	Transfer	9,91,865	4.21
				20.03.2020	(9,85,000)	Transfer	6,865	0.03
		19,184	0.08	31.03.2020	12,319	Transfer	19,184	0.08
7	FINQUEST FINANCIAL SOLUTIONS PVT. LTD.	1,98,306	0.84	01.04.2019				
				05.04.2019	11,297	Transfer	2,09,603	0.89
				12.04.2019	74	Transfer	2,09,677	0.89
				26.04.2019	(5,500)	Transfer	2,04,177	0.87
				03.05.2019	1,112	Transfer	2,05,289	0.87
				10.05.2019	6,776	Transfer	2,12,065	0.90
				17.05.2019	8,900	Transfer	2,20,965	0.94
				24.05.2019	1,30,911	Transfer	3,51,876	1.49
				31.05.2019	20,722	Transfer	3,72,598	1.58
				07.06.2019	17,095	Transfer	3,89,693	1.65
				14.06.2019	15,518	Transfer	4,05,211	1.72

S. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				21.06.2019	(3,70,076)	Transfer	35,135	0.15
				29.06.2019	34,391	Transfer	69,526	0.30
				26.07.2019	1,25,000	Transfer	1,94,526	0.83
				02.08.2019	1,50,900	Transfer	3,45,426	1.47
				15.11.2019	(14,000)	Transfer	3,31,426	1.41
				03.01.2020	4,600	Transfer	3,36,026	1.43
		1,46,026	0.62	31.03.2020	(1,90,000)	Transfer	1,46,026	0.62
8	CHOWDRY ASSOCIATES	1,81,976	0.77	01.04.2019				
				31.05.2019	20,000	Transfer	2,01,976	0.86
				21.06.2019	17,194	Transfer	2,19,170	0.93
				12.07.2019	1,119	Transfer	2,20,289	0.94
				30.08.2019	70,024	Transfer	2,90,313	1.23
				13.09.2019	92,500	Transfer	3,82,813	1.63
				30.09.2019	1,963	Transfer	3,84,776	1.63
				17.01.2020	7,500	Transfer	3,92,276	1.67
				24.01.2020	15,000	Transfer	4,07,276	1.73
				31.01.2020	10,000	Transfer	4,17,276	1.77
				07.02.2020	2,500	Transfer	4,19,776	1.78
		4,19,776	1.78	31.03.2020		Transfer	4,19,776	1.78
9	ANIL KUMAR GOEL	1,40,000	0.59	01.04.2019		Nil movement during the year		
		1,40,000	0.59	31.03.2020			1,40,000	0.59
10	ALKA JAIN	1,24,531	0.53	01.04.2019				
				05.04.2019	5,940	Transfer	1,30,471	0.55
				12.04.2019	5,900	Transfer	1,36,371	0.58
				19.04.2019	2,160	Transfer	1,38,531	0.59
				17.05.2019	1,080	Transfer	1,39,611	0.59
				24.05.2019	(8,018)	Transfer	1,31,593	0.56
				31.05.2019	12,273	Transfer	1,43,866	0.61
				21.06.2019	(4,000)	Transfer	1,39,866	0.59
				19.07.2019	5,200	Transfer	1,45,066	0.62
				26.07.2019	9,685	Transfer	1,54,751	0.66
				06.09.2019	(3,600)	Transfer	1,51,151	0.64
				30.09.2019	23,857	Transfer	1,75,008	0.74
				11.10.2019	2,700	Transfer	1,77,708	0.75
				22.11.2019	(3,011)	Transfer	1,74,697	0.74
				28.02.2020	810	Transfer	1,75,507	0.75
		1,75,507	0.75	31.03.2020			1,75,507	0.75
11	JHP SECURITIES PVT.LTD.	0	0.00	01.04.2019				
				20.03.2020	12,90,000	Transfer	12,90,000	5.48
		19,03,000	8.08	31.03.2020	6,13,000	Transfer	19,03,000	8.08
12	ASHOK KUMAR JAIN	1,00,051	0.42	01.04.2019				
				05.04.2019	2,520	Transfer	1,02,571	0.44
				12.04.2019	8,820	Transfer	1,11,391	0.47
				19.04.2019	6,771	Transfer	1,18,162	0.50
				26.04.2019	7,800	Transfer	1,25,962	0.53



S. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01-04-2019) / end of the Year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				03.05.2019	3,695	Transfer	1,29,657	0.55
				10.05.2019	1,525	Transfer	1,31,182	0.56
				17.05.2019	7,070	Transfer	1,38,252	0.59
				24.05.2019	8,675	Transfer	1,46,927	0.62
				31.05.2019	4,784	Transfer	1,51,711	0.64
				14.06.2019	1,530	Transfer	1,53,241	0.65
				21.06.2019	810	Transfer	1,54,051	0.65
				26.07.2019	1,980	Transfer	1,56,031	0.66
				02.08.2019	2,499	Transfer	1,58,530	0.67
				09.08.2019	6,390	Transfer	1,64,920	0.70
				23.08.2019	7,830	Transfer	1,72,750	0.73
				30.09.2019	15,501	Transfer	1,88,251	0.80
				04.10.2019	2,025	Transfer	1,90,276	0.81
				15.11.2019	3,600	Transfer	1,93,876	0.82
				22.11.2019	2,250	Transfer	1,96,126	0.83
				21.02.2020	29,745	Transfer	2,25,871	0.96
				28.02.2020	3,600	Transfer	2,29,471	0.97
		2,29,471	0.97	31.03.2020			2,29,471	0.97
13	PANKAJ JAYANTILAL PATEL	-	-	01.04.2019				
		1,90,000	0.81	31.03.2020	1,90,000	Transfer	1,90,000	0.81
14	FIRST WATER FUND	50,939	0.22	01.04.2019				
				05.04.2019	10,549	Transfer	61,488	0.26
				14.06.2019	16,921	Transfer	78,409	0.33
				21.06.2019	12,000	Transfer	90,409	0.38
				12.07.2019	10,000	Transfer	1,00,409	0.43
				26.07.2019	24	Transfer	1,00,433	0.43
				30.09.2019	20,000	Transfer	1,20,433	0.51
		1,20,433	0.51	31.03.2020		Transfer	1,20,433	0.51

#### v) Shareholding of Directors and Key Managerial Personnel

S. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.2020)	
		No of Shares at the beginning(01-04-2019)/End of the Year (31.03.2020)	% of total shares of the company				No. of shares	% of total shares of the company
1	Shri Ravi Jhunjunwala, Chairman	8,34,094*	3.54	No Change during the year			8,34,094*	3.54
2	Shri Shekhar Agarwal, Vice Chairman	1,500	0.01	No Change during the year			1,500	0.01
3	Shri Riju Jhunjunwala, Managing Directors & CEO (Key Managerial Personnel)	1,75,000	0.74	No Change during the year			1,75,000	0.74
4	Shri Arun Churiwal, Director	1,610	0.01	No Change during the year			1,610	0.01

\* includes 25,000 equity shares of Shri Ravi Jhunjunwala HUF.

## V. INDEBTEDNESS

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

(₹ in Lakhs)

S No	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year				
i)	Principal Amount	1,36,038.03	8,019.09		1,44,057.12
ii)	Interest due but not paid				0
iii)	Interest accrued but not due	336.41			336.41
	<b>Total (i+ii+iii)</b>	<b>1,36,374.44</b>	<b>8,019.09</b>		<b>1,44,393.53</b>
B	Change in Indebtedness during the financial year				
	* Addition	2,036.61	14,100.00		16,136.61
	* Reduction	39,011.34	5,157.66		44,169.00
	<b>Net Change</b>	<b>(36,974.73)</b>	<b>8,942.34</b>		<b>(28,032.39)</b>
C	Indebtedness at the end of the financial year				
i)	Principal Amount	98,986.29	16,961.43		1,15,947.72
ii)	Interest due but not paid	0	0		0.00
iii)	Interest accrued but not due	413.42	0		413.42
	<b>Total (i+ii+iii)</b>	<b>99,399.71</b>	<b>16,961.43</b>		<b>1,16,361.14</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakhs)

S No	Particulars of remuneration	Sh. Riju Jhunjunwala (MD, CEO & KMP)	Sh. Brij Mohan Sharma (JMD, CFO & KMP)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	160.13	140.11	300.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	49.02	36.07	85.09
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		
2	Stock Option	-		
3	Sweat Equity	-		
4	Commission	-		
	- as % of profit	-		
	- others	-		
5	Others, please specify			
	<b>Total (A)</b>	<b>209.15</b>	<b>176.18</b>	<b>385.33</b>
	<b>Maximum Ceiling as per Schedule V of the Companies Act, 2013 for each year</b>	<b>254.37</b>	<b>256.77</b>	

**B. Remuneration to other Directors**

(₹ in Lakhs)

S No	Particulars of Directors	Fee for attending board committee meetings	Commission	Others	Total Amount
1	Independent Directors				
	Dr. Kamal Gupta	18.75	-	-	18.75
	Shri Dharmendar Nath Davar	1.50	-	-	1.50
	Shri Deepak Jain	0.75	-	-	0.75
	Shri Amar Nath Choudhary	12.00	-	-	12.00
	Shri Priya Shankar Dasgupta	3.75	-	-	3.75
	Smt. Archana Capoor	7.50	-	-	7.50
	<b>Total B (1)</b>	<b>44.25</b>	<b>-</b>	<b>-</b>	<b>44.25</b>
2	Other Non-Executive Directors				
	Shri Ravi Jhunjhunwala, Chairman	3.00	-	-	3.00
	Shri Shekhar Agarwal, Vice Chairman	13.50	-	-	13.50
	Shri Arun Churiwal	6.75	-	-	6.75
	Shri J. C. Laddha, Non-Executive, Non-Independent	0.75	-	-	0.75
	<b>Total B (2)</b>	<b>24.00</b>	<b>-</b>	<b>-</b>	<b>24.00</b>
	<b>Total B (1) + B (2)</b>	<b>68.25</b>	<b>-</b>	<b>-</b>	<b>68.25</b>

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

(₹ in Lakhs)

Sl. No	Particular of Remuneration	Shri Surender Gupta, Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46.03	46.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.05	10.05
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>56.08</b>	<b>56.08</b>

**VII. PENALTIES/ PUNISHMENTS / COMPOUNDING OF OFFENCES**

During the year, there were no penalties / punishment / compounding of offences under Companies Act, 2013

For and on behalf of the Board

**Riju Jhunjhunwala**

Chairman and Managing Director

DIN – 00061060

## Annexure VI to Directors' Report

### NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Listed Company is required to constitute a Nomination and Remuneration Committee with at least three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company already has a Nomination and Remuneration Committee with three Non-Executive Directors with a majority of Independent Directors.

The Nomination and Remuneration Committee and Nomination and Remuneration Policy are in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules framed thereunder and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same applies to the Board of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company.

#### "Key Managerial Personnel (KMP)" means and comprise of-

- Managing Director & Chief Executive Officer;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer;
- Such other Officer as may be prescribed.

"Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing Director/whole time Director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer and including functional heads.

#### Role and Objective of Committee:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Carry out evaluation of every Director's performance.
5. Formulate criteria for evaluation of Independent Directors and the Board.
6. Recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and senior management.
7. To devise a policy on Board diversity.
8. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run Company successfully.
9. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
10. To develop a Succession Plan for the Board and to review it regularly.
11. To perform such other functions as may be referred by the Board or be necessary in view of the Listing Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.
12. Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### Membership:

1. The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half of them shall be independent.

2. Minimum two (2) members shall constitute a Quorum for a Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### Chairman:

1. Chairman of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### Frequency of Meetings:

The meetings of the Committee shall be held at such regular intervals as may be required. However, the Committee shall meet atleast once in a year.

#### Committee Members' Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### Voting :

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall, for all purposes, be deemed to be a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### Appointment of Directors/KMP/Senior Management Officials:

While recommending a candidate for appointment, the Committee shall have regard to:

- Assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, experience, background and other qualities required to operate successfully;
- The experience and knowledge that the appointee brings to the role of KMP/Senior Officials, which, in turn, will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorship and such other relationship and the impact of the same on the Company's welfare.

#### Letter of Appointment:

Each Independent Director is required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

#### Policy on Board Diversity:

The Nomination and Remuneration Committee shall ensure that the Board of Directors have the combination of Directors from different areas/fields or as may be considered appropriate in the best interests of the Company. The Board shall have atleast one Board member who has accounting/financial management expertise.

### **Remuneration of Directors, Key Managerial Personnel and Senior Management:**

The salaries of Directors, Key Management Personnel and other senior officials shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

#### **1. Fixed Pay :**

The Key Management Personnel (KMP) and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the applicable provisions of the Companies Act, 2013, read with the rules made thereunder & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis.

#### **2. Minimum Remuneration :**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 & applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time..

#### **3. Provision for excess remuneration:**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the approval of members by way of Special Resolution, where required, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

#### **4. Increment :**

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

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

#### **1. Remuneration/Commission:**

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.

#### **2. Sitting Fees:**

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s)

thereof, provided that the amount of such fees per meeting of the Board or Committee shall not exceed the maximum amount as provided in the Companies Act, 2013, as amended from time to time.

### **Evaluation/Assessment of Directors/KMPs/Senior Management of the Company**

The evaluation/assessment of the Directors, KMPs and the senior Management of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Regulation, 2015, as amended from time to time.

The following criteria may assist in determining how effective the performance of the Directors/KMPs/Senior Management has been:

- Leadership & stewardship abilities
- Assess policies, structures & procedures
- Regular monitoring of corporate results against projections
- Contributing to clearly define corporate objectives & plans
- Obtain adequate, relevant & timely information.
- Review achievement of strategic and operational plans, objectives, budgets
- Identify, monitor & mitigate significant corporate risks
- Directly monitor & evaluate KMPs, senior officials
- Review management's Succession Plan
- Effective meetings
- Clearly defining role & monitoring activities of Committees
- Review of ethical conduct

Evaluation following the aforesaid parameters, will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors relative to the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

### **Manner for Effective Evaluation of Performance of Board, its Committees and Individual Directors**

The Performance Evaluation of Directors, Key Managerial Personnel and Senior Management of the Company, the Board as a whole, its Committees shall be carried out on Annual Basis and be reported to the Board of Directors for further evaluation.

### **DEVIATIONS FROM THIS POLICY:**

Deviations from elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

## Annexure VII to Directors' Report

### Disclosure as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Median Salary for the financial year 2019-20 ₹1.55 Lakhs

S. No.	Name of the Director	Remuneration FY 2019-20 (₹ in Lakhs)	Ratio
1	Shri Riju Jhunjunwala (Managing Director & CEO)	209.15	134.94
2	Shri B.M. Sharma (Joint Managing Director) & CFO	176.18	113.66

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

S. No.	Name of the Director	% increase in remuneration
1	Shri Riju Jhunjunwala (Managing Director, Chief Executive Officer & Key Managerial Personnel)	No Increase
2	Shri B.M. Sharma (Joint Managing Director) & CFO	No Increase
3	Shri Surender Gupta (Company Secretary)	Around 1%

(iii) The percentage increase in the median remuneration of employees in the financial year;

% increase in the Median remuneration of the employees in the FY. 2.65%

(iv) The number of permanent employees on the rolls of Company

No. of Permanent Employees as on 31st March, 2020 16,634

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Salary/wages of employees other than managerial personnel has marginally increased.

The remuneration to employees and to managerial personnel is commensurate with industry standards.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

Yes, the remuneration is as per the remuneration policy of the Company.

## Annexure VIII to Directors' Report

## Statement of Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## A. The name of the top ten Employees in terms of remuneration drawn.

S. No.	Name of Employee	Designation	Remuneration (₹ In Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Organisation	Post Held	Duration (Years) Months
1	Shri Riju Jhunjhunwala	Managing Director & CEO	209.15	MBA	19	1st May, 2013	1,75,000	Contractual	41	HEG Limited	Executive Director	15 Months
2	Shri B. M. Sharma	Joint Managing Director & CFO	176.18	FCA	37	15th January, 2011	-	Contractual	62	Kesar Enterprises Ltd	AVP	5
3	Shri S C Garg	Chief Executive-Melange Yarn	295.75	B.Text (Tech) MBA	39	17th July, 1993	-	Permanent	63	Fenner India Limited	General Manager	1
4	Shri Prakash Maheshwari	Chief Executive-Corporate Affairs & Power	154.96	BSC, FCA	43	1st April, 2003	-	Permanent	65	HEG Limited	President	14
5	Shri Vimal Banka	President - Corporate Office	185.42	CA	40	1st April, 1990	11,100	Permanent	69	Shashi Commercial Ltd	Manager	4
6	Shri Rajeev Jain	Chief Executive -Yarn Business	150.44	B. Text, MBA	38	27th May, 2017	-	Permanent	59	Sutlej Textile & Industries Ltd	Joint President (Corp. Office)	19 Months
7	Shri Suketu N Shah	Chief Executive - Denim & Fabrics Business	126.72	BSC, DTC	36	3rd December, 2018	-	Permanent	57	Mafatal Industries Ltd.	BH & President	2
8	Shri Sudhir Sood	Group President & CHRO	71.61	PGDBM	37	1st February, 2013	-	Permanent	60	Jindal ITF Ltd	VP-Corp. HR	3
9	Shri Suresh Sharma	Chief Operating Officer	82.26	B. Text.	37	8th February, 2003	-	Permanent	61	Parasampuria	DGM	5
10	Shri Arvind Gupta	President & Chief Marketing Officer	8.98	BE (Chemical), MBA (USA), EPSCM(IIMC)	29	17th February, 2020	-	Permanent	54	Tolaram Group	President Director	4

## B. Persons employed throughout the financial year &amp; paid Rs. One crore two lakhs P.A. or more.

1	Shri Riju Jhunjhunwala	Managing Director & CEO	209.15	MBA	19	1st May, 2013	1,75,000	Contractual	41	HEG Limited	Executive Director	15 Months
2	Shri B. M. Sharma	Joint Managing Director & CFO	176.18	CA	37	15th January, 2011	-	Contractual	62	Kesar Enterprises Ltd	AVP	5
3	Shri Prakash Maheshwari	Chief Executive-Corporate Affairs & Power	154.96	BSC, FCA	43	1st April, 2003	-	Permanent	65	HEG Limited	President	14
4	Shri Vimal Banka	President - Corporate Office	185.42	CA	40	1st April, 1990	11,100	Permanent	69	Shashi Commercial Ltd	Manager	4
5	Shri Rajeev Jain	Business Head -Yarn Business	150.44	B. Text, MBA	38	27th May, 2017	-	Permanent	59	Sutlej Textile & Industries Ltd	Joint President (Corp. Office)	19 Months
6	Shri Suketu N Shah	Chief Executive - Denim & Fabrics Business	126.72	BSC, DTC	36	3rd December, 2018	-	Permanent	57	Mafatal Industries Ltd.	BH & President	2

## C. Persons employed part of the financial year &amp; paid ₹ 8 lakhs 50000 P.M. or more.

1	Shri S C Garg	Chief Executive-Melange Yarn	295.75	B.Text (Tech) MBA	39	17th July, 1993	-	Permanent	63	Fenner India Limited	General Manager	1
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## Notes :

- None of the employee is holding more than 2% of the paid - up capital of the Company.
- Shri Riju Jhunjhunwala, Managing Director is relative of Shri Ravi Jhunjhunwala, Chairman.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

RSWM LIMITED

(CIN: L17115RJ1960PLC008216)

Kharigram, P.O. Gulabpura, Distt. Bhilwara,

Rajasthan-311021

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable as the Company did not issue any securities during the financial year under review.**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 -**Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not applicable as the Company has not issued any debt securities during the financial year under review.**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not got delisted its equity shares from any stock exchange during the financial year under review.**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**



vi) The management has identified and informed the following laws as being specifically applicable to the Company:

1. Textile Committee Act, 1963
2. Cotton Textile Order, 1986
3. Textile (Development and Regulation) order, 2001 under Bureau of Indian Standard Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**The Company was required to spend on ₹129.18 Lakhs on identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. Out of above stated amount, Company spent ₹81.60 Lakhs during the year.**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decision at Board Meeting and Committee meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of Board of Directors or Committees of the Board, as the case may be.

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Managing Director & CEO and CFO and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period no major actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. above taken place.

Place: Delhi

Date: 15.06.2020

For Mahesh Gupta and Company  
Company Secretaries

Mahesh Kumar Gupta

Proprietor

FCS No.: 2870

C P No.: 1999

UDIN: F002870B000343771

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This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms an integral part of this report.

## Annexure A

To

The Members

**RSWM LIMITED**

(CIN: L17115RJ1960PLC008216)

Khariagram, P.O. Gulabpura, Distt. Bhilwara,

Rajasthan -311021

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- 5) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
- 6) The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Delhi**  
**Date: 15.06.2020**

**For Mahesh Gupta and Company**  
**Company Secretaries**

**Mahesh Kumar Gupta**  
**Proprietor**

**FCS No.: 2870**

**C P No.: 1999**

**UDIN: F002870B000343771**

# Business Responsibility REPORT

The reporting framework used in this report is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains nine Principles and Core Elements for each of the Nine Principles.

This is RSWM's first Business Responsibility Report. This report is intended to transparently disclose the Company's performance based on the NVG principles and is meant for all our stakeholders. We welcome your thoughts, comments and feedback as this will allow us to improve on our reporting and disclosure standards.

If you would like to send us feedback about this report, please email to [padma.latha@lnjbhilwara.com](mailto:padma.latha@lnjbhilwara.com)

DISCLOSURES ON THE NINE PRINCIPLES AS CHARTED BY THE MINISTRY OF CORPORATE AFFAIRS IN THE NATIONAL VOLUNTARY GUIDELINES (NVG) ON SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES OF BUSINESS.

## PRINCIPLE 1

### ETHICS, TRANSPARENCY & ACCOUNTABILITY

Businesses should conduct and govern themselves with ethics, transparency and accountability.

## PRINCIPLE 2

### PRODUCT LIFE CYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

## PRINCIPLE 3

### EMPLOYEE WELL-BEING

Businesses should promote the well-being of all employees.

## PRINCIPLE 4

### STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

## PRINCIPLE 5

### HUMAN RIGHTS

Businesses should respect and promote human rights.

## PRINCIPLE 6

### ENVIRONMENT

Businesses should respect, protect and make efforts to restore the environment.

## PRINCIPLE 7

### RESPONSIBLE ADVOCACY

Businesses, when engaged in influencing public regulatory policy, should do so in a responsible manner.

## PRINCIPLE 8

### INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Businesses should support inclusive growth and equitable development.

## PRINCIPLE 9

### CUSTOMER VALUE

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

## SECTION A

### General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L17115RJ1960PLC008216
2. Name of the Company	RSWM Limited
3. Registered address	Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan
4. Website	<a href="http://www.rswm.in">www.rswm.in</a>
5. E-mail id	<a href="mailto:rswm.investor@lnjbhilwara.com">rswm.investor@lnjbhilwara.com</a>
6. Financial Year reported	April 2019 to March 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Textile
8. List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Yarn / Fabrics / Denim
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	Nil
b) Number of National Locations	9
10. Markets served by the Company – Local / State / National / International	Turkey, Egypt, Bangladesh, Brazil, USA, Korea, Italy, Spain, UK, Sri Lanka, Thailand and some other important global textile hubs.

## SECTION B

### Financial Details of the Company

1. Paid up Capital (₹)	23.55 crore
2. Total Turnover (₹)	2771.03 crore
3. Total profit after taxes (₹)	22.67 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to Annexure III of the Board's Report.
5. List of activities in which expenditure in 4 above has been incurred	As per Annexure III of the Board's Report

## SECTION C

### Other Details

1. Does the Company have any Subsidiary Company/ Companies?	No
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N A
3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	None
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to Annexure III of the Board's Report.
5. List of activities in which expenditure in 4 above has been incurred	Addressing the challenge of hunger, poverty and malnutrition, Promoting health care and sanitation providing safe drinking water, Promoting education and skill development, Empowering women, Ensuring environmental sustainability and ecological balance, Protection of national heritage, art and culture, Implementing measures for the benefit of armed forces veterans, war widows and their dependents, Providing training to promote rural sports,

## SECTION D

### BR Information

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

##### (a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number	00061060
2. Name	Riju Jhunjhunwala
3. Designation	Chairman and Managing Director & CEO

##### (b) Details of BR head

1. DIN Number (if applicable)	08195895
2. Name	B M Sharma
3. Designation	Joint Managing Director
4. Telephone no.	0120-4390300
5. Email id	jmd.rswm@lnjbhilwara.com

The details of members of Corporate Social Responsibility Committee and their roles and responsibilities are elaborated in CSR Annual Report.

**2. Principle-wise (as per NVGs) BR Policy/policies  
(a) Details of compliance (Reply in Y/N)**

	Corporate Governance for Ethics, Transparency and Accountability	Sustainability throughout the life-cycle of the product	Employee well-being	Responsive towards stakeholders	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth & equitable development	Customer value
1. Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national / international standards? If yes, specify?	NA	Y	Y	NA	Y	Y	Y	NA	Y
4. Is it a board approved policy? If yes, has it been signed by MD /owner /CEO /appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6. Indicate the link for the policy to be viewed online									
1. Code of Conduct	<a href="https://www.rswm.in/investors/code-of-conduct/">https://www.rswm.in/investors/code-of-conduct/</a>	<a href="https://115241.144.10/rswm/environmental.htm">https://115241.144.10/rswm/environmental.htm</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>
2. Whistle Blower Policy	<a href="https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RWMM-Whistle-Blower-Policy-2018.pdf">https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RWMM-Whistle-Blower-Policy-2018.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>
3. Code of Fair Disclosure of Unpublished Price Sensitive Information. (UPSI).	<a href="https://www.rswm.in/wp-content/uploads/2018/07/Code-of-Conduct-for-Insider-Trading-RWMM.pdf">https://www.rswm.in/wp-content/uploads/2018/07/Code-of-Conduct-for-Insider-Trading-RWMM.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>
4. Policy on Related Party Transaction	<a href="https://www.rswm.in/wp-content/uploads/2020/05/Related-Party-Transaction-Policy.pdf">https://www.rswm.in/wp-content/uploads/2020/05/Related-Party-Transaction-Policy.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>
5. Policy on Disclosure on Material Events and Information	<a href="https://www.rswm.in/wp-content/uploads/2019/05/Determination-Materiality-of-Events.pdf">https://www.rswm.in/wp-content/uploads/2019/05/Determination-Materiality-of-Events.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>	<a href="https://115241.144.10/rswm/sustainability.pdf">https://115241.144.10/rswm/sustainability.pdf</a>
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	-	Y
8. Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	N	Y

(b) If answer to the question at serial number 1 against any principal, is 'No', please explain why: (Tick up to 2 options)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The company has not understood the Principles									
2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The company does not have financial or manpower resources available for the task									
4. It is planned to be done within the next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

NOT APPLICABLE

### 3. Governance related to Business Responsibility

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- We have constituted a Corporate Social Responsibility (CSR) committee of the Board which monitors our CSR Activities. The Committee meets quarterly/ once in year to assess the BR performance and align strategies in line with external realities.
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- Yes. This is the first Business Responsibility Report by the Company and will be published annually henceforth.

## SECTION E

### Principle-Wise Performance

#### Principle 1

##### Corporate Governance for Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the Company's functioning to achieve business excellence by enhancing the long term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at RSWM.

The composition of the Board of Directors of the Company is governed by the Companies Act, 2013 and SEBI Regulations 2015. As on March 31, 2020, the Company has 10 Directors on its Board (including the Chairman), of which [5] are independent, 5 are non-executive non-independent directors.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

**Code of Conduct:** RSWM's Code of Conduct extends to all directors and senior employees of the Company which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The Code of Conduct is available at the Company's website link <https://www.rswm.in/investors/code-of-conduct/>

**Vigil Mechanism/ Whistle Blower Policy:** The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the Management concerns about unethical

behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman/Chairman of the Audit Committee in exceptional cases.

The vigil Mechanism/ whistle blower policy is available at the company's website link: <https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM-Whistle-Blower-Policy-2018.pdf>

#### Principle 2

##### Sustainability of Products & Services across Life-cycle

RSWM has built its business framework on the 3P philosophy – People, Planet and Profit. These facets of sustainability play a pivotal role in formulating every business strategy at the Company.

##### People

RSWM regards its people are its most critical assets. For it is their disciplined efforts that has enabled the company to gain a position of respect in the Indian textile industry. To strengthen its people connect, the Company regards safety as its topmost priority. Every business initiative goes through this filter before being approved for implementation. Further, safety training for all employees is mandatory – a practice that facilitates incident-free operations.

RSWM invests continually in growing its people – their skills and capabilities – through knowledge-enhancing initiatives. For this the Company has institutionalized a training calendar to upgrade technical know-how and behavioural qualities.

To create a cohesive force, the Company encourages its team, across hierarchies, to suggest ideas for business improvement. Also, the Company creates cross-functional teams to develop solutions for addressing complex operational issues. The Company also organises number of events which facilitate team bonding.

People for RSWM does not only mean the team within its boundary walls but also encompasses fellow Indians around the near vicinity. Because the Company believes in the thought that an island of prosperity cannot sustain for long in a matrix of misery. As such, the management focuses

on development initiatives which can sustain and improve livelihoods of people residing in neighbouring villages.

### Planet

1) Responsible sourcing: The Company sources its raw materials for environment respecting vendors for its man-made and natural fibre requirements. Man-made fibre are sourced from reputed corporates that are environmental conscious and compliant to global environment standards. For natural fibre, the Company sources its requirements from mandis at the fair market prices. Furthermore, the Company assists cotton grower to enhance their farm output.

2) Recycling fibre and fabric: The Company has made significant investment in a unit for recycling plastic bottles into polyester fibre. It has also invested in equipment which converts post-consumer waste fabrics and into new usable fibres.

3) Renewable energy: The Company has increased its dependence on renewable energy sources thereby reducing the burden of its operations on the planet.

4) Resource utilisation: Over the years, energy and utility optimisation has graduated from being an intentional practice to an organisational culture. As such, every year the Company implements numerous resource optimisation initiatives across all its operating units. Further, The Company has taken an aggressive approach towards digital transformation – this facilitates in minimising the use of paper.

5) Pollution management: As a responsible corporate, the Company works fervently in minimising waste generation. Its facilities are equipped with contemporary equipment which position's the organisation as Zero-Liquid discharge.

### Profits

Profits and profitability is the ultimate motive of every business enterprise. To enhance profitability, the Company works passionately in developing new, value-added products for all its business segments which are aligned to global trends and new-age customer requirements. This enables it to enhance the revenue from its value-added portfolio – hence strengthening its ability to generate superior return.

At RSWM, the surplus generated out of business operations is prudently deployed in repaying its debt, investing in business to capitalise on opportunities and rewarding shareholders for their trust in the management. In its entire history, the Company has not defaulted in its repayment schedule to its finance providers.

### Principle 3

#### Employee Well-being

In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At RSWM, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them. We continuously strive to improve quality of work-life for total job satisfaction and social harmony for the employees.

We at RSWM, have laid down various training practices and methodologies for our employees and workmen. We also have various HR monitored development activities that are carried out from time to time for employees at different levels. These activities are carried at stipulated intervals or as per the requirement by an external hiring expert or deputing staff at lead development centers. The organization subscribes to various economic, environmental and social or charters, codes or voluntary initiatives. Every quarter various informational and informative seminars are held for promoting environmental awareness. Various social activities like gardening and folk activities are held

periodically for boosting up morale of employees. Subsidized lunch and free of cost education is provided to the childrens' of the labourers. Free quarters are provided to the workers.

1. Total number of employees. – 17,300 (including contractual manpower)
2. Total number of employees hired on temporary/ contractual/casual basis. – 3,000
3. Number of permanent women employees. – 2,100 (including contractor female employees)
4. Number of permanent employees with disabilities - NIL
5. Do you have an employee association that is recognized by management. – Yes
6. What percentage of your permanent employees is members of this recognized employee association –100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. – NIL
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees –100%
  - (b) Permanent Women Employees –100%
  - (c) Casual/Temporary/Contractual Employees –100%
  - (d) Employees with Disabilities – N.A.

The policies on the principle of Employee well-being are available at the following link:-[http://115.241.144.10/nit\\_down/nit\\_down1.asp](http://115.241.144.10/nit_down/nit_down1.asp)

Child Labour: The Company does not employ any child labour.

Sexual Harassment: RSWM endeavors to provide a harmonious working environment for female employees and has adopted a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The company has complied with the provisions relating to the constitution of Internal Compliance Committee under the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.

Bonded Labour: The Company do not have any bonded labour.

### Principle 4

#### Stakeholder Engagement

At RSWM, we recognize the fact that as a large business, we have several stakeholder groups each with distinct priorities and diverse interests. We therefore developed a method for structured identification of stakeholder groups, understanding their concerns and incorporating their views in our sustainability strategy.

RSWM actively engages with all its stakeholders throughout the year on its strategic aspirations. The process requires understanding of stakeholders' needs, interests and perspectives. Material matters arising from stakeholder engagements are managed as part of the risk management process. The review of material risks and opportunities include stakeholders' perspectives, ensuring alignment of RSWM's business model with those of its respective stakeholders.

One of the reasons for the Company's prominence in the Indian textile industry has been its collaborative approach towards various internal and external stakeholder groups.

## Engaging with our partners in progress

Stakeholder Segment	Key engagement forums	Key issues
Investors	Presentations, analyst meets and general meetings, press releases, other communication through mail	Demonstration of LNJ Bhilwara Group's ethical and governance practices, transparent and adequate disclosure, business and profitability performance and prospects and capital appreciation
Employees	Employee engagement initiatives, continuous interaction with management, appraisals, grievance redressal mechanism	Productivity, training, learning and development, career growth, work environment and culture
Suppliers/Partners	Meetings with key national and internal suppliers by senior management, supplier visits, suppliers' meet	Discussion on business issues and requirements, quality improvements, business plans and information on applicable statutory requirements and safety standards
Customers/Dealers	Regional meets, Periodic visits by the marketing and branding teams, visits to dealers, need-based visits, visits by senior management to key customers and dealers	Timely redressal of issues, understand aspirations and evolving trends, market knowledge and technology exchange, servicing solutions
Community	Community visits by company management, periodic cultural meets, attendance by company executives at CSR programs	CSR initiatives and Affirmative Action (AA) initiatives addressing priority areas of improving lives and livelihood.
Government/Regulators	Plant visits, symposia and advocacy platforms	Compliance, Ethics, Corporate governance, Corporate citizenship

### Principle 5

#### Human Rights

We subscribe fully to the basic tenets of human rights as defined in our Constitution. We adhere to the human rights principle of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of an individual.

We have placed grievance redressal mechanisms in every manufacturing unit and we try to ensure a harassment free work environment along with workplace health and safety. A Labour Welfare Officer is placed in every manufacturing unit who is available in the plant round the clock to take care of ensuring the basic amenities to workers.

Communication meetings between workers and senior officials are regularly conducted to redress the grievance of workers and maintain harmonious relations between the management and workers.

Prime importance is given towards maintaining better working conditions in the plants to take care of the health & safety of employees. We are certified under OHSAS 18001 by BSI since 2013. No complaint was received pertaining to human rights violation during the past financial year.

### Principle 6

#### Protection and Restoration of the Environment

RSWM is committed to undertake continuous efforts in reducing the adverse impact of its products and facilities on the Earth and its environment. The Company's dedication goes beyond compliance with the law and encompasses the integration of sound environmental practices into its business decisions. It is guided by its environmental principles and consider the environment in all aspects of its business.

**Water management:** RSWM manufactures fabrics dyed with advanced techniques that use less water and chemicals. The Company treats all its post-process water in its effluent treatment plant and further purifies it via reverse osmosis before returning it to the environment as clean

as when used initially. The Company has also set up Sewage Water Treatment Plants at its operating facilities. The treated water is used for plantation activities. Over the years, the Company has successfully implemented numerous initiatives to reduce the consumption of fresh water. In 2019-20, the Company has implemented important measures which also reduced water consumption – a detailed review of which is mentioned in Annexure IV of the Directors' Report.

**Energy management:** Optimising energy consumption is not simply a practice but a discipline that has, over the years, become a culture within RSWM portals. The shop floor team continue to push the bar higher by improving man-machine efficiency resulting in significant energy conservation. The Company continually replaces legacy equipment with contemporary and energy-efficient equipment and lighting solutions which helps in reducing its burden on the Earth. For detailed information on the Company's energy conservation measures in 2019-20, kindly refer to Annexure IV of the Directors' Report

**Clean energy:** In keeping with its environment commitment, the Company has installed 22.7 MW solar power at its various plant locations and entered into an arrangement to procure 20 MW wind power which is used at its manufacturing facilities – thereby reducing the consumption of fossil fuel.

#### Recycle & Waste Management

1) Yarn to fabric: RSWM proudly uses recycled yarns in its fabrics. Its state-of-the-art Garnett machine efficiently breaks down post-consumer waste fabrics and converts them into new usable fibres. The Company recycles about 30 tonnes of used fabric every month.

2) Plastic to fabric: RSWM has established a green fibre unit with a capacity of 120 MTs per day to process waste plastic bottles into green fibre. Disposed PET bottles are converted into flakes, which is turned into fibre for making yarn. This 100% recycled polyester fibre is akin to virgin polyester fibre on its performance parameters during end use. This plant recycles about 150 MTs waste plastic bottles which would have otherwise been dumped into landfills or water bodies.



## Principle 7

### Responsible Advocacy

RSWM'S long-standing commitment is to be a responsible organization. Towards the purpose, it has embraced globally best sustainability practices. Its operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.

The Company's emphasis on improvement in health and safety of its workers continues to remain strong. All hazards and its associated risk identified across its facilities. Any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) are prioritized in management plan. Various control measures adopted to oversee safe functioning of business activities.

RSWM is a member of several industrial and trade associations. These are listed as under:

- Confederation of Indian Industry (CII)
- The Denim Manufacturing Association
- The Cotton Textile Export Promotion Council (TEXPROCIL)
- Federation of Indian Exporters Organization ( FIEO )
- Indian Spinners Association ( ISA )
- Rajasthan Textile Mills Association ( RTMA )
- Synthetic and Rayon Textile Export Promotion Council ( SRTEPC )
- Rajasthan Employers Association
- Indian Merchant Chambers ( IMC )

- Northern India Textile Research Association ( NITRA )
- South India Textile Research Association ( SITRA )

Being an industrial house, our major areas of concern are those public policies which deal with industry/business. Therefore, most of the time, our submissions are related to economic policy changes and other issues, which affect the sustainability and competitiveness of the industry.

These platforms are utilized to update the industry concerns to the relevant government offices through seminars, delegations and memorandums. Through these forums, we also provide our inputs sought by the State & Central Governments related to the current problems faced by the industry, future prospects and policy imperatives required to overcome bottlenecks.

These forums are used to advance the cause of the industry and are not used to take up company specific issues.

## Principle 8

### Supporting Inclusive Growth and Equitable Development

Through CSR (Corporate Social Responsibility) initiatives as well as an ingrained mechanism for sustainable development in core business activities, RSWM supports the principles of inclusive growth and equitable development. The Company has in effect, a detailed CSR policy monitored by a CSR committee appointed by the Board of Directors.

CSR initiatives at RSWM are developed with a key emphasis on promoting education, offering advanced health care facilities, contributing to rural development, conservation of environment etc.

A number of CSR programs are pursued within close proximity to our units to enable supervision and maximize the impact of these developmental activities.

Areas of intervention	Initiatives and programs
Poverty eradication	The Company implemented numerous initiatives for eradicating hunger, poverty and malnutrition. It also organised camps and programs for creating awareness and promoting preventive health care and sanitation. The team funded and installed solutions to provide safe drinking water. These activities were organised in villages proximate to its manufacturing facilities at Banswara, Bhilwara, Udaipur & Sikar (Rajasthan).
Education & skill development	The Company implemented carefully created programs for promoting education, including special education and employment enhancing vocation skills especially for children, women, elderly, and the specially-abled to help them become self-dependent. It also undertook livelihood enhancement projects. These interventions were organised at Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)
Gender inequality	The Company focused its efforts on promoting gender equality by empowering women. Towards this end, the Company funded numerous projects such as setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens. The Company also undertook measures for reducing inequalities faced by socially and economically backwards groups. These projects were undertaken at Bhilwara, Udaipur & Sikar (Rajasthan)
Culture & Heritage	The Company worked on the restoration of buildings and sites of historical importance and works of art; it facilitated in setting up public libraries and in promoting the development of traditional arts and handicrafts.
Contributing to India	In an effort to aid the fight against the raging pandemic of COVID-19, the LNJ Bhilwara group has decided to assist our fellow countrymen with a contribution of Rs 5.51 crores. The following contributions have been made: <ol style="list-style-type: none"> <li>1. ₹2 crores to the PM-Cares fund.</li> <li>2. ₹1.5 crore to the Madhya Pradesh CM Relief fund.</li> <li>3. ₹1.01 crore to the Rajasthan CM Relief fund.</li> <li>4. ₹50 lakh to the Himachal Pradesh CM Relief fund.</li> <li>5. ₹30 lakh and 20 lakh to the Bhilwara and Ajmer Local DM Relief fund respectively.</li> </ol>

## Principle 9

### Providing Value to Customer

Adding value is not always about money or discounts. Understanding our customer is the key to add value. We try to understand what drives value for our customers and offer best quality products with a prime focus on developing memorable customer experience.

In keeping with our customer first philosophy, RSWM engages with its customers at multiple forums to know the customer satisfaction level so that necessary steps may be taken to enhance the same.

The inputs received are then forwarded to the respective business teams for undertaking new developments besides remedial action, as may be required.

In keeping with customer requirements, the Company introduced 2,314 yarn variants and 317 denim fabric variants which were well received by customers – details of which are mentioned in Annexure IV of the Directors' Report.

The Company received 706 customer complaints during the period under review. Of this, 100% were amicably resolved. Further, there is no case pending against the Company regarding unfair trade practices.

# Corporate Governance REPORT

## Corporate Governance Philosophy

The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices which stem from the confidence that Corporate Governance is a key constituent in improving effectiveness and expansion of the Company and also in enhancing investor confidence. The Company recognize Corporate Governance not as a set of rules but as a framework supporting the core values.

RSWM Limited (RSWM) has consistently practiced good Corporate Governance norms for the efficient conduct of its business and its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit. RSWM believes that our Company shall go beyond adherence of regulatory frameworks in disclosing material information to the stakeholders. We believe that Corporate Governance is a journey to constantly improving sustainable value creation. The Board of Directors of the Company plays a central role in the good corporate governance by building up strong principles and values on which the Company operates.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports

RSWM's compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## Board of Directors

### Composition

The composition of the Board represents a fine blend of professionals from various backgrounds which enable the Board to discharge its responsibilities more efficiently and provide effective leadership. At RSWM, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation.

The Company has a balanced mix of Executive and Non-Executive Directors as on 31st March, 2020. The Board comprised of Ten Directors including two Executive Directors, eight Non-Executive Directors, of which five are Independent Directors. Shri Riju Jhunjunwala, Managing Director and CEO and Shri Brij Mohan Sharma, Joint Managing Director conducted the day to day management of the Company subject to the supervision and control of the Board of Directors. During the year, Shri Dharmendar Nath Davar, Independent Director resigned from the Directorship with effect from 24th July, 2019 and Shri Jagdish Chandra Laddha, Non-Independent Director resigned from the Directorship with effect from 31st July, 2019.

## Matrix setting out the skills/expertise/competence of the Board of Directors:

S. No.	Name of Director	Skills/Expertise/Competence					
		Finance	Law	Management	Technical Operations	Marketing/Sales	Administration
1	Shri Ravi Jhunjunwala, Chairman	✓		✓	✓	✓	✓
2	Shri Shekhar Agarwal, Vice Chairman	✓		✓	✓	✓	✓
3	Shri Riju Jhunjunwala, Managing Director	✓		✓	✓	✓	✓
4	Shri Brij Mohan Sharma, Joint Managing Director	✓		✓	✓	✓	✓
5	Shri Arun Churiwal, Director	✓		✓	✓	✓	✓
6	Dr. Kamal Gupta, Director	✓	✓	✓			✓
7	Shri Amar Nath Choudhary, Director	✓		✓	✓	✓	✓
8	Shri Priya Shankar Dasgupta, Director	✓	✓				✓
9	Shri Deepak Jain, Director	✓		✓	✓	✓	✓
10	Smt. Archana Capoor, Director	✓		✓		✓	✓

## Number of Board Meetings

During 2019-20, the Board of RSWM met six times on 10th April, 2019, 21st May, 2019, 12th August, 2019, 8th November, 2019, 11th December, 2019 and 12th February, 2020. The maximum time gap between any two consecutive meetings was less than four months. The frequency of the meetings is enough for the Board to undertake its duties effectively and the outstanding items of previous meetings were followed up and taken up in the next meeting.

The Company in consultation with all the Directors of the Company prepared a tentative calendar for the next meetings of the Board/Committee to ensure the presence of all the Directors in the meetings. The inputs for the Agenda items are taken well in advance so as to cover all the relevant items and information and same are sent well in advance

to all the Directors of the Company so as to enable the Directors to become aware of all the facts on timely basis.

## Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Shri Ravi Jhunjunwala, Shri Shekhar Agarwal and Shri Arun Churiwal are Independent in terms of Regulation 16 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 and Section 149(6) of the Companies Act, 2013.

## Directors' Attendance Record and Directorship Held

Name Designation & Category of Directorship	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship		No. of other Directorship held in Listed Companies	
	Held	Attended	Directorships*	No. of Membership (s) / Chairmanship (s) of Board Committees in other Companies as on 31.03.2020#	Name of the Company	Category of Directorship
Shri Ravi Jhunjhunwala, Chairman, Promoter - Non-Executive	6	4	8	6 (including 2 as Chairman)	Maral Overseas Limited	Director
					HEG Ltd.	Managing Director
					India Glycols Ltd	Director
					BSL Ltd.	Director
Shri Shekhar Agarwal, Vice Chairman, Promoter - Non-Executive	6	6	4	3	JK Lakshmi Cement Ltd.	Director
					Maral Overseas Limited	Managing Director
					HEG Ltd.	Director
					BSL Ltd.	Director
Shri Riju Jhunjhunwala, Managing Director, Promoter - Executive	6	6	6	3 (including 1 as Chairman)	Bhilwara Technical Textiles Ltd.	Managing Director
					HEG Limited	Director
Shri Brij Mohan Sharma, Joint Managing Director, Non-Promoter – Executive	6	6	-	NIL	-	-
Shri Arun Churiwal, Director, Promoter – Non-Executive	6	5	3	3 (including 1 as Chairman)	BSL Ltd	Managing Director
					LA Opala R G Limited	Director
Dr. Kamal Gupta, Director, Independent - Non-Executive	6	6	5	7 (including 2 as Chairman)	Maral Overseas Limited	Director
					HEG Ltd.	Director
Shri Amar Nath Choudhary, Director, Independent - Non-Executive	6	6	2	2 (including 2 as Chairman)	BSL Ltd	Director
Shri Priya Shankar Dasgupta, Director, Independent - Non-Executive	6	3	7	7 (including 3 as Chairman)	Maral Overseas Limited	Director
					Bhilwara Technical Textiles Ltd.	Director
					Ester Industries Ltd.	Director
					Cummins India Ltd.	Director
Shri Deepak Jain, Director, Independent - Non-Executive	6	1	4	3 (including 1 as Chairman)	Timken India Ltd.	Director
					Lumax Industries Limited	Managing Director
					Lumax Auto Technologies Limited	Director
Smt. Archana Kapoor, Director, Independent - Non-Executive	6	4	5	2 (including 1 as Chairman)	Maral Overseas Limited	Director
					S Chand and Company Ltd.	Director
					Birla Cable Ltd.	Director
					Sandhar Technologies Ltd.	Director

### Notes:

\* Excludes directorships in private limited companies, foreign companies, memberships of management committees of various chambers, bodies and Section 8 companies.

#Includes Audit and Stakeholders' Relationship Committees of public limited Companies.

None of the Directors are related to each other except Shri Ravi Jhunjunwala who being father of Shri Riju Jhunjunwala related to him.

The last Annual General Meeting held on 11th September, 2019 was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Shri Brij Mohan Sharma, Joint Managing Director of the Company.

None of the Directors is a member of more than 10 Board level Committees and Chairman of 5 such Committees across all the Public Companies in which he or she is a Director.

Independent Director means Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. All the Independent Directors have given the declaration of their independence at the beginning of the financial year or at the time of their co-option on the Board.

#### Familiarization Programme for Independent Directors

During the year, the Independent Directors from time to time were apprised with the overview of the business, operations and business model of the Company. Independent Directors were provided with certain documents which helped them understand the nature of industry. The Presentation was made by Managing Director giving an overview of Annual Operating Plans and budgets of the Company. The Presentations were also made by the external experts on developments in the industry. All Independent Directors met periodically with other Key Managerial Personnel, functional heads of the units, head of HR, IT department etc. to help them understand the impediments in their functioning and any guidance needed by them for effective and smooth functioning as well as to gauge the service and product management, risk management and other areas related to the Company.

The details on the Company's Familiarization Programme for Independent Directors can be accessed at the following link:

<https://www.rswm.in/wp-content/uploads/2020/03/Details-of-Familiarisation-Programme-2019-20.pdf>

#### 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 its 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 Financial Officer and Company Secretary.

- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution 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 etc.
- 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 shareholders services such as non-payment of dividend, delay in share transfer etc.
- Quarterly compliance reports and investors' grievances reports.

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 are paid sitting fees for attending the Board meetings as well as Committee meetings. 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, 2020

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Shri Ravi Jhunjunwala	Promoter - Non-Executive	8,09,094	Nil
Shri Shekhar Agarwal	Promoter - Non-Executive	1,500	Nil
Shri Arun Churiwal	Promoter - Non-Executive	1,610	Nil
Dr. Kamal Gupta	Independent - Non-Executive	Nil	Nil
Shri Amar Nath Choudhary	Independent - Non-Executive	Nil	Nil
Shri Priya Shankar Dasgupta	Independent - Non-Executive	Nil	Nil
Shri Deepak Jain	Independent - Non-Executive	Nil	Nil
Smt. Archana Capoor	Independent - Non-Executive	Nil	Nil

## Board-Level Committees

### I) Audit Committee

As on 31st March, 2020, RSWM's Audit Committee comprised three members — all of them, including the Chairman of the Committee, are Independent Directors. The terms of reference of the Audit Committee are in conformity with those mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. In 2019-20, the Audit Committee met six times on – 4th April, 2019, 21st May, 2019, 12th August, 2019, 8th November, 2019, 11th December, 2019 and 12th February, 2020.

#### 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	6	6	4,50,000
Shri Dharmendar Nath Davar <sup>1</sup>	Independent – Non-Executive	2	1	75,000
Shri Amar Nath Choudhary	Independent – Non-Executive	6	6	4,50,000
Smt. Archana Capoor <sup>2</sup>	Independent – Non-Executive	4	4	3,00,000

<sup>1</sup> Shri Dharmendar Nath Davar ceased to be a member of Audit Committee with effect from 24th July, 2019.

<sup>2</sup> Smt. Archana Capoor was inducted in Audit Committee with effect from 12th August, 2019.

Shri Surender Gupta, the Company Secretary, is also the Secretary to the Committee. Invitees to the Audit Committee include the Chairman, Vice Chairman, Managing Director & Chief Executive Officer, Joint Managing Director, Chief Financial Officer, Chief Operating Officers, 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 other Members of the Committee have rich experience and sound accounting and financial knowledge. Dr. Kamal Gupta, Chairman of the Audit Committee attended the Annual General Meeting held on 11th September, 2019 and was available to answer shareholders' queries.

Company has performed all functions mentioned in the terms of reference of the Audit Committee as listed in the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The roles of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- b. changes, if any, in accounting policies and practices and reasons for the same;
- c. major accounting entries involving estimates based on the exercise of judgment by management;
- d. significant adjustments made in the financial statements arising out of audit findings;
- e. compliance with listing and other legal requirements relating to financial statements.
- f. disclosure of any Related Party Transactions.
- g. modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**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.
- Internal audit reports relating to internal control weaknesses.
- Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Review of various policies of the Company.
- Review with the management the quarterly financial statements before submission to the Board.
- 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.

#### 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.

#### Internal Financial Control and its adequacy

A company's Internal Financial Control identifies opportunities for improvement and draws up recommendations and good practices that can be used as a benchmark to develop or strengthen their internal control systems and enhance the reliability of their financial statements. The Company has laid down policies and procedures for ensuring the orderly and efficient conduct of its business including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation and disclosure of financial information.

### II) Nomination and Remuneration Committee

#### a) Terms of Reference

The terms of reference of Nomination and Remuneration Committee are in line with the provisions as contained in Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which included the following:-

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of Directors' performance
- Formulate the criteria for determining qualification, positive attributes and independence of a Director.
- Recommend to the Board a policy relating to the remuneration for the Directors, KMP and other Employees.
- Carry out such other functions as are required or appropriate in discharging their duties.
- Devising a policy on diversity of Board of Directors.
- To determine whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.

#### b) Composition of Nomination and Remuneration Committee

As on 31st March, 2020, the Composition of Nomination and Remuneration Committee is as follows:

1. Dr. Kamal Gupta(Chairman)	Independent – Non-Executive
2. Shri Shekhar Agarwal	Promoter – Non-Executive
3. Shri Amar Nath Choudhary <sup>1</sup>	Independent – Non-Executive

<sup>1</sup>Mr. Amar Nath Choudhary was inducted in Nomination and Remuneration Committee with effect from 21st May, 2019.

#### c) Meeting and Attendance

In 2019-20, the Nomination and Remuneration Committee met three times on 21st May, 2019, 8th November, 2019 and 12th February, 2020. The details of attendance of the Nomination and Remuneration Committee were as under:

Name of the Member	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	3	3	2,25,000
Shri Dharmendar Nath Davar <sup>1</sup>	1	0	-
Shri Shekhar Agarwal	3	3	2,25,000
Shri Amar Nath Choudhary	3	3	2,25,000

<sup>1</sup>Shri Dharmendar Nath Davar ceased to be a member of Nomination and Remuneration Committee with effect from 24th July, 2019.

#### d) Nomination and Remuneration Policy

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013, the Company has framed a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management which is approved by the Board of Directors on the commendation of the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes determination of salary, perquisites, commission to be paid to the Company's Managing Director(s) and whole time Directors. The compensation terms of Executive Directors are approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and subsequently approved by the shareholders in the General Meeting. The Nomination and Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors.

During the year, the Committee has commended the re-appointment of Dr. Kamal Gupta and Shri Amar Nath Choudhary as Independent Directors to the Board for their second term of 5 consecutive years. They were appointed as Independent Directors of the Company for first term of 5 consecutive years at the 53rd Annual General Meeting of the Company held on 16th September, 2014.

#### Remuneration of Executive Directors, Key Managerial Personnel and Senior Management:

The remuneration of Executive Directors, Key Managerial Personnel and Senior Management is paid on monthly basis as approved by the Board on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

### Remuneration of Non-Executive/ Independent Director(s):

Non-Executive/Independent Directors are paid sitting fees for attending the Board and Committee meetings.

#### e) Details of Remuneration Paid or Payable to Directors for 2019-20 (₹)

					(Figures in ₹)
Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	3,00,000	-	-	3,00,000
Shri Shekhar Agarwal	Promoter - Non-Executive	13,50,000	-	-	13,50,000
Shri Riju Jhunjhunwala	Promoter - Executive	-	2,09,15,158	-	2,09,15,158
Shri Brij Mohan Sharma	Non-Promoter - Executive	-	1,76,18,291	-	1,76,18,291
Shri Arun Churiwal	Promoter – Non-Executive	6,75,000	-	-	6,75,000
Shri Jagdish Chandra Laddha <sup>1</sup>	Non Independent – Non Executive	75,000	-	-	75,000
Dr. Kamal Gupta	Independent - Non-Executive	18,75,000	-	-	18,75,000
Shri Dharmendar Nath Davar <sup>2</sup>	Independent - Non-Executive	1,50,000	-	-	1,50,000
Shri Amar Nath Choudhary	Independent - Non-Executive	12,00,000	-	-	12,00,000
Shri Priya Shankar Dasgupta	Independent - Non-Executive	3,75,000	-	-	3,75,000
Shri Deepak Jain	Independent - Non-Executive	75,000	-	-	75,000
Smt. Archana Capoor	Independent - Non-Executive	7,50,000	-	-	7,50,000

\* Includes sitting fees for all Committee meetings.

# includes retirement benefits

<sup>1</sup> Mr. Jagdish Chandra Laddha ceased to be Director with effect from 31st July, 2019.

<sup>2</sup> Mr. Dharmendar Nath Davar ceased to be Director with effect from 24th July, 2019

During the year ended 31st March, 2020, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

h) Review of measures taken for effective exercise of voting rights by shareholders.

### III) Stakeholders' Relationship Committee

As on 31st March, 2020, the Company's Stakeholders' Relationship Committee comprised of three Directors — Dr. Kamal Gupta (Chairman), Shri Shekhar Agarwal and Shri Arun Churiwal.

The Company Secretary, Shri Surender Gupta is the Compliance Officer. During 2019-20, the Committee met four times on 21st May, 2019, 12th August, 2019, 8th November, 2019 and 12th February, 2020.

The terms of reference of the Committee are as follows:

- Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend issue of duplicate share / debenture certificates, Dematerialization/Rematerialization, sub-division, consolidation etc.;
- Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.
- The Committee also reviews the status of Investors' grievances and redressal mechanism.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends.
- Review of adherence to the service standards adopted by the Company.

#### a) Details of Stakeholders' Relationship 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	3,00,000
Shri Shekhar Agarwal	Promoter – Non-Executive	4	4	3,00,000
Shri Arun Churiwal	Promoter – Non-Executive	4	4	3,00,000
Shri Dharmendar Nath Davar <sup>1</sup>	Independent – Non-Executive	1	0	-

<sup>1</sup> Shri Dharmendar Nath Davar ceased to be a member of Stakeholders' Relationship Committee with effect from 24th July, 2019.

The Committee mainly look into redressal of grievances of investors and other security holders relating to transfer of shares; non-receipt of balance sheet, non-receipt of declared dividend, non-receipt of annual reports etc.

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

No Stakeholders' Grievance remained un-attended/pending for more than 15 days. There were no complaints pending disposal as on the 31st March, 2020. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2020.



## b) Details of Stakeholders' Queries and Grievances received and attended by the Company

Sl. No.	Nature of Query/Complaint	Pending as on 1st April, 2019	Received during the year	Addressed during the year	Pending as on 31st March, 2020
1.	Transfer / Transmission / Issue of Duplicate Share Certificate(s)/ sticker for Name Change	0	4	4	0
2.	Non-receipt of OCRPS, Option Letter for Conversion, Redemption Amount of OCRPS and Converted Equity Shares	0	0	0	0
3.	Non-receipt of Dividend	0	5	5	0
4.	Non-receipt of Dividend Advice	0	0	0	0
5.	Non-receipt of Annual Report	0	0	0	0
6.	Dematerialization/Rematerialization of shares	0	0	0	0
7.	Complaints received from:				
	- Securities and Exchange Board of India	0	2	2	0
	- Stock Exchanges	0	1	1	0
	- Registrar of Companies/Ministry of Corporate Affairs	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>0</b>

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. The Share Transfer Committee presently comprises of:

- 1) Shri Shekhar Agarwal
- 2) Dr. Kamal Gupta

The Share Transfer Committee of the Company meets as often as required under the chairmanship of Shri Shekhar Agarwal, Vice Chairman. All valid requests for share transfer received during the year have been acted upon by the Company within the stipulated time limit.

To expeditiously approve transfer of shares, Shri Shekhar Agarwal, Vice Chairman and Shri Brij Mohan Sharma, Joint Managing Director & Chief Financial Officer also attend and approve the share transfer requests on fortnightly basis under the delegated authorization of the Board of Directors.

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transfer / Transmission	13	2,605
Duplicate Share Certificates	10	1,131
Consolidated/Torn Certificates	1	1,064

Pursuant to Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, duly signed by the compliance officer and the authorized representative of the share transfer agent certifying that all activities in relation to both physical and electronic share transfer facility are maintained with the Registrar and Share Transfer Agent.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, have been issued by a practicing Company Secretary for due compliance of share transfer formalities by the Company.

### Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and places the report for the perusal of the Board.

The report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### IV. Corporate Social Responsibility Committee.

In order to comply with the provisions of the Companies Act, 2013 and the rules framed there under, the Company has constituted the Corporate Social Responsibility Committee comprising of Shri Arun Churiwal, Director, Shri Riju Jhunjunwala, Managing Director and Shri Amar Nath Choudhary, Independent Director with Shri Arun Churiwal acting as the Chairman of the Committee.

During the year 2019-20, the Committee met four times on 21st May, 2019, 12th August, 2019, 8th November, 2019 and 12th February, 2020.

The Corporate Social Responsibility Committee functions as under:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Company.
- Monitor the Corporate Social Responsibility policy from time to time.
- Carry out such other functions as are required or appropriate in discharging their duties.

The CSR policy of the Company is uploaded on the website of the Company link of which is given below:

[https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM\\_CSR\\_POLICY.pdf](https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM_CSR_POLICY.pdf)

### Details of Corporate Social Responsibility Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended
Shri Riju Jhunjunwala	Promoter – Executive	4	4
Shri Arun Churiwal	Promoter– Non-Executive	4	4
Shri Amar Nath Choudhary	Independent - Non- Executive	4	4

## V. Independent Directors' Meeting.

Pursuant to the Code of Independent Directors and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on 12th February, 2020, with out the attendance of Non-Independent Directors and members of management to inter-alia:

- i. review the performance of Non-Independent Directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Letter of Appointment:

At the time of appointment, the Independent Directors are required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

### Board Evaluation Mechanism

The Board is responsible for undertaking a formal annual evaluation of its own performance, Committees and individual Directors with a view to review their functioning and effectiveness and to determine whether to extend or continue the term of appointment of the Independent Directors. During the year, the Board carried out the performance evaluation of itself, Committees and each of the Executive Directors/ Non-executive Directors/Independent Directors excluding the Director being evaluated. The evaluation of performance of Independent Director is based on the criteria laid down in the Nomination and Remuneration policy which includes knowledge and experience in the field of textile industry, legal, finance and CSR activities.

### Performance evaluation of Independent Directors

Pursuant to the Code of Independent Directors and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors is to be done by the entire Board of Directors excluding the Director who is being evaluated. The criterion for the evaluation of performance has been laid down in the Nomination and Remuneration policy. The evaluation of the performance in accordance with the guidelines is being carried out on annual basis. The Company has the following Independent Directors Dr. Kamal Gupta, Shri Amar Nath Choudhary, Shri Priya Shankar Dasgupta, Shri Deepak Jain and Smt. Archana Capoor.

### General Body Meetings

#### ANNUAL GENERAL MEETINGS

The details of the Last Three Annual General Meetings:

Financial Year	Date	Time	Location	Special resolution(s) passed
2016-17	27th September, 2017	11:30 A.M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	4
2017-18	13th September, 2018	11:30 A.M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	6
2018-19	11th September, 2019	11:30 A.M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	2

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

#### 2016-2017:

- Adoption of new Articles of Association.
- Approval for the creation of mortgage and charges in addition to the existing mortgages, charges and hypothecations created by the Company.
- Approval for the creation of Second Charge subject to the First Charge of the Term Lenders on all the Immovable and Movable properties of the Company.
- Approval of the issue of Redeemable Non-Convertible Debentures on private placement basis for an amount not exceeding ₹150 crores.

#### 2017-2018:

- Approval for Re-appointment of Shri Priya Shankar Dasgupta, (DIN: 00012552) as an Independent Director of the Company for a second term of five consecutive years.
- Approval of the remuneration payable to Shri Prakash Maheshwari (DIN: 02388988) who acted as an Executive Director of the Company upto 31st March, 2018.
- Approval of the remuneration payable to Shri Riju Jhunjhunwala (DIN: 00061060), Managing Director of the Company for the Financial Year 2017-18 and for his remaining tenure upto 30th April, 2021.
- Approval for Appointment of Shri Brij Mohan Sharma (DIN: 0008195895), as Joint Managing Director of the Company with effect from 7th August, 2018.
- Approval for continuation of Shri Dharmendar Nath Davar (DIN: 00002008) as an Independent Director, from 1st April, 2019 till his present term expiring on 15th September, 2019.
- Approval for continuation of Shri Amar Nath Choudhary (DIN: 00587814) as an Independent Director, from 1st April, 2019 till his present term expiring on 15th September, 2019.

#### 2018-2019:

- Approval for Re-appointment of Dr. Kamal Gupta (DIN: 00038490) as an Independent Director of the Company for a second term of five consecutive years.
- Approval for Re-appointment of Shri Amar Nath Choudhary (DIN:00587814) as an Independent Director of the Company for a second term of five consecutive years.

#### Postal Ballot

During the year under review, no Resolution was required to be passed through Postal Ballot.

#### DISCLOSURES

##### a) Related Party Disclosure

As required by the IND AS 24, the details of related party transactions are given in Note No.39 to the Financial Statements. The transaction with related parties are in the ordinary 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 ordinary course of business were placed before the Audit Committee.

The Related Party policy of the Company is uploaded on the website of the Company link of which is given below:

<https://www.rswm.in/wp-content/uploads/2020/05/Related-Party-Transaction-Policy.pdf>

#### **b) Disclosure of Accounting Treatment in Preparation of Financial Statements.**

The Company has followed the guidelines of Accounting Standards/IND AS 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 has categorized the risks as High risk, Moderate risk and Low risk which were monitored on a continuous basis and appropriate risk mitigation steps were initiated as and when deemed necessary. The Risk Mitigation Policy also covers the key risks such as availability and prices of cotton/other raw materials, prices of yarn in addition to forex, insurance and other business related risks. RSWM has established procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework. Risk parameters are periodically reviewed by external experts. Half yearly Risk Library with actions taken is presented to the Board.

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

With regard to the matters related to capital markets, the Company has complied with all requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as SEBI regulations and guidelines. No penalties/strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last three years.

#### **e) Initiatives on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders.**

In compliance with the SEBI Regulation on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders, 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.

The Company follows closure of trading window prior to the publication of price sensitive information. The Company has been informing the directors, senior management personnel and other persons covered under the code and advise them not to trade in Company's securities during the closure of trading window period.

#### **f) Compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

The Company is fully compliant with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A certificate from Secretarial Auditors to this effect is enclosed in the Annual Report.

In accordance with the provisions of Regulation 34(3) read with Schedule V Para C Sub clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Practising Company Secretary confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate issued is annexed herewith in this report.

#### **g) Discretionary Requirements**

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Ravi Jhunjhunwala is the Chairman of the Company and Shri Riju Jhunjhunwala is the Managing Director & CEO of the Company. The Company complied with the requirement of having separate persons to the post of the Chairman and Managing Director/CEO.

The executive summary along with the internal audit report and action taken report of all units is placed at the end of every quarter before the Audit Committee.

#### **h) Material Subsidiary**

The Company doesn't have any material subsidiary. However, the policy of the same as approved by the Board of Directors is disclosed on the website of the Company under the following link:

<https://www.rswm.in/wp-content/uploads/2019/05/Material-Subsidiary.pdf>

#### **Investment and Planning Committee**

The Company has constituted the Investment and Planning Committee. The terms of reference of the Committee is to approve capital expenditure on projects and to recommend to the Board of Directors, capital budgets and other major capital schemes above a stipulated threshold, new business plan and capital outlays. No meeting was held during the year.

#### **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 unmodified financial statements.

#### **Management Discussion and Analysis**

The Management Discussion and Analysis Report forms part of the Annual Report.

Senior Management personnel (Promoters, Directors, Management or relatives etc.) have made disclosure to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large. The interested Directors neither participate in the discussion nor vote on such matters.

#### **Whistle Blower Policy**

The Company has implemented vigil mechanism, whereby Employees, Directors and other stakeholders can report matters such as fraud, misconduct, non-compliance, misappropriation of funds, violation of Company's Code of Conduct etc. to the Nodal Officer appointed for the purpose. The Company has adopted a framework whereby the identity of the complainant is not disclosed. During the year, the Company did not receive any Whistle Blower reference. These policies are available on the website of the Company at the following link:

<https://www.rswm.in/wp-content/themes/rswm/template-investors/pdf/various-policies/RSWM-Whistle-Blower-Policy-2018.pdf>

#### **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 Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics. The Code of Conduct is displayed on the website of the Company [www.rswm.in](http://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 effective communication of information is considered very essential component of Corporate Governance. The Company interact with their shareholders through various means of communication i.e. Print Media, Company's website, Annual Report etc.

## Quarterly/ Annual Results

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 accordance with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website [www.rswm.in](http://www.rswm.in).

## Compliance with Corporate Governance Requirements

During the year under review, the Company has complied with the condition of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Compliance Certificate from M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N), and M/s. Lodha & Co., Chartered Accountants, New Delhi (Firm Registration No. 301051E) Statutory Auditors of the Company regarding compliance of the condition of Corporate Governance from part of this Annual Report.

The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts. The Auditors' Report does not contain qualification, reservation or adverse remark.

## Website

The Company's website [www.rswm.in](http://www.rswm.in) has a separate section "Investors" where the information for the Shareholders is available. Annual Report, Quarterly Results, Shareholding Pattern, Corporate Governance Report etc. are also available on the website in the user friendly manner. The website also displays information in relation to the Company and presentation made to the analysts.

The Company ensures that the relevant provisions of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are complied with. The Company has dedicated investor email-id [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

## Shareholders

### Appointment or Reappointment of Non Independent Directors

Five Non Independent Directors of your Company are liable to retire by rotation. Of these Directors, at least one-third retires every year and if eligible, propose themselves for the re-appointment. This year, Shri Ravi Jhunjunwala and Shri Arun Churiwal are retiring by rotation and being eligible, offer themselves for re-appointment in the Annual General Meeting.

Their brief resumes are given below:

#### Shri Ravi Jhunjunwala (64)

Shri Ravi Jhunjunwala is a Non-Executive Promoter Director. Shri Ravi Jhunjunwala holds a degree in B. Com (Hons.) and is also an MBA from the Centre D'etudesIndutrielles (CEI) Geneva. Shri Ravi Jhunjunwala is also Chairman and Managing Director of HEG Limited and Malana Power Company Limited. His leadership has enabled the group to establish a presence in more than 75 Countries across five continents today. He is also active on number of National Management forums and is associated with various chambers of commerce including CII.

#### Shri Arun Churiwal (69)

Shri Arun Churiwal is a Non-Executive Promoter Director of the Company. He is also Chairman and Managing Director of BSL Limited. Shri Churiwal holds a degree in B.A (Hons.). He joined the Board of the Company as Director on 23rd October, 2003. He is an eminent industrialist having rich experience in textile industry.

## 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	Audit Committee	
	BSL Limited		Stakeholders' Relationship Committee
	HEG Limited		Stakeholders' Relationship Committee
	India Glycols Limited		Audit Committee
	JK Lakshmi Cement Limited		Audit Committee
	Malana Power Company Limited		
Shri Arun Churiwal	Maral Overseas Limited		
	BSL Limited		Stakeholders' Relationship Committee
	La Opala RG Limited	Stakeholders' Relationship Committee	Audit Committee
	LNJ Financial Services Limited		

\*Excludes directorships held in private limited companies, foreign companies, memberships of management committee of various chambers/ bodies/ Section 8 companies.

## SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralised web-based complaints redressal system.

## Uploading on BSE and NSE

The quarterly and annual results, quarterly and annual compliances and all other corporate communications to the Stock Exchanges are filed electronically on BSE (BSE Limited) and NSE (National Stock Exchange Limited.)

## Disclosure on Website

The Company's website [www.rswm.in](http://www.rswm.in) has separate section "Investor" where the information for the shareholders is available. Annual Report, financial result, shareholding pattern, Corporate Governance Report etc. are also available on the website of the company in user friendly manner. The Company ensures that the relevant provision of Regulation 46 of the Listing Regulation, 2015 are complied with.

## Presentation made to Institutional Investor or to the analysts

Any presentations and disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company.

## Compliance Confirmation

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 of the Listing Regulations 2015.

## ADDITIONAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date : 24th September, 2020

Day : Thursday

Time : 2:00 P.M.

Mode : Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

Venue : The venue of meeting shall be deemed to be the Registered Office of the Company at Kharigram, P. O. Gulabpura, District Bhilwara, Rajasthan- 311021.

### Financial Results

Financial year: 1st April, 2019 to 31st March, 2020

For the year ended 31st March, 2020, results were announced on:

- August 12, 2019 : First quarter
- November 8, 2019 : Second quarter and Half year
- February 12, 2020 : Third quarter and Nine months
- June 15, 2020 : Fourth quarter and Annual.

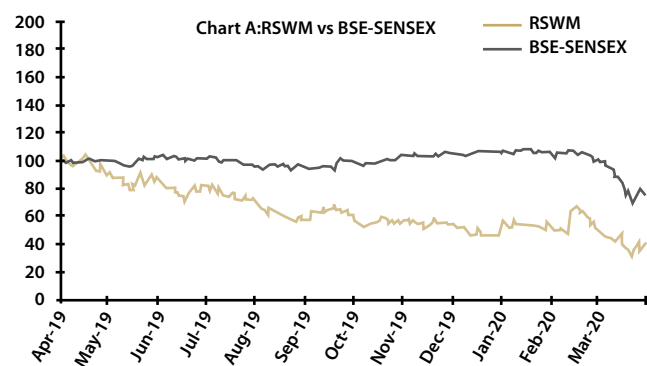
For the year ending 31st March, 2021, quarterly results will be announced within 45 days from the end of each quarter or such time as may be

### Stock Data

#### Share Prices of RSWM at BSE/NSE in 2019-20

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-19	196.20	167.15	31,074	197.70	165.35	2,70,832
May-19	173.95	139.00	89,307	173.30	138.50	5,47,643
Jun-19	160.40	126.65	2,23,922	162.75	124.00	5,43,126
Jul-19	155.25	127.00	44,339	155.05	127.15	2,58,085
Aug-19	132.50	102.90	62,767	133.85	103.20	3,68,749
Sep-19	130.00	104.10	54,694	133.00	103.90	5,88,634
Oct-19	112.05	98.25	2,38,692	110.00	98.25	9,35,927
Nov-19	109.00	96.75	3,40,942	110.05	97.00	6,70,461
Dec-19	103.60	85.00	31,081	105.20	84.15	2,37,313
Jan-20	108.00	89.20	48,990	108.80	90.10	4,48,393
Feb-20	125.80	90.00	1,43,403	126.00	89.00	11,91,013
Mar-20	95.00	55.60	1,40,917	96.90	55.00	4,91,686

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2019-20



Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2019-20 i.e. 1st April, 2019.

permitted except the fourth quarter when the audited annual results will be published within 60 days or as may be permitted due to any unforeseen circumstances.

### Book Closure/Record Date

The dates of book closure are from 18th September, 2020 (Friday) to 24th September, 2020 (Thursday) (both days inclusive).

### Dividend Dates

Not Applicable

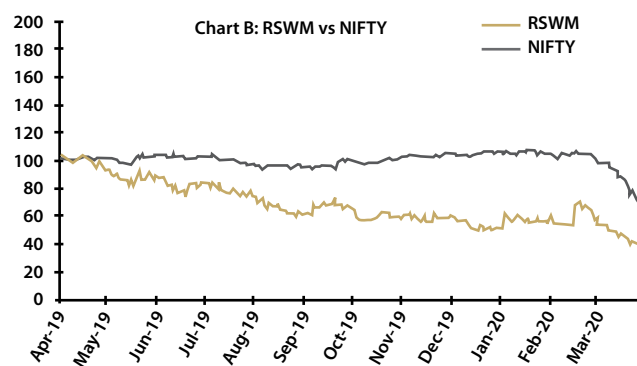
### Listing and Stock Codes

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31st March, 2021.

### Stock Code of the Company

Equity Shares	
Stock Exchanges	Stock Codes
BSE	500350
NSE	RSWM

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2019-20



Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2019-20 i.e. 1st April, 2019

## Shareholding Pattern

### Shareholding Pattern by Equity Shareholders as on 31st March, 2020

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	1,25,20,276	53.16
Foreign Institutional Investors/Mutual Funds	1,38,214	0.59
Public Financial Institutions/State Financial Corporation	2,54,788	1.08
Mutual Funds (Indian )	1,79,688	0.76
Nationalized and other banks	47,203	0.20
NRIs/ Foreign Companies (Other than Promoters)	6,04,474	2.57
Public	98,06,199	41.64
<b>Total</b>	<b>2,35,50,842</b>	<b>100.00</b>

### Shareholding Pattern by Size-Class as on 31st March, 2020

Categories	No. of Shareholders	No. of shares held	Percentage
1-1000	14,128	21,23,016	9.01
1001-5000	676	14,11,881	6.00
5001-10000	109	7,78,583	3.31
10001 and above	137	1,92,37,362	81.68
<b>Total</b>	<b>15,050</b>	<b>2,35,50,842</b>	<b>100.00</b>

### Dematerialization of Shares

As on 31st March, 2020, 2,28,66,401 Equity Shares representing 97.09 % of the total equity capital were held in dematerialized form. Trading in shares of the Company is permitted in dematerialized form only. The Company makes request to shareholders holding shares in physical form on a regular basis to get shares dematerialized in their own benefit.

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

### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year under review.

### Commodity price risk or foreign exchange risk and hedging activities

#### ► Foreign Exchange Risk And Hedging Activities

The Company regulates its activities as laid down under forex hedging policy. The Company periodically reviews the forex exposure along with the hedging positions of the Company. The Company had been continuing with its existing policy of booking Vanilla Forward Cover to the extent of orders in hand to hedge its exposure. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The Company regulates its activities as laid down under forex hedging policy and reviewed periodically. Also refer Management Discussion and Analysis for the same.

#### ► Commodity Price Risk and Commodity Hedging Activities

The Company does not have any exposure hedged through commodity derivatives except the foreign hedging. In compliance with Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI LODR, 2015, the exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

A :- Total exposure of the listed entity to commodities in INR - NIL

B :- Exposure of the listed entity to various commodities

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives		
			Domestic market		Total market
			OTC	Exchange	
NIL					

### Registrar and Transfer Agents

The Shareholders may contact M/s. MCS Share Transfer Agent Limited for matters related to share transfers etc. at the following address:

MCS Share Transfer Agent Limited,  
F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020  
Phone No (s) : 011-41406149-52,  
Fax No : 011-41709881,  
E- Mail : helpdeskdelhi@mcsregistrars.com

### 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. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities.

### 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 – 311021, Distt. Bhilwara, Rajasthan
- 2 Mayur Nagar, Lodha, P.O. Banswara – 327001, Distt. Banswara, Rajasthan
- 3 LNJ Nagar, Mordi, P.O. Banswara – 327001, Distt. Banswara, Rajasthan (Denim, Fabric and TPP).
- 4 Mandpam, Distt. Bhilwara-311025, Rajasthan
- 5 Kanyakheri, Distt. Bhilwara- 311025, Rajasthan
- 6 Rishabhdev, Distt. Udaipur– 313802, Rajasthan
- 7 Ringas, Distt. Sikar – 332404, Rajasthan

### Investor Correspondence

Investor correspondence should be addressed to:

### Registrar & Share Transfer Agent:

MCS Share Transfer Agent 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 : helpdeskdelhi@mcsregistrars.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

Khariogram

P.O. Gulabpura

District - Bhilwara

Rajasthan – 311 021, India

## Credit Rating

During the period under review, India Ratings & Research Private Limited (Rating Agency) has revised the ratings assigned to the bank facilities of the Company as under:

S. No.	Facilities	Revised Ratings
1.	Term Loans	IND A- / Negative
2.	Fund-based Limits	IND A- / Negative/IND A1
3.	Non-Fund-based Limits	IND A- / Negative/IND A1

## Other information to the Shareholders

### Green Initiative

As a responsible Corporate citizen, the Company welcome the Green Initiative by sending the communications/documents including Notices for General Meeting and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DP).

Shareholders who have not registered their e-mail addresses are requested to register/update their e-mail addresses in respect of equity shares held by them in demat form with their respective DPs and in case of physical form with the Company.

### Internal Complaints Committee (ICC)

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which came into effect from the 9th of December, 2013, the Company has formulated an Internal Complaints Committee which ensure protection of women employees at the work place and redressal of complaints.

The Committee is formed as per the statute, it is headed by a women employee, the committee comprises of more than half representation of women and it has adequate independent representation of women from the social and legal fields. It lays down the whole procedure of filing complaint, enquiry, redressal of grievance and taking action against those who are found guilty by the Committee in a fairly transparent manner.

The Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are tabulated hereunder:

No. of Complaints Filed during the year	No. of Complaints Disposed off during the year	No. of Complaints Pending as at the end of the year
Nil	Nil	Nil

## Information pursuant to Regulation 34(3) read with part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 dematerialized. Thereafter, the Company received claim from 10 shareholders up-till now comprising of 216 shares, which were duly transferred in their respective names. During the year, the Company didn't receive any claim from shareholders. As on the 31st March, 2020, 26,322 equity shares in respect of 396 shareholders are still lying in the Unclaimed Suspense Account.

## Investors Education and Protection Fund (IEPF)

Pursuant to Section 124(6) and Section 125 of the Companies Act, 2013, and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred in the name of Investor Education and Protection Fund. Accordingly, the shareholders are requested to immediately claim their unpaid dividends failing which the said shares will be transferred to the IEPF. All the shareholders whose dividends for past seven years are either unclaimed or unpaid are being intimated individually.

Accordingly, 58,819 equity shares of 665 Shareholders were transferred in the name of Investor Education and Protection Fund in respect of the dividend remaining unpaid for seven consecutive years from the Financial Year 2011-12. Out of these Equity Shares 14 Equity Shares were claimed by the Shareholder from the IEPF Authority. As on 31st March, 2020, total 58,805 Equity Shares of 664 Shareholders are lying in IEPF account. List of unpaid dividend in respect of whom the shares were transferred to the Investor Education and Protection Fund Account is available on the website of the Company.

**During the Financial Year 2019-20, the Company did not raise any funds through preferential allotment or qualified institutions placement.**

**The total fees for all services paid by the Company on a consolidated basis to the Statutory Auditors are detailed in the notes to the Financial Statements.**

**There were no recommendations of any committee requiring mandatory approval of the Board, which were not accepted by the Board.**

**Riju Jhunjunwala**

Place: Noida (U.P)

Chairman and Managing Director

Dated:15th June, 2020

DIN: 00061060

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

We, Riju Jhunjhunwala, Chairman and Managing Director & Chief Executive Officer and Brij Mohan Sharma, Joint Managing Director & 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 the Company 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 the Company 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.

Place: Noida

Dated: 15th June, 2020

**Riju Jhunjhunwala**

Chairman and Managing Director  
& Chief Executive Officer  
DIN : 00061060

**Brij Mohan Sharma**

Joint Managing Director  
& Chief Financial Officer  
DIN : 08195895



## Independent Auditors' Certificate on Corporate Governance

To

### The Members of RSWM Limited

1. We have examined the compliance of the conditions of Corporate Governance by RSWM Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We 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.

### Restriction on Use

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations. Our Certificate should not to be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

### For Lodha & Co.

Chartered Accountants  
Firm Registration No.: 301051E

### N. K. Lodha

Partner  
Membership No.: 85155

Place: Delhi  
Date : June 15, 2020  
UDIN: 20085155AAAACL8761

### For S.S. Kothari Mehta & Company

Chartered Accountants  
Firm Registration No.000756N

### Yogesh K. Gupta

Partner  
Membership No.: 093214

Place: Faridabad  
Date: June 15, 2020  
UDIN: 20093214AAAABU2118

## Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

### The Members

#### RSWM LIMITED

(CIN: L17115RJ1960PLC008216)

Kharigram, P.O. Gulabpura,

Distt. Bhilwara,

Rajasthan – 311021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of RSWM Limited having CIN L17115RJ1960PLC008216 and having registered office at Kharigram, P.O. Gulabpura, Distt. Bhilwara, Rajasthan-311021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Arun Kumar Churiwal	00001718	23-10-2003
2	Mr. Deepak Jain	00004972	11-05-2016
3	Mr. Priya Shankar DasGupta	00012552	24-07-2013
4	Mr. Kamal Gupta	00038490	26-12-1987
5	Mr. Ravi Jhunjunwala	00060972	18-05-1979
6	Mr. Riju Jhunjunwala	00061060	23-10-2003
7	Mr. Shekhar Agarwal	00066113	13-02-1984
8	Mr. Amar Nath Choudhary	00587814	24-07-2009
9	Mrs. Archana Capoor	01204170	13-02-2018
10	Mr. Brij Mohan Sharma	08195895	07-08-2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi

Date: 15-06-2020

For **Mahesh Gupta and Company**

Company Secretaries

**Mahesh Kumar Gupta**

Proprietor

FCS No.: 2870

C P No.: 1999

## FINANCIAL HIGHLIGHTS

( ₹in Crores)

S.No.	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Turnover	2,884.32	3,014.31	2,944.79	2,996.20	2,943.09	2,960.58	2,771.03
1	PBIDT	388.78	377.45	422.70	357.87	263.08	210.01	263.74
2	Interest	121.76	125.22	125.90	110.36	117.29	119.52	108.51
2	PBDT	267.02	252.23	296.80	247.51	145.79	90.49	155.23
3	Depreciation (Net)	110.69	135.27	149.27	132.17	124.48	123.28	131.67
4	P B T	156.33	116.96	147.53	115.34	21.32	(32.79)	23.56
5	TAX	57.53	32.05	40.58	14.37	6.82	(8.52)	0.89
6	PAT	98.80	84.91	106.95	100.97	14.50	(24.27)	22.67
1	EPS (IN Rs.)	42.68	36.68	46.20	43.33	6.16	(10.30)	9.62
2	Equity	23.15	23.15	23.15	23.55	23.55	23.55	23.55
1	Total Capital Employed	1,854.66	2,038.20	2,212.58	2,390.39	2,713.01	2,537.62	2,182.58
2	Net Worth	395.37	445.00	552.05	633.19	900.74	783.06	705.85
3	Deferred Tax Liability (DTL)	72.03	82.78	96.58	86.52	88.76	80.29	64.77
4	Net Worth and DTL	467.40	527.78	648.63	719.71	989.50	863.35	770.62
5	Long Term Loans	605.94	669.18	563.93	496.94	570.90	572.62	484.24
6	Working Capital Loans	458.97	447.35	529.44	632.36	680.02	584.61	474.31
7	Unsecured Loans	0.36	-	96.07	90.98	140.15	80.19	93.62
8	Total Borrowings(5+6+7)	1,065.27	1,116.53	1,189.44	1,220.28	1,391.07	1,237.42	1,052.17
9	Fixed Assets ( Net )	946.71	1,160.75	1,142.69	1,190.21	1,138.30	1,144.15	1,034.34
10	Investments	127.36	90.67	101.75	110.27	383.35	270.05	59.90
1	Operating Profit Margin %	13.55	12.57	14.41	11.98	8.94	7.09	9.52
2	Return on Capital Employed % (PBIT/Capital Emp.)	14.99	11.88	12.36	9.44	5.11	3.42	6.05
3	Return on Sales % ( PAT/ Turnover )	3.44	2.83	3.65	3.38	0.49	(0.82)	0.82
4	Return on Net Worth %	24.99	19.08	19.37	15.95	1.61	(3.10)	3.21
5	Debt Equity Ratio (Non Current Loans/Equity)	1.53	1.50	1.02	0.78	0.63	0.73	0.69
6	Interest Cover Ratio	3.19	3.01	3.36	3.24	2.24	1.76	2.43
7	Fixed Assets Cover Ratio	1.56	1.73	2.03	2.40	1.99	2.00	2.14

## INDEPENDENT AUDITOR'S REPORT

### To the Members of RSWM Limited

#### Report on Audit of the Standalone Financial Statements

We have audited the standalone financial statements of RSWM Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss (including other comprehensive income/loss), changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going

concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in

Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial Reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 45 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

**For Lodha & Co.**  
Chartered Accountants  
FRN : 301051E

**For S S Kothari Mehta & Company**  
Chartered Accountants  
FRN : 000756N

**N. K. Lodha**  
Partner  
M. No. 085155  
UDIN : 20085155AAAACI9771

**Yogesh K. Gupta**  
Partner  
M. No. 093214  
UDIN : 20093214AAAAAW1880

Place : New Delhi  
Date : June 15, 2020

Place : Faridabad  
Date : June 15, 2020

## Annexure A to the Independent Auditors' Report to the members of RSWM Limited

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has physically verified these fixed assets as per its program of physical verification that covers every item of fixed assets over a period of three years. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such physical verification;
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore sub - clauses (iii) (a), (iii) (b) & (iii) (c) of the Order are not applicable.
- (iv) According to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of Act, with respect to the loans, investments, guarantees, and security made.
- (v) As per information and explanation provided to us, the Company has not accepted any public deposits during the year. Further, we have not come across any such deposit(s) nor the management has reported any such deposit(s), therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods & service tax, duty of customs, cess and any other statutory dues applicable to it to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) The particulars of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute are as under:

(₹ in Lakhs)				
Nature of Statute	Nature of dues	Amount *	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	322.72	2005-2006	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	4.95	1999-2000	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	20.87	2004-2005	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	8.45	2003-2004	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	521.33	2004-2005	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	25.42	2007-2008, 2008-2009	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	685.66	2012-13	Commissioner of Income Tax (Appeals)
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	8.48	1998-99	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.69	1995-1996	Dy. Commissioner ( A ), Tripur
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.36	1996-1997	Dy. Commissioner ( A ), Tripur
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.65	1983-1984	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	3.47	1983-1984	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	3.44	2006-07	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	64.5	2013-14	Commissioner (Appeals) Ajmer
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	33.83	2013-14	Commissioner (Appeals) Ajmer
Central Excise Act	Excise Duty Demand	23.56	2005-06	DC Central Excise, Bhilwara
Custom Act	Custom Duty Demand in Coal	58.55	2013-2014	CESTAT, Ahmedabad

\*Excluding interest and penalty net of amount deposited under protest.

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans were applied for the purposes for which those are raised.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company, hence clause (xii) of para 3 of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of para 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Lodha & Co.**  
Chartered Accountants  
FRN : 301051E

**N. K. Lodha**  
Partner  
M. No. 085155  
UDIN : 20085155AAAACI9771

Place : New Delhi  
Date : June 15, 2020

**For S S Kothari Mehta & Company**  
Chartered Accountants  
FRN : 000756N

**Yogesh K. Gupta**  
Partner  
M. No. 093214  
UDIN : 20093214AAAAAW1880

Place : Faridabad  
Date : June 15, 2020

## Annexure B to the Independent Auditor's Report to the members of RSWM Limited dated

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of RSWM LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

### For Lodha & Co.

Chartered Accountants  
FRN : 301051E

### N. K. Lodha

Partner  
M. No. 085155  
UDIN : 20085155AAAACI9771

Place : New Delhi  
Date : June 15, 2020

### For S S Kothari Mehta & Company

Chartered Accountants  
FRN : 000756N

### Yogesh K. Gupta

Partner  
M. No. 093214  
UDIN : 20093214AAAAAW1880

Place : Faridabad  
Date : June 15, 2020



## STANDALONE BALANCE SHEET

(₹ in Lakhs)

AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipment	3a	99,662.53	1,11,821.94
b Capital Work-in-Progress	3b	720.54	277.77
c Investment Property	3c	1,494.51	752.90
d Other Intangible Assets	3d	1,556.11	1,377.64
e Intangible Assets under Development	3e	-	185.23
f Financial Assets			
i) Investments	4	5,989.79	27,005.35
ii) Loans	5	176.86	135.78
iii) Other financial assets	8	1,059.81	396.97
g Other Non-current Assets	11	2,173.85	1,351.91
<b>2 Current Assets</b>			
a Inventories	9	50,670.91	43,205.77
b Financial Assets			
i) Trade receivables	6	34,172.38	45,264.20
ii) Cash and cash equivalents	7	198.62	1,030.24
iii) Bank balances other than (ii) above	7	478.87	384.15
iv) Loans	5	103.27	96.36
v) Other financial assets	8	4,292.14	2,968.15
c Current Tax Assets (Net)	10	1,982.13	1,874.35
d Other Current Assets	11	11,947.26	13,171.76
3 Assets Classified as Held for Sale	3f	1,578.49	2,461.80
<b>TOTAL ASSETS</b>		<b>2,18,258.07</b>	<b>2,53,762.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity Share Capital	12	2,355.08	2,355.08
b Other Equity	13	68,229.88	75,950.95
<b>Liabilities</b>			
<b>1 Non-current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	14	48,424.04	57,262.23
ii) Other financial liabilities	17	511.26	410.48
b Deferred Tax Liabilities (Net)	20	6,476.71	8,029.06
c Deferred Government Grants	21	151.87	209.81
d Other Non-current Liabilities	22	103.38	109.02
<b>2 Current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	15	56,792.90	66,479.97
ii) Trade payables			
- Total outstanding dues of micro and small enterprises	16	221.17	122.03
- Total outstanding dues of creditors other than micro and small enterprises	16	10,715.62	10,199.46
iii) Other financial liabilities	17	18,452.19	27,374.19
b Provisions	18	389.05	366.93
c Deferred Government Grants	21	59.28	122.64
d Other Current Liabilities	22	5,375.64	4,770.42
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,18,258.07</b>	<b>2,53,762.27</b>

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

For and on Behalf of Board of Directors

Riju Jhunjunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## STANDALONE STATEMENT OF PROFIT &amp; LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From Operations	23	2,77,103.00	2,96,057.57
Other Income	24	2,618.90	3,120.71
<b>Total Income</b>		<b>2,79,721.90</b>	<b>2,99,178.28</b>
<b>Expenses</b>			
Cost of Materials Consumed	25	1,56,570.77	1,69,682.32
Purchase of Traded Goods	26	111.12	1,584.28
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	27	(2,063.71)	5,306.52
Employee Benefit Expenses	28	36,623.99	35,218.35
Finance Cost	29	10,851.16	11,951.71
Depreciation and Amortization Expenses	30	13,166.53	12,328.08
Other Expenses	31	67,419.94	66,385.86
<b>Total Expenses</b>		<b>2,82,679.80</b>	<b>3,02,457.12</b>
<b>Profit/(Loss) Before exceptional items and tax</b>		<b>(2,957.90)</b>	<b>(3,278.84)</b>
Exceptional items		5,313.64	-
<b>Profit/(Loss) Before Tax</b>		<b>2,355.74</b>	<b>(3,278.84)</b>
<b>Tax Expense</b>			
Current Tax	19	1,709.18	-
Deferred Tax	19	(1,619.85)	(852.14)
<b>Profit/(Loss) for the Period</b>		<b>2,266.41</b>	<b>(2,426.70)</b>
<b>Other Comprehensive Income</b>	32		
a) (i) Items that will not be reclassified to Profit or Loss		(9,760.61)	(9,034.53)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(123.20)	87.56
b) (i) Items that will be reclassified to Profit or Loss		(150.58)	266.20
(ii) Income tax relating to items that will be reclassified to Profit or Loss		52.62	(92.23)
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>(9,981.77)</b>	<b>(8,773.00)</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>(7,715.36)</b>	<b>(11,199.70)</b>
<b>Earnings per Equity Shares of ₹ 10/- each</b>	33		
1) Basic (in ₹)		9.62	(10.30)
2) Diluted (in ₹)		9.62	(10.30)

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Surender Gupta  
Company Secretary  
M.No. FCS 2615

Place: Noida, (U.P.)  
Date: June 15, 2020

## STANDALONE STATEMENT OF CASH FLOW

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	
<b>A. Cash Flow From Operating Activities</b>			
Profit / (Loss) Before Tax	(2,957.90)	(3,278.84)	
Adjustments for:			
Depreciation and Amortization Expenses	13,166.53	12,328.08	
Net Gain / Loss on Sale of Property, Plant & Equipment	(272.98)	(728.81)	
Provisions Written Back	(132.33)	(185.41)	
Allowances for Impairment Loss Allowance	417.18	99.22	
Finance Costs	10,879.74	11,997.95	
Interest Income	(978.23)	(226.10)	
Dividend Income from Investments	(541.82)	(783.01)	
Forex Fluctuation on translation of Assets and Liabilities	(303.72)	(25.43)	22,476.49
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>19,276.47</b>	<b>19,197.65</b>	
(Increase)/Decrease in Trade Receivables	11,091.81	(1,397.31)	
(Increase)/Decrease in Current Financial Assets - Loans	(157.49)	427.37	
(Increase)/Decrease in Non Current Financial Assets - Loans	(41.08)	19.06	
(Increase)/Decrease in Other Current Financial Assets	(833.76)	(820.96)	
(Increase)/Decrease in Other Non Current Financial Assets	(662.84)	227.92	
(Increase)/Decrease in Other Current Assets	1,690.62	(2,713.86)	
(Increase)/Decrease in Other Non Current Assets	(273.80)	188.90	
(Increase)/Decrease in Inventories	(7,465.14)	9,571.60	
Increase/(Decrease) in Trade Payables	615.30	2,690.29	
Increase/(Decrease) in Other Current Financial Liabilities	491.13	(696.41)	
Increase/(Decrease) in Other Non Current Financial Liabilities	54.58	11.76	
Increase/(Decrease) in Other Current Liabilities	803.61	1,445.38	
Increase/(Decrease) in Other Non Current Liabilities	299.17	(488.88)	8,464.86
<b>Cash generated from/(used in) Operations before tax</b>	<b>24,888.58</b>	<b>27,662.51</b>	
Net Direct Taxes paid	(1816.96)	(540.85)	
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>23,071.62</b>	<b>27,121.66</b>	
<b>B. Cash Flow From Investing Activities</b>			
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(3,291.90)	(14,696.55)	
Proceeds from sale of Property, Plant & Equipment	753.63	4,421.16	
Sale of Investments	16,363.79	2,975.30	
Acquisition of Investments	-	(430.00)	
Movement of Fixed Deposit	(94.63)	(122.46)	
Interest Received	791.63	368.80	
Dividend Received	541.82	783.01	
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>15,064.34</b>	<b>(6,700.74)</b>	
<b>Net Cash from/(used in) Operating and Investing Activities</b>	<b>38,135.96</b>	<b>20,420.92</b>	

(Statement of Cash Flow contd. to the next page)

## STANDALONE STATEMENT OF CASH FLOW (contd.)

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. Cash Flow From Financing Activities</b>		
Repayment of Borrowings	(34,715.74)	(17,801.56)
Proceeds from Borrowings	16,358.91	25,441.48
Proceeds / (Repayment) of Short Term Borrowings	(9,687.07)	(15,536.78)
Payment of Dividend	-	(471.02)
Taxes on Dividend	-	(96.82)
Repayment of Lease Liabilities	(43.94)	-
Finance Costs	(10,879.74)	(11,997.95)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(38,967.58)</b>	<b>(20,462.65)</b>
<b>Net Cash from/(used in) Operating, Investing &amp; Financing Activities</b>	<b>(831.62)</b>	<b>(41.73)</b>
<b>Opening balance of Cash and Cash Equivalent</b>	<b>1,030.24</b>	<b>1,071.97</b>
<b>Closing balance of Cash and Cash Equivalent</b>	<b>198.62</b>	<b>1,030.24</b>
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)		
i) Cash on Hand	68.75	42.48
ii) Balance with Banks :		
- On Current Accounts	126.40	971.67
- Cheques, Drafts on Hand	3.47	16.09
<b>Total</b>	<b>198.62</b>	<b>1,030.24</b>

## Notes:

## 1. Changes in Liabilities arising from Financing Activities:

(₹ in Lakhs)

Particulars	Balance as at March 31, 2019	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2020
Long Term Borrowings	77,577.15	(18,356.84)	-	59,220.31
Short Term Borrowings	66,479.97	(9,621.57)	(65.50)	56,792.90
	<b>1,44,057.12</b>	<b>(27,978.41)</b>	<b>(65.50)</b>	<b>1,16,013.21</b>

Particulars	Balance as at March 31, 2018	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2019
Long Term Borrowings	69,937.23	7,639.92	-	77,577.15
Short Term Borrowings	82,016.75	(15,536.78)	-	66,479.97
	<b>1,51,953.98</b>	<b>(7,896.86)</b>	-	<b>1,44,057.12</b>

Accompanying notes form an integral part of the financial statements

## As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

## For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

## a. Equity Share Capital

Particulars	Note No.	Amount
Balance as at April 1, 2018		2,355.08
Changes in Equity Share Capital during 2018-19	12	-
<b>Balance as at March 31, 2019</b>		<b>2,355.08</b>
<b>Balance as at April 1, 2019</b>		<b>2,355.08</b>
Changes in Equity Share Capital during 2019-20	12	-
<b>Balance as at March 31, 2020</b>		<b>2,355.08</b>

## b. Other Equity

Particulars	Note No.	Surplus					Other Comprehensive Income		Total
		Capital Reserve	Securities Premium	General Reserve	Pref. Share Capital Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
<b>Balance at April 1, 2018</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,424.03</b>	<b>31,157.68</b>	<b>(154.39)</b>	<b>87,718.49</b>
- Profit or Loss during the year		-	-	-	-	(2,426.70)	-	-	(2,426.70)
- Other Comprehensive Income for the year	32	-	-	-	-	(163.01)	(8,783.97)	173.98	(8,773.00)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI		-	-	-	-	2,973.36	(2,973.36)	-	-
Total Comprehensive Income		-	-	-	-	383.65	(11,757.33)	173.98	(11,199.70)
<b>Transaction with owners, recorded directly in equity</b>									
<b>Contribution by and distributions to owners</b>									
- Dividend paid during the year	13	-	-	-	-	(471.02)	-	-	(471.02)
- Taxes on Dividend	13	-	-	-	-	(96.82)	-	-	(96.82)
Total Contribution by and distribution to owners		-	-	-	-	(567.84)	-	-	(567.84)
<b>Balance at March 31, 2019</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,239.84</b>	<b>19,400.35</b>	<b>19.59</b>	<b>75,950.95</b>
<b>Balance at April 1, 2019</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,239.84</b>	<b>19,400.35</b>	<b>19.59</b>	<b>75,950.95</b>
Adjustment due to first time adoption of INDAS116		-	-	-	-	(5.71)	-	-	(5.71)
- Profit or Loss during the year		-	-	-	-	2,266.41	-	-	2,266.41
- Other Comprehensive Income for the year	32	-	-	-	-	81.61	(9,965.42)	(97.96)	(9,981.77)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI		-	-	-	-	7,857.61	(7,857.61)	-	-
<b>Total Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,199.92</b>	<b>(17,823.03)</b>	<b>(97.96)</b>	<b>(7,721.07)</b>
<b>Balance at March 31, 2020</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>45,439.76</b>	<b>1,577.32</b>	<b>(78.37)</b>	<b>68,229.88</b>

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## 1. Company Overview and Accounting Policies

### 1.01 Company Overview

RSWM Limited (the "Company") is a public limited company incorporated and domiciled in India and has its registered office at Kharigram, Gulabpura, district Bhilwara (Rajasthan, India). The Company has its primary listings on the BSE and NSE.

The Company is one of the largest textile manufacturing companies having multiple facilities to produce green fibre, yarn and fabric. The Company is primarily producing the best quality of yarns like synthetic, blended, mélange, cotton, speciality and value added yarns suitable for suitings, shirtings, hosiery, carpet, denim, technical textiles and industrial applications and denim fabric, synthetic fabric for renowned brands.

The financial statements of the Company for the year ended 31st March, 2020 are approved for issue by the Company's Board of Directors on June 15, 2020.

### 1.02 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 ('Act') (to the extent notified) read with the Rules 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans-plan assets measured at fair value.
- Assets classified as held for sale measured at fair value less cost to sell.
- Certain financial assets and liabilities measured at fair value (including derivative financial instruments) (Refer Accounting policy para 1.10 regarding financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest ₹ in Lakhs, except where otherwise indicated.

#### (a) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### (b) Classification of Assets and Liabilities as Current and Non-Current

All Assets and Liabilities have been classified as current or non-current. Based on the nature of product and activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current

classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

### 1.03 Revenue Recognition

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' effective from April 1, 2018. The policy hitherto adopted by the Company was also similar to that of the provisions of Ind AS 115 and hence, the effect on adoption of the same is insignificant.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment made.

The specific recognition criteria described below must also be met before revenue is recognized.

#### Revenue from Sale of goods and services

The Company derives revenue primarily from sale of Yarn, Fabric and other textile products.

Revenue from contracts with customers is recognized when the Company satisfies performance obligation by transferring promised goods or services to the customer or to his designated agent. Performance obligation is satisfied when the Company transfers significant risks and rewards to the customer and ceases its control over the goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions and incentives, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Payments from customers for the goods and services rendered are normally received within the credit terms as per the contracts with the customers.

The Company recognizes sales return only when the goods are actually returned by the customer. Therefore, a refund liability which is included in current financial liabilities or is reduced from current financial assets, is recognized for the goods actually returned.

Revenue from sale of goods is recognized at the point of time when the significant risks and rewards are transferred to the customer and the Company ceases to have its control over the goods.

Revenue from job work charges is recognised at a point of time when the control is transferred usually when the material is fully processed and dispatched to customers.

Incentives on exports and other Government incentives related to operations are recognized in books after due consideration of certainty of utilization/receipt of such incentives. For Government Grant refer Para 1.04.

#### Interest income

Interest income on debt instruments measured at amortized cost is recorded using the Effective Interest Rate method (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

#### Dividend Income

Dividend income is recognized in the statement of profit and loss when

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the right to receive payment is established, which is generally when shareholders approve the dividend or Board of Directors of the investee company approve the interim dividend.

### Rental Income

Rental income arising from leases on investment properties is accounted for on a straight-line basis except where the rentals are structured to change in line with expected general inflation over the lease terms.

### Contract balances

**Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

**Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

**Cost to obtain a contract:** The cost to obtain a contract is normally the sales commission which the Company pays to its selling agents. Since, the amortization period of the goods for which the Company incurs such cost, is one year or less than that, the Company expenses it off immediately and the same is included in selling expenses under the head, 'Other Expenses'.

### 1.04 Government Grants and Government Assistance

Government grants/subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. If the grants/subsidies relate to an expense item, they are recognised as income on a systematic basis over the periods that the related costs, for which they are intended to compensate, are expensed. The grants, whose primary condition requires the Company to purchase, construct or otherwise acquire long-term assets, are recognised as deferred income and they are recognised as income in equal amounts over the expected useful lives of the related assets. If the grants/subsidies are related to subvention a particular expense, deducted from that expense in the year of recognition of government grants/subsidies.

### 1.05 Inventory Valuation

Inventories including goods-in-transit are measured at lower of cost and net realizable value. However, raw material (Including packing material), and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:-

**Raw materials (including packing material) stores and spares and loose tools:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

**Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis.

**Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

**Waste:** is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 1.06 Property, Plant and Equipment

#### Recognition and measurement

Property, Plant and Equipment acquired are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. The cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the Property, Plant and Equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

The present value of the expected cost for the decommissioning of Property, Plant and Equipment after its use is included in the cost of the respective Property, Plant and Equipment if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of Property, Plant and Equipment under installation/under development as at the Balance Sheet date. Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress'.

#### Subsequent expenditure

Subsequent expenditures relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gain or losses are recognized in the statement of profit and loss.

#### Depreciation

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis over the estimated useful life of Property, Plant and Equipment which coincide with Schedule II to the Companies Act, 2013. Estimated useful life of the assets is given below:

Building	5 to 60 years
Plant and Equipment	3 to 30 years
Furniture and Fixtures	10 years
Office Equipment	3 to 6 years
Vehicles	8 to 10 years
Electrical Fittings	10 years

The Company has estimated the useful life different from life prescribed in Schedule II in the following cases:-

S. No.	Nature of Property, Plant and Equipment	Effective Useful Lives
1	Property, Plant and Equipment of Textile Division and Water Supply	9 years 2 months
2	Property, Plant and Equipment used in Power Generation	18 years

The Company, based on technical assessment/management estimate, depreciates all items of Property, Plant and Equipment over estimated

useful lives which may be different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

**De-recognition**

An item of Property, Plant and Equipment and any of their significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the Property, Plant and Equipment) is included in the statement of profit and loss, when the Property, Plant and Equipment is derecognised. Depreciation on additions to or on disposal of Property, Plant and Equipment is calculated on pro-rata basis i.e. from (up to) the date on which the Property, Plant and Equipment is available for use (disposed of).

The Property, Plant and Equipment’s residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives and residual values are determined by the management at the time the Property, Plant and Equipment is acquired and reviewed periodically, including at each financial year end. These lives are based on historical experience with similar Property, Plant and Equipment as well as anticipation of future events.

**Leased Assets**

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life of 5 to 60 years, where the lease period of land is beyond the life of the building.

**1.07 Investment Properties**

Investment Property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administration purposes.

**Recognition and measurement**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**Depreciation**

Depreciation is provided over the estimated useful life of the investment property lives which may be different from the useful life prescribed in Schedule II to the Companies Act, 2013.

**De-recognition**

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

Though, the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of investment being valued.

**1.08 Intangible Assets**

**Recognition and measurement**

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The cost of a separately acquired intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Goodwill acquired and/or arising upon business combinations, initially recognized at cost and at subsequent period at cost less accumulated impairment loss, if any.

**Amortization**

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The estimated useful life of the finite intangible assets is given below:

Sr. No.	Nature of Assets	Effective Useful Lives	Amortization method used
1.	Intangible Assets acquired	6 years	Amortized on a Straight Line Basis over the useful life
2.	Intangible Assets being right to use	18 years 4 months	

An intangible asset is derecognised on disposal or when no future economic benefit is expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits



- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 1.09 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Where the Company is the lessee

Ind AS 116 – Leases provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. Lessors continue to classify the leases as operating or finance, with Ind AS 116's approach to lessor accounting which is substantially unchanged from its predecessor, Ind AS 17.

Under the modified retrospective approach, at inception, the right-of-use asset is measured at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease; if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

#### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial assets

### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets carried at amortised cost-debt
- Financial assets at fair value through other comprehensive income – equity
- Financial assets at fair value through other comprehensive income – debt
- Financial assets at fair value through the statement of profit and loss

#### (i) Financial assets carried at amortised cost-debt

A financial asset is subsequently measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Financial assets at fair value through other comprehensive income –equity

The Company measures all its equity investments except for investment in subsidiaries and associates, at fair value. Where the Company's management has opted to present fair value gain and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Dividend income from such investments is recognized in the statement of profit and loss as other income when the Company's right to receive payments is established.

#### (iii) Financial assets at fair value through other comprehensive income –debt

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### (iv) Financial assets at fair value through the statement of profit and loss

A financial asset which is not classified in any of the above categories, are subsequently fair valued through the statement of profit and loss.

### Trade Receivable

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A Receivable is classified as a 'trade receivable,' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

### De-recognition

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

### Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in the statement of profit and loss.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

##### (a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

##### (b) Trade and other payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### (c) Financial guarantee contracts

Financial guarantee contracts issued by the Company, are those contracts that require a payment to be made to reimburse the holder for a loss if incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. If material, financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

### De-recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other income or finance costs.

### Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through the statement of profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit and loss, unless designated as effective hedging instruments.

### Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right

to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 1.11 Impairment of Non-Financial Assets

Intangible assets, property, plant and equipment and associate measured at cost and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 1.12 Foreign Exchange Transactions/Translations

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

#### Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

Monetary items that are designated as part of the cash flow hedge instrument are recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

### Derivative Financial Instruments and Hedge Accounting

The Company uses derivative instruments i.e. Forward contracts to hedge its foreign currency risks. The Company designates these forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The Company has designated forward instruments on spot to spot basis. The Company recognises the forward points in the statement of profit and loss accounts.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and

loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

### 1.13 Employee Benefits

#### (a) Short Term Employee Benefit

Short-term employee benefit obligations are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (b) Defined Contribution Plan

The Company makes defined contribution to Employees Provident Fund Organisation (EPFO), Pension Fund, Superannuation Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

Prepaid contribution are recognised as an assets to the extent that a cash refund or reduction in future payments is available.

#### (c) Defined Benefit Plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

In the case of one location, the Company has set up a trust for Contributions to provident fund, a defined benefit plan, in which the Company contributes as specified under the law. The Company is liable

for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year of recognition.

**(d) Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and fair value of any related assets is deducted. The liability for other long term employee benefits are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

**(e) Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred. The Company recognises a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

If the benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted to present value.

**1.14 Taxes on Income**

**Current income tax**

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that

taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**1.15 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 1.16 Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- d) Segment result includes margin on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis and are on an arm's length basis in a manner similar to transactions with third parties.

These transfers are eliminated in consolidation.

### 1.17 Earning Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### 1.18 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 1.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction

or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.20 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 1.21 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

### 1.22 Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and the sale is considered highly probable. Management is committed to the sale within one year from the date of classification.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicated that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current asset held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/distribute. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are neither depreciated nor amortized.

### 1.23 Investments in Subsidiaries and Associates

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one-half of its total share capital. The investment in subsidiaries are carried at cost less impairments. The cost comprises, price paid to acquire investment and directly attributable cost.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in associates are carried at cost less impairments. The cost comprises, price paid to acquire investment and directly attributable cost.

## 2. Use of Critical Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial years are described below. The Company based its assumptions and estimates or parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Property, Plant and Equipment and Intangible assets

Internal technical or user team assesses the remaining useful life of the Property, Plant and Equipment and Intangible assets. Management believes that assigned useful lives are reasonable.

### (b) Embedded Lease

In assessing the applicability to arrangement entered into by the Company, the management has exercised the judgment to evaluate the right to use the asset or assets on substance of the transaction including legally enforced arrangement and other significant terms of the contract to conclude whether the arrangement meets the criteria under the Ind AS 116.

### (c) Impairment of Non-Financial Assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### (d) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

### (e) Investment in Subsidiary/Associates

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one half of its total share capital.

As per Ind AS 28, an entity is considered as an associate when the investing Company has significant influence over the entity. The existence of significant influence by an investor is determined based on factors such as, representation on the board of directors or equivalent governing body of investee, participation in policy-making processes, including participation in decisions about dividends or other distributions, material transactions between the entity and its investee, interchange of managerial personnel or provision of essential technical information. The Company holds 47.30% and 7.56% of the equity shares of LNJ Skills & Rozgar Private Limited and Bhilwara Energy Limited (BEL) respectively. As the amount invested in BEL is not that much significant (which is less than 20 %), but the board of directors regularly reviews the progress of the BEL and suggestion/comments/concerns of the board of Company are conveyed to the board of directors of BEL by common directors. In order to monitor the progress of BEL, the board of directors has decided to nominate at least one director on the board of BEL. In Light of above, the board of directors have concluded that, the Company has a significant influence on BEL.

### (f) Assets Held for sale

Management's Judgment is required for identifying the assets which are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable which could lead to significant judgment. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### **(g) Income taxes**

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

### **(h) Contingencies**

Management's judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### **(i) Defined Benefit Plans**

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial

valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **(j) Insurance claims**

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

3a. Property, Plant & Equipment

Particulars	Land-Freehold	Land-Leasehold	Buildings (including Roads)**	Right to Use Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting, Water Supply & Installations	Total
<b>Gross Carrying Value</b>										
<b>Balance at April 1, 2018</b>	<b>4,496.90</b>	<b>264.13</b>	<b>40,519.28</b>	-	<b>89,036.79</b>	<b>3,276.00</b>	<b>1,482.68</b>	<b>1,096.61</b>	<b>5,739.37</b>	<b>1,45,911.76</b>
Additions	870.68	-	3,028.72	-	14,227.81	352.07	321.96	112.16	1,203.34	20,116.74
Deductions/ disposals *	-	(0.03)	(10.95)	-	(8,538.28)	(102.31)	(235.90)	(100.16)	(309.27)	(9,296.90)
Assets classified as held for sale	(1,081.41)	-	-	-	(7,371.60)	(96.21)	(19.63)	(63.05)	(550.57)	(9,182.47)
Reclassification of assets from Investment Property	155.72	-	22.68	-	-	-	-	-	-	178.40
<b>Balance at March 31, 2019</b>	<b>4,441.89</b>	<b>264.10</b>	<b>43,559.73</b>	-	<b>87,354.72</b>	<b>3,429.55</b>	<b>1,549.11</b>	<b>1,045.56</b>	<b>6,082.87</b>	<b>1,47,727.53</b>
<b>Balance at April 1, 2019</b>	<b>4,441.89</b>	<b>264.10</b>	<b>43,559.73</b>	-	<b>87,354.72</b>	<b>3,429.55</b>	<b>1,549.11</b>	<b>1,045.56</b>	<b>6,082.87</b>	<b>1,47,727.53</b>
Additions	8.95	-	418.22	109.84	1,122.17	129.81	139.37	63.87	26.15	2,018.38
Deductions/ disposals *	(0.14)	-	(298.57)	-	(1,232.26)	(123.08)	(211.05)	(77.02)	(23.18)	(1,965.30)
Assets classified as held for sale	-	-	-	-	(897.66)	-	-	-	-	(897.66)
Reclassification of assets to Investment Property	(703.40)	-	-	-	-	-	-	-	-	(703.40)
<b>Balance at March 31, 2020</b>	<b>3,747.30</b>	<b>264.10</b>	<b>43,679.38</b>	<b>109.84</b>	<b>86,346.97</b>	<b>3,436.28</b>	<b>1,477.43</b>	<b>1,032.41</b>	<b>6,085.84</b>	<b>1,46,179.55</b>
<b>Accumulated Depreciation</b>										
<b>Balance at April 1, 2018</b>	-	<b>8.02</b>	<b>4,694.26</b>	-	<b>29,250.49</b>	<b>1,036.98</b>	<b>451.76</b>	<b>625.53</b>	<b>2,376.35</b>	<b>38,443.39</b>
Depreciation for the year	-	3.18	1,338.41	-	9,696.02	311.13	205.93	177.55	501.54	12,233.76
Deductions/ disposals **	-	(0.01)	(13.78)	-	(7,452.55)	(92.60)	(137.85)	(83.99)	(277.84)	(8,058.62)
Assets classified as held for sale	-	-	-	-	(6,110.19)	(73.09)	(11.63)	(45.71)	(480.05)	(6,720.67)
Reclassification of assets from Investment Property	-	-	7.73	-	-	-	-	-	-	7.73
<b>Balance at March 31, 2019</b>	-	<b>11.19</b>	<b>6,026.62</b>	-	<b>25,383.77</b>	<b>1,182.42</b>	<b>508.21</b>	<b>673.38</b>	<b>2,120.00</b>	<b>35,905.59</b>
<b>Balance at April 1, 2019</b>	-	<b>11.19</b>	<b>6,026.62</b>	-	<b>25,383.77</b>	<b>1,182.42</b>	<b>508.21</b>	<b>673.38</b>	<b>2,120.00</b>	<b>35,905.59</b>
Depreciation for the year	-	3.99	1,406.37	45.22	10,283.67	311.82	189.80	122.80	557.44	12,921.11
Deductions/ disposals **	-	(0.02)	(41.13)	-	(1,127.43)	(90.05)	(135.42)	(77.67)	(13.40)	(1,485.12)
Assets classified as held for sale	-	-	-	-	(824.56)	-	-	-	-	(824.56)
<b>Balance at March 31, 2020</b>	-	<b>15.16</b>	<b>7,391.86</b>	<b>45.22</b>	<b>33,715.45</b>	<b>1,404.19</b>	<b>562.59</b>	<b>718.51</b>	<b>2,664.04</b>	<b>46,517.02</b>
<b>Net Carrying Value</b>										
<b>Balance at March 31, 2019</b>	<b>4,441.89</b>	<b>252.91</b>	<b>37,533.11</b>	-	<b>61,970.95</b>	<b>2,247.13</b>	<b>1,040.90</b>	<b>372.18</b>	<b>3,962.87</b>	<b>1,11,821.94</b>
<b>Balance at March 31, 2020</b>	<b>3,747.30</b>	<b>248.94</b>	<b>36,287.52</b>	<b>64.62</b>	<b>52,631.52</b>	<b>2,032.09</b>	<b>914.84</b>	<b>313.90</b>	<b>3,421.80</b>	<b>99,662.53</b>

Notes:

- \* Deduction from Gross Carrying Value represents sale/transfer/discarding of Property, Plant & Equipment/Lease hold rights written off.
- \*\* Deduction in depreciation ₹ 1485.12 Lakhs (Previous Year ₹ 8058.62 Lakhs) represents adjustment on account of sale/ transfer/discarding of Property, Plant & Equipment.
- \*\*\* Includes value of irrevocable Licencing Rights to use of a flat in New Delhi ₹ 10.00 Lakhs.
- Depreciation for the year 2019-20 includes ₹ 126.66 (Previous Year ₹ 283.81 Lakhs) against amortisation of Government Capital Grants (refer Note 30)
- In exercise of powers conferred under section 3D(1) of the National Highway Act 1956 (48 of 1956), the Ministry of Road Transport and Highways has acquired 0.9145 hectare of land of the Company situated on NH 79. The competent authority has awarded the compensation of ₹ 223.21 Lakhs and the same has been received by the Company.
- On transition date, the Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.
- Assets pledged as security (refer Note 14)



NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

3b Capital Work in Progress

(₹ in Lakhs)				
Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
<b>Balance at April 1, 2018</b>	<b>1,028.16</b>	<b>2,689.82</b>	<b>222.57</b>	<b>3,940.55</b>
Additions	2,344.52	11,584.73	673.44	<b>14,602.69</b>
Less: Amount capitalized in Property, Plant & Equipment	3,348.92	14,020.54	896.01	<b>18,265.47</b>
<b>Balance at March 31, 2019</b>	<b>23.76</b>	<b>254.01</b>	-	<b>277.77</b>
<b>Balance at April 1, 2019</b>	<b>23.76</b>	<b>254.01</b>	-	<b>277.77</b>
Additions	789.65	524.27	-	<b>1,313.92</b>
Less: Amount capitalized in Property, Plant & Equipment	213.91	657.24	-	<b>871.15</b>
<b>Balance at March 31, 2020</b>	<b>599.50</b>	<b>121.04</b>	-	<b>720.54</b>

\*The detail of Pre-operative expenses is given below

(₹ in Lakhs)				
Particulars			2019-20	2018-19
<b>(A) Opening Balance</b>			-	<b>222.57</b>
<b>(B) Additions:</b>				
Salaries & Wages			-	<b>19.58</b>
Professional & Consultancy Charges			-	<b>4.43</b>
Borrowing Costs			-	<b>530.82</b>
Other Expenses			-	<b>118.61</b>
			-	<b>673.44</b>
<b>(C) Deductions:</b>				
Plant & Equipment			-	<b>637.36</b>
Building			-	<b>239.36</b>
Electrical Installation			-	<b>19.29</b>
			-	<b>896.01</b>
<b>(A+B-C)</b>			-	<b>-</b>

On transition date, the Company has opted to continue with carrying value of all of its capital work in progress as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 3c. Investment Property

(₹ in Lakhs)

Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2018</b>	<b>968.46</b>
Additions	-
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	178.40
<b>Balance at March 31, 2019</b>	<b>790.06</b>
<b>Balance at April 1, 2019</b>	<b>790.06</b>
Additions	54.35
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	703.40
<b>Balance at March 31, 2020</b>	<b>1,547.81</b>
<b>Accumulated Depreciation</b>	
<b>Balance at April 01, 2018</b>	<b>28.82</b>
Depreciation for the year	16.07
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	(7.73)
<b>Balance at March 31, 2019</b>	<b>37.16</b>
<b>Balance at April 1, 2019</b>	<b>37.16</b>
Depreciation for the year	16.14
Deductions/disposals/written off	-
<b>Balance at March 31, 2020</b>	<b>53.30</b>
<b>Net Carrying Value</b>	
<b>Balance as at March 31, 2019</b>	<b>752.90</b>
<b>Balance as at March 31, 2020</b>	<b>1,494.51</b>
<b>Fair Value</b>	<b>Amount</b>
<b>At March 31, 2019</b>	<b>10,447.11</b>
<b>At March 31, 2020</b>	<b>18,096.15</b>

\* Investment property reclassified to property, plant & equipment since investment property started to use for business purposes.

On transition date, the Company has opted to continue with carrying value of all of its investment properties as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

#### 3c (i) Measurement of Fair Value

The fair value of the investment property has been determined by external, independent property valuer, having appropriate qualifications and recent experience in the valuation of properties in the relevant locations and category of the properties being valued. The fair value has been determined based upon the market comparable approach that reflects recent transaction prices for similar properties.

The fair value measurement is categorised in Level 3 fair value based on the inputs to the valuation technique used. (Refer Note 1.20 for definition of Level 3 fair value measurement)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The investment properties consist of commercial properties in India. The Management has determined the investment properties as commercial properties based on the nature of their usage.

There has been no change to the valuation technique during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

3c(ii) Information regarding Income and Expenditure on Investment Property

(₹ in Lakhs)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Lease Rental recognized during the year	35	406.13	342.81
Direct expenses		39.29	53.13
Profit arising from investment properties before depreciation and indirect expenses		445.42	395.94
Depreciation for the year		16.14	16.07
Indirect Expenses		1.32	26.70
<b>Profit/(Loss) arising from Investment Properties after depreciation and direct expenses</b>		<b>427.96</b>	<b>353.17</b>

3c(iii) The Investment Property amounting ₹ 352.75 Lakhs (Fair Value ₹ 4,997.72 Lakhs) is owned jointly with HEG Limited

3d. Other Intangible Assets

(₹ in Lakhs)	
Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2018</b>	<b>1,843.91</b>
Additions	250.70
Deductions/disposals	-
<b>Balance at March 31, 2019</b>	<b>2,094.61</b>
<b>Balance at April 1, 2019</b>	<b>2,094.61</b>
Additions	534.88
Deductions/disposals	14.81
<b>Balance at March 31, 2020</b>	<b>2,614.68</b>
<b>Accumulated Amortization</b>	
<b>Balance at April 01, 2018</b>	<b>362.65</b>
Amortization for the year	354.32
Deductions/disposals	-
<b>Balance at March 31, 2019</b>	<b>716.97</b>
<b>Balance at April 1, 2019</b>	<b>716.97</b>
Amortization for the year	355.94
Deductions/disposals	14.34
<b>Balance at March 31, 2020</b>	<b>1,058.57</b>
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2019</b>	<b>1,377.64</b>
<b>Balance at March 31, 2020</b>	<b>1,556.11</b>

On transition date, the Company has opted to continue with carrying value of all of its other intangible assets as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

3e. Intangible Assets under Development

(₹ in Lakhs)	
Particulars	Amount
<b>As at April 01, 2018</b>	-
Additions	185.23
<b>Balance at March 31, 2019</b>	<b>185.23</b>
<b>As at April 01, 2019</b>	<b>185.23</b>
Additions	27.90
Less: Amount capitalized in Intangible Assets	213.13
<b>Balance at March 31, 2020</b>	-
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2019</b>	<b>185.23</b>
<b>Balance at March 31 2020</b>	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 3f. Assets Classified as Held for Sale

(₹ in Lakhs)

<b>Balance at March 31, 2019</b>	<b>2,461.80</b>
<b>Balance at March 31, 2020</b>	<b>1,578.49</b>

Due to closure of Bagalur and Pody units since May 31, 2018, most of the machines and equipments of these units have been sold and only the machines and equipments worth ₹ 669.33 Lakhs remain to be sold and have been classified as assets held for sale. Likewise out of total land of around 45 acre, a land of around 18 acres, worth ₹ 836.06 Lakhs have been classified as held for sale. The Company has also sought for necessary approval for closure from the authorities which is in process. The efforts of sale of this land and machines etc are already being made and the same will be sold once the effect of the Pandemic gets over.

At Fabric unit also, the machines worth ₹ 73.10 lakhs have been classified as held for sale. The buyer will lift the machines once the situation post pandemic normalizes.

### 4. Investments (Non-Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Investment in Equity Instruments (Fully Paid up)</b>				
<b>(i) Quoted Equity Shares (At fair value through OCI)</b>				
Equity shares of ₹ 10/- each (unless stated otherwise)				
BSL Limited	31,396	6.18	31,396	13.70
HEG Limited @	3,18,391	1,543.56	9,23,777	19,345.27
State Bank of India	24,080	47.43	24,080	77.25
Punjab National Bank (of ₹ 2 /- each)	4,715	1.52	4,715	4.50
Whirlpool (India) Limited (of ₹ 1 /- each)	372	6.72	372	5.66
Vardhaman Holdings Limited	30	0.26	30	0.63
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹ 2 /- each)	775	0.99	775	3.46
Vardhman Textiles Limited	180	1.13	180	1.94
Vardhman Special Steel Limited	36	0.01	36	0.04
		<b>1,607.82</b>		<b>19,452.47</b>
<b>(ii) Un-quoted Equity Shares</b>				
<b>Investment in Subsidiary (At Cost)</b>				
Equity shares of ₹ 10/- each (unless stated otherwise)				
LNJ Skills and Rozgar Private Limited (of ₹ 1 /- each) **	-	-	11,80,000	1,180.00
		-		<b>1,180.00</b>
<b>Investment in Associates (At Cost)</b>				
Equity shares of ₹ 10/- each (unless stated otherwise)				
Bhilwara Energy Limited #	1,25,24,960	2,343.97	2,94,63,559	5,514.88
LNJ Skills and Rozgar Private Limited (of ₹ 1 /- each) **	11,80,000	1,180.00	-	-
		<b>3,523.97</b>		<b>5,514.88</b>
<b>Investment in Other than Associate (At fair value through OCI)</b>				
LNJ Power Ventures Limited *	2,60,000	26.00	2,60,000	26.00
		<b>26.00</b>		<b>26.00</b>
<b>Investment in Debentures (Fully paid up)</b>				
<b>Un-Quoted Debentures</b>				
<b>Investment in Other than Associate (At fair value through Profit and Loss)</b>				
LNJ Power Ventures Limited *				
13.54% Compulsorily Convertible Debentures (of ₹ 1,00,000/- each)	832	832.00	832	832.00
		<b>832.00</b>		<b>832.00</b>
		<b>5,989.79</b>		<b>27,005.35</b>
<b>Market value of Quoted Investments</b>		<b>1,607.82</b>		<b>19,452.47</b>
<b>Carrying value of Un-quoted Investments</b>		<b>4,381.97</b>		<b>7,552.88</b>

#The Company with due approval of its Board of Directors in its meeting held on April 10, 2019 has sold on April 23, 2019, 1,69,38,599 equity shares (out of 2,94,63,559 equity shares) held in its Associate, Bhilwara Energy Limited at an arm's length price of ₹ 50.09 per share. The gain of sale of such shares is shown as exceptional item in the Statement of Profit and Loss.

\* LNJ Power Ventures Limited has ceased to be the associate of the Company with effect from April 01, 2018. Hence, net assets recognised previously have been derecognised.

\*\* The Company LNJ Skills & Rozgar Private Limited was associate of the Company till October 31, 2018. From November 1, 2018, it became subsidiary of the Company due to increase in the share holding above 50%. Since, the shareholding in the said Company has again come down, it has become the Associate of the Company from April, 2019.

@ The Company had sold 6,05,386 (Previous year 54,223) no. of equity shares of HEG Limited and the cumulative realised gain of ₹ 7,857.61 Lakhs (Previous year ₹ 2,971.36 Lakhs) has been reported in other equity through OCI.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

5. Loans

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (unless otherwise stated)</b>				
<b>Unsecured</b>				
Security Deposits	175.06	120.31	-	-
(A)	175.06	120.31	-	-
<b>Unsecured</b>				
Loans and Advances to Staff	1.80	15.47	103.27	96.36
(B)	1.80	15.47	103.27	96.36
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
(C)	-	-	-	-
<b>(A+B+C)</b>	<b>176.86</b>	<b>135.78</b>	<b>103.27</b>	<b>96.36</b>

6. Trade Receivables

Particulars	(₹ in Lakhs)	
	Current	
	As at March 31, 2020	As at March 31, 2019
Unsecured Trade Receivables	35,149.47	45,824.14
Less: Allowance for Impairment Loss Allowance	(977.09)	(559.94)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	<b>34,172.38</b>	<b>45,264.20</b>

Of the above, trade receivables from related parties are given below.

Particulars	Note No.	Current	
		As at March 31, 2020	As at March 31, 2019
		Unsecured, Considered Good	39

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 9,361.75 Lakhs (as at March 31, 2019 ₹ 11,920.47 Lakhs), with the banks. If the trade receivables are not paid at maturity, the banks have right to recourse the Company to pay the unsettled balance. As the Company has not transferred significant risk and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised amount received on the transfer as borrowings. (Refer Note 15)

7. Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	Current	
	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents</b>		
- Balance with Banks		
On Current Accounts	126.40	971.67
Cheque, Draft on Hand	3.47	16.09
- Cash on hand	68.75	42.48
	<b>198.62</b>	<b>1,030.24</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

7. Cash and Cash Equivalents (contd.)

Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits	230.55	135.95
- Balance with Banks		
Unpaid Dividend *	248.16	248.07
Balance with Banks held as Margin Money **	0.16	0.13
	<b>478.87</b>	<b>384.15</b>

\* Earmarked against the corresponding provision (Refer Note 17)

\*\* Margin Money Against Bill Discounting

8. Other Financial Assets

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (Unless otherwise stated)</b>				
Claims and other Receivables	-	-	14.44	19.77
Employees' Benefit Fund	1,059.81	396.43	-	-
Forward Cover Receivable	-	-	-	119.27
Earnest Money Deposit	-	-	52.33	25.21
Interest Receivable	-	-	588.67	402.07
Security Deposits	-	0.54	-	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	771.40	374.77
- Unrelated Parties	-	-	2,865.30	2,027.06
	<b>1,059.81</b>	<b>396.97</b>	<b>4,292.14</b>	<b>2,968.15</b>

\* Other receivables include debenture interest and rent receivable.

9. Inventories

Particulars	(₹ in Lakhs)	
	Current	
	As at March 31, 2020	As at March 31, 2019
Raw materials :		
(a) In Godown	19,601.20	16,343.09
(b) In Transit	475.18	232.57
	20,076.38	16,575.66
Work-In-Progress	10,154.95	10,574.31
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Stores and Spares :		
(a) In Godown	2,876.36	2,576.32
(b) In Transit	1,513.14	164.09
	4,389.50	2,740.41
Loose tools	327.40	75.78
Others-Waste	341.50	135.51
	<b>50,670.91</b>	<b>43,205.77</b>

(i) For basis of valuation of Inventories refer Note 1.5

(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15

(iii) The cost of Inventories recognised as expense amount to ₹ 1,65,301.29 Lakhs during the year ended March 31, 2020 (₹ 1,87,932.91 Lakhs for the year ended March 31, 2019)

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

10. Current Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Tax Assets (Net of Provision for Income Tax of ₹ 2,164.12 Lakhs (Previous Year ₹ 2,884.70 Lakhs))	1,982.13	1,874.35
	<b>1,982.13</b>	<b>1,874.35</b>

11. Other Assets

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (unless otherwise stated)</b>				
Capital Advances	1,244.72	696.58	-	-
Security Deposits	929.13	655.33	-	-
Advances to Vendors*	-	-	1,607.53	2,363.23
Advances to Employees	-	-	42.28	43.99
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	9,486.74	10,268.70
Prepaid Expenses	-	-	810.71	495.84
	<b>2,173.85</b>	<b>1,351.91</b>	<b>11,947.26</b>	<b>13,171.76</b>

\* Includes advances to related vendors ₹ 15.09 Lakhs for 2019-20 (₹ 0.63 Lakhs for 2018-19)

12. Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
Issued, Subscribed and Fully paid up		
23,550,842 (Previous Year 23,550,842) Equity Shares of ₹ 10 each	2,355.08	2,355.08
	<b>2,355.08</b>	<b>2,355.08</b>

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Opening	2,35,50,842	2,355.08	2,35,50,842	2,355.08
Closing Balance	2,35,50,842	2,355.08	2,35,50,842	2,355.08

(ii) Terms and rights attached with equity shares:

The Company has only one class of equity shares, having at par value of ₹10 each. Each holder of the equity shares is entitled to one vote per share. There is no restriction attached to any equity share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. The repayment of equity share capital in the event of liquidation and buy-back of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(iii) Shares in the Company held by each shareholder holding more than 5% :

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Names	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of shares held	Number of shares	% of shares held
Microbase Limited	36,50,970	15.50	36,50,970	15.50
LNJ Financial Services Limited	19,33,370	8.21	18,80,462	7.98
JHP Securities Private Limited	19,03,000	8.08	-	-
L&T Mutual Fund Trustee Limited	-	-	16,39,472	6.96
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,53,749	6.17
	<b>89,55,417</b>	<b>38.02</b>	<b>86,24,653</b>	<b>36.61</b>

(iv) The Company does not have any holding/ultimate holding company.

### 13. Other Equity

Particulars	As at March 31, 2020		As at March 31, 2019	
(₹ in Lakhs)				
<b>a. Capital Reserve</b>				
Balance at the beginning of the year	701.48		701.48	
<b>Balance at the end of the year</b>		<b>701.48</b>		<b>701.48</b>

Balance of Capital Reserve consists of forfeiture of warrants, cancellation of investment in BMD Private Limited on demerger and share in demerged company issued to shareholders of the Company as per order of the Court and Reserve created on account of merger/amalgamation of Mordī Textiles and Processors Limited (MTPL). The balance will be utilised for issue of fully paid bonus shares and as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
<b>b. Securities Premium</b>				
Balance at the beginning of the year	9,618.56		9,618.56	
<b>Balance at the end of the year</b>		<b>9,618.56</b>		<b>9,618.56</b>

Balance of Security Premium Reserve consists of premium on issue of shares over its face value. The balance will be utilised for issue of fully paid bonus shares, buy-back of Company's own share as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
<b>c. Preference Share Capital Redemption Reserve</b>				
Balance at the beginning of the year	6,060.85		6,060.85	
<b>Balance at the end of the year</b>		<b>6,060.85</b>		<b>6,060.85</b>

Preference Share Capital Redemption Reserve represents the statutory reserve created towards redemption of these shares and the same will be utilised for issue of fully paid bonus shares as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
<b>d. Hedge Reserve</b>				
Balance at the beginning of the year	19.59		(154.39)	
Change in fair value (net off tax)	(97.96)		173.98	
<b>Balance at the end of the year</b>		<b>(78.37)</b>		<b>19.59</b>

The Cash Flow Hedge Reserve represents the cumulative effective portion of gain/(loss) arising on changes in fair value of undesignated portion of hedging instruments entered into for Cash Flow Hedge. The cumulative gain/(loss) arising on changes in fair value of undesignated portion of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to the Statement of Profit and Loss only when the hedge transaction affects the Profit or Loss.



NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>e. General Reserve</b>		
Balance at the beginning of the year	4,910.28	4,910.28
<b>Balance at the end of the year</b>	<b>4,910.28</b>	<b>4,910.28</b>

Free reserves to be utilised as per the provisions of the Companies Act, 2013.

**f. Fair Value Change in Equity Instruments Through Other Comprehensive Income ( OCI )**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	19,400.35	31,157.68
Additions/Deductions during the year	(9,965.42)	(8,783.97)
Reclassified to Retained Earnings @	(7,857.61)	(2,973.36)
<b>Balance at the end of the year</b>	<b>1,577.32</b>	<b>19,400.35</b>

This reserve represents the cumulative gain/(loss) arising on fair valuation of equity instruments and the amount is reclassified to retained earnings at the time of disposal of equity shares.

@ The Company had sold 6,05,386 (Previous year 54,223) no. of equity shares of HEG Limited and the cumulative gain of ₹ 7,857.61 Lakhs (Previous year ₹ 2,973.36 Lakhs) have been transferred (within equity) from Other Comprehensive Income to Retained Earnings.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>g. Retained Earnings</b>		
Balance at the beginning of the year	35,239.84	35,424.03
Adjustment due to first time adoption of INDAS116	(5.71)	
Additions during the year	2,266.41	(2,426.70)
Add/ (Less):		
Remeasurements of the defined benefit plans through OCI (refer Note 32)	81.61	(163.01)
Gain/(Loss) on sale of equity instruments valued through OCI @	7,857.61	2,973.36
Dividend paid including Taxes on dividend	-	(567.84)
<b>Balance at the end of the year</b>	<b>45,439.76</b>	<b>35,239.84</b>

The balance consists of surplus retained from earned profits after payment of dividend and taxes thereon.

Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

<b>Total (a to g)</b>	<b>68229.88</b>	<b>75950.95</b>
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**Details of Dividend Proposed and Paid**

**Dividend paid**

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend paid ₹ NIL per share (Previous year ₹ 2.00 per share)	-	471.02
Taxes on dividend on equity shares	-	96.82
	-	<b>567.84</b>

(₹ in Lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

14. Borrowings

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Secured *</b>				
<b>Term Loans :</b>				
- From Banks	20,135.00	45,742.77	5602.79	11869.51
- From Financial Institutions	2,228.00	11,519.46	1346.38	8781.82
<b>Corporate Loans :</b>				
- From Banks	5,142.86	-	1,500.00	-
- From Financial Institutions	6,818.18	-	2,727.27	-
<b>Unsecured</b>				
- From NBFCs	14,100.00	-	33.30	-
	<b>48,424.04</b>	<b>57,262.23</b>	<b>11,209.74</b>	<b>20,651.33</b>
Less: Current Maturity of Long term Debt (Refer Note 17)	-	-	(10,796.27)	(20,314.92)
Less: Interest Accrued but not due on Borrowings (Refer Note 17)	-	-	(413.47)	(336.41)
	<b>48,424.04</b>	<b>57,262.23</b>	-	-

\* Net off processing fee of ₹ 299.26 Lakhs in previous year 2018-19.

The Reserve Bank of India vide its Circular No DOR.No.BPBC. 47/21.04.048/2019-20 dated March 27, 2020 provided moratorium to the borrowers in payment of principal and interest in respect of all term loan and working capital facilities during the period from March 1, 2020 upto May 31, 2020 ("deferment"). Subsequently, The Reserve Bank of India vide its Circular No DOR.No.BPBC.71/21.04.048/2019-20 dated May 23, 2020, extended the moratorium for another period of 3 months i.e. from June 1, 2020 to August 31, 2020.

Amid lockdown, The Company has also been impacted from pandemic and accordingly availed the benefit of the moratorium in terms of aforesaid RBI circulars. Accordingly, the repayment schedule and all subsequent due dates, as also the tenure for term loans, has been shifted across the board by six months.

(i) Term Loans from Banks & Financial Institutions:

CURRENT YEAR FIGURES

- Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.40% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
20/Nov/20	2,550.00	-	2,550.00	2
20/May/21	1,800.00	900.00	900.00	4
30/Jun/23	2,213.00	1,849.00	364.00	13
30/Sep/23	2,795.00	2,386.00	409.00	14
25/Oct/23	4,900.00	4,400.00	500.00	15
31/Mar/25	11,200.00	10,600.00	600.00	20
<b>Sub Total</b>	<b>25,458.00</b>	<b>20,135.00</b>	<b>5,323.00</b>	

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2020**

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Financial Institutions:				
1/Sep/20	500.00	-	500.00	1
1/Oct/21	2,974.00	2,228.00	746.00	6
1/Mar/22	9,545.45	6,818.18	2,727.27	21
<b>Sub Total</b>	<b>13,019.45</b>	<b>9,046.18</b>	<b>3,973.27</b>	

**(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2020**

(a) From Banks:				
30/Sep/22	6,642.86	5,142.86	1,500.00	31
<b>Total I</b>	<b>45,120.31</b>	<b>34,324.04</b>	<b>10,796.27</b>	

**II Term loans - unsecured**

Conditions of Term Loans are summarised below:

**(A) Floating Rate - Carrying floating interest rate of 3Months MCLR + 2.30% as on 31st March 2020**

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From NBFC:				
20/Sep/26	14,100.00	14,100.00	-	17
<b>Total II</b>	<b>14,100.00</b>	<b>14,100.00</b>	<b>-</b>	
<b>Total I+II</b>	<b>59,220.31</b>	<b>48,424.04</b>	<b>10,796.27</b>	

**Previous Year's Figures**

1 Term loans are secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present and future.

Conditions of Term Loans are summarised below

**(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.05% as on 31st March 2019**

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
From Banks:				
20/Aug/20	6,230.00	2,550.00	3,680.00	6
20/Feb/21	3,100.00	1,800.00	1,300.00	8
31/Mar/23	2,477.00	2,125.00	352.00	16
30/Jun/23	3,068.00	2,704.45	363.55	15
25/Oct/23	5,700.00	4,900.00	800.00	18
25/Jan/25	10,740.40	10,740.40	-	20
20/Mar/27	14,700.75	14,494.80	205.95	32
<b>Sub Total</b>	<b>46,016.15</b>	<b>39,314.65</b>	<b>6,701.50</b>	

**(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.50% to Base Rate + 1.20% as on 31st March 2019**

(a) From Financial Institutions:				
1/Apr/20	2,375.00	500.00	1,875.00	5
1/Jul/21	4,186.00	2,974.00	1,212.00	8
1/Dec/21	13,500.00	8,045.00	5,455.00	30
<b>Sub Total</b>	<b>20,061.00</b>	<b>11,519.00</b>	<b>8,542.00</b>	

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
<b>(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2019.</b>				
(a) From Banks:				
30/Sep/22	9,000.00	6,428.58	2,571.42	42
<b>Sub Total</b>	<b>9,000.00</b>	<b>6,428.58</b>	<b>2,571.42</b>	
<b>Total I (A to C)</b>	<b>75,077.15</b>	<b>57,262.23</b>	<b>17,814.92</b>	

II Term Loans secured by way of subservient charge on entire current assets and movable fixed assets of the Company, present and future.

**Conditions of Term Loans are summarised below**

**(A) Floating Rate - Carrying floating interest rate of 6M MCLR + 1% as on 31st March 2019**

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
1/Mar/20	2,500.00	-	2,500.00	12
<b>Total II</b>	<b>2,500.00</b>	<b>-</b>	<b>2,500.00</b>	
<b>Total (I+II)</b>	<b>77,577.15</b>	<b>57,262.23</b>	<b>20,314.92</b>	

**15. Borrowings (Current)**

Particulars	As at	
	March 31, 2020	March 31, 2019
(₹ in Lakhs)		
<b>Secured</b>		
a. Loans Repayable on Demand		
-From Banks	47,431.15	52,559.50
-From Financial Institutions	-	2,000.00
b. Bill Discounted from Banks (Refer Note 6)	1,759.81	3,901.38
	<b>49,190.96</b>	<b>58,460.88</b>
<b>Unsecured</b>		
Bill Discounted From Banks (Refer Note 6)	7,601.94	8,019.09
	<b>7,601.94</b>	<b>8,019.09</b>
	<b>56,792.90</b>	<b>66,479.97</b>

Cash credit and other working capital facilities from banks and financial institutions are secured by way of hypothecation of stocks of raw materials, work-in progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company on pari-passu basis, as well as pari-passu second charge on all the fixed assets of the Company, present and future.

All loans repayable on demand carry floating interest rate from 7.90% to 10.00% per annum (Previous year 8.45% to 10.10%), computed monthly.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

16. Trade Payables

Particulars	(₹ in Lakhs)	
	Current	
	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	221.17	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,128.93	294.38
- Unrelated parties	9,586.69	9,905.08
	<b>10,936.79</b>	<b>10,321.49</b>

17. Other Financial Liabilities

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note 14)	-	-	10,796.27	20,314.92
Interest accrued but not due on borrowings (Refer Note 14)	-	-	413.47	336.41
Unclaimed dividend*	-	-	248.16	248.07
Security deposits from outsiders	465.06	410.48	405.85	453.50
Liability towards staff and workers	-	-	3,187.69	3,299.69
Liability towards leases	46.20	-	28.47	-
Commission, incentives etc. payable on sale	-	-	2,066.87	1,911.59
Other liabilities for expenses	-	-	970.38	810.01
Forward cover payable	-	-	335.03	-
	<b>511.26</b>	<b>410.48</b>	<b>18,452.19</b>	<b>27,374.19</b>

Note:

\* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18. Provisions

Particulars	(₹ in Lakhs)	
	Current	
	As at March 31, 2020	As at March 31, 2019
Provision for Employees' Benefit		
-Superannuation (Refer Note 34)	389.05	366.93
	<b>389.05</b>	<b>366.93</b>

19. Income Tax

a) Income tax recognized in profit or loss

Particulars	(₹ in Lakhs)	
	Current	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax expense</b>		
Current year	1,709.18	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,619.85)	(852.14)
	<b>89.33</b>	<b>(852.14)</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

b) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	Current	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	2,355.74	(3,278.84)
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	823.19	(1,145.76)
Expenses further deductible/not deductible for tax purposes	1,071.84	691.36
Dividend Income exempt from tax	(185.84)	(271.87)
Tax due to timing differences	(1,619.86)	(125.87)
	<b>89.33</b>	<b>(852.14)</b>

20. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at April 1, 2019	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2020
Deferred tax assets/ liabilities are attributable to the following items;					
<b>Deferred Tax Assets on:</b>					
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	848.52	-	126.34	-	974.86
-Unabsorbed depreciation including depreciation	726.27	-	(726.27)	-	-
-Allowance for impairment loss allowances	195.67	-	145.77	-	341.44
	<b>1,770.46</b>	<b>-</b>	<b>(454.16)</b>	<b>-</b>	<b>1,316.30</b>
<b>Deferred Tax Liabilities on:</b>					
- Depreciation and Amortization expenses	11,667.39	(3.07)	(382.03)	-	11,282.29
- Cash Flow Hedge	10.52	-	-	(52.62)	(42.10)
- Remeasurements of the defined benefit plans	(87.61)	-	-	123.20	35.59
	<b>11,590.30</b>	<b>(3.07)</b>	<b>(382.03)</b>	<b>70.58</b>	<b>11,275.78</b>
Less: MAT Credit Available	(1,790.78)	-	(1,691.99)	-	(3,482.77)
<b>Net Deferred Tax Liability</b>	<b>8,029.06</b>	<b>(3.07)</b>	<b>(1,619.86)</b>	<b>70.58</b>	<b>6,476.71</b>

(₹ in Lakhs)

Particulars	As at April 1, 2018	Recognized in P&L	Recognized in OCI	As at March 31, 2019
Deferred tax assets/ liabilities are attributable to the following items;				
<b>Deferred Tax Assets on:</b>				
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	62.64	785.88	-	848.52
-Unabsorbed depreciation including depreciation	-	726.27	-	726.27
-Allowance for impairment loss allowances	159.38	36.29	-	195.67
	<b>222.02</b>	<b>1,548.44</b>	<b>-</b>	<b>1,770.46</b>
<b>Deferred Tax Liabilities on:</b>				
- Depreciation and Amortization expenses	10,971.09	696.30	-	11,667.39
- Cash Flow Hedge	(81.71)	-	92.23	10.52
- Remeasurements of the defined benefit plans	(0.05)	-	(87.56)	(87.61)
	<b>10,889.33</b>	<b>696.30</b>	<b>4.67</b>	<b>11,590.30</b>
Less: MAT Credit Available	(1,790.78)	-	-	(1,790.78)
<b>Net Deferred Tax Liability</b>	<b>8,876.53</b>	<b>(852.14)</b>	<b>4.67</b>	<b>8,029.06</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

21. Deferred Government Grants

(₹ in Lakhs)		
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	332.45	388.21
Grants during the year	5.36	230.04
Released to the statement of profit and loss	(126.66)	(285.80)
<b>Closing Balance</b>	<b>211.15</b>	<b>332.45</b>
	<b>As at March</b>	<b>As at March</b>
	<b>31, 2020</b>	<b>31, 2019</b>
<b>Out of above:</b>		
Current	59.28	122.64
Non- Current	151.87	209.81
	<b>211.15</b>	<b>332.45</b>

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

22. Other Liabilities

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits	-	-	-	5.24
Advances from customers	-	-	1,400.82	650.17
Statutory dues payable				
-Tax deducted at source	-	-	465.72	174.08
-Other statutory dues	-	-	208.56	230.54
Other Payables *	103.38	109.02	3,300.54	3,710.39
	<b>103.38</b>	<b>109.02</b>	<b>5,375.64</b>	<b>4,770.42</b>

\* Include accrued liabilities and legal claims.

23. Revenue From Operations

(₹ in Lakhs)		
Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
A. Revenue from Contracts with Customers disaggregated based on nature of Product or Services		
a) Sale of Products (including Excise Duty):		
<b>Manufactured Goods</b>		
Yarn	2,21,648.51	2,46,758.15
Fabric	47,056.92	42,040.44
Total Manufactured Goods	2,68,705.43	2,88,798.59
<b>Traded Goods</b>		
Fabric	308.25	1,866.78
Total Traded Goods	308.25	1,866.78
	<b>2,69,013.68</b>	<b>2,90,665.37</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

23. Revenue From Operations (contd.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>b) Sale of Services</b>		
Services	4,731.01	2,091.94
	<b>4,731.01</b>	<b>2,091.94</b>
<b>c) Other Operating Revenues;</b>		
Sale of Waste	2,714.55	2,523.87
Export Benefits/Incentives	643.76	776.39
	<b>3,358.31</b>	<b>3,300.26</b>
	<b>2,77,103.00</b>	<b>2,96,057.57</b>
<b>B. Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)</b>		
India	1,94,380.00	1,94,041.57
Outside India	82,723.00	1,02,016.00
	<b>2,77,103.00</b>	<b>2,96,057.57</b>

Setout below, is the reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information (Refer Note 38):

(₹ in Lakhs)						
Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Segment Revenue</b>						
External Customer	2,27,701.28	49,401.72	2,77,103.00	2,50,291.58	45,765.99	2,96,057.57
Inter-segment	12,573.97	2.99	12,576.96	9,896.28	0.29	9,896.57
	<b>2,40,275.25</b>	<b>49,404.71</b>	<b>2,89,679.96</b>	<b>2,60,187.86</b>	<b>45,766.28</b>	<b>3,05,954.14</b>
Less: Inter-segment adjustment and elimination	(12,573.97)	(2.99)	(12,576.96)	(9,896.28)	(0.29)	(9,896.57)
<b>Total Revenue from Contract with Customers</b>	<b>2,27,701.28</b>	<b>49,401.72</b>	<b>2,77,103.00</b>	<b>2,50,291.58</b>	<b>45,765.99</b>	<b>2,96,057.57</b>

The Company has recognized revenue of ₹ 650.17 Lakhs (Previous year ₹ 644.92 Lakhs) from the amounts included under advance received from customers at the beginning of the year.

C. Reconciliation of Revenue from Contracts with Customers

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Contracts with Customers as per contract price	2,79,071.85	2,98,126.73
Less: Incentives, Discounts and Claims	(1,968.85)	(2,069.16)
<b>Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss</b>	<b>2,77,103.00</b>	<b>2,96,057.57</b>

The amounts receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.



NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

24. Other Income

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on Financial Assets at amortized cost		
- Interest Income from Customers	686.42	576.70
- Interest Income Others	64.53	24.26
Interest received on Debentures	227.28	201.84
Dividend Income from Investments at FVTOCI		
- From other than Subsidiary Companies	541.82	783.01
Other Non-operating Income		
Gain on utilization of SHIS Purchased *	-	0.04
Provisions written back	132.33	185.41
Insurance & Other Claims Received	12.73	12.14
Miscellaneous receipts	259.11	253.68
Rent on Investment Properties and others	421.70	354.82
Net Gain / Loss on sale of Property, Plant & Equipment #	272.98	728.81
	<b>2,618.90</b>	<b>3,120.71</b>

\* SHIS represents Status Holder Incentive Scrip

# Includes ₹ 330.94 Lakhs (Previous year ₹ 241.38 Lakhs) compensation on compulsory acquisition of land

25. Cost of Raw Materials Consumed

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Raw Materials		
Opening Stock	16,575.66	21,387.51
Add:		
Purchases	1,60,071.49	1,64,870.47
	<b>1,76,647.15</b>	<b>1,86,257.98</b>
Less:		
Closing Stock	20,076.38	16,575.66
	<b>1,56,570.77</b>	<b>1,69,682.32</b>

26. Purchase of Traded Goods

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Fabric	111.12	1,584.28
	<b>111.12</b>	<b>1,584.28</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

27. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of the year</b>		
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Work In Progress	10,154.95	10,574.31
Waste	341.50	135.51
	<b>25,877.63</b>	<b>23,813.92</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	12,906.63	16,543.45
Traded Goods	197.47	392.54
Work In Progress	10,574.31	12,020.49
Waste	135.51	163.96
	<b>23,813.92</b>	<b>29,120.44</b>
<b>(Increase)/ Decrease in Inventory</b>	<b>(2,063.71)</b>	<b>5,306.52</b>

28. Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	32,185.98	30,826.12
Contribution to provident and other funds	3,207.84	3,105.44
Expenses related to post employment defined benefit plan (Refer Note 34)	613.58	610.54
Expenses related to earned leave (Refer Note 34)	119.31	163.10
Workmen and staff welfare expenses	497.28	513.15
	<b>36,623.99</b>	<b>35,218.35</b>

29. Finance Cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	5,683.73	5,285.09
On working capital	4,408.63	6,182.38
Other borrowing costs	758.80	484.24
	<b>10,851.16</b>	<b>11,951.71</b>
* Net of TUFs / RIPS Subsidy received / receivable	789.89	893.98

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**30. Depreciation and Amortization Expenses**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Property, Plant &amp; Equipment *</b>		
Depreciation	12,921.11	12,241.49
	<b>12,921.11</b>	<b>12,241.49</b>
Less:		
Amortization of Government Capital Grants	126.66	283.80
	<b>126.66</b>	<b>283.80</b>
Investment Property#		
Depreciation	16.14	16.07
	<b>16.14</b>	<b>16.07</b>
	<b>12,810.59</b>	<b>11,973.76</b>
Intangible Assets		
Amortization @	355.94	354.32
	<b>355.94</b>	<b>354.32</b>
	<b>13,166.53</b>	<b>12,328.08</b>

\* Refer Note 3a

# Refer Note 3c

@ Refer Note 3d

**31. Other Expenses**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stores and spares consumed	7,048.71	7,530.19
Power and fuel	33,869.71	35,685.78
Packing expenses	3,634.43	3,829.60
Processing and job charges	2,764.54	1,669.15
Research and development expenses	138.22	229.53
Repairs & maintenance - building	401.08	418.79
Repairs & maintenance - plant & machinery	1,551.35	1,271.61
Repair and maintenance - others	356.36	430.39
Rent	834.84	138.00
Insurance (Net)	823.56	437.97
Rates and taxes	66.12	83.52
Directors' remuneration and fees @	452.79	519.10
Charity and donation	204.43	2.83
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services	11.96	17.21
For reimbursement of expenses	4.01	5.18
Legal, professional & consultancy expenses #	1,227.18	546.84
Other miscellaneous expenses	2,058.60	1,158.06
Commission and brokerage	2,371.02	2,796.63
Freight, forwarding and octroi charges	6,370.66	6,715.55
Advertisement expenses	218.27	225.46
Travelling expenses	1,175.11	1,074.66
Other selling expenses	1,281.64	1,240.88
Net Loss on Foreign Currency Transaction	88.17	209.71
Allowances for Impairment Loss Allowance	417.18	99.22
	<b>67,419.94</b>	<b>66,385.86</b>

@ the Directors' Remuneration for the financial year 2018-19 include a remuneration of ₹137.87 lakhs, which pertains to the financial year 2017-18 and was paid during the financial year 2018-19 after due approval of the shareholders.

# includes amount ₹11.53 Lakhs (previous year ₹5.65 Lakhs) paid to auditors as GST Audit fee.

### 32. Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(i) Items that will not be reclassified to Profit or Loss</b>		
Remeasurements of the defined benefit plans	204.81	(250.56)
Equity Instruments through Other Comprehensive Income (OCI)	(9,965.42)	(8,783.97)
	<b>(9,760.61)</b>	<b>(9,034.53)</b>
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurements of defined benefit plans	(123.20)	87.56
<b>(ii) Items that will be reclassified to Profit or Loss</b>		
Change in Fair value of Effective portion of Cash Flow Hedge Recognised during the year (Refer Note 42)	(120.47)	30.11
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	(30.11)	236.09
	<b>(150.58)</b>	<b>266.20</b>
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	(42.10)	10.52
- Tax on amount reclassified to Profit & Loss account during the year	(10.52)	81.71
	<b>52.62</b>	<b>(92.23)</b>

### 33. Earning Per Share

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Net Profit for Basic EPS (₹ In Lakhs)	2,266.41	(2,426.70)
Net Profit for Diluted EPS (₹ In Lakhs)	2,266.41	(2,426.70)
b) Number of Equity Shares at the beginning of the year	2,35,50,842	2,35,50,842
Add: Total Number of Shares outstanding at the end of the year	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Diluted	2,35,50,842	2,35,50,842
Earning Per Share - Basic (₹)	9.62	(10.30)
Earning per share - Diluted (₹)	9.62	(10.30)
Face value per share (₹)	10.00	10.00

### 34. Employee Benefitse

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable during the year.

#### Employees Provident Fund

In accordance with the Employees Provident Fund & Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (12% for FY 2019-20) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Employees Provident Fund Organisation (EPFO) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the EPFO beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company. Provident fund set up by the employer, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Company set up Provident Fund does not have existing deficit of interest shortfall.

#### Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. RSWM Limited holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

#### Gratuity Plan

In accordance with the provisions of Payment of Gratuity Act 1972, for its eligible employees, the Company contributes to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**34. Employee Benefitse (contd.)**

**a) Defined Contribution Plans**

The Company has recognised an expense of ₹ 2,306.51 Lakhs (Previous Year ₹ 2,189.38 Lakhs) towards the defined contribution plan.

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
1) Employer's Contribution to Provident Fund	1,745.46	1,644.94
2) Employer's Contribution to Superannuation Fund	389.05	366.93

**b) Defined Benefit Plans : Provident Fund**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund Trust (Managed by PF Trust )	172.00	177.51

The Company has charged ₹100 Lakhs, being the change in remeasurement of the defined benefit plans, in Other Comprehensive income during the year ended March 31, 2020 due to impairment in the value of investments made in securities of IL&FS Limited by the trusts' managing the defined plans of the Company.

**c) Defined benefits plans - as per actuarial valuation**

Particulars	(₹ in Lakhs)			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>I Change in present value of obligation during the year</b>				
Present value of obligation at the beginning of the year	5,289.85	1,182.05	4,746.81	1,058.40
- Current Service Cost	613.58	217.88	610.54	219.59
- Interest Cost	408.51	90.37	371.14	77.50
- Acquisition cost	-	-	-	-
Actuarial loss/(gains) on Obligation	(272.58)	(116.12)	249.57	31.37
Benefits Paid	(947.07)	(183.76)	(688.21)	(204.81)
<b>Present Value of obligation as at year-end</b>	<b>5,092.29</b>	<b>1,190.42</b>	<b>5,289.85</b>	<b>1,182.05</b>

Particulars	(₹ in Lakhs)			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>II Change in Fair Value of Plan Assets during the year</b>				
Plan assets at the beginning of the year	5,838.15	1,030.19	5,428.46	995.08
Expected Return on Plan Assets	449.17	78.29	423.41	71.47
Employer's contribution	-	155.81	2.00	72.05
Benefits paid	(55.01)	(168.76)	(14.73)	(196.27)
Actuarial Gain/(Loss) on Assets	32.23	(17.55)	(0.99)	87.86
<b>Plan assets at the end of the year</b>	<b>6,264.54</b>	<b>1,077.98</b>	<b>5,838.15</b>	<b>1,030.19</b>

Particulars	(₹ in Lakhs)			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets</b>				
Present Value of obligation as at year-end	5,092.29	1,190.42	5,289.85	1,182.05
Fair value of plan assets at year -end	6,264.54	1,077.98	5,838.15	1,030.19
<b>Funded status {Surplus/(Deficit)}</b>	<b>1,172.25</b>	<b>(112.44)</b>	<b>548.30</b>	<b>(151.86)</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>IV Expenses recognised in the Statement of Profit and Loss</b>				
Current Service Cost	613.58	217.88	610.54	219.59
Interest Cost	(40.66)	12.07	(52.27)	6.03
Actuarial (Gain) / Loss	-	(98.57)	-	(56.49)
	<b>572.92</b>	<b>131.38</b>	<b>558.27</b>	<b>169.13</b>

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>V Expenses recognised in the Statement of Other Comprehensive Income</b>				
Net Actuarial (Gain)/Loss	(304.81)	-	250.56	-

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>VI Bifurcation of PBO at the end of the year</b>				
Current Liability	575.48	171.41	937.95	198.52
Non-Current Liability	4,516.81	1,019.01	4,351.90	983.53

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
<b>VII Actuarial Assumptions</b>				
Discount Rate	6.76%	6.76%	7.75%	7.75%
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2006-08)
Salary Escalation	0% for first year and thereafter 5%	0% for first year and thereafter 5%	6.00%	6.00%

**VIII Expected Contribution for Next Financial Year**

The expected contribution for Defined Benefit Plan for the next financial year will be ₹895.35 Lakhs.

The estimates of future salary increase considered in actuarial valuation, have been made taking into account 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 actual return on plan assets for the year and estimate of contribution for the next year as per actuarial valuation is as under: -

(₹ in Lakhs)

Particulars	Actual Return on Plan Assets		Estimates of Contribution for next year	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Gratuity	481.40	422.42	661.74	694.63
Earned Leave	60.74	159.33	233.61	230.28

(₹ in Lakhs)

IX Experience Adjustment:	Year Ended March 31, 2020	Year Ended March 31, 2019
	<b>Gratuity</b>	
Present Value of obligation	5,092.29	5,289.85
Fair value of Plan assets	6,264.54	5,838.15
Net Asset/(Liability)	1,172.25	548.30
Actuarial (Gain)/Loss on plan obligation	(272.58)	249.57
Actuarial Gain/(Loss) on plan assets	32.23	(0.99)
<b>Earned Leave</b>		
Present Value of obligation	1,190.42	1,182.05
Fair value of Plan assets	1,077.98	1,030.19
Net Asset/(Liability)	(112.44)	(151.86)
Actuarial (Gain)/Loss on plan obligation	(116.12)	31.37
Actuarial Gain/(Loss) on plan assets	(17.55)	87.86

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

X Sensitivity Analysis	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
a) <b>Gratuity</b>				
Discount rate (0.50 % movement)	(233.48)	271.45	(234.39)	264.85
Future salary growth ( 0.50 % movement)	275.55	(239.15)	268.04	(239.26)

(₹ in Lakhs)

b) <b>Earned Leave</b>	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50 % movement)	(58.44)	62.68	(57.10)	62.45
Future salary growth (0.50 % movement)	64.10	(59.08)	63.22	(58.27)

(₹ in Lakhs)

XI <b>Maturity Profile of Defined Benefit Obligation</b>	Year Ended March 31, 2020	
	Gratuity	Earned Leave
April 2020 - March 2021	575.48	171.41
April 2021 - March 2022	304.29	60.11
April 2022 - March 2023	205.73	40.67
April 2023 - March 2024	281.26	50.28
April 2024 - March 2025	243.78	47.77
April 2025 Onwards	3,481.75	820.18

**XII Description of Risk Exposures:**

- Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows -
- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
  - Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
  - Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
  - Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**XIII** The plan assets of "Gratuity Fund" are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds for Earned Leave is entrusted with the Life Insurance Corporation of India. Investment Detail of Plan Assets for each major category plan assets is as below: -

(₹ in Lakhs)

Name of Retirement Benefit	Investment with	Sharing of Investment	
		Year Ended March 31, 2020	Year Ended March 31, 2019
Gratuity	ICICI Prudential Life Insurance Co. Ltd.	65.21%	60.41%
	Bajaj Allianz Life Insurance Company Ltd.	13.19%	12.25%
	Birla Sun Life Insurance Company Ltd.	1.37%	0.43%
	Kotak Mahindra Mutual Life Insurance Limited	17.65%	9.90%
	HDFC Life Insurance Company Limited	1.51%	-
	Aviva Life Insurance Company Limited	0.77%	0.42%
	Reliance Life Insurance Company Limited	-	16.40%
	India First	0.12%	0.03%
	Others	0.18%	0.16%
Earned Leave	LIC of India	100.00%	100.00%

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 35. Leases

The Company has given office spaces on lease. The lease arrangements, are renewable on a periodic basis and for most of the leases extend up to a maximum of 9 years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses and all other leases are cancellable.

#### Obligations on long-term, non-cancellable operating leases:

The lease rentals received during the year is as under:

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Lease rentals recognized during the year	406.13	342.81

The obligations on long-term, non-cancellable operating leases receivable as per the rentals stated in the respective agreements are as follows:

Future minimum lease receivable	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
- Not later than one year	171.32	229.80
- Later than one year and not later than five years	150.53	232.56

### 36. CSR Expenditure

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	130.00	236.88
b) Amount spent during the year in :		
- Preventive healthcare and safe drinking water	20.98	51.13
- Promotion of education	25.78	12.63
- Women empowerment	0.17	0.39
- Environment sustainability and ecological balance	9.77	8.25
- National heritage, art and culture	18.65	58.86
- Benefit of armed forces veterans and war widows	1.10	1.65
- Training to promote rural sports	5.15	4.62
- Contribution to Prime Minister's National Relief Fund	-	13.66
- Contribution for rural area development	-	23.61
	<b>81.60</b>	<b>174.80</b>

### 37 A. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	(₹ in Lakhs)				
	Carrying amount as at March 31, 2019	Additional provisions during the year	Amount used during the year	Unused & reverted during the year	Carrying amount as at March 31, 2020
<b>A. Contingent Liability not provided for:</b>					
<b>(a) Guarantees (excluding financial guarantees)</b>					
(i) Guarantee by ICICI Bank Ltd to LNJ Power Ventures Ltd	1,000.00	-	-	-	1,000.00
(ii) Counter Guarantees given by the Company in respect of Guarantees given by the Company's Bankers	2,059.12	935.97	684.02	-	2,311.07
<b>(b) Other money for which the company is contingently liable.</b>					
(i) Excise & Customs Duties, Sales tax and Other demands disputed by the Company.	142.21		1.88	-	140.33
<b>(c) Financial Guarantee *</b>					



## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 37 A. Contingent Liabilities and Commitments (to the extent not provided for) (contd.)

Particulars	(₹ in Lakhs)				
	Carrying amount as at March 31, 2019	Additional provisions during the year	Amount used during the year	Unused & reverted during the year	Carrying amount as at March 31, 2020
(i) Guarantee in favour of International Finance Corporation with M/s HEG Ltd and M/s Bhilwara Energy Ltd on joint and several basis on behalf of M/s A. D. Hydro Power Ltd.	600.00	-	-	-	600.00
<b>(d) Letter of Comfort</b>					
Given to HDFC Bank Limited on behalf of LNJ Institute of Skills & Technology Private Limited	400.00	400.00	-	-	800.00
* The Company does not expect any outflow of resources in respect of financial guarantee given to A.D. Hydro Power Ltd.					
<b>B. Commitments Outstanding:</b>					
(i) Estimated value of contracts remaining to be executed on Capital Accounts and not provided for	199.25	1,599.40	383.17	728.24	687.24
(ii) Commitment in 2012-13 to buy wind power @ ₹5.75 per unit for 20 years (balance 14 years)					
(a) Current Commitment (for next 12 Months)	2,013.00	-	-	-	2,013.00
(b) Non-current commitment (for next 14 years)	26,160.00	-	2,013.00	-	24,147.00

- C. The Appellate Tribunal for Electricity ("the Tribunal") vide its order dated April 16, 2019 under Appeal No. 146 of 2017 has dismissed the appeal preferred by Rajasthan Renewable Energy Corporation Limited ("the RREC") in favour of the Company and other Respondents stating that as per Section 86(1)(e) of the Electricity Act, 2003 ("the Act"), both the categories of generators of energy i.e., co-generators and generators of electricity through renewable sources of energy are entitled to be treated at par and both of them must be promoted by the State Electricity Commission. The intention of the legislature is to clearly promote co-generation of electricity irrespective of the nature of fuel used for co-generation. The Tribunal further observed that the fastening of the obligation on the co-generator to procure electricity from renewable energy producers would defeat the object of the said Section. It also observed that as long as captive consumers consume electricity from co-generating unit beyond the RPO, there is no obligation to purchase RE Certificates or consume renewable energy separately. It was also opined that once the entities comply with the obligations under section 86(1)(e) of the Act, in terms of the above observations, they cannot be asked to comply with the obligations by purchasing Renewable Energy Certificates (RECs). In view of the above judgement, there is no Renewable Purchase Obligation on the Company. The Company has also made a power purchase agreement with LNJ Power Ventures Limited to purchase wind power and have also commissioned 22.93 MW solar power generating units at its various business locations (including 19.31 MW under opex arrangements).
- D. TNEB limited the electricity supply to all their HT consumers based on their previous three years consumption and introduced cross subsidy surcharge for the unutilized portion of "units quota" so fixed, whenever power was purchased by a consumer from 3rd party or from Energy Exchange. On being legally challenged, Supreme Court by its order dated 20.07.2015 directed that the status quo has to be maintained i.e. no cross subsidy charges to be collected. Therefore, management does not foresee any possible liability in this regards.
- E. Under the powers conferred by Sections 6 and 25 of the Environment (Protection) Act, 1986 (29 of 1986), the Ministry of Environment, Forest and Climate Change vide its Notification No. S. O. 3305(E) dated December 7, 2015 had revised certain emission norms for Thermal Power Plants (TPPs) to control the level of pollution in the country, which were to be complied with by December 31, 2018. The Company has been in compliance with revised norms of Particulate Matter (PM) 50 mg/Nm<sup>3</sup> and Oxides of Nitrogen (NOx) 300mg/Nm<sup>3</sup>. However, for compliance of Sulphur Dioxide (SO<sub>2</sub>) 600 mg/Nm<sup>3</sup> norms, the requisite quality of coal which emits the sulphur within the limits, as notified, is not available. In order to keep the sulphur emission norms under control, the Company has, in the meantime, adopted secondary measures, besides assessing adoption of available technologies. However, the Ministry of Power, Government of India vide its letter No. 23/22/2018-R&R dated May 30, 2018 has said that as per the implementation plan prepared by the Central Electricity Authority (CEA), the existing TPPs are required to comply with the new emission standards by the year 2022.
- F. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its unaudited interim condensed consolidated financial statements. The Company also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the Company. The Company does not expect any third party reimbursements in respect of above contingent liabilities.
- 37 B The Company has exposure in LNJ Power Ventures Limited (LNJPV) amounting to ₹ 26 Lakh in Equity Share Capital and ₹ 832 Lakhs in 13.54% Compulsory Convertible Debentures (CCDs). The interest on the above said CCDs has not been paid by LNJPV since the Financial Year 2016-17 and ₹ 995.96 Lakhs remain unpaid to the Company as on March 31, 2020. Including other charges, the total amount receivable from LNJPV as on March 31, 2020, comes to ₹ 1,012.67 Lakhs. The Company also has to pay an amount of ₹ 1,114.77 Lakhs against supply of power by LNJPV under a long term power purchase agreement. Company has also provided bank guarantee of ₹ 1,000 Lakhs to LNJPV to secure such dues under Power Purchase Agreement. Presently, the Company is in discussion with LNJPV for realization of the accrued interest amount and in the opinion of the Management this is fully recoverable and hence considered good. The Company doesn't have any significant influence on LNJPV, hence, it has ceased to be the associate of the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 38. Segment Information

For management purposes, the Company is organised into business units based on its products and services and has following reportable segments:

- ▶ Yarn
- ▶ Fabric

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

#### Identification of Segments

The Board of Directors of the Company has been identified as Chief Operating Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

Accounting policy in respect of segments is in conformity with the accounting policy of the company as a whole.

#### Inter-segment Transfer

Segment revenue resulting from transactions with other business segments is accounted for on the basis of transfer price agreed between the segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These transfers are eliminated in consolidation.

#### Segment Revenue and Results

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other revenue and expenditure non allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the total income of the Company.

#### Segment Assets and Liabilities

Segment assets include all operating assets used by the operating segment and mainly consisting of property, plant & equipment, trade receivables, cash and cash equivalents and inventory etc. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to specific segments are shown as a part of unallocable assets/liabilities.

(₹ in Lakhs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Segment Revenue</b>						
External customers	2,27,701.28	49,401.72	2,77,103.00	2,50,291.58	45,765.99	2,96,057.57
Inter-segment	12,573.97	2.99	12,576.96	9,896.28	0.29	9,896.57
<b>Total Revenue</b>	<b>2,40,275.25</b>	<b>49,404.71</b>	<b>2,89,679.96</b>	<b>2,60,187.86</b>	<b>45,766.28</b>	<b>3,05,954.14</b>
Segment Expenses*	2,30,840.35	51,660.67	2,82,501.02	2,47,927.30	49,828.13	2,97,755.43
<b>Segment Results</b>	<b>9,434.90</b>	<b>(2,255.96)</b>	<b>7,178.94</b>	<b>12,260.56</b>	<b>(4,061.85)</b>	<b>8,198.71</b>
Un-allocable Expenses	-	-	1,904.58	-	-	2,646.55
Other Income (Refer Note 24)	-	-	7,932.54	-	-	3,120.71
Finance Costs (Refer Note 29)	-	-	10,851.16	-	-	11,951.71
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>2,355.74</b>	<b>-</b>	<b>-</b>	<b>(3,278.84)</b>
Tax Expenses	-	-	89.33	-	-	(852.14)
<b>Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>2,266.41</b>	<b>-</b>	<b>-</b>	<b>(2,426.70)</b>

\* Includes depreciation and amortization

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Other Information :

Particulars	(₹ in Lakhs)					
	Year ended March 31, 2020			Year ended March 31, 2019		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Depreciation and Amortization</b>						
Allocable	10,974.89	1,581.60	12,556.49	9,671.71	2,132.75	11,804.46
Unallocable	-	-	610.04	-	-	523.62
	<b>10,974.89</b>	<b>1,581.60</b>	<b>13,166.53</b>	<b>9,671.71</b>	<b>2,132.75</b>	<b>12,328.08</b>
<b>Capital Expenditure</b>						
Allocable	2,529.37	200.31	2,729.68	13,109.18	214.12	13,323.30
Unallocable	-	-	423.77	-	-	1,602.96
	<b>2,529.37</b>	<b>200.31</b>	<b>3,153.45</b>	<b>13,109.18</b>	<b>214.12</b>	<b>14,926.26</b>
<b>Segment Assets</b>						
Allocable	1,62,767.25	35,282.37	1,98,049.62	1,78,931.76	35,207.89	2,14,139.65
Unallocable	-	-	20,208.45	-	-	39,622.62
	<b>1,62,767.25</b>	<b>35,282.37</b>	<b>2,18,258.07</b>	<b>1,78,931.76</b>	<b>35,207.89</b>	<b>2,53,762.27</b>
<b>Segment Liabilities</b>						
Allocable	1,01,963.10	12,884.86	1,14,847.96	1,44,087.12	15,185.60	1,59,272.72
Unallocable	-	-	32,825.15	-	-	16,183.52
	<b>1,01,963.10</b>	<b>12,884.86</b>	<b>1,47,673.11</b>	<b>1,44,087.12</b>	<b>15,185.60</b>	<b>1,75,456.24</b>

Geographical Information

The Company is domiciled in India. Based on the location of the customers, the amount of its revenue from external customers are broken down by major foreign countries as below: -

		(₹ in Lakhs)					
		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
<b>Revenue from external customers</b>							
Based on location of the customers	For the year ended March 31, 2020	1,94,380.00	27,860.00	5,101.00	45,059.00	4,703.00	<b>2,77,103.00</b>
	For the year ended March 31, 2019	1,94,041.57	34,469.00	2,406.00	61,066.00	4,075.00	<b>2,96,057.57</b>

Non-current assets

There are no non current assets outside India.

Information about major customers

No single customer represents 10% or more of the total revenue during the year ended March 31, 2020 and March 31, 2019.

Revenue from products and services:

The detail of revenue from products and services are given below:

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Yarn	2,24,482.59	2,49,589.42
Fabric	47,889.40	44,376.21
Services	4,731.01	2,091.94
	<b>2,77,103.00</b>	<b>2,96,057.57</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

39. A: Related Party Disclosure

List of Related Parties as per Ind AS 24

Sr No.	Name of Related Party	Nature of Relationship
A	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
	Shri Ravi Jhunjunwala	Promoter
	Shri Riju Jhunjunwala	Promoter
	<b>(ii) A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity</b>	
	Shri Lakshmi Niwas Jhunjunwala	
	Shri Ravi Jhunjunwala	
	Smt. Mani Devi Jhunjunwala	
	Shri Riju Jhunjunwala	
	Smt. Rita Jhunjunwala	
	Shri Rishabh Jhunjunwala	
	<b>(iii) A person or a close member of that person's family of a reporting entity is a member of the Key Managerial Personnel of the reporting entity or of a parent of the reporting entity.</b>	
	Shri Ravi Jhunjunwala	Directors of the Company
	Shri Shekhar Agarwal	
	Shri Riju Jhunjunwala	
	Shri Brij Mohan Sharma	
	Shri Arun Kumar Churiwal	
	Shri Jagdish Chandra Laddha (upto July 31, 2019)	
	Dr. Kamal Gupta	
	Shri Dharmendar Nath Davar (upto July 24, 2019)	
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Capoor	
	Shri Surender Gupta	
B	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
	N.A.	
	<b>(ii) One entity is a subsidiary or an associate or a joint venture of the other entity (a subsidiary or an associate or a joint venture of a member of a group of which the other entity is a member)</b>	
	Bhillwara Energy Limited	Associate
	LNJ Skills & Rozgar Private Limited*	Associate
	AD Hydro Power Limited	Subsidiary of Associate
	B G Wind Power Limited	Subsidiary of Associate
	Balephi Jalbidhyut Company Limited, Nepal	Subsidiary of Associate
	Chango Yang Thang Hydro Power Limited	Subsidiary of Associate
	Indo Canadian Consultancy Services Private Limited	Subsidiary of Associate
	Malana Power Company Limited	Subsidiary of Associate
	NJC Hydro Power Limited	Subsidiary of Associate
	LNJ Institute of Skills & Technology Private Limited	Subsidiary of Associate
* LNJ Skills & Rozgar Private Limited was associate of the Company till October 31, 2018 and thereafter became subsidiary upto March 31, 2019 and thereafter become associate of the Company due to loss of control.		
	<b>(iii) Associated and other entities are joint ventures of the same third party.</b>	
	N.A.	
	<b>(iv) One Entity is a joint venture of a third party and the other entity is an associate of the third entity</b>	
	N.A.	
	<b>(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Sr No.	Name of Related Party	Nature of Relationship
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
	Rajspin Employees Contributory Provident Fund	Trust
<b>(vi)</b>	<b>The entity is controlled or jointly controlled by a person identified in (A).</b>	
	Aadi Marketing Company Private Limited	Shareholding more than 50% along with relatives in the Company.
	Agarwal Finestate Private Limited	
	AKJ Apparels Private Limited	
	Akunth Textile Processors Private Limited	
	Alankrit Vyapaar Private Limited	
	Backcountry estates Private Limited	
	Balkash Exim Private Limited	
	Bharat Investments Growth Limited	
	Bhilwara Technical Textiles Limited	
	BSL Limited	
	Captain Trade & Agencies Private Limited	
	Churiwala Properties and Investments Private Limited	
	Deepak Pens and Plastics Private Limited	
	Diplomat Leasing Private Limited	
	Dreamon Commercial Private Limited	
	Elapara Investment Private Limited	
	Emersec Holdings Private Limited	
	Escape Vincom Private Limited.	
	Giltedged Industrial Securities Limited.	
	Glorious Commoddeal Private Limited	
	HEG Limited	
	Honour Dealers Private Limited.	
	India TexFab Marketing Limited.	
	Indus Life Finance and Securities Private Limited.	
	Investors India Limited	
	Jemco Vanijya Private Limited	
	Jet (India) Private Limited	
	Kalati Holdings Private Limited	
	Kotyark Distributors Private Limited	
	LNJ Financial Services Limited	
	LNJ Realty Private Limited	
	Mandapam Vikas Private Limited	
	Mandawa Niyojan Private Limited	
	Maral Overseas Limited	
	MG Marketing & Trading Private Limited	
	ML Finlease Private Limited	
	Modify Distributors Private Limited	
	New Delhi Law Offices	
	Nikita Electrotrades Private Limited	
	Nivedan Vanijya Niyojan Limited.	
	NR Finvest Private Limited	
	Pacific Management Private Limited	
	Prapti Apparels Co. Private Limited	

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Sr No.	Name of Related Party	Nature of Relationship
	PRC Niyojan Private Limited	Shareholding more than 50% along with relatives in the Company.
	Promise Delers Private Limited	
	Purvi Vanijya Niyojan Limited	
	Raghav Commercial Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Sarita Computers Private Limited	
	Shashi Commercial Co. Limited.	
	SKLNJ Family Trusteeship Private Limited	
	SSSA Family Private Limited	
	Strength Fincap Markets Private Limited	
	Sudiva Spinners Private Limited (upto July 31, 2019)	
	Tinsukia Estate Private Limited	
	Veronia Tie Up Private Limited	
	Vikram Properties and Merchandise Private Limited	
	Zongoo Commercial Co. Private Limited	
<b>(vii)</b>	<b>A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	
<b>1</b>	<b>Shri Ravi Jhunjunwala</b>	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Private Limited	
	Akunth Textile Processors Private Limited	
	Bhilwara Services Private Limited	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shashi Commercial Co. Limited.	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	
<b>2</b>	<b>Shri Riju Jhunjunwala</b>	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Private Limited	
	Bhilwara Services Private Limited	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

39. B: Related Party Disclosure

Transaction	(₹ in Lakhs)							
	Subsidiaries (Including their Subsidiaries)		Associates (Including Subsidiaries of Associates)		Key Managerial Personnel		A person and enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Finished Goods	-	-	-	-	-	-	6,065.85	5,741.60
Sale of Raw Material	-	-	-	-	-	-	117.24	82.33
Purchases of Raw Material & Finished Goods	-	-	-	-	-	-	1,539.47	2,237.63
Purchase of Stores Items	-	-	-	-	-	-	10.21	17.50
Rent Received	-	5.59	65.65	58.65	-	-	110.00	114.73
Rent Paid	-	231.54	733.75	324.15	-	-	47.24	44.83
Reimbursement of revenue expenditure received	-	-	72.24	47.12	-	-	99.38	113.43
Reimbursement of revenue expenditure made	-	189.17	1,130.35	111.54	-	-	11.68	44.49
Job Charges Received	-	-	-	-	-	-	186.37	431.35
Job Charges paid	-	-	-	-	-	-	3.36	3.14
Interest received	-	-	-	-	-	-	128.42	129.60
Security Deposit	-	-	18.30	-	-	-	-	-
Loan Taken	-	-	-	-	-	-	14,100.00	-
Interest on above	-	-	-	-	-	-	269.83	-
Investment in LNJ Skills & Rozgar Private Limited	-	230.00	-	100.00	-	-	-	50.00
Sales of Equity Shares	-	-	8,484.54	-	-	-	7,912.70	2,982.26
Dividend Received	-	-	-	-	-	-	541.82	782.71
Dividend Paid	-	-	-	-	-	-	-	59.65
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	-	-	-	389.05	366.93
Rajasthan Spinning Gratuity Fund Trust	-	-	-	-	-	-	426.39	409.69
Rajspin Employees Contributory Provident Fund	-	-	-	-	-	-	172.00	177.51
<b>Remuneration and other perquisites</b>								
(a) Short-term employee benefits	-	-	-	-	404.23	495.10	-	-
(b) Post-employment benefits	-	-	-	-	37.19	55.73	-	-
Directors' Sitting Fees	-	-	-	-	68.25	58.50	-	-

Outstanding Balances to/from Related Parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Trade Receivables</b>		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	1,839.06	1,308.95
<b>Other Receivables</b>		
From Subsidiaries & Subsidiaries of Subsidiaries	-	51.46
From Associates	99.77	-
From Subsidiaries of Associates	368.66	356.14
From Other than Subsidiaries/Associates	302.97	96.54

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade Payables</b>		
To Subsidiaries & Subsidiaries of Subsidiaries	-	294.38
To Associates	1,128.33	-
To Other than Subsidiaries/Associates	0.60	-
<b>Advance to Vendors</b>		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	15.09	0.63
<b>Loan</b>		
Loan from Bharat Investment Growth Limited	14,100.00	-

**Terms & Conditions of transactions with related Parties:**

The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2020 and for the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties.

This assessment is undertaken through out the financial year through examining the financial position of the related parties and the market in which the related parties operate.

**Details of Guarantees**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>RSWM has provided guarantees on behalf of its reporting entity:-</b>		
Name of Reporting Entity		
A D Hydro Power Limited - India*	600	600
LNJ Skills & Rozgar Private Limited - India**	800	400

\* Guarantee given (jointly by the Company, Bhilwara Energy Limited and HEG Limited) to International Financial Corporation in terms of Guarantee agreement related to A D Hydro Power Limited.

\*\* The Company has given a letter of comfort to HDFC Bank Limited, Gurgaon against loan extended by the bank to LNJ Skills & Rozgar Private Limited as at March 31, 2020.

The Company does not expect any outflow of resources in respect of above financial guarantee / Letter of Comfort.

**40. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	221.17	122.03
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
the amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-



NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

41. Net Dividend Remitted in Foreign Exchange

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Period to which dividend relates to	-	2017-18
Number of non-resident shareholders (Nos.)	-	5
Number of equity shares held on which dividend was due (Nos.)	-	53,53,270
Amount remitted (in Lakhs)	-	107.07
Amount remitted USD (in Lakhs)	-	1.47

42. A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2020 were as under:

Particulars	(₹ in Lakhs)				
	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	198.62	-	-	198.62	198.62
Bank Balances other than above (Refer Note 7)	478.87	-	-	478.87	478.87
Investments (Refer Note 4)					
- Equity	3,549.97	-	1,607.82	5,157.79	5,157.79
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	34,172.38	-	-	34,172.38	34,172.38
Loans (Refer Note 5)	280.13	-	-	280.13	280.13
Other financial assets (Refer Note 8)	5,351.95	-	-	5,351.95	5,351.95
	<b>44,031.92</b>	<b>832.00</b>	<b>1,607.82</b>	<b>46,471.74</b>	<b>46,471.74</b>
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,05,216.94	-	-	1,05,216.94	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	221.17	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	10,715.62	10,715.62
Other financial liabilities (Refer Note 17)	18,628.42	-	335.03	18,963.45	18,963.45
	<b>1,34,782.15</b>	<b>-</b>	<b>335.03</b>	<b>1,35,117.18</b>	<b>1,35,117.18</b>

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2020 ₹ 995.96 Lakhs.

The carrying value and fair value of financial instruments by category as of March 31, 2019 were as under:

Particulars	(₹ in Lakhs)				
	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	1,030.24	-	-	1,030.24	1,030.24
Bank Balances other than above (Refer Note 7)	384.15	-	-	384.15	384.15
Investments (Refer Note 4)					
-Equity	1,206.00	-	19,452.47	20,658.47	20,658.47

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

The carrying value and fair value of financial instruments by category as of March 31, 2019 were as under: (contd.)

(₹ in Lakhs)					
Particulars	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	45,264.20	-	-	45,264.20	45,264.20
Loans (Refer Note 5)	232.14	-	-	232.14	232.14
Other financial assets (Refer Note 8)	3,245.85	-	119.27	3,365.12	3,365.12
	<b>51,362.58</b>	<b>832.00</b>	<b>19,571.74</b>	<b>71,766.32</b>	<b>71,766.32</b>
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,23,742.20	-	-	1,23,742.20	1,23,742.20
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	122.03	-	-	122.03	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,199.46	-	-	10,199.46	10,199.46
Other financial liabilities (Refer Note 17)	27,784.67	-	-	27,784.67	27,784.67
	<b>1,61,848.36</b>	<b>-</b>	<b>-</b>	<b>1,61,848.36</b>	<b>1,61,848.36</b>

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2019 ₹ 791.41 Lakhs.

**b. Fair value hierarchy**

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

(₹ in Lakhs)				
Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	1,607.82	1,607.82	-	-
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
<b>Liabilities</b>				
Derivative financial instruments - foreign currency forward (Refer Note 17)	335.03	-	335.03	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

(₹ in Lakhs)				
Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	19,452.47	19,452.47	-	-
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	119.27	-	119.27	-

**Valuation Technique used to determine Fair Value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

2) Long-term variable-rate borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

3) The fair values of the forward contract is determined using the forward exchange rate at the balance sheet date based on quotes from banks and financial institutions. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

4) The fair values of the Quoted Equity shares have been done on quoted price of stock exchange as on reporting date.

5) Investment in the Unquoted Debenture have been valued considering the market coupon rate of similar financial instruments.

### c Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in the market condition and Company's Activities.

The audit committee oversees how management monitors compliances with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes review of risks management controls and procedures, the results of which are reported to the audit committee.

#### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

##### (i) Market Risk:

Market risk is the risk that changes in the market prices such as foreign currency risk, interest risk, equity price and commodity prices. The market risk will affect the company's income or value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

##### (i) a Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD and EURO. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### Foreign Currency Risk Exposure

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2020 is given below.

Particulars	(Amount in Lakhs)			
	USD	Euro	Other currencies *	INR
<b>Non Derivative</b>				
Trade receivables	69.12	0.34	0.05	5,311.87
Trade payables	(8.23)	(0.09)	-	(607.81)
Other assets	1.65	1.89	8.03	5.47
Other liabilities	(20.54)	(0.51)	(0.04)	(1,549.71)
<b>Net assets / (liabilities)</b>	<b>42.00</b>	<b>1.63</b>	<b>8.04</b>	<b>3,159.82</b>

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2019 is given below.

Particulars	(Amount in Lakhs)			
	USD	Euro	Other currencies *	INR
<b>Non Derivative</b>				
Trade Receivables	130.37	4.72	0.58	9,458.48
Trade payables	(4.57)	(0.69)	(4.65)	(364.77)
Other assets	2.06	0.40	11.82	278.25
Other liabilities	(17.11)	(0.53)	(0.05)	(1,289.91)
<b>Net assets / (liabilities)</b>	<b>110.75</b>	<b>3.90</b>	<b>7.70</b>	<b>8,082.05</b>

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

The following significant exchange rates have been applied during the year

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Spot Rate (in ₹)</b>		
USD	71.30	69.16
EURO	79.15	77.67
GBP	89.40	92.11

### Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-Increase/(Decrease) by 4% (Previous year 2%)	79.83	(79.83)	101.86	(101.86)
<b>EURO Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (Previous year 2%)	3.36	(3.36)	3.94	(3.94)

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2020 and March 31, 2019

#### (i) b. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company. Based on market intelligence, study of research analysis reports, company reviews its short/long position to avail working capital loans and minimise interest rate risk. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest risk, the Company performs comprehensive corporate interest risk management by balancing the proportion of fix rate and floating rate financial instruments.

#### - Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>Fixed rate instruments</b>				
Financial Assets				
- Fixed Deposits with Banks (Refer Note 7)			230.55	135.95
<b>Variable rate instruments</b>				
Financial Liabilities				
- Borrowings (Refer Note 14 & 15)			1,16,013.21	1,44,057.12

### Sensitivity Analysis

#### Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss, therefore change in interest rate at the reporting date would not affect profit or loss.

#### Cash Flow Sensitivity Analysis for Variable Rate Instruments

An increase of 50 basis points (previous year 12 basis points) in interest rate at the reporting date would have increased, (decreased) Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

The sensitivity analysis is computed by comparing weighted average interest rate for the period ended March 31, 2020 and March 31, 2019.

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 50 basis points (Previous year 12 basis points)	377.37	(377.37)	112.46	(112.46)

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### (i) c. Price Risk

#### - Exposure

The Company is exposed to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. Material investments are managed on individual basis and all buy and sell decisions are approved by the management. The primary goal of the investment strategy is to maximize investment returns.

#### Sensitivity Analysis

Increase/decrease of 10% in the equity prices would have impact of ₹ 160.78 Lakhs (₹ 1945.25 Lakhs in previous year) on the Other Comprehensive Income and Equity. These changes would not have an effect on Profit or Loss.

### (ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposit with banks and financial institutions, loans, investment in debt securities, forward exchange contract and other financial instruments.

The Company considers the probability of default upon initial recognition of assets and when there has been significant increase in credit risk and on an on-going basis throughout each reporting date to assess whether there is an significant increase in credit risk, the Company compares the risk of default occurring on assets as at reporting date with the risk of default as at the date of initial recognition by considering reasonable forward looking estimations.

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables were written off and subsequently recoveries are made, these are recognised as an income in the financial statements.

#### - Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company evaluates the concentration of risk with respects to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. A default on a financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro economic factors. The company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

#### (ii) a. Credit risk exposure

The following table shows the exposure to the credit risk at the reporting date :

Particulars	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	176.86	103.27	135.78	96.36
Trade Receivables (Refer Note 6)	-	34,172.38	-	45,264.20
Cash and cash equivalents (Refer Note 7)	-	198.62	-	1,030.24
Bank Balances (Refer Note 7)	-	478.87	-	384.15
Other financials assets (Refer Note 8)	1,059.81	4,292.14	396.97	2,968.15
	<b>1,236.67</b>	<b>39,245.28</b>	<b>532.75</b>	<b>49,743.10</b>

Expected credit loss for trade receivables using simplified approach are given below:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Age Bracket</b>		
0-180	33,834.21	44,811.76
181-365	690.56	665.55
Above 365	624.70	346.83
Total	35,149.47	45,824.14
Allowance for Impairment Loss	977.09	559.94
<b>Closing Balance (Refer Note 6)</b>	<b>34,172.38</b>	<b>45,264.20</b>

### The movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is given below

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance of provision for expected credit loss at the beginning	559.94	460.52
Impairment loss recognised/ (reversed)	417.15	99.42
<b>Balance at the end</b>	<b>977.09</b>	<b>559.94</b>

### Financial assets to which loss allowances measured using 12 months expected credit loss.

Other than trade receivables, the expected credit loss on the other financial assets is measured at an amount equal to the 12 month ECL, unless there is a significant risk of credit loss. However, based upon these parameters, there is no credit loss on these other financial assets has been identified nor any significant credit risk has been observed since their initial recognition.

### Cash and Cash Equivalents, Deposit with Banks

Credit risk on cash and cash equivalents and deposit with banks is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

### Derivatives (Forward Contracts)

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties.

For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjusts its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

### (iii) Liquidity risk

The Company's objective is at all times to maintain optimum levels of liquidity to meet its cash and collateral requirements. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(iii) a. The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	(₹ in Lakhs)				
	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	56,792.90	27,216.04	14,768.00	6,440.00	<b>1,05,216.94</b>
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	-	<b>221.17</b>
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	-	<b>10,715.62</b>
Other financial liabilities (Refer Note 17)	18,452.19	511.26	-	-	<b>18,963.45</b>
	<b>86,181.88</b>	<b>27,727.30</b>	<b>14,768.00</b>	<b>6,440.00</b>	<b>1,35,117.18</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	(₹ in Lakhs)				
	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	66,479.97	29,761.80	15,760.03	11,740.40	<b>1,23,742.20</b>
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	122.03	-	-	-	<b>122.03</b>
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,199.46	-	-	-	<b>10,199.46</b>
Other financial liabilities (Refer Note 17)	27,374.19	410.48	-	-	<b>27,784.67</b>
	<b>1,04,175.65</b>	<b>30,172.28</b>	<b>15,760.03</b>	<b>11,740.40</b>	<b>1,61,848.36</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

Particulars	₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Secured Bank Cash credit Facility</b>		
Amount Unused	34,568.85	27,440.50
<b>Secured Non Fund Based Facility</b>		
Amount Unused	10,840.09	9,509.03
<b>Secured Term Loan Facility</b>		
Amount Unused	-	1,959.60
<b>Unsecured Term Loan Facility</b>		
Amount Unused	900.00	-

**42. B: Financial Instruments**

**(iv) Derivative financial instruments**

**(iv) a. Disclosure of effects of hedge accounting on financial position:**

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 50% to 90% of the net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

**As at March 31, 2020:**

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash Flow Hedge	25	132.08	-	-	9,647.12	April 2020 -August 2020	0.58:1	73.04	-

**As at March 31, 2019:**

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash Flow Hedge	29	132.53	-	-	9,368.55	April 2019 -August 2019	0.56:1	70.69	-

**(iv) b. Disclosure of effects of hedge accounting on financial performance**

Cash Flow Hedge	Changes in the value of the hedging instruments recognised in other Comprehensive Income	Hedge Ineffectiveness recognised in profit & Loss	Amount reclassified from cash flow hedging reserve to Profit & Loss	Line item affected in the statement of profit and loss because of reclassification
March 31, 2020	(120.47)	-	(30.11)	Revenue
March 31, 2019	30.11	-	236.09	Revenue

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(iv) c. The movement in hedging reserve during the year ended March 31, 2020 for derivatives designated as cash flow hedge (Refer Note 32) is as follows:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	19.58	(154.39)
Change in fair value of effective portion of cash flow hedge recognised during the year	(120.47)	30.11
Amount reclassified to the Statement of Profit & Loss during the period	(30.11)	236.09
Tax Impact on above	52.62	(92.23)
<b>Balance at the end of the year</b>	<b>(78.38)</b>	<b>19.58</b>

It is anticipated that sales will take place during the first seven months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to profit & loss account.

### (iv) d. Sensitivity Analysis

The following table demonstrates the sensitivity in the foreign exchange rates (USD & Euro) to the Indian Rupees with all other variables held constant. The impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

The sensitivity analysis is computed by comparing average exchange rate for the period ended March 31, 2020 and March 31, 2019.

Particulars	(₹ in Lakhs)			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-Increase/(Decrease) by 4% (previous year 2%)	58.55	(58.55)	96.78	(96.78)
<b>EURO Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (previous year 2%)	7.85	(7.85)	6.08	(6.08)
<b>GBP Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (previous year 2%)	7.40	(7.40)	-	-

### 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Borrowings including current maturities (Refer Note 14, 15 & 17)	1,16,013.21	1,44,057.12
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	10,199.46
Other payables other than current maturities (Refer Note 17)	8,167.18	7,469.75
Less: cash and cash equivalents (Refer Note 7)	198.62	1,030.24
<b>Net debt</b>	<b>1,34,918.56</b>	<b>1,60,818.12</b>
Equity (Refer Note 12 & 13)	70,584.96	78,306.03
<b>Capital and Net debt</b>	<b>2,05,503.52</b>	<b>2,39,124.15</b>
Gearing Ratio	66%	67%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.



## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 44 A: Impairment Loss on Fixed Assets

In terms of Indian Accounting Standard 36 - Impairment of Assets, as on reporting date, the Company evaluated each CGU's Intangible Assets and PPE Based on such evaluation, which is also supported by external information, more particularly the market value and economic performance of the assets, no indication of impairment has been determined.

44 B: The amount of charity and donation for the financial year 2019-20 includes ₹ 200 Lakhs donated to a political party.

### 44 C: Note on COVID-19

The Company temporarily suspended the operations from 22nd March, 2020 in the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments due to COVID-19. However, production and supply of goods has commenced during the month of April 2020 on various dates at all the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities. COVID-19 pandemic has caused global widespread economic and business disruption leaving uncertainties with respect to its severity, which currently cannot be reasonably ascertained. However, the Company has evaluated and factored in to the extent possible the likely impact that may result from COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results, on the carrying value of its assets and liabilities as at 31st March 2020. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and adequate liquidity is available. The impact of any events and developments occurring after the balance sheet date on the financial results for the quarter and year ended 31st March 2020 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively. There has been reduction in rates of interest by 50 basis points since March 22, 2020. The Company has availed six months' moratorium on term loans and interest cost. The Company has also got sanctioned the additional limits of ₹ 62.10 Cr. for better course of business. The Company has recognised its revenue in adherence of Ind As 115 and its accounting policy net of incentives, allowances and discounts as per the practice followed consistently. It has recognised the revenue on supply of those goods, the ownership and control have been transferred to the buyers. In cases where the said conditions are not met, the revenue has not been recognised. The Company has also examined found that there are no material contracts of customers that have been cancelled. Once, the supply chain smoothen, the orders in hand will be executed. It has been examined and assessed that there are no onerous contracts or obligations nor there is any material breach of contract which may attract penalties, deferment or termination of these contracts. It is estimated that there shall not be any additional credit loss due to no or short recovery of any receivables, both in the domestic as well as in the international market.

The inventories of finished goods and work in process have been valued in adherence of Ind AS2, the other applicable norms and also making NRV testing at current market prices. The actuarial valuation of retirement benefits of employees has been carried out taking the salary growth rates, discounting rates and other assumptions on a conservative and prudent basis. The investments in the listed entities have been fair valued at market prices that prevailed as on March 31, 2020. The other investments have been valued at cost including that of associates and the company has estimated that there is no impairment further in investments or any other asset, including property, plant and equipment. The hedge transactions and their effectiveness is are closely monitored and controlled. The Company has examined and found that as such there is no threat to the safety and security of data and information. The server is centralized and is under the tight security and vigil of IT teams. The remote access is provided only through VPN. Company has robust mechanism of internal financial controls and internal audit. However the same is reviewed upgraded periodically. The Company has examined and has not come across any event of material breach of any contract due to the circumstances that have arisen post spread of the virus. The Company has also examined and does not find any doubt on its going concern.

### 45 Legal Cases

#### Against the Company:

(₹ in Lakhs)						
S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities	Amount Deposited Under Protest	Claim not acknowledged as debt
1	Indirect Taxation	590.00	35.01	15.00	7.15	532.84
		(196.09)	(35.01)	(15.00)	(7.15)	(138.93)
2	Direct Taxation	869.47	-	-	-	869.47
		(956.00)	-	-	-	(956.00)
3	State Dues/ Levies	15.00	-	15.00	-	-
		(15.00)	-	(15.00)	-	-
4	Labour Laws	77.34	-	2.15	-	75.19
		(85.73)	-	(2.15)	-	(83.58)
5	Commercial Matters	4.47	-	2.37	2.10	-
		(11.99)	-	(4.25)	(7.74)	-
6	Others	26.24	17.25	8.99	-	-
		(27.04)	(17.25)	(8.99)	-	(0.80)
<b>Total</b>		<b>1,582.52</b>	<b>52.26</b>	<b>43.51</b>	<b>9.25</b>	<b>1,477.50</b>
		<b>(1,291.85)</b>	<b>(52.26)</b>	<b>(45.39)</b>	<b>(14.89)</b>	<b>(1,179.31)</b>

Figures in brackets in aforesaid note represent the figures of previous year

NOTES TO THE STANDALONE FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

By the Company:

				(₹ in Lakhs)
S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities
1	Indirect Taxation	918.07	60.27	-
		(651.87)	(444.52)	-
2	Direct Taxation	1,076.02	21.76	-
		(1,156.43)	(21.76)	-
3	Labour Laws	7.97	-	-
		(7.97)	-	-
4	Commercial Matters	2,857.70	502.42	96.82
		(2,408.35)	(502.42)	(96.82)
5	Others	1,356.32	201.96	-
		(1,384.90)	(201.27)	-
	<b>Total</b>	<b>6,216.08</b>	<b>786.41</b>	<b>96.82</b>
		<b>(5,609.52)</b>	<b>(1,169.97)</b>	<b>(96.82)</b>

Figures in brackets in aforesaid note represent the figures of previous year

**46 Note on Lease Accounting**

The transition to Ind AS – 116 pursuant to its adoption resulted in right of use asset of ₹ 109.84 Lakhs as at 1st April, 2019 and a lease liability of ₹ 118.61 Lakhs as on that date with corresponding impact in retained earnings. Comparatives figures have not been retrospectively adjusted. The effect of adoption of this Ind AS is not material on the profit before tax, profit for the period and earnings per share. The company has applied Ind AS 116 using the modified retrospective approach, details of which are as under:

(i) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

		(₹ in Lakhs)
Particulars		Amount
Balance as at April 1, 2019		-
Additions		109.84
Depreciation		(45.22)
<b>Balance as at March 31, 2020</b>		<b>64.62</b>

(ii) The following is the movement in lease liabilities year ended March 31, 2020:

		(₹ in Lakhs)
Particulars		Amount
Balance as at April 1, 2019		-
Additions		118.61
Interest on lease liabilities		9.40
Payment of lease liabilities*		(53.34)
<b>Balance as at March 31, 2020</b>		<b>74.67</b>

\*Includes Interest expenses paid during the period ended 31st March 2020 amounts to ₹ 9.40 Lakhs

## NOTES TO THE STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on discounted basis:

Particulars	(₹ in Lakhs) Amount
Less Than one year	28.47
One to five years	46.20
<b>Total Discounted Lease Liabilities</b>	<b>74.67</b>

Lease rent expense recorded for short-term leases and low value leases was ₹ 834.84 Lakhs for the year ended March 31, 2020.

47. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Accompanying notes form an integral part of the financial statements

### As per our report of even date

**For Lodha & Co.**  
Chartered Accountants  
Firm Regn. No. 301051E

**For S.S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Regn. No. 000756N

**N. K. Lodha**  
Partner  
M. No. 085155

**Yogesh K. Gupta**  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

### For and on Behalf of Board of Directors

**Riju Jhunjhunwala**  
Chairman & Managing Director  
DIN 00061060

**B. M. Sharma**  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

**Surender Gupta**  
Company Secretary  
M.No. FCS 2615

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RSWM Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of RSWM Limited (hereinafter referred to as "the Company") and its associates, comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of associates, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associates as at March 31, 2020, of consolidated loss (including Other Comprehensive Income/loss), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Material Uncertainty Related to Going Concern

##### Relating to Subsidiary of an Associate

In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associate "Bhilwara Energy Limited (BEL)", as stated in Note-47 ii) (b) of the Consolidated Financial Statements for the year ended 31st March 2020, the board of directors of CYHPL decision to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution/long delay in Government approvals and licenses lapse. As CYHPL was incorporated as Special Purpose Vehicle (SPV) and capital work in progress of ₹ 2,713.18 Lakhs (Company indirect share of ₹ 205.12 Lakhs) was also written off in earlier year, hence these events/conditions indicate that there exists material uncertainty that may cast significant doubt on ability to continue as a going concern. This matter was reported under heading "Material uncertainty related to Going Concern" in the auditor's report on Consolidated Financial statements of an associate (BEL).

Our opinion is not modified in respect of this matter.

#### Emphasis of matter:

#### Relating to Subsidiaries of an Associate

Attention is drawn to:

- a) In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associate (BEL), as stated in Note-47 ii) (b) of the consolidated financial statements for the year ended 31st March 2020 regarding pending refund of upfront premium of ₹ 3,789.45 Lakhs and security deposit of ₹ 180.00 Lakhs (Company indirect share of ₹ 300.09 Lakhs) with interest from the Directorate of Energy, Government of Himachal Pradesh, where the management of CYHPL is confident of recovering the upfront premium and security deposit.
- b) In case of Malana Power Company Limited (MPCL), a subsidiary of an associate (BEL), as stated in Note 47(ii)(d) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).
- c) In case of AD Hydro Power Limited (ADHPL), a subsidiary of an associate (BEL), as stated in Note 47(ii)(e) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).
- d) In case of BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL), as stated in Note 47(ii)(f) of the consolidated Financial Statements where the Power Purchase Agreement (PPA) with DISCOM has expired dated March 31, 2019. BG Wind Power Limited, subsidiary of an associates is pursuing for PPA with DISCOM @ ₹ 3.14 per kwh vide RERC third amendment regulation dated 5th March 2019 for the entire duration of the project because PPA validity expired on 31 March, 2019 but the DISCOM has not signed the PPA even after the BGWPL had filed a petition with RERC. BGWPL has continued to recognise Revenue from Sale of Power of ₹ 367.76 Lakhs (Company indirect share of ₹ 27.80 Lakhs) and Generation Based Incentive (GBI) of ₹ 59.12 Lakhs (Company indirect share of the ₹ 4.47 Lakhs) and shown under Unbilled Revenue as the Management of the BGWPL believes that PPA will be signed. BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard.
- e) In case of NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), as stated in Note 47(ii)(c) to consolidated financial statements which describes the uncertainty relating to the effects of outcome of petition filled by the NHPL with Hon'ble Guwahati High Court and Hon'ble Supreme Court challenging the instant notice issued by Government of Arunachal Pradesh (GoAP) for termination of the Project and invoking its right to take over the project on "AS IS WHERE IS BASIS" and allotting the same to third party. The NHPL prayer is for seeking refund of upfront premium as per provisions of MoA, in view of the WII report recommending no construction of Nyamjinag Chhu HEP at site. The auditor of Associate (BEL) reported in their consolidated Auditor's Report that they are unable to comment on the financial implications and future operations of the NHPL till the final outcome.

The above Emphasis of matters were reported in the auditor's report on consolidated financial statements of an associate (BEL). Our opinion is not modified in respect of above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associates are responsible for assessing the ability of the Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional

judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence,

and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

The Consolidated financial statements include the Company's share of net profit of ₹ 270.83 lakhs and total comprehensive Income of ₹ 267.64 lakhs for the year ended 31st March 2020 as considered in the consolidated financial statements in respect of two associates, whose financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associates and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on financial statements and other financial information of associates, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associates covered under the Act, none of the directors of the Company and its associates covered under the Act, are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Company.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors, referred to in other matter paragraph, on financial statements of its associates, we report that the remuneration paid by the Company and its associates to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on financial statements as also the other financial information of the associates:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates. Refer Note-45 to the Consolidated financial statements.
- ii. The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2020 and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company and its associates incorporated in India.

**For Lodha & Co.**  
Chartered Accountants  
FRN : 301051E

**N. K. Lodha**  
Partner  
M. No. 085155  
UDIN : 20085155AAAACJ2278

Place : New Delhi  
Date : June 15, 2020

**For S S Kothari Mehta & Company**  
Chartered Accountants  
FRN : 000756N

**Yogesh K. Gupta**  
Partner  
M. No. 093214  
UDIN : 20093214AAAAAX6105

Place : Faridabad  
Date : June 15, 2020

## Annexure “A” to the Independent Auditor’s Report (Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting **RSWM Limited** (hereinafter referred to as “the Company”) and its two associates, which are the Company incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its associates company which is the company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its associates which is the company incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors, the Company and its associates, which are the companies

incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two (2) associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Lodha & Co.**  
Chartered Accountants  
FRN : 301051E

**N. K. Lodha**  
Partner  
M. No. 085155  
UDIN : 20085155AAAACJ2278

Place : New Delhi  
Date : June 15, 2020

**For S S Kothari Mehta & Company**  
Chartered Accountants  
FRN : 000756N

**Yogesh K. Gupta**  
Partner  
M. No. 093214  
UDIN : 20093214AAAAAX6105

Place : Faridabad  
Date : June 15, 2020



## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
<b>ASSETS</b>					
<b>1 Non-current Assets</b>					
a Property, Plant and Equipment	3a	99,662.53		1,12,136.09	
b Capital Work-in-Progress	3b	720.54		277.77	
c Investment Property	3c	1,494.51		752.90	
d Goodwill		-		691.74	
e Other Intangible Assets	3d	1,556.11		1,389.26	
f Intangible Assets under Development	3e	-		185.23	
g Financial Assets					
i) Investments*	4	9,139.47		32,526.71	
ii) Loans	5	176.86		99.78	
iii) Other financial assets	8	1,059.81	10,376.14	396.97	33,023.46
h Other Non-current Assets	11	2,173.85		1,365.05	
<b>2 Current Assets</b>					
a Inventories	9	50,670.91		43,205.77	
b Financial Assets					
i) Trade receivables	6	34,172.38		45,311.05	
ii) Cash and cash equivalents	7	198.62		1,065.08	
iii) Bank balances other than (ii) above	7	478.87		384.15	
iv) Loans	5	103.27		96.36	
v) Other financial assets	8	4,292.14	39,245.28	3,533.82	50,390.46
c Current Tax Assets (Net)	10	1,982.13		1,967.08	
d Other Current Assets	11	11,947.26		13,373.40	
3 Assets Classified as Held for Sale	3f	1,578.49		2,461.80	
<b>TOTAL ASSETS</b>		<b>2,21,407.75</b>		<b>2,61,220.01</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
a Equity Share Capital	12	2,355.08		2,355.08	
b Other Equity	13 a	71,379.56		82,711.90	
c Non-Controlling Interest	13b	-		799.60	
<b>Liabilities</b>					
<b>1 Non-current Liabilities</b>					
a Financial Liabilities					
i) Borrowings	14	48,424.04		57,262.23	
ii) Other financial liabilities	17	511.26	48,935.30	410.48	57,672.71
b Provisions	18			3.34	
c Deferred Tax Liabilities (Net)	20	6,476.71		7,974.65	
d Deferred Government Grants	21	151.87		209.81	
e Other Non-current Liabilities	22	103.38		109.02	
<b>2 Current Liabilities</b>					
a Financial Liabilities					
i) Borrowings	15	56,792.90		66,479.97	
ii) Trade payables					
- Total outstanding dues of micro and small enterprises	16	221.17		122.03	
- Total outstanding dues of creditors other than micro and small enterprises	16	10,715.62		10,087.05	
iii) Other financial liabilities	17	18,452.19	86,181.88	27,374.19	1,04,063.24
b Provisions	18	389.05		367.86	
c Deferred Government Grants	21	59.28		122.64	
d Other Current Liabilities	22	5,375.64		4,830.16	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,21,407.75</b>		<b>2,61,220.01</b>	

\* Investments include investments in Associates taken by using the Equity Method.

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

**For and on Behalf of Board of Directors**

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From Operations	23	2,77,103.00	2,96,201.73
Other Income	24	2,618.90	3,210.41
<b>Total Income</b>		<b>2,79,721.90</b>	<b>2,99,412.14</b>
<b>Expenses</b>			
Cost of Materials Consumed	25	1,56,570.77	1,69,709.25
Purchase of Traded Goods	26	111.12	1,584.28
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	(2,063.71)	5,306.52
Employee Benefit Expenses	28	36,623.99	35,069.21
Finance Cost	29	10,851.16	11,958.20
Depreciation and Amortization Expenses	30	13,166.53	12,363.92
Other Expenses	31	67,419.94	66,537.21
<b>Total Expenses</b>		<b>2,82,679.80</b>	<b>3,02,528.59</b>
<b>Profit/(Loss) Before exceptional items and tax</b>		<b>(2,957.90)</b>	<b>(3,116.45)</b>
Exceptional items		1,434.73	-
<b>Profit/(Loss) Before Tax &amp; Share of Profit/(Loss) of Associates</b>		<b>(1,523.17)</b>	<b>(3,116.45)</b>
Share of Profit/ (Loss) of Associates		270.83	(1,568.39)
<b>Profit/(Loss) Before Tax</b>		<b>(1,252.34)</b>	<b>(4,684.84)</b>
<b>Tax Expense</b>			
Current Tax	19	1,709.18	3.04
Deferred Tax	19	(1,619.85)	(912.99)
<b>Profit/(Loss) for the Period</b>		<b>(1,341.67)</b>	<b>(3,774.89)</b>
<b>Other Comprehensive Income</b>	32		
a) (i) Items that will not be reclassified to Profit or Loss		(9,760.61)	(9,034.53)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(123.20)	87.56
(iii) Share in OCI of Associates that will not be reclassified to Profit or Loss		(3.19)	(2.17)
b) (i) Items that will be reclassified to Profit or Loss		(150.58)	266.20
(ii) Income tax relating to items that will be reclassified to Profit or Loss		52.62	(92.23)
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>(9,984.96)</b>	<b>(8,775.17)</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>(11,326.63)</b>	<b>(12,550.06)</b>
<b>Profit for the year attributable to:-</b>			
- Owners of the parent		(1,341.67)	(3,828.96)
- Non-controlling interest		-	54.07
		<b>(1,341.67)</b>	<b>(3,774.89)</b>
<b>Other comprehensive income / (expense) for the year attributable to:-</b>			
- Owners of the parent		(9,984.96)	(8,775.17)
- Non-controlling interest		-	-
		<b>(9,984.96)</b>	<b>(8,775.17)</b>
<b>Total comprehensive income for the year attributable to:-</b>			
- Owners of the parent		(11,326.63)	(12,604.13)
- Non-controlling interest		-	54.07
		<b>(11,326.63)</b>	<b>(12,550.06)</b>
<b>Earnings per Equity Shares of ₹10/- each</b>	33		
1) Basic (in ₹)		(5.70)	(16.26)
2) Diluted (in ₹)		(5.70)	(16.26)

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## CONSOLIDATED STATEMENT OF CASH FLOW

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019		
<b>A. Cash Flow From Operating Activities</b>				
<b>Profit / (Loss) Before Tax</b>	(2,687.07)	(4,684.84)		
Adjustments for:				
Share in (Profit)/Loss of Associates	(270.83)	1,568.39		
Depreciation and Amortization Expenses	13,166.53	12,363.92		
Net Gain / Loss on Sale of Property, Plant & Equipment	(272.98)	(728.81)		
Provisions Written Back	(132.33)	(186.21)		
Allowances for Impairment Loss Allowance	417.18	99.22		
Net (Gain) / Loss on Derecognition of Associate	-	(102.00)		
Finance Costs	10,879.74	12,004.36		
Interest Income	(978.23)	(226.10)		
Dividend Income from Investments	(541.82)	(783.01)		
Forex Fluctuation on translation of Assets and Liabilities	(303.72)	21,963.54	(25.43)	23,984.33
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>19,276.47</b>	<b>19,299.49</b>		
(Increase)/Decrease in Trade Receivables	11,091.81	(1,444.16)		
(Increase)/Decrease in Current Financial Assets - Loans	(157.49)	427.37		
(Increase)/Decrease in Non Current Financial Assets - Loans	(41.08)	55.06		
(Increase)/Decrease in Other Current Financial Assets	(833.76)	(1,386.63)		
(Increase)/Decrease in Other Non Current Financial Assets	(662.84)	227.92		
(Increase)/Decrease in Other Current Assets	1,690.62	(2,915.50)		
(Increase)/Decrease in Other Non Current Assets	(273.80)	175.76		
(Increase)/Decrease in Inventories	(7,465.14)	9,571.60		
Increase/(Decrease) in Trade Payables	615.30	2,577.88		
Increase/(Decrease) in Other Current Financial Liabilities	491.13	(696.41)		
Increase/(Decrease) in Other Non Current Financial Liabilities	54.58	11.76		
Increase/(Decrease) in Other Current Liabilities	803.61	1,506.85		
Increase/(Decrease) in Other Non Current Liabilities	299.17	5,612.11	(485.54)	7,625.96
<b>Cash generated from/(used in) Operations before tax</b>	<b>24,888.58</b>	<b>26,925.45</b>		
Net Direct Taxes paid	(1816.96)	(636.62)		
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>23,071.62</b>	<b>26,288.83</b>		
<b>B. Cash Flow From Investing Activities</b>				
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(3,291.90)	(15,021.32)		
Proceeds from sale of Property, Plant & Equipment	753.63	4,421.16		
Sale of Investments	16,363.79	3,709.31		
Movement of Fixed Deposit	(94.63)	(122.46)		
Interest Received	791.63	368.80		
Dividend Received	541.82	783.01		
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>15,064.34</b>	<b>(5,861.50)</b>		
<b>Net Cash from/(used in) Operating and Investing Activities</b>	<b>38,135.96</b>	<b>20,427.33</b>		

(Statement of Cash Flow contd. to the next page)

## CONSOLIDATED STATEMENT OF CASH FLOW

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. Cash Flow From Financing Activities</b>		
Repayment of Borrowings	(34,715.74)	(17,801.56)
Proceeds from Borrowings	16,358.91	25,441.48
Proceeds / (Repayment) of Short Term Borrowings	(9,687.07)	(15,536.78)
Payment of Dividend	-	(471.02)
Taxes on Dividend	-	(96.82)
Repayment of Lease Liabilities	(43.94)	-
Finance Costs	(10,879.74)	(12,004.36)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(38,967.58)</b>	<b>(20,469.06)</b>
<b>Net Cash from/(used in) Operating, Investing &amp; Financing Activities</b>	<b>(831.62)</b>	<b>(41.73)</b>
<b>Opening balance of Cash and Cash Equivalent</b>	<b>1,065.08</b>	<b>1,071.97</b>
<b>Cash &amp; Cash Equivalent Adjusted/taken over on Acquisition of Subsidiary</b>	<b>(34.84)</b>	<b>34.84</b>
<b>Closing balance of Cash and Cash Equivalent</b>	<b>198.62</b>	<b>1,065.08</b>
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)		
i) Cash on Hand	68.75	42.48
ii) Balance with Banks :		
- On Current Accounts	126.40	1,006.51
- Cheques, Drafts on Hand	3.47	16.09
<b>Total</b>	<b>198.62</b>	<b>1,065.08</b>

## Notes:

## 1. Changes in Liabilities arising from Financing Activities:

(₹ in Lakhs)

Particulars	Balance as at March 31, 2019	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2020
Long Term Borrowings	77,577.15	(18,356.84)	-	59,220.31
Short Term Borrowings	66,479.97	(9,621.57)	(65.50)	56,792.90
	<b>1,44,057.12</b>	<b>(27,978.41)</b>	<b>(65.50)</b>	<b>1,16,013.21</b>

Particulars	Balance as at March 31, 2018	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2019
Long Term Borrowings	69,937.23	7,639.92	-	77,577.15
Short Term Borrowings	82,016.75	(15,536.78)	-	66,479.97
	<b>1,51,953.98</b>	<b>(7,896.86)</b>	-	<b>1,44,057.12</b>

Accompanying notes form an integral part of the financial statements

## As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

## For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2020

## a. Equity Share Capital

Particulars	Note No.	Amount
Balance as at April 1, 2018		2,355.08
Changes in Equity Share Capital during 2018-19	12	-
<b>Balance as at March 31, 2019</b>		<b>2,355.08</b>
<b>Balance as at April 1, 2019</b>		<b>2,355.08</b>
Changes in Equity Share Capital during 2019-20	12	-
<b>Balance as at March 31, 2020</b>		<b>2,355.08</b>

## b. Other Equity

Particulars	Note No.	Surplus					Other Comprehensive Income			Total	Non-Controlling Interest	Total
		Capital Reserve	Securities Premium	General Reserve	Pref. Share Capital Redemption Reserve	Retained Earnings	Share in Surplus of Associates	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges			
<b>Balance at April 1, 2018</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,424.03</b>	<b>8,165.38</b>	<b>31,157.68</b>	<b>(154.39)</b>	<b>95,883.87</b>	-	<b>95,883.87</b>
- Share of Non-Controlling Interest in Other Equity											745.53	745.53
- Profit or Loss during the year		-	-	-	-	(2,260.57)	(1,568.39)	-	-	(3,828.96)	54.07	(3,774.89)
- Other Comprehensive Income for the year	32	-	-	-	-	(163.01)	(2.17)	(8,783.97)	173.98	(8,775.17)	-	(8,775.17)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI		-	-	-	-	2,973.36	-	(2,973.36)	-	-	-	-
<b>Total Comprehensive Income</b>		-	-	-	-	<b>549.78</b>	<b>(1,570.56)</b>	<b>(11,757.33)</b>	<b>173.98</b>	<b>(12,604.13)</b>	<b>799.60</b>	<b>(11,804.53)</b>
Transaction with owners, recorded directly in equity												
Contribution by and distributions to owners												
- Dividend paid during the year	13	-	-	-	-	(471.02)	-	-	-	(471.02)	-	(471.02)
- Taxes on Dividend	13	-	-	-	-	(96.82)	-	-	-	(96.82)	-	(96.82)
Total Contribution by and distribution to owners		-	-	-	-	(567.84)	-	-	-	(567.84)	-	(567.84)
<b>Balance at March 31, 2019</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,405.97</b>	<b>6,594.82</b>	<b>19,400.35</b>	<b>19.59</b>	<b>82,711.90</b>	<b>799.60</b>	<b>83,511.50</b>
<b>Balance at April 1, 2019</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>35,405.97</b>	<b>6,594.82</b>	<b>19,400.35</b>	<b>19.59</b>	<b>82,711.90</b>	<b>799.60</b>	<b>83,511.50</b>
Adjustment due to first time adoption of INDAS 116		-	-	-	-	(5.71)	-	-	-	(5.71)	-	(5.71)
- Share of Non-Controlling Interest in Other Equity Derecognised		-	-	-	-	-	-	-	-	-	(799.60)	(799.60)
- Share in Opening Profit of Associate Recognised		-	-	-	-	(64.13)	64.13	-	-	-	-	-
- Share in Profit of Associate Derecognised due to sale		-	-	-	-	3,878.91	(3,878.91)	-	-	-	-	-
- Profit or Loss during the year		-	-	-	-	(1,612.50)	270.83	-	-	(1,341.67)	-	(1,341.67)
- Other Comprehensive Income for the year	32	-	-	-	-	81.61	(3.19)	(9,965.42)	(97.96)	(9,984.96)	-	(9,984.96)
- Gain/(Loss) on Sale of Equity Instruments v valued through OCI		-	-	-	-	7,857.61	-	(7,857.61)	-	-	-	-
<b>Total Comprehensive Income</b>		-	-	-	-	<b>10,135.79</b>	<b>(3,547.14)</b>	<b>(17,823.03)</b>	<b>(97.96)</b>	<b>(11,332.34)</b>	<b>(799.60)</b>	<b>(12,131.94)</b>
<b>Balance at March 31, 2020</b>		<b>701.48</b>	<b>9,618.56</b>	<b>4,910.28</b>	<b>6,060.85</b>	<b>45,541.76</b>	<b>3,047.67</b>	<b>1,577.32</b>	<b>(78.37)</b>	<b>71,379.56</b>	-	<b>71,379.56</b>

Accompanying notes form an integral part of the financial statements  
As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615

## 1. Company Overview and Accounting Policies

### 1.01 Company Overview

RSWM Limited (the "Company") is a public limited company incorporated and domiciled in India and has its registered office at Kharigram, Gulabpura, Bhilwara (Rajasthan, India). The Company has its primary listings on the BSE and NSE.

The Company is one of the largest textile manufacturing companies having multiple facilities to produce green fibre, yarn and fabric. The Company is primarily producing the best quality of yarns like synthetic, blended, mélange, cotton, speciality and value added yarns suitable for suitings, shirtings, hosiery, carpet, denim, technical textiles and industrial applications and denim fabric, synthetic fabric for renowned brands.

The following Companies are considered for preparation of consolidated financial statements.

Name	Country	Type of Ownership	Ownership Percent	Period	Audited/ Board Approved
LNJ Skills & Rozgar Private Limited	India	Associate	47.30%	01 April, 2019 to 31 March, 2020	Audited
Bhilwara Energy Limited	India	Associate	7.56%	01 April, 2019 to 31 March, 2020	Audited

The Associate, LNJ Skills and Rozgar Private Limited is engaged in providing services in the area of skill development through skill centres, so that the youth could be skilled and then employed.

The Associate, Bhilwara Energy Limited is engaged in the business of power generation, establishment, operation and maintenance of power generating stations and tie-lines, sub-stations and main transmission lines connected therewith including through their subsidiaries/associates.

RSWM Limited together with its Associate Companies is herein after referred to as 'the Group'.

The consolidated financial statements of the Group for the year ended 31st March, 2020 is approved for issue by the Company's Board of Directors on June 15, 2020.

### 1.02 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 ('the Act') (to the extent notified) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans-plan assets measured at fair value.

- Assets classified as held for sale measured at fair value less cost to sell.
- Certain Financial Assets and Liabilities measured at fair value (including derivative financial instruments) (Refer Accounting Policy 1.10 on Financial Instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest ₹ in Lakhs, except where otherwise indicated.

#### (a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary/associate companies.

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one-half of its total share capital.

An associate is an entity over which the Company has significant influence or holding substantial number of shares with voting rights. Significant influence is the power to participate in the financial and operating decisions of the investee. In case of associate, the Company has as such, no control over their policies.

(i) The group combines the financial statements of its subsidiary company line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiary company are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Investments in Associates are accounted for, using equity method of accounting: Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

### **(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2 annexed to the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates

are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **(c) Classification of Assets and Liabilities as Current and Non-Current**

All Assets and Liabilities have been classified as current or non-current. Based on the nature of product & activities of the Group and their realization in cash and cash equivalent, the Group has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

**(d) For significant accounting policies, please refer note no. 1.03 to 1.23 annexed to the standalone financial statements.**

**(For Note No. 2, Please refer Standalone Financial Statements)**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

3a. Property, Plant & Equipment											
Particulars	Land-Freehold	Land-Leasehold	Buildings (Including Roads)***	Right to Use Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting, Water Supply & Installations	(₹ in Lakhs)	
										Total	Total
<b>Gross Carrying Value</b>											
<b>Balance at April 1, 2018</b>	4,496.90	264.13	40,519.28	-	89,036.79	3,276.00	1,482.68	1,096.61	5,739.37	1,45,911.76	438.06
Adjustment on account of Subsidiary	-	8.73	-	-	71.99	55.49	-	297.77	4.08	-	-
Additions	870.68	-	3,028.72	-	14,227.81	352.07	321.96	112.16	1,203.34	20,116.74	-
Deductions/ disposals *	-	(0.03)	(10.95)	-	(8,538.28)	(102.31)	(235.90)	(100.16)	(309.27)	(9,296.90)	-
Assets classified as held for sale	(1,081.41)	-	-	-	(7,371.60)	(96.21)	(19.63)	(63.05)	(550.57)	(9,182.47)	-
Reclassification of assets from Investment Property	155.72	-	22.68	-	-	-	-	-	-	178.40	-
<b>Balance at March 31, 2019</b>	4,441.89	272.83	43,559.73	-	87,426.71	3,485.04	1,549.11	1,343.33	6,086.95	1,48,165.59	-
<b>Balance at April 1, 2019</b>	4,441.89	272.83	43,559.73	-	87,426.71	3,485.04	1,549.11	1,343.33	6,086.95	1,48,165.59	-
Adjustment on account of Derecognition of Subsidiary	-	(8.73)	-	-	(71.99)	(55.49)	-	(297.77)	(4.08)	-	-
Additions	8.95	-	418.22	109.84	1,122.17	129.81	139.37	63.87	26.15	2,018.38	-
Deductions/ disposals *	(0.14)	-	(298.57)	-	(1,232.26)	(123.08)	(211.05)	(77.02)	(23.18)	(1,965.30)	-
Assets classified as held for sale	-	-	-	-	(897.66)	-	-	-	-	(897.66)	-
Reclassification of assets to Investment Property	(703.40)	-	-	-	-	-	-	-	-	(703.40)	-
<b>Balance at March 31, 2020</b>	3,747.30	264.10	43,679.38	109.84	86,346.97	3,436.28	1,477.43	1,032.41	6,085.84	1,46,179.55	-
<b>Accumulated Depreciation</b>											
<b>Balance at April 1, 2018</b>	-	8.02	4,694.26	-	29,250.49	1,036.98	451.76	625.53	2,376.35	38,443.39	-
Adjustment on account of Subsidiary	-	2.11	-	-	7.08	4.58	-	93.00	17.14	123.91	-
Depreciation for the year	-	3.18	1,338.41	-	9,696.02	311.13	205.93	177.55	501.54	12,233.76	-
Deductions/ disposals **	-	(0.01)	(13.78)	-	(7,452.55)	(92.60)	(137.85)	(83.99)	(277.84)	(8,058.62)	-
Assets classified as held for sale	-	-	-	-	(6,110.19)	(73.09)	(11.63)	(45.71)	(480.05)	(6,720.67)	-
Reclassification of assets from Investment Property	-	-	7.73	-	-	-	-	-	-	7.73	-
<b>Balance at March 31, 2019</b>	-	13.30	6,026.62	-	25,390.85	1,187.00	508.21	766.38	2,137.14	36,029.50	-
<b>Balance at April 1, 2019</b>	-	13.30	6,026.62	-	25,390.85	1,187.00	508.21	766.38	2,137.14	36,029.50	-
Adjustment on account of Derecognition of Subsidiary	-	(2.11)	-	-	(7.08)	(4.58)	-	(93.00)	(17.14)	(123.91)	-
Depreciation for the year	-	3.99	1,406.37	45.22	10,283.67	311.82	189.80	122.80	557.44	12,921.11	-
Deductions/ disposals **	-	(0.02)	(41.13)	-	(1,127.43)	(90.05)	(135.42)	(77.67)	(13.40)	(1,485.12)	-
Assets classified as held for sale	-	-	-	-	(824.56)	-	-	-	-	(824.56)	-
<b>Balance at March 31, 2020</b>	-	15.16	7,391.86	45.22	33,715.45	1,404.19	562.59	718.51	2,664.04	46,517.02	-
<b>Net Carrying Value</b>											
<b>Balance at March 31, 2019</b>	4,441.89	259.53	37,533.11	-	62,035.86	2,298.04	1,040.90	576.95	3,949.81	1,12,136.09	-
<b>Balance at March 31, 2020</b>	3,747.30	248.94	36,287.52	64.62	52,631.52	2,032.09	914.84	313.90	3,421.80	99,662.53	-

**Notes:**

1. \* Deduction from Gross Carrying Value represents sale/transfer/discard of Property, Plant & Equipment/Lease hold rights written off.
2. \*\* Deduction in depreciation ₹1,485.12 Lakhs (Previous Year ₹8,058.62 Lakhs) represents adjustment on account of sale/ transfer/discard of Property, Plant & Equipment.
3. \*\*\* includes value of irrevocable Licencing Rights to use of a flat in New Delhi ₹10.00 Lakhs.
4. Depreciation for the year 2019-20 includes ₹126.66 (Previous Year ₹283.81 Lakhs) against amortisation of Government Capital Grants (refer Note 30)
5. In exercise of powers conferred under section 3D(1) of the National Highway Act 1956 (48 of 1956), the Ministry of Road Transport and Highways has acquired 0.9145 hectare of land of the Company situated on NH 79. The competent authority has awarded the compensation of ₹223.21 Lakhs and the same has been received by the Company.
6. On transition date, the Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.
7. Assets pledged as security (refer Note 14)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

3b Capital Work in Progress

(₹ in Lakhs)				
Particulars	Building under construction	Plant & Equipment under erection/commissioning	Pre-operative expenses*	Total
<b>Balance at April 1, 2018</b>	<b>1,028.16</b>	<b>2,689.82</b>	<b>222.57</b>	<b>3,940.55</b>
Additions	2,344.52	11,584.73	673.44	<b>14,602.69</b>
Less: Amount capitalized in Property, Plant & Equipment	3,348.92	14,020.54	896.01	<b>18,265.47</b>
<b>Balance at March 31, 2019</b>	<b>23.76</b>	<b>254.01</b>	-	<b>277.77</b>
<b>Balance at April 1, 2019</b>	<b>23.76</b>	<b>254.01</b>	-	<b>277.77</b>
Additions	789.65	524.27	-	<b>1,313.92</b>
Less: Amount capitalized in Property, Plant & Equipment	213.91	657.24	-	<b>871.15</b>
<b>Balance at March 31, 2020</b>	<b>599.50</b>	<b>121.04</b>	-	<b>720.54</b>

\*The detail of Pre-operative expenses is given below

(₹ in Lakhs)				
Particulars			2019-20	2018-19
<b>(A) Opening Balance</b>			-	<b>222.57</b>
<b>(B) Additions:</b>				
Salaries & Wages			-	<b>19.58</b>
Professional & Consultancy Charges			-	<b>4.43</b>
Borrowing Costs			-	<b>530.82</b>
Other Expenses			-	<b>118.61</b>
			-	<b>673.44</b>
<b>(C) Deductions:</b>				
Plant & Equipment			-	<b>637.36</b>
Building			-	<b>239.36</b>
Electrical Installation			-	<b>19.29</b>
			-	<b>896.01</b>
<b>(A+B-C)</b>			-	-

On transition date, the Company has opted to continue with carrying value of all of its capital work in progress as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 3c. Investment Property

(₹ in Lakhs)

Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2018</b>	<b>968.46</b>
Additions	-
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	178.40
<b>Balance at March 31, 2019</b>	<b>790.06</b>
<b>Balance at April 1, 2019</b>	<b>790.06</b>
Additions	54.35
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	703.40
<b>Balance at March 31, 2020</b>	<b>1,547.81</b>
<b>Accumulated Depreciation</b>	
<b>Balance at April 01, 2018</b>	<b>28.82</b>
Depreciation for the year	16.07
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	(7.73)
<b>Balance at March 31, 2019</b>	<b>37.16</b>
<b>Balance at April 1, 2019</b>	<b>37.16</b>
Depreciation for the year	16.14
Deductions/disposals/written off	-
<b>Balance at March 31, 2020</b>	<b>53.30</b>
<b>Net Carrying Value</b>	
<b>Balance as at March 31, 2019</b>	<b>752.90</b>
<b>Balance as at March 31, 2020</b>	<b>1,494.51</b>
<b>Fair Value</b>	<b>Amount</b>
<b>At March 31, 2019</b>	<b>10,447.11</b>
<b>At March 31, 2020</b>	<b>18,096.15</b>

\* Investment property reclassified to property, plant & equipment since investment property started to use for business purposes.

On transition date, the Company has opted to continue with carrying value of all of its investment properties as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

#### 3c (i) Measurement of Fair Value

The fair value of the investment property has been determined by external, independent property valuer, having appropriate qualifications and recent experience in the valuation of properties in the relevant locations and category of the properties being valued. The fair value has been determined based upon the market comparable approach that reflects recent transaction prices for similar properties.

The fair value measurement is categorised in Level 3 fair value based on the inputs to the valuation technique used. (Refer Note 1.20 for definition of Level 3 fair value measurement)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The investment properties consist of commercial properties in India. The Management has determined the investment properties as commercial properties based on the nature of their usage.

There has been no change to the valuation technique during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 3c(ii) Information regarding Income and Expenditure on Investment Property

(₹ in Lakhs)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Lease Rental recognized during the year	35	406.13	342.81
Direct expenses		39.29	53.13
Profit arising from investment properties before depreciation and indirect expenses		445.42	395.94
Depreciation for the year		16.14	16.07
Indirect Expenses		1.32	26.70
<b>Profit/(Loss) arising from Investment Properties after depreciation and direct expenses</b>		<b>427.96</b>	<b>353.17</b>

3c(iii) The Investment Property amounting ₹352.75 Lakhs (Fair Value ₹4,997.72 Lakhs) is owned jointly with HEG Limited

### 3d. Other Intangible Assets

(₹ in Lakhs)	
Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2018</b>	<b>1,843.91</b>
Adjustment on account of Subsidiary	16.28
Additions	250.70
Deductions/disposals	-
<b>Balance at March 31, 2019</b>	<b>2,110.89</b>
<b>Balance at April 1, 2019</b>	<b>2,110.89</b>
Adjustment on account of derecognition of Subsidiary	(16.28)
Additions	534.88
Deductions/disposals	14.81
<b>Balance at March 31, 2020</b>	<b>2,614.68</b>
<b>Accumulated Amortization</b>	
<b>Balance at April 01, 2018</b>	<b>362.65</b>
Adjustment on account of Subsidiary	4.66
Amortization for the year	354.32
Deductions/disposals	-
<b>Balance at March 31, 2019</b>	<b>721.63</b>
<b>Balance at April 1, 2019</b>	<b>721.63</b>
Adjustment on account of derecognition of Subsidiary	(4.66)
Amortization for the year	355.94
Deductions/disposals	14.34
<b>Balance at March 31, 2020</b>	<b>1,058.57</b>
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2019</b>	<b>1,389.26</b>
<b>Balance at March 31, 2020</b>	<b>1,556.11</b>

On transition date, the Company has opted to continue with carrying value of all of its other intangible assets as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

### 3e. Intangible Assets under Development

(₹ in Lakhs)	
Particulars	Amount
<b>As at April 01, 2018</b>	<b>-</b>
Additions	185.23
<b>Balance at March 31, 2019</b>	<b>185.23</b>
<b>As at April 01, 2019</b>	<b>185.23</b>
Additions	27.90
Deduction/Disposal	213.13
<b>Balance at March 31, 2020</b>	<b>-</b>
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2019</b>	<b>185.23</b>
<b>Balance at March 31 2020</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

**3f. Assets Classified as Held for Sale**

<b>Balance at March 31, 2019</b>	<b>2,461.80</b>
<b>Balance at March 31, 2020</b>	<b>1,578.49</b>

Due to closure of Bagalur and Pandy units since May 31, 2018, most of the machines and equipments of these units have been sold and only the machines and equipments worth ₹669.33 Lakhs remain to be sold and have been classified as assets held for sale. Likewise out of total land of around 45 acre, a land of around 18 acres, worth ₹836.06 Lakhs have been classified as held for sale. The Company has also sought for necessary approval for closure from the authorities which is in process. The efforts of sale of this land and machines etc are already being made and the same will be sold once the effect of the Pandemic gets over. At Fabric unit also, the machines worth ₹73.10 lakhs have been classified as held for sale. The buyer will lift the machines once the situation post pandemic normalizes.

**4. Investments (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Investment in Equity Instruments (Fully Paid up)</b>				
<b>(i) Quoted Equity Shares (At fair value through OCI)</b>				
Equity shares of ₹10/- each (unless stated otherwise)				
BSL Limited	31,396	6.18	31,396	13.70
HEG Limited @	3,18,391	1,543.56	9,23,777	19,345.27
State Bank of India	24,080	47.43	24,080	77.25
Punjab National Bank (of ₹2 /- each)	4,715	1.52	4,715	4.50
Whirlpool (India) Limited (of ₹1 /- each)	372	6.72	372	5.66
Vardhaman Holdings Limited	30	0.26	30	0.63
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹2 /- each)	775	0.99	775	3.46
Vardhman Textiles Limited	180	1.13	180	1.94
Vardhman Special Steel Limited	36	0.01	36	0.04
		<b>1,607.82</b>		<b>19,452.47</b>
<b>(ii) Un-quoted Equity Shares</b>				
<b>Investment in Associates (At Cost)</b>				
Equity shares of ₹10/- each (unless stated otherwise)				
Bhilwara Energy Limited #	1,25,24,960	2,343.97	2,94,63,559	5,514.88
LNJ Skills and Rozgar Private Limited (of ₹1 /- each) **	11,80,000	1,180.00	-	-
		<b>3,523.97</b>		<b>5,514.88</b>
<b>Add - Increase in Value of Investments in Associates</b>				
Opening Balance		6,701.36		8,165.38
Share in Opening Profit of Associate Recognised		59.59		-
Additions during the year		267.64		(1,570.56)
Share in Profit of Associate Derecognised due to sale		(3,878.91)		-
Share of Loss in LNJ Power Ventures Limited derecognised *		-		102.00
Share of Loss of LNJ Skills & Rozgar Private Limited derecognised**		-		4.54
<b>Closing Balance</b>		<b>3,149.68</b>		<b>6,701.36</b>
		<b>6,673.65</b>		<b>12,216.24</b>
<b>Investment in Other than Associate (At fair value through OCI)</b>				
LNJ Power Ventures Limited *	2,60,000	26.00	2,60,000	26.00
		<b>26.00</b>		<b>26.00</b>
<b>Investment in Debentures (Fully paid up)</b>				
<b>Un-Quoted Debentures</b>				
<b>Investment in Other than Associate (At fair value through Profit and Loss)</b>				
LNJ Power Ventures Limited *				
13.54% Compulsorily Convertible Debentures (of ₹1,00,000/- each)	832	832.00	832	832.00
		<b>832.00</b>		<b>832.00</b>
		<b>9,139.47</b>		<b>32,526.71</b>
<b>Market value of Quoted Investments</b>		<b>1,607.82</b>		<b>19,452.47</b>
<b>Carrying value of Un-quoted Investments</b>		<b>7,531.65</b>		<b>13,074.24</b>

\* The Company with due approval of its Board of Directors in its meeting held on April 10, 2019 has sold on April 23, 2019, 1,69,38,599 equity shares (out of 2,94,63,559 equity shares) held in its Associate, Bhilwara Energy Limited at an arm's length price of ₹50.09 per share. The gain of sale of such shares is shown as exceptional item in the Statement of Profit and Loss.

\*\* LNJ Power Ventures Limited has ceased to be the associate of the Company with effect from April 01, 2018. Hence, net assets recognised previously have been derecognised.

\*\* The Company LNJ Skills & Rozgar Private Limited was associate of the Company till October 31, 2018. From November 1, 2018, it became subsidiary of the Company due to increase in the share holding above 50%. Since, the shareholding in the said Company has again come down, it has become the Associate of the Company from April, 2019.

@ The Company had sold 6,05,386 (Previous year 54,223) no. of equity shares of HEG Limited and the cumulative realised gain of ₹7,857.61 Lakhs (Previous year ₹2,971.36 Lakhs) has been reported in other equity through OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

5. Loans

(₹ in Lakhs)				
Particulars	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (unless otherwise stated)</b>				
<b>Unsecured</b>				
Security Deposits	175.06	84.31	-	-
(A)	175.06	84.31	-	-
<b>Unsecured</b>				
Loans and Advances to Staff	1.80	15.47	103.27	96.36
(B)	1.80	15.47	103.27	96.36
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
(C)	-	-	-	-
<b>(A+B+C)</b>	<b>176.86</b>	<b>99.78</b>	<b>103.27</b>	<b>96.36</b>

6. Trade Receivables

(₹ in Lakhs)			
Particulars	Current		
	As at March 31, 2020	As at March 31, 2019	
Unsecured Trade Receivables	35,149.47	45,870.99	
Less: Allowance for Impairment Loss Allowance	(977.09)	(559.94)	
Trade Receivables which have significant increase in credit risk	-	-	
Trade Receivables - credit impaired	-	-	
	<b>34,172.38</b>	<b>45,311.05</b>	

Of the above, trade receivables from related parties are given below.

Particulars	Note No.	Current	
		As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good	39	1,839.06	1,308.95

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹9,361.75 Lakhs (as at March 31, 2019 ₹11,920.47 Lakhs), with the banks. If the trade receivables are not paid at maturity, the banks have right to recourse the Company to pay the unsettled balance. As the Company has not transferred significant risk and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised amount received on the transfer as borrowings. (Refer Note 15)

7. Cash and Cash Equivalents

(₹ in Lakhs)		
Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents</b>		
- Balance with Banks		
On Current Accounts	126.40	1,006.51
Cheque, Draft on Hand	3.47	16.09
- Cash on hand	68.75	42.48
	<b>198.62</b>	<b>1,065.08</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

7. Cash and Cash Equivalents (contd.)

Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits	230.55	135.95
- Balance with Banks		
Unpaid Dividend *	248.16	248.07
Balance with Banks held as Margin Money **	0.16	0.13
	<b>478.87</b>	<b>384.15</b>

\* Earmarked against the corresponding provision (Refer Note 17)

\*\* Margin Money Against Bill Discounting

8. Other Financial Assets

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (Unless otherwise stated)</b>				
Claims and other Receivables	-	-	14.44	19.77
Employees' Benefit Fund	1,059.81	396.43	-	-
Forward Cover Receivable	-	-	-	119.27
Earnest Money Deposit	-	-	52.33	25.21
Interest Receivable	-	-	588.67	402.07
Security Deposits	-	0.54	-	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	771.40	360.62
- Unrelated Parties	-	-	2,865.30	2,606.88
	<b>1,059.81</b>	<b>396.97</b>	<b>4,292.14</b>	<b>3,533.82</b>

\* Other receivables include debenture interest and rent receivable.

9. Inventories

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Raw materials :		
(a) In Godown	19,601.20	16,343.09
(b) In Transit	475.18	232.57
	20,076.38	16,575.66
Work-In-Progress	10,154.95	10,574.31
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Stores and Spares :		
(a) In Godown	2,876.36	2,576.32
(b) In Transit	1,513.14	164.09
	4,389.50	2,740.41
Loose tools	327.40	75.78
Others-Waste	341.50	135.51
	<b>50,670.91</b>	<b>43,205.77</b>

(i) For basis of valuation of Inventories refer Note 1.5

(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15

(iii) The cost of Inventories recognised as expense amount to ₹1,65,301.29 Lakhs during the year ended March 31, 2020 (₹1,87,959.84 Lakhs for the year ended March 31, 2019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

10. Current Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Tax Assets {Net of Provision for Income Tax of ₹2,164.12 Lakhs (Previous Year ₹2,884.70 Lakhs)}	1,982.13	1,967.08
	<b>1,982.13</b>	<b>1,967.08</b>

11. Other Assets

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Considered Good (unless otherwise stated)</b>				
Capital Advances	1,244.72	696.58	-	-
Security Deposits	929.13	668.47	-	0.51
Advances to Vendors*	-	-	1,607.53	2,440.48
Advances to Employees	-	-	42.28	43.99
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	9,486.74	10,364.38
Prepaid Expenses	-	-	810.71	524.04
	<b>2,173.85</b>	<b>1,365.05</b>	<b>11,947.26</b>	<b>13,373.40</b>

\* Includes advances to related vendors ₹15.09 Lakhs for 2019-20 (₹0.63 Lakhs for 2018-19)

12. Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹10 each	6,000.00	6,000.00
<b>Issued, Subscribed and Fully paid up</b>		
23,550,842 (Previous Year 23,550,842) Equity Shares of ₹10 each	2,355.08	2,355.08
	<b>2,355.08</b>	<b>2,355.08</b>

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Opening	2,35,50,842	2,355.08	2,35,50,842	2,355.08
Closing Balance	2,35,50,842	2,355.08	2,35,50,842	2,355.08

(ii) Terms and rights attached with equity shares:

The Company has only one class of equity shares, having at par value of ₹10 each. Each holder of the equity shares is entitled to one vote per share. There is no restriction attached to any equity share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. The repayment of equity share capital in the event of liquidation and buy-back of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(iii) Shares in the Company held by each shareholder holding more than 5% :

Names	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of shares held	Number of shares	% of shares held
Microbase Limited	36,50,970	15.50	36,50,970	15.50
LNJ Financial Services Limited	19,33,370	8.21	18,80,462	7.98
JHP Securities Private Limited	19,03,000	8.08	-	-
L&T Mutual Fund Trustee Limited	-	-	16,39,472	6.96
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,53,749	6.17
	<b>89,55,417</b>	<b>38.02</b>	<b>86,24,653</b>	<b>36.61</b>

(iv) The Company does not have any holding/ultimate holding company.

13a. Other Equity

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in Lakhs)			
<b>a. Capital Reserve</b>				
Balance at the beginning of the year	701.48		701.48	
<b>Balance at the end of the year</b>		<b>701.48</b>		<b>701.48</b>

Balance of Capital Reserve consists of forfeiture of warrants, cancellation of investment in BMD Private Limited on demerger and share in demerged company issued to shareholders of the Company as per order of the Court and Reserve created on account of merger/amalgamation of Mordi Textiles and Processors Limited (MTPL). The balance will be utilised for issue of fully paid bonus shares and as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
	<b>b. Securities Premium</b>			
Balance at the beginning of the year	9,618.56		9,618.56	
<b>Balance at the end of the year</b>		<b>9,618.56</b>		<b>9,618.56</b>

Balance of Security Premium Reserve consists of premium on issue of shares over its face value. The balance will be utilised for issue of fully paid bonus shares, buy-back of Company's own share as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
	<b>c. Preference Share Capital Redemption Reserve</b>			
Balance at the beginning of the year	6,060.85		6,060.85	
<b>Balance at the end of the year</b>		<b>6,060.85</b>		<b>6,060.85</b>

Preference Share Capital Redemption Reserve represents the statutory reserve created towards redemption of these shares and the same will be utilised for issue of fully paid bonus shares as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020		As at March 31, 2019	
	<b>d. Hedge Reserve</b>			
Balance at the beginning of the year	19.59		(154.39)	
Change in fair value (net off tax)	(97.96)		173.98	
<b>Balance at the end of the year</b>		<b>(78.37)</b>		<b>19.59</b>

The Cash Flow Hedge Reserve represents the cumulative effective portion of gain/(loss) arising on changes in fair value of undesignated portion of hedging instruments entered into for Cash Flow Hedge. The cumulative gain/(loss) arising on changes in fair value of undesignated portion of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to the Statement of Profit and Loss only when the hedge transaction affects the Profit or Loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>e. General Reserve</b>		
Balance at the beginning of the year	4,910.28	4,910.28
<b>Balance at the end of the year</b>	<b>4,910.28</b>	<b>4,910.28</b>

Free reserves to be utilised as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>f. Fair Value Change in Equity Instruments Through Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	19,400.35	31,157.68
Additions/Deductions during the year	(9,965.42)	(8,783.97)
Reclassified to Retained Earnings @	(7,857.61)	(2,973.36)
<b>Balance at the end of the year</b>	<b>1,577.32</b>	<b>19,400.35</b>

This reserve represents the cumulative gain/(loss) arising on fair valuation of equity instruments and the amount is reclassified to retained earnings at the time of disposal of equity shares.

@ The Company had sold 6,05,386 (Previous year 54,223) no. of equity shares of HEG Limited and the cumulative gain of ₹7,857.61 Lakhs (Previous year ₹2,973.36 Lakhs) have been transferred (within equity) from Other Comprehensive Income to Retained Earnings.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>g. Retained Earnings</b>		
Balance at the beginning of the year	35,405.97	35,424.03
Adjustment due to first time adoption of INDAS116	(5.71)	
Additions during the year	(1,612.50)	(2,260.57)
Add/ (Less):		
Remeasurements of the defined benefit plans through OCI (refer Note 32)	81.61	(163.01)
Gain/(Loss) on sale of equity instruments valued through OCI @	7,857.61	2,973.36
Dividend paid including Taxes on dividend	-	(567.84)
Share in Profit of Associate Derecognised due to sale	3,878.91	-
Share in Profit of Subsidiary Derecognised	(64.13)	-
<b>Balance at the end of the year</b>	<b>45,541.76</b>	<b>35,405.97</b>

The balance consists of surplus retained from earned profits after payment of dividend and taxes thereon.

Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>h. Share in Reserve and Surplus of Associates</b>		
Balance at the beginning of the year	6,594.82	8,165.38
Share in Opening Profit of Associate Recognised	64.13	-
Share in Profit of Associate Derecognised due to sale	(3,878.91)	-
Additions during the year		
- Share of Profit/ (Loss)	270.83	(1,568.39)
- Share of Other Comprehensive Income	(3.19)	(2.17)
<b>Closing Balance at the end of the year</b>	<b>3,047.67</b>	<b>6,594.82</b>
<b>Total (a to h)</b>	<b>71379.56</b>	<b>82711.90</b>

### Details of Dividend Proposed and Paid

#### Dividend paid

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend paid ₹ NIL per share (Previous year ₹2.00 per share)	-	471.02
Taxes on dividend on equity shares	-	96.82
	-	<b>567.84</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

13b. Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	799.60	-
Additions during the year	-	54.07
Derecognised during the year	(799.60)	745.53
<b>Closing Balance at the end of the year</b>	<b>-</b>	<b>799.60</b>

14. Borrowings

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Secured *</b>				
<b>Term Loans :</b>				
- From Banks	20,135.00	45,742.77	5602.79	11869.51
- From Financial Institutions	2,228.00	11,519.46	1346.38	8781.82
<b>Corporate Loans :</b>				
- From Banks	5,142.86	-	1,500.00	-
- From Financial Institutions	6,818.18	-	2,727.27	-
<b>Unsecured</b>				
- From NBFCs	14,100.00	-	33.30	-
	<b>48,424.04</b>	<b>57,262.23</b>	<b>11,209.74</b>	<b>20,651.33</b>
Less: Current Maturity of Long term Debt (Refer Note 17)	-	-	(10,796.27)	(20,314.92)
Less: Interest Accrued but not due on Borrowings (Refer Note 17)	-	-	(413.47)	(336.41)
	<b>48,424.04</b>	<b>57,262.23</b>	<b>-</b>	<b>-</b>

\* Net off processing fee of ₹299.26 Lakhs in previous year 2018-19.

The Reserve Bank of India vide its Circular No DOR.No.BPBC. 47/21.04.048/2019-20 dated March 27, 2020 provided moratorium to the borrowers in payment of principal and interest in respect of all term loan and working capital facilities during the period from March 1, 2020 upto May 31, 2020 ("deferral"). Subsequently, The Reserve Bank of India vide its Circular No DOR.No.BPBC.71/21.04.048/2019-20 dated May 23, 2020, extended the moratorium for another period of 3 months i.e. from June 1, 2020 to August 31, 2020.

Amid lockdown, The Company has also been impacted from pandemic and accordingly availed the benefit of the moratorium in terms of aforesaid RBI circulars. Accordingly, the repayment schedule and all subsequent due dates, as also the tenure for term loans, has been shifted across the board by six months.

(i) Term Loans from Banks & Financial Institutions:

CURRENT YEAR FIGURES

- Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.40% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
20/Nov/20	2,550.00	-	2,550.00	2
20/May/21	1,800.00	900.00	900.00	4
30/Jun/23	2,213.00	1,849.00	364.00	13
30/Sep/23	2,795.00	2,386.00	409.00	14
25/Oct/23	4,900.00	4,400.00	500.00	15
31/Mar/25	11,200.00	10,600.00	600.00	20
<b>Sub Total</b>	<b>25,458.00</b>	<b>20,135.00</b>	<b>5,323.00</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2020**

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Financial Institutions:				
1/Sep/20	500.00	-	500.00	1
1/Oct/21	2,974.00	2,228.00	746.00	6
1/Mar/22	9,545.45	6,818.18	2,727.27	21
<b>Sub Total</b>	<b>13,019.45</b>	<b>9,046.18</b>	<b>3,973.27</b>	

**(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2020**

(a) From Banks:				
30/Sep/22	6,642.86	5,142.86	1,500.00	31
<b>Total I</b>	<b>45,120.31</b>	<b>34,324.04</b>	<b>10,796.27</b>	

**II Term loans - unsecured**

Conditions of Term Loans are summarised below:

**(A) Floating Rate - Carrying floating interest rate of 3Months MCLR + 2.30% as on 31st March 2020**

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From NBFC:				
20/Sep/26	14,100.00	14,100.00	-	17
<b>Total II</b>	<b>14,100.00</b>	<b>14,100.00</b>	<b>-</b>	
<b>Total I+II</b>	<b>59,220.31</b>	<b>48,424.04</b>	<b>10,796.27</b>	

**Previous Year's Figures**

1 Term loans are secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present and future.

Conditions of Term Loans are summarised below

**(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.05% as on 31st March 2019**

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
From Banks:				
20/Aug/20	6,230.00	2,550.00	3,680.00	6
20/Feb/21	3,100.00	1,800.00	1,300.00	8
31/Mar/23	2,477.00	2,125.00	352.00	16
30/Jun/23	3,068.00	2,704.45	363.55	15
25/Oct/23	5,700.00	4,900.00	800.00	18
25/Jan/25	10,740.40	10,740.40	-	20
20/Mar/27	14,700.75	14,494.80	205.95	32
<b>Sub Total</b>	<b>46,016.15</b>	<b>39,314.65</b>	<b>6,701.50</b>	

**(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.50% to Base Rate + 1.20% as on 31st March 2019**

(a) From Financial Institutions:				
1/Apr/20	2,375.00	500.00	1,875.00	5
1/Jul/21	4,186.00	2,974.00	1,212.00	8
1/Dec/21	13,500.00	8,045.00	5,455.00	30
<b>Sub Total</b>	<b>20,061.00</b>	<b>11,519.00</b>	<b>8,542.00</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
<b>(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2019.</b>				
(a) From Banks:				
30/Sep/22	9,000.00	6,428.58	2,571.42	42
<b>Sub Total</b>	<b>9,000.00</b>	<b>6,428.58</b>	<b>2,571.42</b>	
<b>Total I (A to C)</b>	<b>75,077.15</b>	<b>57,262.23</b>	<b>17,814.92</b>	

II Term Loans secured by way of subservient charge on entire current assets and movable fixed assets of the Company, present and future.

Conditions of Term Loans are summarised below

(A) Floating Rate - Carrying floating interest rate of 6M MCLR + 1% as on 31st March 2019

Date of Maturity	Outstanding March 31, 2019			Instalments due after March 31, 2019
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
1/Mar/20	2,500.00	-	2,500.00	12
<b>Total II</b>	<b>2,500.00</b>	<b>-</b>	<b>2,500.00</b>	
<b>Total (I+II)</b>	<b>77,577.15</b>	<b>57,262.23</b>	<b>20,314.92</b>	

### 15. Borrowings (Current)

Particulars	As at	
	March 31, 2020	March 31, 2019
(₹ in Lakhs)		
<b>Secured</b>		
a. Loans Repayable on Demand		
-From Banks	47,431.15	52,559.50
-From Financial Institutions	-	2,000.00
b. Bill Discounted from Banks (Refer Note 6)	1,759.81	3,901.38
	<b>49,190.96</b>	<b>58,460.88</b>
<b>Unsecured</b>		
Bill Discounted From Banks (Refer Note 6)	7,601.94	8,019.09
	<b>7,601.94</b>	<b>8,019.09</b>
	<b>56,792.90</b>	<b>66,479.97</b>

Cash credit and other working capital facilities from banks and financial institutions are secured by way of hypothecation of stocks of raw materials, work-in progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company on pari-passu basis, as well as pari-passu second charge on all the fixed assets of the Company, present and future.

All loans repayable on demand carry floating interest rate from 7.90% to 10.00% per annum (Previous year 8.45% to 10.10%), computed monthly.

### 16. Trade Payables

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
(₹ in Lakhs)		
<b>Trade Payables</b>		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	221.17	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,128.93	-
- Unrelated parties	9,586.69	10,087.05
	<b>10,936.79</b>	<b>10,209.08</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

17. Other Financial Liabilities

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note 14)	-	-	10,796.27	20,314.92
Interest accrued but not due on borrowings (Refer Note 14)	-	-	413.47	336.41
Unclaimed dividend*	-	-	248.16	248.07
Security deposits from outsiders	465.06	410.48	405.85	453.50
Liability towards staff and workers	-	-	3,187.69	3,299.69
Liability towards leases	46.20	-	28.47	-
Commission, incentives etc. payable on sale	-	-	2,066.87	1,911.59
Other liabilities for expenses	-	-	970.38	810.01
Forward cover payable	-	-	335.03	-
	<b>511.26</b>	<b>410.48</b>	<b>18,452.19</b>	<b>27,374.19</b>

Note:

\* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18. Provisions

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employees' Benefit</b>				
-Gratuity and Earned Leave (Refer Note 34)	-	3.34	-	0.93
-Superannuation (Refer Note 34)	-	-	389.05	366.93
	-	<b>3.34</b>	<b>389.05</b>	<b>367.86</b>

19. Income Tax

a) Income tax recognized in profit or loss

Particulars	(₹ in Lakhs)	
	Current	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax expense</b>		
Current year	1,709.18	3.04
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,619.85)	(912.99)
	<b>89.33</b>	<b>(909.95)</b>

b) Reconciliation of effective tax rate

Particulars	(₹ in Lakhs)	
	Current	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	(1,523.17)	(3,116.45)
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	532.26	(1,089.01)
Expenses further deductible/not deductible for tax purposes	2,427.29	691.36
Dividend Income exempt from tax	(185.84)	(271.87)
Tax due to timing differences	(1,619.86)	(240.43)
	<b>89.33</b>	<b>(909.95)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 20. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at April 1, 2019	Adjustment on account of Subsidiary	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2020
Deferred tax assets/ liabilities are attributable to the following items;						
<b>Deferred Tax Assets on:</b>						
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	849.63	(1.11)	-	126.34	-	974.86
-Unabsorbed depreciation including depreciation	781.28	(55.01)	-	(726.27)	-	-
-Allowance for impairment loss allowances	195.67	-	-	145.77	-	341.44
	<b>1,826.58</b>	<b>(56.12)</b>	<b>-</b>	<b>(454.16)</b>	<b>-</b>	<b>1,316.30</b>
<b>Deferred Tax Liabilities on:</b>						
- Depreciation and Amortization expenses	11,672.90	(5.51)	(3.07)	(382.03)	-	11,282.29
- Cash Flow Hedge	10.52	-	-	-	(52.62)	(42.10)
- Remeasurements of the defined benefit plans	(87.61)	-	-	-	123.20	35.59
	<b>11,595.81</b>	<b>(5.51)</b>	<b>(3.07)</b>	<b>(382.03)</b>	<b>70.58</b>	<b>11,275.78</b>
Less: MAT Credit Available	(1,794.58)	3.80	-	(1,691.99)	-	(3,482.77)
<b>Net Deferred Tax Liability</b>	<b>7,974.65</b>	<b>54.41</b>	<b>(3.07)</b>	<b>(1,619.86)</b>	<b>70.58</b>	<b>6,476.71</b>

(₹ in Lakhs)

Particulars	As at April 1, 2018	Adjustment on account of Subsidiary	Recognized in P&L	Recognized in OCI	As at March 31, 2019
Deferred tax assets/ liabilities are attributable to the following items;					
<b>Deferred Tax Assets on:</b>					
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	62.64	0.49	786.48	0.02	849.63
-Unabsorbed depreciation including depreciation	-	-	781.28	-	781.28
-Allowance for impairment loss allowances	159.38	-	36.29	-	195.67
	<b>222.02</b>	<b>0.49</b>	<b>1,604.05</b>	<b>0.02</b>	<b>1,826.58</b>
<b>Deferred Tax Liabilities on:</b>					
- Depreciation and Amortization expenses	10,971.09	7.72	694.09	-	11,672.90
- Cash Flow Hedge	(81.71)	-	-	92.23	10.52
- Remeasurements of the defined benefit plans	(0.05)	-	-	(87.56)	(87.61)
	<b>10,889.33</b>	<b>7.72</b>	<b>694.09</b>	<b>4.67</b>	<b>11,595.81</b>
Less: MAT Credit Available	(1,790.78)	(0.76)	(3.04)	-	(1,794.58)
<b>Net Deferred Tax Liability</b>	<b>8,876.53</b>	<b>6.47</b>	<b>(913.00)</b>	<b>4.65</b>	<b>7,974.65</b>

### 21. Deferred Government Grants

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	332.45	388.21
Grants during the year	5.36	230.04
Released to the statement of profit and loss	(126.66)	(285.80)
<b>Closing Balance</b>	<b>211.15</b>	<b>332.45</b>
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Out of above:</b>		
Current	59.28	122.64
Non- Current	151.87	209.81
	<b>211.15</b>	<b>332.45</b>

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

22. Other Liabilities

Particulars	(₹ in Lakhs)			
	Non- Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposits	-	-	-	5.24
Advances from customers	-	-	1,400.82	685.19
Statutory dues payable				
-Sales Tax	-	-	-	18.49
-Tax deducted at source	-	-	465.72	179.37
-Other statutory dues	-	-	208.56	231.48
Other Payables *	103.38	109.02	3,300.54	3,710.39
	<b>103.38</b>	<b>109.02</b>	<b>5,375.64</b>	<b>4,830.16</b>

\* Include accrued liabilities and legal claims.

23. Revenue From Operations

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Revenue from Contracts with Customers disaggregated based on nature of Product or Services</b>		
<b>a) Sale of Products (including Excise Duty):</b>		
<b>Manufactured Goods</b>		
Yarn	2,21,648.51	2,46,758.15
Fabric	47,056.92	42,040.44
Total Manufactured Goods	2,68,705.43	2,88,798.59
<b>Traded Goods</b>		
Fabric	308.25	1,926.67
Total Traded Goods	308.25	1,926.67
	<b>2,69,013.68</b>	<b>2,90,725.26</b>
<b>b) Sale of Services</b>		
Services	4,731.01	2,176.21
	<b>4,731.01</b>	<b>2,176.21</b>
<b>c) Other Operating Revenues;</b>		
Sale of Waste	2,714.55	2,523.87
Export Benefits/Incentives	643.76	776.39
	<b>3,358.31</b>	<b>3,300.26</b>
	<b>2,77,103.00</b>	<b>2,96,201.73</b>
<b>B Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)</b>		
India	1,94,380.00	1,94,185.73
Outside India	82,723.00	1,02,016.00
	<b>2,77,103.00</b>	<b>2,96,201.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Setout below, is the reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information (Refer Note 38):

(₹ in Lakhs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019			
	Yarn	Fabric	Total	Yarn	Fabric	Skill Services	Total
<b>Segment Revenue</b>							
External Customer	2,27,701.28	49,401.72	2,77,103.00	2,50,291.58	45,765.99	144.16	2,96,201.73
Inter-segment	12,573.97	2.99	12,576.96	9,896.28	0.29	-	9,896.57
	<b>2,40,275.25</b>	<b>49,404.71</b>	<b>2,89,679.96</b>	<b>2,60,187.86</b>	<b>45,766.28</b>	<b>144.16</b>	<b>3,06,098.30</b>
Less: Inter-segment adjustment and elimination	(12,573.97)	(2.99)	(12,576.96)	(9,896.28)	(0.29)	-	(9,896.57)
<b>Total Revenue from Contract with Customers</b>	<b>2,27,701.28</b>	<b>49,401.72</b>	<b>2,77,103.00</b>	<b>2,50,291.58</b>	<b>45,765.99</b>	<b>144.16</b>	<b>2,96,201.73</b>

The Company has recognized revenue of ₹ 650.17 Lakhs (Previous year ₹ 644.92 Lakhs) from the amounts included under advance received from customers at the beginning of the year.

### C. Reconciliation of Revenue from Contracts with Customers

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Contracts with Customers as per contract price	2,79,071.85	2,98,270.89
Less: Incentives, Discounts and Claims	(1,968.85)	(2,069.16)
<b>Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss</b>	<b>2,77,103.00</b>	<b>2,96,201.73</b>

The amounts receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

### 24. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on Financial Assets at amortized cost		
- Interest Income from Customers	686.42	576.70
- Interest Income Others	64.53	24.26
Interest received on Debentures	227.28	201.84
Dividend Income from Investments at FVTOCI		
- From other than Subsidiary Companies	541.82	783.01
Other Non-operating Income		
Gain on utilization of SHIS Purchased *	-	0.04
Provisions written back	132.33	186.21
Insurance & Other Claims Received	12.73	12.14
Miscellaneous receipts	259.11	253.68
Rent on Investment Properties and others	421.70	341.72
Gain on derecognition of Associate	-	102.00
Net Gain / Loss on sale of Property, Plant & Equipment #	272.98	728.81
	<b>2,618.90</b>	<b>3,210.41</b>

\* SHIS represents Status Holder Incentive Scrip

# Includes ₹330.94 Lakhs (Previous year ₹241.38 Lakhs) compensation on compulsory acquisition of land



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**25. Cost of Raw Materials Consumed**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Raw Materials		
Opening Stock	16,575.66	21,387.51
Addition on account of acquisition of subsidiary	-	1.46
Add:		
Purchases	1,60,071.49	1,64,895.94
	<b>1,76,647.15</b>	<b>1,86,284.91</b>
Less:		
Closing Stock	20,076.38	16,575.66
	<b>1,56,570.77</b>	<b>1,69,709.25</b>

**26. Purchase of Traded Goods**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Fabric	111.12	1,584.28
	<b>111.12</b>	<b>1,584.28</b>

**27. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of the year</b>		
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Work In Progress	10,154.95	10,574.31
Waste	341.50	135.51
	<b>25,877.63</b>	<b>23,813.92</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	12,906.63	16,543.45
Traded Goods	197.47	392.54
Work In Progress	10,574.31	12,020.49
Waste	135.51	163.96
	<b>23,813.92</b>	<b>29,120.44</b>
<b>(Increase)/ Decrease in Inventory</b>	<b>(2,063.71)</b>	<b>5,306.52</b>

**28. Employee Benefit Expenses**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	32,185.98	30,670.41
Contribution to provident and other funds	3,207.84	3,107.26
Expenses related to post employment defined benefit plan (Refer Note 34)	613.58	611.23
Expenses related to earned leave (Refer Note 34)	119.31	164.10
Workmen and staff welfare expenses	497.28	516.21
	<b>36,623.99</b>	<b>35,069.21</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

29. Finance Cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	5,683.73	5,285.09
On working capital	4,408.63	6,187.37
Other borrowing costs	758.80	485.74
	<b>10,851.16</b>	<b>11,958.20</b>
* Net of TUFs / RIPS Subsidy received / receivable	789.89	893.98

30. Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Property, Plant &amp; Equipment *</b>		
Depreciation	12,921.11	12,275.91
	<b>12,921.11</b>	<b>12,275.91</b>
Less:		
Amortization of Government Capital Grants	126.66	283.80
	<b>126.66</b>	<b>283.80</b>
Investment Property#		
Depreciation	16.14	16.07
	<b>16.14</b>	<b>16.07</b>
	<b>12,810.59</b>	<b>12,008.18</b>
Intangible Assets		
Amortization @	355.94	355.74
	<b>355.94</b>	<b>355.74</b>
	<b>13,166.53</b>	<b>12,363.92</b>

\* Refer Note 3a

# Refer Note 3c

@ Refer Note 3d

31. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stores and spares consumed	7,048.71	7,530.19
Power and fuel	33,869.71	35,691.80
Packing expenses	3,634.43	3,829.60
Processing and job charges	2,764.54	1,669.15
Research and development expenses	138.22	229.53
Repairs & maintenance - building	401.08	418.79
Repairs & maintenance - plant & machinery	1,551.35	1,273.51
Repair and maintenance - others	356.36	436.92
Rent	834.84	177.73
Insurance (Net)	823.56	438.54
Rates and taxes	66.12	83.69
Directors' remuneration and fees @	452.79	592.02
Charity and donation	204.43	2.83
Payment to statutory auditors		
As statutory auditors	50.00	50.04
For other services	11.96	18.31
For reimbursement of expenses	4.01	5.18

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Legal, professional & consultancy expenses #	1,227.18	582.76
Other miscellaneous expenses	2,058.60	1,087.68
Commission and brokerage	2,371.02	2,797.30
Freight, forwarding and octroi charges	6,370.66	6,715.55
Advertisement expenses	218.27	229.55
Travelling expenses	1,175.11	1,126.73
Other selling expenses	1,281.64	1,240.88
Net Loss on Foreign Currency Transaction	88.17	209.71
Allowances for Impairment Loss Allowance	417.18	99.22
	<b>67,419.94</b>	<b>66,537.21</b>

@ the Directors' Remuneration for the financial year 2018-19 include a remuneration of ₹137.87 lakhs, which pertains to the financial year 2017-18 and was paid during the financial year 2018-19 after due approval of the shareholders.

# includes amount ₹11.53 Lakhs (previous year ₹5.65 Lakhs) paid to auditors as GST Audit fee.

### 32. Other Comprehensive Income

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>(i) Items that will not be reclassified to Profit or Loss</b>		
Remeasurements of the defined benefit plans	204.81	(250.56)
Diminution of Employee Benefit Funds		-
Equity Instruments through Other Comprehensive Income (OCI)	(9,965.42)	(8,783.97)
	<b>(9,760.61)</b>	<b>(9,034.53)</b>
Share in OCI of Associates that will not be reclassified to Profit or Loss	(3.19)	(2.17)
	<b>(9,763.80)</b>	<b>(9,036.70)</b>
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurements of defined benefit plans	(123.20)	87.56
<b>(ii) Items that will be reclassified to Profit or Loss</b>		
Change in Fair value of Effective portion of Cash Flow Hedge Recognised during the year (Refer Note 42)	(120.47)	30.11
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	(30.11)	236.09
	<b>(150.58)</b>	<b>266.20</b>
<b>Income tax relating to items that will be reclassified to Profit or Loss</b>		
- Tax on Cash Flow Hedge recognised during the year	(42.10)	10.52
- Tax on amount reclassified to Profit & Loss account during the year	(10.52)	81.71
	<b>52.62</b>	<b>(92.23)</b>

### 33. Earning Per Share

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
a) Net Profit for Basic EPS (₹ In Lakhs)	(1,341.67)	(3,828.96)
Net Profit for Diluted EPS (₹ In Lakhs)	(1,341.67)	(3,828.96)
b) Number of Equity Shares at the beginning of the year	2,35,50,842	2,35,50,842
Add: Total Number of Shares outstanding at the end of the year	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Diluted	2,35,50,842	2,35,50,842
Earning Per Share - Basic (₹)	(5.70)	(16.26)
Earning per share - Diluted (₹)	(5.70)	(16.26)
Face value per share (₹)	10.00	10.00

Note: For Notes 34 to 37 A, please refer Notes to the Standalone Financial Statement

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

**37 B** The Company has exposure in LNJV Power Ventures Limited (LNJVP) amounting to ₹26 Lakh in Equity Share Capital and ₹832 Lakhs in 13.54% Compulsory Convertible Debentures (CCDs). The interest on the above said CCDs has not been paid by LNJVP since the Financial Year 2016-17 and ₹995.96 Lakhs remain unpaid to the Company as on March 31, 2020. Including other charges, the total amount receivable from LNJVP as on March 31, 2020, comes to ₹1,012.67 Lakhs. The Company also has to pay an amount of ₹1,114.77 Lakhs against supply of power by LNJVP under a long term power purchase agreement. Company has also provided bank guarantee of ₹1,000 Lakhs to LNJVP to secure such dues under Power Purchase Agreement. Presently, the Company is in discussion with LNJVP for realization of the accrued interest amount and in the opinion of the Management this is fully recoverable and hence considered good. The Company doesn't have any significant influence on LNJVP, hence, it has ceased to be the associate of the Company.

### 38. Segment Information

For management purposes, the Company is organised into business units based on its products and services and has following reportable segments:

- ▶ Yarn
- ▶ Fabric
- ▶ Skill Services

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

#### Identification of Segments

The Board of Directors of the Company has been identified as Chief Operating Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

Accounting policy in respect of segments is in conformity with the accounting policy of the company as a whole.

#### Inter-segment Transfer

Segment revenue resulting from transactions with other business segments is accounted for on the basis of transfer price agreed between the segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These transfers are eliminated in consolidation.

#### Segment Revenue and Results

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other revenue and expenditure non allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the total income of the Company.

#### Segment Assets and Liabilities

Segment assets include all operating assets used by the operating segment and mainly consisting of property, plant & equipment, trade receivables, cash and cash equivalents and inventory etc. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to specific segments are shown as a part of unallocable assets/liabilities.

(₹ in Lakhs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019			
	Yarn	Fabric	Total	Yarn	Fabric	Skill Services	Total
<b>Segment Revenue</b>							
External customers	2,27,701.28	49,401.72	2,77,103.00	2,50,291.58	45,765.99	144.16	2,96,201.73
Inter-segment	12,573.97	2.99	12,576.96	9,896.28	0.29	-	9,896.57
<b>Total Revenue</b>	<b>2,40,275.25</b>	<b>49,404.71</b>	<b>2,89,679.96</b>	<b>2,60,187.86</b>	<b>45,766.28</b>	<b>144.16</b>	<b>3,06,098.30</b>
Segment Expenses*	2,30,840.35	51,660.67	2,82,501.02	2,47,927.30	49,828.13	64.98	2,97,820.41
<b>Segment Results</b>	<b>9,434.90</b>	<b>(2,255.96)</b>	<b>7,178.94</b>	<b>12,260.56</b>	<b>(4,061.85)</b>	<b>79.18</b>	<b>8,277.89</b>
Un-allocable Expenses	-	-	1,904.58	-	-	-	2,646.56
Other Income (Refer Note 24)	-	-	4,054.98	-	-	-	3,210.41
Finance Costs (Refer Note 29)	-	-	10,851.16	-	-	-	11,958.19
<b>Profit/(Loss) Before Tax &amp; Share of Profit/(Loss) of Associates</b>			<b>(1,521.82)</b>				<b>(3,116.45)</b>
Share of Profit/(Loss) of Associates			270.83				(1,568.39)
<b>Profit Before Tax</b>	-	-	<b>(1,250.99)</b>	-	-	-	<b>(4,684.84)</b>
Tax Expenses	-	-	89.33	-	-	-	(909.95)
<b>Profit After Tax</b>	-	-	<b>(1,340.32)</b>	-	-	-	<b>(3,774.89)</b>
Less: Non Controlling Interest	-	-	-	-	-	-	54.07
<b>Profit After Tax (Net off Non Controlling Interest)</b>	-	-	<b>(1,340.32)</b>	-	-	-	<b>(3,828.96)</b>

\* Includes depreciation and amortization

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

Other Information :

Particulars	Year ended March 31, 2020			Year ended March 31, 2019			
	Yarn	Fabric	Total	Yarn	Fabric	Skill Services	Total
<b>Depreciation and Amortization</b>							
Allocable	10,974.89	1,581.60	12,556.49	9,671.71	2,132.75	35.84	11,840.30
Unallocable	-	-	610.04	-	-	-	523.62
	<b>10,974.89</b>	<b>1,581.60</b>	<b>13,166.53</b>	<b>9,671.71</b>	<b>2,132.75</b>	<b>35.84</b>	<b>12,363.92</b>
<b>Capital Expenditure</b>							
Allocable	2,529.37	200.31	2,729.68	13,109.18	214.12	-	13,323.30
Unallocable	-	-	423.77	-	-	-	1,602.96
	<b>2,529.37</b>	<b>200.31</b>	<b>3,153.45</b>	<b>13,109.18</b>	<b>214.12</b>		<b>14,926.26</b>
<b>Segment Assets</b>							
Allocable	1,62,767.25	35,282.37	1,98,049.62	1,78,931.76	35,207.89	587.29	2,14,726.94
Unallocable	-	-	23,358.13	-	-	-	46,493.07
	<b>1,62,767.25</b>	<b>35,282.37</b>	<b>2,21,407.75</b>	<b>1,78,931.76</b>	<b>35,207.89</b>	<b>587.29</b>	<b>2,61,220.01</b>
<b>Segment Liabilities</b>							
Allocable	1,01,963.10	12,884.86	1,14,847.96	1,44,087.12	15,185.60	523.16	1,59,795.88
Unallocable	-	-	32,825.15	-	-	-	16,357.15
	<b>1,01,963.10</b>	<b>12,884.86</b>	<b>1,47,673.11</b>	<b>1,44,087.12</b>	<b>15,185.60</b>	<b>523.16</b>	<b>1,76,153.03</b>

Geographical Information

The Company is domiciled in India. Based on the location of the customers, the amount of its revenue from external customers are broken down by major foreign countries as below: -

		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
<b>Revenue from external customers</b>							
Based on location of the customers	For the year ended March 31, 2020	1,94,380.00	27,860.00	5,101.00	45,059.00	4,703.00	<b>2,77,103.00</b>
	For the year ended March 31, 2019	1,94,185.73	34,469.00	2,406.00	61,066.00	4,075.00	<b>2,96,201.73</b>

Non-current assets

There are no non current assets outside India.

Information about major customers

No single customer represents 10% or more of the total revenue during the year ended March 31, 2020 and March 31, 2019.

Revenue from products and services:

The detail of revenue from products and services are given below:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Yarn	2,24,482.59	2,49,589.42
Fabric	47,889.40	44,376.21
Services (including Skill Services in previous year)	4,731.01	2,236.10
	<b>2,77,103.00</b>	<b>2,96,201.73</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

39. A: Related Party Disclosure

List of Related Parties as per Ind AS 24

Sr No.	Name of Related Party	Nature of Relationship
<b>List of Related Parties as per Ind AS 24</b>		
<b>A</b>	<b>(i) A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity</b>	
	Shri Ravi Jhunjhunwala	Promoter
	Shri Riju Jhunjhunwala	Promoter
	<b>(ii) A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity</b>	
	Shri Lakshmi Niwas Jhunjhunwala	
	Shri Ravi Jhunjhunwala	
	Smt. Mani Devi Jhunjhunwala	
	Shri Riju Jhunjhunwala	
	Smt. Rita Jhunjhunwala	
	Shri Rishabh Jhunjhunwala	
	<b>(iii) A person or a close member of that person's family of a reporting entity is a member of the Key Managerial Personnel of the reporting entity or of a parent of the reporting entity.</b>	
	Shri Ravi Jhunjhunwala	Directors of the Company
	Shri Shekhar Agarwal	
	Shri Riju Jhunjhunwala	
	Shri Brij Mohan Sharma	
	Shri Arun Kumar Churiwal	
	Shri Jagdish Chandra Laddha (upto July 31, 2019)	
	Dr. Kamal Gupta	
	Shri Dharmendar Nath Davar (upto July 24, 2019)	
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Capoor	
	Shri Surender Gupta	
<b>B</b>	<b>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)</b>	
	N.A.	
	<b>(ii) One entity is a subsidiary or an associate or a joint venture of the other entity (a subsidiary or an associate or a joint venture of a member of a group of which the other entity is a member)</b>	
	Bhillwara Energy Limited	Associate
	LNJ Skills & Rozgar Private Limited*	Associate
	AD Hydro Power Limited	Subsidiary of Associate
	B G Wind Power Limited	Subsidiary of Associate
	Balephi Jalbidhyut Company Limited, Nepal	Subsidiary of Associate
	Chango Yang Thang Hydro Power Limited	Subsidiary of Associate
	Indo Canadian Consultancy Services Private Limited	Subsidiary of Associate
	Malana Power Company Limited	Subsidiary of Associate
	NJC Hydro Power Limited	Subsidiary of Associate
	LNJ Institute of Skills & Technology Private Limited	Subsidiary of Associate
	* LNJ Skills & Rozgar Private Limited was associate of the Company till October 31, 2018 and thereafter became subsidiary upto March 31, 2019 and thereafter become associate of the Company due to loss of control.	
	<b>(iii) Associated and other entities are joint ventures of the same third party.</b>	
	N.A.	
	<b>(iv) One Entity is a joint venture of a third party and the other entity is an associate of the third entity</b>	
	N.A.	
	<b>(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Sr No.	Name of Related Party	Nature of Relationship
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
	Rajspin Employees Contributory Provident Fund	Trust
<b>(vi)</b>	<b>The entity is controlled or jointly controlled by a person identified in (A).</b>	
	Aadi Marketing Company Private Limited	Shareholding more than 50% along with relatives in the Company.
	Agarwal Finestate Private Limited	
	AKJ Apparels Private Limited	
	Akunth Textile Processors Private Limited	
	Alankrit Vyapaar Private Limited	
	Backcountry estates Private Limited	
	Balkash Exim Private Limited	
	Bharat Investments Growth Limited	
	Bhilwara Technical Textiles Limited	
	BSL Limited	
	Captain Trade & Agencies Private Limited	
	Churiwala Properties and Investments Private Limited	
	Deepak Pens and Plastics Private Limited	
	Diplomat Leasing Private Limited	
	Dreamon Commercial Private Limited	
	Elapara Investment Private Limited	
	Emersec Holdings Private Limited	
	Escape Vincom Private Limited.	
	Giltedged Industrial Securities Limited.	
	Glorious Commodeal Private Limited	
	HEG Limited	
	Honour Dealers Private Limited.	
	India TexFab Marketing Limited.	
	Indus Life Finance and Securities Private Limited.	
	Investors India Limited	
	Jemco Vanijya Private Limited	
	Jet (India) Private Limited	
	Kalati Holdings Private Limited	
	Kotyark Distributors Private Limited	
	LNJ Financial Services Limited	
	LNJ Realty Private Limited	
	Mandapam Vikas Private Limited	
	Mandawa Niyojan Private Limited	
	Maral Overseas Limited	
	MG Marketing & Trading Private Limited	
	ML Finlease Private Limited	
	Modify Distributors Private Limited	
	New Delhi Law Offices	
	Nikita Electrotrades Private Limited	
	Nivedan Vanijya Niyojan Limited.	
	NR Finvest Private Limited	
	Pacific Management Private Limited	
	Prapti Apparels Co. Private Limited	
	PRC Niyojan Private Limited	
	Promise Delers Private Limited	
	Purvi Vanijya Niyojan Limited	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

Sr No.	Name of Related Party	Nature of Relationship
	Raghav Commercial Limited	Shareholding more than 50% along with relatives in the Company.
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Sarita Computers Private Limited	
	Shashi Commercial Co. Limited.	
	SKLNJ Family Trusteeship Private Limited	
	SSSA Family Private Limited	
	Strength Fincap Markets Private Limited	
	Sudiva Spinners Private Limited (upto July 31, 2019)	
	Tinsukia Estate Private Limited	
	Veronia Tie Up Private Limited	
	Vikram Properties and Merchandise Private Limited	
	Zongoo Commercial Co. Private Limited	
<b>(vii)</b>	<b>A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</b>	
<b>1</b>	<b>Shri Ravi Jhunjunwala</b>	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Private Limited	
	Akunth Textile Processors Private Limited	
	Bhilwara Services Private Limited	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shashi Commercial Co. Limited.	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	
<b>2</b>	<b>Shri Riju Jhunjunwala</b>	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Private Limited	
	Bhilwara Services Private Limited	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

39. B: Related Party Disclosure

(₹ in Lakhs)

Transaction	Associates (Including Subsidiaries of Associates)		Key Managerial Personnel		A person and enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Finished Goods	-	-	-	-	6,065.85	5,741.60
Sale of Raw Material	-	-	-	-	117.24	82.33
Purchases of Raw Material & Finished Goods	-	-	-	-	1,539.47	2,237.63
Purchase of Stores Items	-	-	-	-	10.21	17.50
Rent Received	65.65	58.65	-	-	110.00	114.73
Rent Paid	733.75	324.15	-	-	47.24	44.83
Reimbursement of revenue expenditure received	72.24	47.12	-	-	99.38	113.43
Reimbursement of revenue expenditure made	1,130.35	111.54	-	-	11.68	44.49
Job Charges Received	-	-	-	-	186.37	431.35
Job Charges paid	-	-	-	-	3.36	3.14
Interest received	-	-	-	-	128.42	129.60
Security Deposit	18.30	-	-	-	-	-
Loan Taken	-	-	-	-	14,100.00	-
Interest on above	-	-	-	-	269.83	-
Sales of Equity Shares	8,484.54	-	-	-	7,912.70	2,982.26
Dividend Received	-	-	-	-	541.82	782.71
Dividend Paid	-	-	-	-	-	59.65
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	-	389.05	366.93
Rajasthan Spinning Gratuity Fund Trust	-	-	-	-	426.39	409.69
Rajspin Employees Contributory Provident Fund	-	-	-	-	172.00	177.51
<b>Remuneration and other perquisites</b>						
(a) Short-term employee benefits	-	-	404.23	495.10	-	-
(b) Post-employment benefits	-	-	37.19	55.73	-	-
Directors' Sitting Fees	-	-	68.25	58.50	-	-

Outstanding Balances to/from Related Parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade Receivables</b>		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	1,839.06	1,308.95
<b>Other Receivables</b>		
From Associates	99.77	-
From Subsidiaries of Associates	368.66	356.14
From Other than Subsidiaries/Associates	302.97	96.54
<b>Trade Payables</b>		
To Associates	1,128.33	-
To Other than Subsidiaries/Associates	0.60	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Advance to Vendors</b>		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	15.09	0.63
<b>Loan</b>		
Loan from Bharat Investment Growth Limited	14,100.00	-

### Terms & Conditions of transactions with related Parties:

The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2020 and for the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties.

This assessment is undertaken through out the financial year through examining the financial position of the related parties and the market in which the related parties operate.

### Details of Guarantees

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>RSWM has provided guarantees on behalf of its reporting entity:-</b>		
Name of Reporting Entity		
A D Hydro Power Limited - India*	600	600
LNJ Skills & Rozgar Private Limited - India**	800	-

\* Guarantee given (jointly by the Company, Bhilwara Energy Limited and HEG Limited) to International Financial Corporation in terms of Guarantee agreement related to A D Hydro Power Limited.

\*\* The Company has given a letter of comfort to HDFC Bank Limited, Gurgaon against loan extended by the bank to LNJ Skills & Rozgar Private Limited as at March 31, 2020.

The Company does not expect any outflow of resources in respect of above financial guarantee / Letter of Comfort

### 40. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	221.17	122.03
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
the amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

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41. Net Dividend Remitted in Foreign Exchange

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Period to which dividend relates to	-	2017-18
Number of non-resident shareholders (Nos.)	-	5
Number of equity shares held on which dividend was due (Nos.)	-	53,53,270
Amount remitted (in Lakhs)	-	107.07
Amount remitted USD (in Lakhs)	-	1.47

42. A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2020 were as under:

Particulars	(₹ in Lakhs)				
	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	198.62	-	-	198.62	198.62
Bank Balances other than above (Refer Note 7)	478.87	-	-	478.87	478.87
Investments (Refer Note 4)					
- Equity	3,549.97	-	1,607.82	5,157.79	5,157.79
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	34,172.38	-	-	34,172.38	34,172.38
Loans (Refer Note 5)	280.13	-	-	280.13	280.13
Other financial assets (Refer Note 8)	5,351.95	-	-	5,351.95	5,351.95
	<b>44,031.92</b>	<b>832.00</b>	<b>1,607.82</b>	<b>46,471.74</b>	<b>46,471.74</b>
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,05,216.94	-	-	1,05,216.94	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	221.17	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	10,715.62	10,715.62
Other financial liabilities (Refer Note 17)	18,628.42	-	335.03	18,963.45	18,963.45
	<b>1,34,782.15</b>	<b>-</b>	<b>335.03</b>	<b>1,35,117.18</b>	<b>1,35,117.18</b>

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2020 ₹995.96 Lakhs.

The carrying value and fair value of financial instruments by category as of March 31, 2019 were as under:

Particulars	(₹ in Lakhs)				
	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	1,065.08	-	-	1,065.08	1,065.08
Bank Balances other than above (Refer Note 7)	384.15	-	-	384.15	384.15
Investments (Refer Note 4)					
-Equity	5,514.88	-	19,452.47	24,967.35	24,967.35

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FOR THE YEAR ENDED MARCH 31, 2020

The carrying value and fair value of financial instruments by category as of March 31, 2019 were as under: (contd.)

(₹ in Lakhs)					
Particulars	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	45,311.05	-	-	45,311.05	45,311.05
Loans (Refer Note 5)	196.14	-	-	196.14	196.14
Other financial assets (Refer Note 8)	3,811.52	-	119.27	3,930.79	3,930.79
	<b>56,282.82</b>	<b>832.00</b>	<b>19,571.74</b>	<b>76,686.56</b>	<b>76,686.56</b>
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,23,742.20	-	-	1,23,742.20	1,23,742.20
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	122.03	-	-	122.03	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,087.05	-	-	10,087.05	10,087.05
Other financial liabilities (Refer Note 17)	27,784.67	-	-	27,784.67	27,784.67
	<b>1,61,735.94</b>	<b>-</b>	<b>-</b>	<b>1,61,735.94</b>	<b>1,61,735.94</b>

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2019 ₹791.41 Lakhs.

### b. Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

(₹ in Lakhs)				
Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	1,607.82	1,607.82	-	-
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
<b>Liabilities</b>				
Derivative financial instruments - foreign currency forward (Refer Note 17)	335.03	-	335.03	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

(₹ in Lakhs)				
Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	19,452.47	19,452.47	-	-
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	119.27	-	119.27	-

### Valuation Technique used to determine Fair Value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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- 2) Long-term variable-rate borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.
- 3) The fair values of the forward contract is determined using the forward exchange rate at the balance sheet date based on quotes from banks and financial institutions. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.
- 4) The fair values of the Quoted Equity shares have been done on quoted price of stock exchange as on reporting date.
- 5) Investment in the Unquoted Debenture have been valued considering the market coupon rate of similar financial instruments.

### c Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in the market condition and Company's Activities.

The audit committee oversees how management monitors compliances with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes review of risks management controls and procedures, the results of which are reported to the audit committee.

#### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

#### (i) Market Risk:

Market risk is the risk that changes in the market prices such as foreign currency risk, interest risk, equity price and commodity prices. The market risk will affect the company's income or value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

#### (i) a Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD and EURO. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### Foreign Currency Risk Exposure

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2020 is given below.

Particulars	(Amount in Lakhs)			
	USD	Euro	Other currencies *	INR
<b>Non Derivative</b>				
Trade receivables	69.12	0.34	0.05	5,311.87
Trade payables	(8.23)	(0.09)	-	(607.81)
Other assets	1.65	1.89	8.03	5.47
Other liabilities	(20.54)	(0.51)	(0.04)	(1,549.71)
<b>Net assets / (liabilities)</b>	<b>42.00</b>	<b>1.63</b>	<b>8.04</b>	<b>3,159.82</b>

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2019 is given below.

Particulars	(Amount in Lakhs)			
	USD	Euro	Other currencies *	INR
<b>Non Derivative</b>				
Trade Receivables	130.37	4.72	0.58	9,458.48
Trade payables	(4.57)	(0.69)	(4.65)	(364.77)
Other assets	2.06	0.40	11.82	278.25
Other liabilities	(17.11)	(0.53)	(0.05)	(1,289.91)
<b>Net assets / (liabilities)</b>	<b>110.75</b>	<b>3.90</b>	<b>7.70</b>	<b>8,082.05</b>

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

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The following significant exchange rates have been applied during the year

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Spot Rate (in ₹)</b>		
USD	71.30	69.16
EURO	79.15	77.67
GBP	89.40	92.11

**Sensitivity Analysis**

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-Increase/(Decrease) by 4% (Previous year 2%)	79.83	(79.83)	101.86	(101.86)
<b>EURO Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (Previous year 2%)	3.36	(3.36)	3.94	(3.94)

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2020 and March 31, 2019

**(i) b. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company. Based on market intelligence, study of research analysis reports, company reviews its short/long position to avail working capital loans and minimise interest rate risk. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest risk, the Company performs comprehensive corporate interest risk management by balancing the proportion of fix rate and floating rate financial instruments.

**- Exposure to Interest Rate Risk**

The exposure of the interest rate changes at the end of the reporting period are given below:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>Fixed rate instruments</b>				
Financial Assets				
- Fixed Deposits with Banks (Refer Note 7)			230.55	135.95
<b>Variable rate instruments</b>				
Financial Liabilities				
- Borrowings (Refer Note 14 & 15)			1,16,013.21	1,44,057.12

**Sensitivity Analysis**

**Fair Value Sensitivity Analysis for Fixed Rate Instruments**

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss, therefore change in interest rate at the reporting date would not affect profit or loss.

**Cash Flow Sensitivity Analysis for Variable Rate Instruments**

An increase of 50 basis points (previous year 12 basis points) in interest rate at the reporting date would have increased, (decreased) Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

The sensitivity analysis is computed by comparing weighted average interest rate for the period ended March 31, 2020 and March 31, 2019.

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 50 basis points (Previous year 12 basis points)	377.37	(377.37)	112.46	(112.46)

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### (i) c. Price Risk

#### - Exposure

The Company is exposed to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. Material investments are managed on individual basis and all buy and sell decisions are approved by the management. The primary goal of the investment strategy is to maximize investment returns.

#### Sensitivity Analysis

Increase/decrease of 10% in the equity prices would have impact of ₹160.78 Lakhs (₹1945.25 Lakhs in previous year) on the Other Comprehensive Income and Equity. These changes would not have an effect on Profit or Loss.

### (ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposit with banks and financial institutions, loans, investment in debt securities, forward exchange contract and other financial instruments.

The Company considers the probability of default upon initial recognition of assets and when there has been significant increase in credit risk and on an on-going basis throughout each reporting date to assess whether there is an significant increase in credit risk, the Company compares the risk of default occurring on assets as at reporting date with the risk of default as at the date of initial recognition by considering reasonable forward looking estimations.

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables were written off and subsequently recoveries are made, these are recognised as an income in the financial statements.

#### - Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company evaluates the concentration of risk with respects to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. A default on a financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro economic factors. The company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

#### (ii) a. Credit risk exposure

The following table shows the exposure to the credit risk at the reporting date :

Particulars	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	176.86	103.27	99.78	96.36
Trade Receivables (Refer Note 6)	-	34,172.38	-	45,311.05
Cash and cash equivalents (Refer Note 7)	-	198.62	-	1,065.08
Bank Balances (Refer Note 7)	-	478.87	-	384.15
Other financials assets (Refer Note 8)	1,059.81	4,292.14	396.97	3,533.82
	<b>1,236.67</b>	<b>39,245.28</b>	<b>496.75</b>	<b>50,390.46</b>

Expected credit loss for trade receivables using simplified approach are given below:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Age Bracket</b>		
0-180	33,834.21	44,858.61
181-365	690.56	665.55
Above 365	624.70	346.83
Total	35,149.47	45,870.99
Allowance for Impairment Loss	977.09	559.94
<b>Closing Balance (Refer Note 6)</b>	<b>34,172.38</b>	<b>45,311.05</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### The movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is given below

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance of provision for expected credit loss at the beginning	559.94	460.52
Impairment loss recognised/ (reversed)	417.15	99.42
<b>Balance at the end</b>	<b>977.09</b>	<b>559.94</b>

### Financial assets to which loss allowances measured using 12 months expected credit loss.

Other than trade receivables, the expected credit loss on the other financial assets is measured at an amount equal to the 12 month ECL, unless there is a significant risk of credit loss. However, based upon these parameters, there is no credit loss on these other financial assets has been identified nor any significant credit risk has been observed since their initial recognition.

### Cash and Cash Equivalents, Deposit with Banks

Credit risk on cash and cash equivalents and deposit with banks is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

### Derivatives (Forward Contracts)

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties.

For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjusts its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

### (iii) Liquidity risk

The Company's objective is at all times to maintain optimum levels of liquidity to meet its cash and collateral requirements. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities

(iii) a. The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	(₹ in Lakhs)				
	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	56,792.90	27,216.04	14,768.00	6,440.00	<b>1,05,216.94</b>
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	-	<b>221.17</b>
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	-	<b>10,715.62</b>
Other financial liabilities (Refer Note 17)	18,452.19	511.26	-	-	<b>18,963.45</b>
	<b>86,181.88</b>	<b>27,727.30</b>	<b>14,768.00</b>	<b>6,440.00</b>	<b>1,35,117.18</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	(₹ in Lakhs)				
	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	66,479.97	29,761.80	15,760.03	11,740.40	<b>1,23,742.20</b>
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	122.03	-	-	-	<b>122.03</b>
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,087.05	-	-	-	<b>10,087.05</b>
Other financial liabilities (Refer Note 17)	27,374.19	410.48	-	-	<b>27,784.67</b>
	<b>1,04,063.24</b>	<b>30,172.28</b>	<b>15,760.03</b>	<b>11,740.40</b>	<b>1,61,735.95</b>



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(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Secured Bank Cash credit Facility</b>		
Amount Unused	34,568.85	27,440.50
<b>Secured Non Fund Based Facility</b>		
Amount Unused	10,840.09	9,509.03
<b>Secured Term Loan Facility</b>		
Amount Unused	-	1,959.60
<b>Unsecured Term Loan Facility</b>		
Amount Unused	900.00	-

**42. B: Financial Instruments**

**(iv) Derivative financial instruments**

**(iv) a. Disclosure of effects of hedge accounting on financial position:**

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 50% to 90% of the net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

**As at March 31, 2020:**

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash Flow Hedge	25	132.08	-	-	9,647.12	April 2020 -August 2020	0.58:1	73.04	-

**As at March 31, 2019:**

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakhs)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakhs)	No. of Outstanding Contracts	Amount (in Lakhs)					
Cash Flow Hedge	29	132.53	-	-	9,368.55	April 2019 -August 2019	0.56:1	70.69	-

**(iv) b. Disclosure of effects of hedge accounting on financial performance**

Cash Flow Hedge	Changes in the value of the hedging instruments recognised in other Comprehensive Income	Hedge Ineffectiveness recognised in profit & Loss	Amount reclassified from cash flow hedging reserve to Profit & Loss	Line item affected in the statement of profit and loss because of reclassification
March 31, 2020	(120.47)	-	(30.11)	Revenue
March 31, 2019	30.11	-	236.09	Revenue

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(iv) c. The movement in hedging reserve during the year ended March 31, 2020 for derivatives designated as cash flow hedge (Refer Note 32) is as follows:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	19.58	(154.39)
Change in fair value of effective portion of cash flow hedge recognised during the year	(120.47)	30.11
Amount reclassified to the Statement of Profit & Loss during the period	(30.11)	236.09
Tax Impact on above	52.62	(92.23)
<b>Balance at the end of the year</b>	<b>(78.38)</b>	<b>19.58</b>

It is anticipated that sales will take place during the first seven months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to profit & loss account.

### (iv) d. Sensitivity Analysis

The following table demonstrates the sensitivity in the foreign exchange rates (USD & Euro) to the Indian Rupees with all other variables held constant. The impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

The sensitivity analysis is computed by comparing average exchange rate for the period ended March 31, 2020 and March 31, 2019.

Particulars	(₹ in Lakhs)			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-Increase/(Decrease) by 4% (previous year 2%)	58.55	(58.55)	96.78	(96.78)
<b>EURO Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (previous year 2%)	7.85	(7.85)	6.08	(6.08)
<b>GBP Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 4% (previous year 2%)	7.40	(7.40)	-	-

### 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Borrowings including current maturities (Refer Note 14, 15 & 17)	1,16,013.21	1,44,057.12
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	122.03
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	10,087.05
Other payables other than current maturities (Refer Note 17)	8,167.18	7,469.75
Less: cash and cash equivalents (Refer Note 7)	198.62	1,065.08
<b>Net debt</b>	<b>1,34,918.56</b>	<b>1,60,670.87</b>
Equity (Refer Note 12 & 13)	73,734.64	85,066.98
<b>Capital and Net debt</b>	<b>2,08,653.20</b>	<b>2,45,737.85</b>
Gearing Ratio	65%	65%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

**Note: For Notes 44 to 46, please refer Notes to the Standalone Financial Statement**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

### 47 Investment in Associates

#### Details of Associate Companies at the end of the reporting period:

Name of the Company	Relationship	Principal Activity	Accounting Method	Principal place of Business	Place of Incorporation	Proportion of Ownership Interest and Voting Rights held by the Investor Company	
						As at March 31, 2020	As at March 31, 2019
Bhilwara Energy Limited	Associate	Power	Equity Method	Pathankot	Bhilwara Bhawan, New Delhi	7.56%	17.78%
LNJ Skills & Rozgar Private Limited	Associate	Skill Services	Equity Method	Noida	Bhilwara Bhawan, New Delhi	47.30%	54.26%

\* LNJ Skills & Rozgar Private Limited was Subsidiary of the Company upto March 31, 2019 and thereafter it has become Associate of the Company by acquisition of further equity shares in it.

#### i) Significant judgements: existence of significant influence

Please refer Note 2(e) to the Standalone Financial Statement

ii) Summarised financial information in respect of the Associates is set out below. The summarised financial information below represents amounts shown in the Associates' financial statements prepared in accordance with Ind AS.

#### a) Summarised Balance Sheet

Particulars	(₹ in Lakhs)			
	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current assets	1,856.54	-	17,860.19	35,630.45
Non-current assets	744.96	-	1,69,622.55	1,79,764.29
Current liabilities	901.99	-	8,213.41	33,437.12
Non-current liabilities	285.34	-	44,561.39	54,653.71
<b>Net Assets (including non controlling interest)</b>	<b>1,414.17</b>	<b>-</b>	<b>1,34,707.94</b>	<b>1,27,303.91</b>
Less: Non controlling Interest	-	-	63,114.61	58,596.15
Net Assets (Net off non controlling Interest)	1,414.17	-	71,593.33	68,707.76
Share of RSWM Limited *	1,261.18	-	5,412.47	12,216.24

\* The carrying amount of investments in LNJ Skills & Rozgar Private Limited includes ₹592.27 Lakhs (Previous Year ₹670.67 Lakhs) towards Goodwill.

b) As per the decision of Board of Chango Yang Thang Hydro Power Limited (CYHPL), a subsidiary of Associate (BEL), CYHPL on July 11, 2017 had filed an application with the Government of Himachal Pradesh ("GoHP") for surrender of 180 MW Hydro Electric Power (HEP) project and had demanded an upfront fee of ₹3,789.45 Lakhs (indirect share of Company ₹286.48 Lakhs) and security deposit paid ₹180.00 Lakhs (indirect share of Company is ₹13.61 Lakhs) with interest. The said intention of CYHPL was also reaffirmed on February 16, 2018 to the GoHP. CYHPL has also written off capital work in progress of ₹2,713.18 Lakhs (indirect share of Company ₹205.12 Lakhs) during the F.Y. 2017-18.

The GoHP on November 3, 2018 formed a committee to deal with the issues including that of CYHPL and the HEP projects were discussed in a public meeting held on November 14, 2018. The project was again discussed by the committee on February 18, 2019 wherein CYHPL categorically refused to execute the project in view of severe local issue, refusal by the villagers and lapse of clearances of project, which was noted by the committee. The management of the Company is confident of recovering the claim of upfront fee and the security deposit.

c) Changteng Hydro Electric Project (7.50 MW) was taken up by an Associate (BEL) to provide construction power to its 780 MW. Nyamjung Chhu Hydro Electric Project being developed by BEL through special purpose vehicle namely NJC Hydro Power Limited (NHPL). The NHPL started construction work in the year 2009 by taking up various civil, hydro mechanical and electro mechanical work and spent an amount of ₹3,339.61 Lakhs from 2009 to Jan 2013 (indirect share of Company ₹252.47 Lakhs).

However, subsequently work on this project was suspended by virtue of order from National Green Tribunal suspending environment clearance of MoEF for 780 MW project. The said environment clearance is still under suspension. Further it has been observed that during the period from Jan 2013 to March 2019, all the works done by the NHPL on the project got seriously damaged and required to be re-done as and when the NHPL restarts the constructions.

Based on the assessment, 100% damage has been assessed to various works as abortive work and accordingly ₹3,339.61 Lakhs (indirect share of Company ₹252.47 Lakhs) have been charged to profit and loss by NHPL in the F.Y. 2017-18.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

NHPL has further preferred a petition before the district court of Itanagar, Arunachal Pradesh, under section 9 of the Arbitration Act on March 22, 2019 for immediate relief to maintain the STATUS QUO against the instant notice issued by the Government of Arunachal Pradesh (GoAP). The said petition has been admitted by the district court, maintaining the STATUS QUO and suspending the termination notice issued by GoAP. The Wildlife Institute of India (WII) submitted its report stating that the project is not viable both to the GoAP and to the district court. Based upon the report the district court while disposing off the petition on March 18, 2020 directed to invoke the arbitration within 45 days. However, due to the pandemic, with the intervention and order of the Hon'ble Supreme Court dated May 8, 2020 the interim protection period has been got extended by another 90 days.

- d) Malana Power Company Limited (MPCL), which is the subsidiary of BEL, had entered into an agreement for wheeling of power, transmission charges and wheeling losses with Himachal Pradesh State Electricity Board Limited (HPSEBL) on March 3, 1999, duly prescribing therein the detailed terms & conditions as to how wheeling charges/transmission charges and wheeling losses are to be paid by MPCL for 40 years. In the year 2015, HPSEBL started demanding wheeling and transmission charges on the basis of regulations and tariff orders passed by Himachal Pradesh Electricity Regulatory Commission (HPERC) which were contested by MPCL, first before the Hon'ble High Court of Himachal Pradesh and then before the Hon'ble Supreme Court of India (the SC). The SC vide its order dated March 30, 2019 held that multi-year tariff (MYT) orders passed by HPERC are applicable on MPCL. Accordingly, HPSEBL in April, 2019 raised a provisional demand of ₹8,069.25 Lakhs (indirect share of Company ₹311.12 Lakhs) on MPCL for the period from April 1, 2008 to March 31, 2019. Against the said demand MPCL has deposited under protest ₹2,817 Lakhs (indirect share of Company ₹108.61 Lakhs). However as per MPCL, HPSEBL while arriving at the said provisional demand has not considered wheeling charges/transmission charges, losses and free power supply conditions as already agreed in the agreement and the basis of point to point connection considering the 40 year duration. In view of the same, MPCL has preferred an appeal before the Hon'ble Appellate Tribunal of Electricity on April 24, 2019. Further outcome in the matter is awaited.
- e) The Central Electricity Regulatory Commission (CERC) has passed an Order dated October 17, 2019 on the A.D. Hydro Power Limited (ADHPL) ('subsidiary company of MPCL) in which CERC has approved the capital cost of the dedicated transmission line of the ADHPL amounting to ₹23,892 Lakhs (Indirect share of Company ₹810.64 Lakhs) as against the capital cost submitted by the Company amounting to ₹41,661 Lakhs (Indirect share of Company ₹1,413.53 Lakhs) (on the date of COD) / ₹45,284 Lakhs (Indirect share of Company ₹1,536.45 Lakhs) (including additional capitalisation) and accordingly determined the annual fixed costs for the purpose of computing tariff for using transmission line for the period 2011-12 to 2018-19. The management of ADHPL is of the view that the method used to determine the capital cost by the CERC was not in accordance with the provisions of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, for the period 2009-14 and 2014-19 and Electricity Act, 2003. Pending litigation and final outcome towards determination of tariff for using transmission line, the management of ADHPL, based on the legal opinion, is of the view that the Order is not legally tenable and would not have any material liability on the ADHPL. Further ADHPL has filed an appeal against the said order before the Appellate Tribunal for Electricity (APTEL) and pursuant to the appeal filed the APTEL has passed an interim order on January 17, 2020 staying the above demand and directing not to issue any re-adjustment bills and to issue the future bills in accordance with the CERC order till the appeal is finally decided. The management of the ADHPL is also of the view that the trade receivables (including unbilled revenue) aggregating to ₹3,319.88 Lakhs (Indirect share of Company ₹112.64 Lakhs) is good and fully recoverable and no provision is required in respect of possible exposure aggregating to ₹6,121.81 Lakhs (Indirect share of Company ₹207.71 Lakhs) towards amount already collected from the customers till March 31, 2020. Further, the management of ADHPL has estimated that in respect of transmission losses to be determined by the Northern Regional Load Despatch Centre (NRLDC), as directed by the CERC, there would be no significant impact on ADHPL.
- f) BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL) has recognized the revenue @ ₹3.14/kwh (previous PPA @ ₹3.69/kwh) based on the order issued by the RERC vide its third Amendment Regulation dated March 5, 2019. Since BGWPL has exported the power to Discom during the period and since its management believes that the PPA will be signed, it has recognized revenue from sale of power for ₹367.76 Lakhs (indirect share of the Company ₹27.80 Lakhs) and Generation Based Incentive (GBI) of ₹59.12 Lakhs (indirect share of the Company ₹4.47 Lakhs) @ 50 paise/kwh. In the meantime BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard. The outcome of the petition is awaited.

### g) Summarized statement of Profit & Loss

(₹ in Lakhs)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	1,658.80	-	36,255.61	39,377.29
Profit/(Loss) after Tax	44.87	-	2,932.24	(8,801.01)
Other comprehensive income for the year	0.78	-	(46.61)	(12.20)
<b>Total comprehensive income for the year (Excluding Non Controlling Interest)</b>	<b>45.65</b>	<b>-</b>	<b>2,885.63</b>	<b>(8,813.21)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**h) Reconciliation of Net Assets:**

Particulars	(₹ in Lakhs)			
	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening Net Assets	1,368.52	-	1,27,303.91	1,33,430.04
Less: Non Controlling Interest	-	-	58,596.15	55,909.07
Net Assets after Non Controlling Interest	1,368.52	-	68,707.76	77,520.97
Profit for the year (Excluding Non Controlling Interest)	44.87	-	2,932.24	(8,801.01)
Other Comprehensive Income (Excluding Non Controlling Interest)	0.78	-	(46.61)	(12.20)
<b>Closing Net Assets (Excluding Non Controlling Interest)</b>	<b>1,414.17</b>	<b>-</b>	<b>71,593.39</b>	<b>68,707.76</b>
Share of RSWM Limited	1,261.18	-	5,412.47	12,216.24

**47 Business Combinations**

**a) Acquisition of LNJ Skills & Rozgar Private Limited**

**Consideration Transferred**

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	(₹ in Lakhs)
	As at March 31, 2019
Cash	50.00
<b>Total Consideration</b>	<b>50.00</b>

**b) Identifiable assets acquired and liabilities assumed**

The following table summarises the acquisition date fair value of assets acquired:

Particulars	(₹ in Lakhs)
	As at March 31, 2019
Property, Plant and Equipment	314.15
Goodwill	21.07
Other Intangible Assets	11.62
Other Non-Current Assets	13.14
Deferred Tax Assets	54.41
Non-Current Tax Assets (Net)	66.82
Trade Receivables	341.23
Cash and Cash Equivalents	34.84
Other Financial Assets	579.82
Current Tax Assets (Net)	25.91
Other Current Assets	201.64
Non-Current Provisions	(3.34)
Other Non Current Liabilities	(36.00)
Trade Payables	(196.12)
Other Current Liabilities	(59.74)
Current Provisions	(0.93)
<b>Total Identifiable Net Assets Acquired</b>	<b>1,368.52</b>

The gross contractual amounts and the fair value of trade receivables acquired is ₹341.23 Lakhs. None of the trade receivables are credit impaired and it is expected that the full contractual amounts will be recoverable. Goodwill on acquisition was ₹670.67 Lakhs and it is not expected to be deductible for tax purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

**c) Calculation of Goodwill**

Calculation of Goodwill arises due to consolidation is as follows:

(₹ in Lakhs)	
Particulars	As at March 31, 2019
Consideration transferred	50.00
Non-controlling Interest in the acquired entity	799.60
Acquisition date fair value of previously held equity interest	1,189.59
Less: Net identifiable assets acquired	(1,368.52)
<b>Goodwill</b>	<b>670.67</b>

**d) Purchase Consideration - Cash Flow**

(₹ in Lakhs)	
Particulars	As at March 31, 2019
Cash Consideration	1,180.00
Less: Balances acquired	
Cash	(34.84)
<b>Net Outflow of Cash - Investing Activity</b>	<b>1,145.16</b>

**e) Summarised financial information in respect of the Subsidiary Company is set out below. The summarised financial information below represents amounts shown in the Subsidiary's financial statements prepared in accordance with Ind AS.**

**Summarised Balance Sheet**

(₹ in Lakhs)	
Particulars	As at March 31, 2019
Current assets	1,183.44
Non-current assets	481.21
Current liabilities	256.79
Non-current liabilities	39.34
<b>Net Assets (Including non controlling interest)</b>	<b>1,368.52</b>
Less: Non controlling interest	799.60
Share of RSWM in net assets	568.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2020

48 Additional Information as required under Schedule III of the Companies Act, 2013

(₹ in Lakhs)								
Name of the Entities	2019-20							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount
<b>Parent:</b>								
RSWM Limited	90.95	67,060.99	120.18	(1,612.50)	99.96	(9,981.77)	102.36	(11,594.27)
Subsidiary/Associates (Investment as per Equity method):								
<b>Indian</b>								
<b>Associate</b>								
LNJ Skills & Rozgar Private Limited *	1.71	1,261.18	(1.58)	21.22	-	0.37	(0.19)	21.59
Bhilwara Energy Limited	7.34	5,412.47	(18.60)	249.60	0.04	(3.56)	(2.17)	246.04
<b>Total</b>	<b>100.00</b>	<b>73,734.63</b>	<b>100.00</b>	<b>(1,341.67)</b>	<b>100.00</b>	<b>(9,984.96)</b>	<b>100.00</b>	<b>(11,326.63)</b>

**Note:** \* LNJ Skills & Rozgar Private Limited was Subsidiary of the Company upto March 31, 2019 and thereafter it has become Associate of the Company by acquisition of further equity shares in it.

(₹ in Lakhs)								
Name of the Entities	2018-19							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets"	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount
<b>Parent:</b>								
RSWM Limited	85.04	72,341.40	61.73	(2,426.70)	99.98	(11,746.36)	90.39	(14,173.06)
Subsidiary/Associates (Investment as per Equity method):								
<b>Indian</b>								
<b>Subsidiary</b>								
LNJ Skills & Rozgar Private Limited *	0.01	9.02	(0.03)	1.07	-	-	(0.01)	1.07

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Name of the Entities	2018-19							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets"	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount
<b>Subsidiary of Subsidiary</b>								
LNJ Institute of Skills & Technology Private Limited	0.59	500.32	(1.51)	59.49	-	-	(0.38)	59.49
<b>Associate</b>								
Bhilwara Energy Limited	14.36	12,216.24	39.81	(1,564.82)	0.02	(2.17)	10.00	(1,566.99)
<b>Total</b>	<b>100.00</b>	<b>85,066.98</b>	<b>100.00</b>	<b>(3,930.96)</b>	<b>100.00</b>	<b>(11,748.53)</b>	<b>100.00</b>	<b>(15,679.49)</b>

**Note:** LNJ Skills & Rozgar Private Limited was Associate of the Company upto October, 2018 and thereafter it has become Subsidiary of the Company by acquisition of further equity shares in it.

49 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Accompanying notes form an integral part of the financial statements

**As per our report of even date**

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756N

N. K. Lodha  
Partner  
M. No. 085155

Yogesh K. Gupta  
Partner  
M. No. 093214

Place: Noida, (U.P.)  
Date: June 15, 2020

**For and on Behalf of Board of Directors**

Riju Jhunjhunwala  
Chairman & Managing Director  
DIN 00061060

B. M. Sharma  
Joint Managing Director & Chief Financial Officer  
DIN 08195895 | M.No. FCA 035012

Surender Gupta  
Company Secretary  
M.No. FCS 2615





PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



**Registered Office**

Kharigram, P.O. Gulabpura - 311 021

Dist. Bhilwara (Rajasthan), India

W: [www.rswm.in/www.lnjbhilwara.com](http://www.rswm.in/www.lnjbhilwara.com)

CIN: L17115RJ1960PLC008216



**RSWM Limited**  
an LNJ Bhilwara Group Company

**RSWM LIMITED**  
**CIN:L17115RJ1960PLC008216**

**Registered Office:** Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan

Phone:+91-1483-223144 to 223150, 223478, Fax:+91-1483-223361, 223479

**Corporate Office:** Bhilwara Towers, A-12, Sector – 1, Noida – 201 301 (U.P.)

Phone: 0120- 4390300 (EPABX), Fax: 0120-4277841

E-mail: [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

Website: <https://www.rswm.in>

## NOTICE

Notice is hereby given that the Fifty-Ninth Annual General Meeting of the members of the Company will be held on Thursday, the 24<sup>th</sup> day of September, 2020 at 2:00 P.M. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without physical presence of the members at the AGM venue to transact businesses as set out in this Notice. The venue of the meeting shall be deemed to be Registered Office of the Company at Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan.

The following Ordinary and Special businesses will be transacted at the AGM:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended the 31<sup>st</sup> March, 2020 and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ravi Jhunjhunwala (DIN: 00060972), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Arun Churiwal (DIN: 00001718), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

4. 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 Section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force),

read with Schedule V of the Companies Act, 2013 and subject to such approval as may be necessary, approval of the members be and is hereby accorded to the re-appointment of Shri Brij Mohan Sharma, (DIN:08195895) as Joint Managing Director of the Company for a period of two years w.e.f. 7<sup>th</sup> August, 2020 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 Brij Mohan Sharma, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
  - ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this Resolution.”

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), M/s N. D. Birla & Co. Cost Accountants (Firm Registration No. 000028) appointed by the Board of

Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, be paid the remuneration of ₹ 6,00,000 (Rupees six lakh only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

By Order of the Board  
For **RSWM LIMITED**

**Surender Gupta**

Company Secretary

M. No. FCS - 2615

Place: Noida (U.P.)

Date : 11<sup>th</sup> August, 2020

## NOTES

1. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act"), relating to Special Business under Item No. 4 and 5 of the accompanying Notice to be transacted at the 59<sup>th</sup> Annual General Meeting (AGM) is annexed.
2. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") issued various Circulars viz. Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and SEBI also issued its Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 (collectively referred as Applicable Circulars) permitting the holding of AGM by the Companies through Video Conferencing / Other Audio Visual Means (VC/OAVM) during the calendar year 2020, without the physical presence of the members. Accordingly, the 59<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan.
3. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating participation by the Members at the AGM through VC/OAVM and remote e-voting (including e-voting during the AGM). The instructions for participation by the Members and for remote e-voting including e-voting during the AGM are given separately in the subsequent paragraphs. Further the attendance of the Members participating in the 59<sup>th</sup> AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act read with Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA.
4. Since the physical attendance of Members has been dispensed with in terms of MCA Circular No.14/2020 dated 8<sup>th</sup> April, 2020, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act is not available for this 59<sup>th</sup> AGM and hence the **Proxy Form and Attendance Slip are not annexed hereto**. However, in pursuance of Section 112 and 113 of the Act, representatives of the Members may be appointed for participation in the 59<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 59<sup>th</sup> AGM.
5. Since the AGM will be held through VC/ OAVM, the **route map of the venue of the Meeting is not annexed hereto**.
6. In line with the Applicable Circulars, the Notice calling the 59<sup>th</sup> AGM of the Company and Annual Report for the year 2019-20 has been uploaded on the website of the Company at [www.rswm.in](http://www.rswm.in). The said Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and are also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. In accordance with the Applicable Circulars referred to in Note No. 2 above the Company is sending the Annual Report along with AGM Notice through electronic mode to those members whose email addresses are registered with the Company or Depository Participant(s). Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 59<sup>th</sup> AGM and the Annual Report and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email at [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com) / or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) and /or send letter to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020.
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

- In case of any difficulty, Members may write email to the Company at [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com).
8. Documents referred to in the accompanying Notice calling the AGM are available for inspection at the website of the Company upto the date of Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com).
  9. The Company is pleased to provide two-way facility of video conferencing (VC) / other audio-visual means (OAVM) at the web link – <https://www.evoting.nsdl.com>.
  10. In accordance with the Applicable Circulars, the VC/OAVM will have a capacity to allow at least 1000 members to participate in the AGM and such participation shall be on a first-come-first-served basis. However, please note that pursuant to the Applicable Circulars, large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. may be allowed to attend the meeting without restriction on account of first-come-first served principle.
  11. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 18<sup>th</sup> September, 2020 to Thursday, the 24<sup>th</sup> September, 2020 (both days inclusive).
  12. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  13. 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.
  14. Non-Resident Indian members are requested to inform RTA immediately on:
    - a. the change in the residential status on return to India for permanent settlement; and
    - b. the particulars of the bank account(s) maintained in India with complete name, branch, and account type, account number and address of the bank, if not furnished earlier.
  15. Members who are holding Company's shares in electronic form are required to provide details of their Depository Account such as Client ID and DP ID Numbers for identification.
  16. SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company/ its registrar and transfer agent, the details of their valid PAN and bank account. To support the SEBI's initiative, Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants, with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020.
  17. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020 E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com). The said form can be downloaded from the Company's website. The prescribed form in this regard may also be obtained from RTA at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
  18. Members are requested to note that in accordance with Sections 124 and 125 of Companies Act, 2013 and rules made thereunder, dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Companies unpaid dividend account are required to be transferred to the IEPF. Accordingly, the dividend remaining unclaimed or unpaid upto the financial year ended 31<sup>st</sup> March, 2012 have been transferred to IEPF. The detail of unclaimed dividend transferred

to IEPF is available on the website of the Company [www.rswm.in](http://www.rswm.in). Members may further note that the dividend paid in respect of Financial Year 2012-13 declared by the Company on 19<sup>th</sup> September, 2013 is due to be transferred to the IEPF on 24<sup>th</sup> October, 2020 and will be transferred on or before 23<sup>rd</sup> November, 2020. The same can however be claimed by the members by 24<sup>th</sup> October, 2020. The details of unclaimed dividend to be transferred to IEPF on 24<sup>th</sup> October, 2020 are available on the website of the Company [www.rswm.in](http://www.rswm.in). The Company has already informed the concerned shareholders individually to claim the unpaid/unclaimed dividend.

Members may further note that in accordance with Section 124 and 125 of the Companies Act, 2013 and rules made thereunder, all shares on which dividend remain unclaimed for seven consecutive years will be transferred to IEPF as per Section 124 of the Act and the applicable rules. The details of the shares on which dividend remain unclaimed for seven consecutive years and which were transferred to IEPF and the details of shares which will be transferred to IEPF are available on the website of the Company [www.rswm.in](http://www.rswm.in). The individual notices had also been sent to the concerned shareholders by speed post/registered post.

19. Details under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard-2 in respect of the Directors retiring by rotation, seeking re-appointment at the 59<sup>th</sup> Annual General Meeting are annexed hereto as Annexure-I to this Notice which form part of the explanatory statement.
  20. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
  21. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 17<sup>th</sup> September, 2020 through email on [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com). The same will be replied by the Company suitably.
  22. Institutional investors, who are members of the Company, are encouraged to attend and vote in the 59<sup>th</sup> AGM through VC/OAVM facility.
  23. The recorded transcript of the 59<sup>th</sup> AGM shall also be made available on the website of the Company [www.rswm.in](http://www.rswm.in), as soon as possible after the Meeting is over.
- 24. Instructions for remote e-voting and e-voting at AGM are as follows:-**
- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), Secretarial Standard No. 2 on General Meetings and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  - II. Shri Mahesh Kumar Gupta, Practicing Company Secretary (Membership No. FCS 2870) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
  - III. The remote e-voting period commences on Monday, the 21<sup>st</sup> September, 2020 (9:00 a.m. IST) and ends on Wednesday, the 23<sup>rd</sup> September, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - IV. Members who have voted through Remote e-Voting will be eligible to attend the AGM through VC /OAVM. However, they will not be eligible to vote at the AGM.
  - V. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date i.e. 17<sup>th</sup> September, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

VI. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> September, 2020. Members are eligible to cast vote only if they are holding shares as on the cut-off date and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

VII. Members, who acquire shares of the Company after dispatch of the notice and hold shares as on the cut-off date i.e. 17<sup>th</sup> September, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).

VIII. The details of the process and manner for remote e-voting are explained herein below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Step 1: Details are mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically

5. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID Forexample if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company.  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
    - a. Click on “Forgot User Details/ Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b. Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- IX. The Scrutinizer shall immediate after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 24th day of September, 2020.
  - X. The results shall be declared along with the Scrutinizer’s Report and shall be placed on the Company’s website [www.rswm.in](http://www.rswm.in) and on the website of NSDL <http://www.evoting.nsdl.com> immediately after the results is declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

**General Guidelines for shareholders:**

- 1) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [mkg1999@gmail.com](mailto:mkg1999@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2) It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote

e-voting user manual for Shareholders available at the Downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- 4) In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: 91 22 2499 4545/ 1800-222-990.

**25. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**

- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 59<sup>th</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of:
- i) a signed request letter mentioning your name, folio number and complete address; and
  - ii) self attested scanned copy of the PAN Card and any document (such as Driving License, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com).
- b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of:
- (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID);
  - (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and
  - (iii) self attested scanned copy of the PAN Card, to the email address of the Company [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com).

**26. Instructions for Members for participating in the 59<sup>th</sup> AGM through VC/OAVM are as under:**

- a. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at

<https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
- c. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- e. Members, who would like to express their views/ have questions may send their questions in advance from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com) atleast 48 hours in advance before the start of the meeting i.e. by Tuesday, the 22<sup>nd</sup> day of September, 2020 by 02:00 P.M. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably. The Company reserves the right to restrict the number of questions depending on the availability of time as appropriate for smooth conduct of the AGM.
- f. Members, who would like to express their views/ ask questions during the 59<sup>th</sup> AGM with regard to the financial statements or any other matter to be placed at the 59<sup>th</sup> AGM, may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/Folio number and mobile number, to reach the Company's email address [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com) atleast 48 hours in advance before the start of the 59<sup>th</sup> AGM i.e. by Tuesday, the 22<sup>nd</sup> day of September, 2020 by 02:00 P.M. IST. Those Members who have registered



themselves as a speaker shall be allowed to ask questions during the 59<sup>th</sup> AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- g. The facility for voting, through electronic voting system shall also be made available at the meeting for Members who have not already cast their vote prior to the meeting by remote e-voting. The Members, who have cast their vote prior to the meeting by remote e-voting may also attend the meeting but shall not be entitled to vote again at the meeting. Further, votes once cast either by way of remote e-voting or at the AGM cannot be changed. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- h. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- i. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

By Order of the Board  
For **RSWM LIMITED**

**Surender Gupta**

Company Secretary  
M. No. FCS - 2615

Place: Noida (U.P.)

Date : 11<sup>th</sup> August, 2020

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4**

The term of appointment of Shri Brij Mohan Sharma, Joint Managing Director expired on 6<sup>th</sup> August, 2020. The Board of Directors at their meeting held on 15<sup>th</sup> June, 2020 had, upon recommendation of Nomination and Remuneration Committee, reappointed Shri Brij Mohan Sharma as Joint Managing Director of the Company for a period of two years w.e.f. the 7<sup>th</sup> August, 2020 in accordance with the provisions of the Companies Act, 2013 read with Schedule V thereto on the following terms and conditions.

Salary : ₹ 6, 00,000 per month.

Personal Pay: ₹ 2, 07,575 per month.

Commission : Not more than 1% of the net profits of the Company as computed in the manner laid down in applicable provisions of the Companies Act, 2013.

Perquisites : In addition to salary and commission Shri Brij Mohan Sharma 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 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, 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 two months salary over a period of two years.

- iii) Leave Travel Concession:
 

For self and family once in a year 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) Medical Insurance and Personal Accident Insurance:
 

As per the Policy of the Company.

For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

- vi) Leave and other benefits etc. as applicable to other Employees of the Company.

**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 the financial year during the currency of the tenure of the Joint Managing Director, the Company had no profits or had inadequate profits, the Company will pay remuneration to the Joint Managing Director by way of salary, personal pay, perquisites and allowances not exceeding the sum specified in Para 1(A) of Section II of Part II of the Schedule V of the Companies Act, 2013.

The appointment of Shri Brij Mohan Sharma as Joint Managing 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, 2013 read with Schedule V to the said Act.

Your Directors feel that the remuneration proposed to be paid to Shri Brij Mohan Sharma subject to Shareholders' approval commensurate with the remuneration package paid to similar managerial position in other Companies. Information pursuant to Para 1(A) of Section II of Part II of Schedule V of the Companies Act, 2013 is detailed in Annexure-II.

Your Directors recommend the Special Resolution under Item No.4 of the Notice.

Except Shri Brij Mohan Sharma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the proposed Resolution.

**ITEM NO. 5**

The Board of Directors of the Company had approved the appointment and remuneration of M/s N. D. Birla & Co., Cost Accountants upon the recommendation of Audit Committee to conduct the Cost Audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021, in terms of rules framed in this regard by the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Your Directors recommend the Ordinary Resolution under Item No.5 of the notice for approval of the members.

None of the Directors & Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board  
For **RSWM LIMITED**

**Surender Gupta**

Company Secretary

M. No. FCS - 2615

Place: Noida (U.P.)

Date : 11<sup>th</sup> August, 2020

### ANNEXURE I TO NOTICE

(In pursuance to Secretarial Standard on General Meeting (SS-2) and Regulation 26 (4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Shri Ravi Jhunjunwala	Shri Arun Churiwal	Shri Brij Mohan Sharma
<b>DIN</b>	00060972	00001718	08195895
<b>Category</b>	Promoter -Non Executive	Promoter - Non Executive	Executive
<b>Date of Birth</b>	28 <sup>th</sup> October, 1955	15 <sup>th</sup> May, 1950	8th November, 1957
<b>Date of Appointment</b>	18 <sup>th</sup> May, 1979	23 <sup>rd</sup> October, 2003	7th August, 2018
<b>Qualification</b>	B.Com, (Hons.) MBA	B.A. (Hons)	B.Com (Hons), C.A
<b>Experience &amp; Expertise in specific functional areas</b>	Industrialist with diversified business experience	Rich Experience of Textile Industry	Rich Experience in Finance and Management
<b>List of Other Public Companies in which Directorships held<sup>#</sup></b>	1. AD Hydro Power Limited 2. Bhilwara Energy Limited 3. BSL Limited 4. HEG Limited 5. India Glycols Limited 6. JK Lakshmi Cement Limited 7. Malana Power Company Limited 8. Maral Overseas Limited	1. BSL Limited 2. La Opala R G Limited 3. LNJ Financial Services Ltd.	NIL
<b>Chairman/Member of the Committees of Directors of other Companies:</b>			
<b>a) Audit Committee</b>	1. AD Hydro Power Limited - Chairman 2. Bhilwara Energy Limited - Chairman 3. JK Lakshmi Cement Limited - Member 4. India Glycols Limited- Member	1. La-opala R G Ltd - Member	NIL
<b>b) Stakeholders' Relationship Committee</b>	1. BSL Limited - Member 2. HEG Limited - Member	1. La-opala R G Ltd - Chairman 2. BSL Limited - Member	NIL
<b>Interse relationship</b>	Father of Shri Riju Jhunjunwala	N.A	N.A
<b>No. of Equity Shares held in the Company</b>	13,06,414	1,610	NIL
<b>No. of meeting of Board attended during the year</b>	4	5	6
<b>Terms and Condition of Appointment/Re-appointment</b>	Non-executive Director liable to retire by rotation	Non-executive Director liable to retire by rotation	As mentioned in Explanatory Statement under item No. 4
<b>Remuneration Paid</b>	See Note No. 1 below	See Note No. 1 below	₹.176.18 Lakhs

# Excludes Directorships in Private Limited Companies, Foreign Companies, membership of Management Committee of various chambers/ Bodies and Section 8 Companies.

**Note No. 1:** The Non-Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committees of Directors.

**ANNEXURE II TO NOTICE**
**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013**
**I. General Information**

<b>Nature of Industry</b>	The Company is in the business of manufacturing textiles; primarily it is in the business of Yarn, Fabric and Denim.
<b>Date or expected date of commercial production</b>	Subsequent to the incorporation of the Company on the 17 <sup>th</sup> October, 1960, the Company obtained Certificate of Commencement of Business on the 28 <sup>th</sup> December, 1960.
<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	Not Applicable

**Financial performance based on given indicators:**

(₹ in Crore)

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from Operations (gross)	2771.03	2960.58	2943.09
Profit / (loss) Before Tax	23.56	(32.79)	21.32
Profit / (loss) after Tax	22.67	(24.27)	14.50
Paid-up Capital	23.55	23.55	23.55
EPS (₹)	9.62	(10.30)	6.16

**Foreign investments or collaborators, if any:** At present, the Company has not made any foreign investments and has not entered into any foreign collaboration.

**II. Information about the appointee to whom the remuneration is payable (s):**

<b>Particulars</b>	<b>Shri Brij Mohan Sharma</b>
<b>Background details</b>	Shri Brij Mohan Sharma aged 62 years hold a degree in B.Com (Hons) and is a Chartered Accountant. He has an experience of more than 38 years across various industries.
<b>Past Remuneration for the Financial Year ended 31<sup>st</sup> March, 2020</b>	₹ 176.18 Lakhs
<b>Recognition or Awards</b>	CIMA recognized Shri Brij Mohan Sharma as one of the most influential Chief Financial Officer of the India in the year 2016.
<b>Job profile and his suitability</b>	Shri Brij Mohan Sharma is Joint Managing Director of the Company looking after day to day operations of the Company. He has been involved in the day to day affairs of the Company and was responsible for closure of various expansions, modernization and diversification programmes over last nine years.
<b>Remuneration proposed</b>	As mentioned in Resolution No.4
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and the involvement of Shri Brij Mohan Sharma as Joint Managing Director in the Company and the responsibilities shouldered by him, the aforesaid remuneration package commensurate with the remuneration package paid to similar managerial position in other Companies.
<b>Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	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 Brij Mohan Sharma are interested in the Resolution.

### **III. Other Information:**

#### **1. Reasons for loss or inadequate profits**

During the year under review, the Company faced unprecedented challenges due to global economic slowdown including the domestic markets. Towards the end of current financial year, the global world faced another challenge in the form of COVID-19, the impact of which would be known in due course.

#### **2. Steps taken or proposed to be taken for improvement:**

The Company geared itself and took all measures to withstand the challenges particularly in the second half of financial year. The Company took various decisions and steps which included rationalisation of costs, monetization of investments and sale of surplus land and fixed assets. The Company also focused on exploring new markets in the vague of economic slowdown in the existing markets and also worked on improving and innovating the product mix as well as operational efficiency.

#### **3. Expected increase in productivity and profits in measurable terms:**

The Company's initiatives are expected to result in better performance of the Company. Although certain constraints can be addressed only over a period of time, the management expects further improvement in operations in future years.

### **IV. Disclosure:**

The remuneration package proposed to be given to Shri Brij Mohan Sharma is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.