

S. Bhargava Associates**Chartered Accountants**

"VishwaShila", House No.1
Pareek College Road,
BaniPark
Jaipur-302016

S.S. Kothari Mehta & Co.**Chartered Accountants**

146-148, Tribhuvan Complex
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INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON INTERIM FINANCIAL RESULTS

To
The Board of Directors
RSWM Limited

We have reviewed the accompanying statement of standalone unaudited financial results of RSWM Limited ("the Company") for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as modified by Circular No CIR/CFD/FAC/62/2016 date July 5, 2016.

This statement which is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on February 10, 2017, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards ("IND-AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 date July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S Bhargava Associates
Chartered Accountants
ICAI Registration No. 003191C


Sunil Bhargava
Partner
Membership No. 070964



For S S Kothari Mehta & Co.
Chartered Accountants
ICAI Registration No. 000756N


Yogesh Gupta
Partner
Membership No. 093214



Place: NOIDA
Dated: February 10, 2017

RSWM LIMITED

CIN:L17115RJ1960PLC008216

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

Phone: +91-120-4390300 (EPABX), Fax: +91-1204277841, Website: www.rswm.in, E-mail: rswm.investor@rswm.in

Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2016

PART I		(₹ In Crore)					
		Quarter Ended			Nine Months Ended		Financial Year Ended
Sl. No.	Particulars	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations						
	a) Net sales/Income from operations	699.90	745.22	748.80	2,171.25	2,172.51	2,943.32
	b) Other Operating Income	3.52	2.89	4.37	9.81	10.78	14.95
	Total Income from operations (net) (a + b)	703.42	748.11	753.17	2,181.06	2,183.29	2,958.27
2	Expenses						
	a) Cost of materials consumed	434.50	435.05	400.51	1,270.70	1,215.03	1,605.42
	b) Purchase of stock in trade	8.67	8.88	3.50	22.51	15.86	20.58
	c) Change in inventories of finished goods, work in progress and stock in trade	(51.59)	(35.27)	22.39	(103.04)	(37.69)	(4.85)
	d) Employee benefits expenses	91.66	88.31	82.14	266.15	239.97	316.65
	e) Depreciation and amortisation expenses	30.88	35.08	35.01	100.37	101.97	149.27
	f) Power & Fuel	75.60	73.75	72.14	220.46	219.37	289.83
	g) Other Expenses	78.60	81.02	82.03	238.75	237.14	318.91
	Total expenses	668.32	686.82	697.72	2,015.90	1,991.65	2,695.81
3	Profit(+)/Loss (-) from Operations before Other Income, Finance costs, Tax & Exceptional Items (1 - 2)	35.10	61.29	55.45	165.16	191.64	262.46
4	Other Income	3.88	2.68	1.81	9.80	8.55	10.90
5	Profit(+)/Loss (-) from ordinary activities before Finance cost, Tax & Exceptional Items (3 + 4)	38.98	63.97	57.26	174.96	200.19	273.36
6	Finance Cost	27.11	27.97	31.00	82.84	96.54	125.90
7	Profit(+)/Loss (-) from ordinary activities after Finance cost but before Tax & Exceptional Items (5 - 6)	11.87	36.00	26.26	92.12	103.66	147.46
8	Exceptional items						
9	Profit(+)/Loss (-) from Ordinary Activities before tax (7+8)	11.87	36.00	26.26	92.12	103.66	147.46
10	Less: Tax Expense						
	Current	2.70	7.79	2.70	20.17	19.19	26.52
	Deferred	(0.23)	1.23	2.90	(0.12)	9.63	14.51
11	Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	9.40	26.98	20.66	72.07	74.83	106.43
12	Other Comprehensive income, net of income tax						
	a) Item that will not be reclassified to profit or loss	(3.01)	1.51	4.03	(1.26)	(4.14)	(8.65)
	b) Item that will be reclassified to profit or loss	(0.36)	0.75	0.76	(0.45)	(1.04)	0.11
	Other comprehensive income, net of income tax	(3.37)	2.26	4.79	(1.71)	(5.18)	(8.54)
13	Total comprehensive income for the period (11 + 12)	6.03	29.24	25.45	70.36	69.65	97.89
14	Paid up Equity Share Capital (Face Value : ₹ 10 /- per Share)	23.55	23.15	23.15	23.55	23.15	23.15
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						554.06
16	Earnings Per Share(before and after extraordinary items) (of ₹ 10 each) in ₹						
	a) Basic EPS (not annualised)	4.05	11.65	8.93	31.03	32.33	45.97
	b) Diluted EPS (not annualised)	4.04	11.45	8.69	30.85	31.49	44.77



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Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2016

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Crore)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Financial Year Ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue						
	a) Yarn *	620.17	648.40	665.28	1,897.55	1,910.45	2,589.69
	b) Fabrics	105.22	125.91	112.31	356.79	344.19	466.07
	c) Un-allocated	(0.45)	(0.15)	0.36	(0.61)	0.71	0.24
	Total	724.94	774.16	777.95	2,253.73	2,255.35	3,056.00
	Less :- Inter Segment Revenue	21.52	26.05	24.78	72.67	72.06	97.73
	Net Sales /Income from Operations	703.42	748.11	753.17	2,181.06	2,183.29	2,958.27
2	Segment Result						
	Profit (+)/Loss (-) before tax and Interest from each Segment						
	a) Yarn	41.35	61.03	49.71	165.57	172.18	237.19
	b) Fabrics	2.43	6.89	12.39	21.49	36.63	50.34
	Total	43.78	67.92	62.10	187.06	208.81	287.53
	Less :- i. Interest	27.11	27.97	31.00	82.84	96.54	125.90
	ii. Other un-allocable expenditure net off unallocable income	4.80	3.95	4.84	12.10	8.62	14.17
	Total Profit Before Tax	11.87	36.00	26.26	92.12	103.65	147.46
3	Segment Assets						
	a) Yarn	1,562.09	1,468.69	1,495.05	1,562.09	1,495.05	1,490.66
	b) Fabrics	334.40	349.11	313.11	334.40	313.11	343.68
	Total	1,896.49	1,817.80	1,808.16	1,896.49	1,808.16	1,834.34
	Un-allocated	268.15	250.18	257.43	268.15	257.43	263.93
	Total Segment Assets	2,164.64	2,067.98	2,065.59	2,164.64	2,065.59	2,098.27
3b	Segment Liabilities						
	a) Yarn	1,244.97	1,144.76	1,236.64	1,244.97	1,236.64	1,226.23
	b) Fabrics	169.62	178.88	170.16	169.62	170.16	179.35
	Total	1,414.59	1,323.64	1,406.80	1,414.59	1,406.80	1,405.58
	Un-allocated	130.63	137.57	109.81	130.63	109.81	115.49
	Total Segment liabilities	1,545.22	1,461.21	1,516.61	1,545.22	1,516.61	1,521.07
3c	Segment Capital Employed (Segment Assets-Segment Liabilities)						
	a) Yarn	317.12	323.93	258.41	317.12	258.41	264.43
	b) Fabrics	164.78	170.23	142.95	164.78	142.95	164.33
	Total	481.90	494.16	401.36	481.90	401.36	428.76
	Un-allocated	137.52	112.61	147.62	137.52	147.62	148.44
	Total Capital Employed	619.42	606.77	548.98	619.42	548.98	577.20

* Include Captive & Standby power, Fibre Division

Notes:

- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2016 and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.



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Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2016

2 The above results were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors in their meeting held on February 10, 2017. Further in accordance with the requirement under Regulation 33 of the listing regulations of the stock exchange as modified by circular number CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, the statutory auditors have carried out limited review for the quarter and 9 months ended 31st December, 2016 and the review report has been approved by the Board.

3 A) Reconciliation of the standalone financial results reported under previous Indian Generally Accepted Accounting Principles (IGAAP) to total comprehensive income in accordance with Ind AS is summarised as below:

Description	Note	Corresponding Nine Month 31.12.15	Quarter Ended 31.12.15	Year Ended 31.03.16
		Unaudited		Unaudited
Net Profit as Previous GAAP (Indian GAAP)		74.48	20.56	105.99
Adjustment due to Actuarial Gain/ Loss recognised in OCI	i	1.69	0.59	2.27
Adjustment due to Dividend on Debt Portion of Pref. Share	ii	(0.88)	(0.38)	(1.24)
Adjustment due to Fair Valuation of Investment through P & L	iii	(0.07)	0.03	(0.10)
Depreciation on spares capitalised	v	(0.03)	(0.01)	(0.04)
Tax Adjustment	vi	(0.36)	(0.13)	(0.45)
Net Profit as per Ind AS		74.83	20.66	106.43
<u>Other Comprehensive Income (Net of Tax)</u>				
Adjustment due to fair valuation of Investment through OCI	iii	(3.51)	4.25	(7.57)
Adjustment due to effective portion of Cash Flow Hedge	iv	(1.59)	1.16	0.17
Adjustment due to Actuarial Gain/ Loss recognised in OCI	i	(1.69)	(0.59)	(2.27)
Tax Adjustment on OCI	vi	1.61	(0.03)	1.13
Total Comprehensive Income as reported under Ind AS		69.65	25.45	97.89

B) Reconciliation of equity as reported under previous GAAP to equity in accordance with Ind AS is summarised as below:

Particulars	Note	As at 31.03.16 (End of last period presented under previous GAAP)
Equity as reported under Previous GAAP		512.90
Changes consequent to Ind AS adoption:-		
a) 12% OCRPS recognised as Liability (as per Ind AS 109)	ii	(10.25)
b) Dividend (including tax thereon) to be recognised when	vii	34.83
c) Fair Valuation of Investment through P&L	iii	0.33
d) Fair Valuation of Investment through OCI	iii	40.29
e) Adjustment due to spare capitalised		0.05
f) Tax Adjustment	vi	(0.95)
Equity as reported under Ind AS		577.20

Equity Attributable to:

Paid up equity share capital

23.15

Other Equity

554.05

- i) As per Ind AS -19 (Employees Benefit)- Actuarial gain/loss are recognised in the OCI and not reclassified to Profit/loss in a subsequent period.
- ii) As per Ind AS 109- Financial Instrument: 12% OCRPS being compound instrument, is measured in accordance with Ind AS and classified as Debt, accordingly Dividend on debt portion of compound instrument (Preference Share) is recognised as interest cost (in P & L).
- iii) As per Ind AS 109- Investment in equity (non trade) is recognised as Fair Value through P & L or Fair Value through Other Comprehensive Income. In case of Investment in Group Companies, management decided to recognise at FVTOCI (that will not reclassify to P & L) and other investment are recognised at FVTPL.
- iv) As per Ind AS 109- Financial Instrument: effective portion of cash flow hedge is recognised in OCI, that will re-classify into P & L.
- v) As per Ind AS 16 - Property plant and equipment, spare parts which cost ₹ 5.00 Lacs or more and meet definition of PPE have been capitalised at its cost less accumulated depreciation.
- vi) Tax adjustment due to reclassification and remeasurement done in accordance with Ind AS. Tax expenses includes current tax, deferred tax and is net of MAT credit, if any.
- vii) In accordance with Ind AS, dividend is recognised when approved in the AGM, hence Dividend of 2015-16 is derecognised.

4 During the quarter, in terms of option exercised by the OCRPS holders, 88,54,111 number of OCRPS of ₹ 7.50 each have been converted in to 4,02,153 number of equity shares of ₹ 10/-each and balance 48,11,324 shall be redeemed on 28th Feb 2017. Consequent upon conversion 4,02,153 number of Equity shares have been allotted in the Board meeting held on 10-11-2016.

5 The figures of the previous period / year have been regrouped / recast wherever considered necessary.



For RSWM Limited

Riju Jhunjunwala
Managing Director & Chief Executive Officer
DIN : 00061060

Place: Noida (U. P.)
Date: 10th February, 2017