

*Ready.  
Set.  
Forward*



RSWM LIMITED  
ANNUAL REPORT  
**2022-23**



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## Dear Shareholders

At RSWM, we are at the starting line (FY24) of a marathon that will extend over the next 5-6 years.

We are READYing ourselves for an exhilarating future comprising new products, capacities, and capabilities.

We have an ambitious SET target that will inspire the team to progress with zeal and energy.

We look FORWARD to a very exciting and promising tomorrow. One that holds light to the upliftment of the organisation to a completely new growth orbit."

Sincerely yours

**The RSWM Team**



# The *first leg*

As a first step in strengthening our foundation, we built capacities in our existing product verticals to bolster growth in the immediate future. This move will enhance our cash flows and allow us to take up more prominent and stimulating projects as we move forward.

We have added 30,000 spindles to our mélange yarn division which commenced operations in FY23. The expansion would achieve optimum utilisation in the current year.

We are adding 51,072 spindles to our existing unit at Lodha to spin Compact Cotton yarn. This premium product is scheduled to hit the market in FY24.

We have added 19,584 spindles to our denim operations. This backward integration will enhance our product quality and optimise operating costs. It will go a long way toward securing more profitable growth opportunities.

We have added a capacity of 7 lakh meters per month to our denim fabric capabilities. It will allow us to increase wallet share with existing clients alongside the addition of global names to our enviable client list.



# The next *milestone*

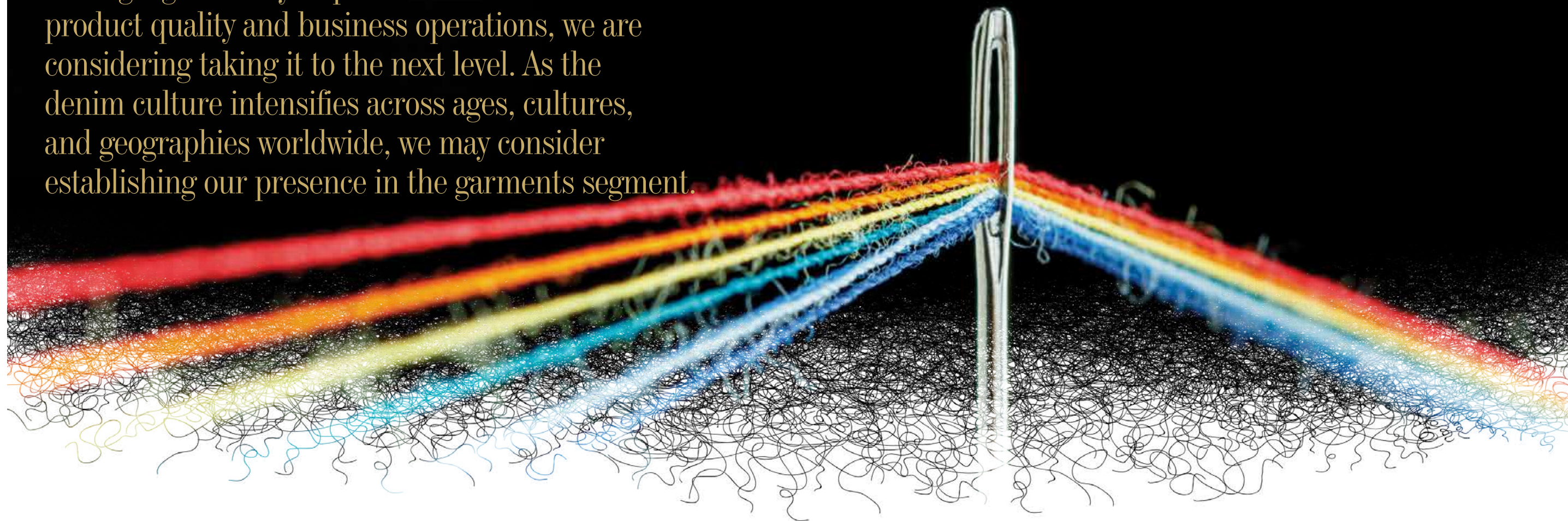
Having set the pace, our aspiration now gets a little more daunting. We seek to cover more miles. We aim to add more value to our existing portfolio. These initiatives will make our business profitability more sustainable.

Aiming to operate our knitting unit at full capacity in the current year, we may increase capacity in a phased manner depending on market conditions.

Having significantly improved our denim division's product quality and business operations, we are considering taking it to the next level. As the denim culture intensifies across ages, cultures, and geographies worldwide, we may consider establishing our presence in the garments segment.

With a concentrated business operation in Rajasthan, a traditional hotbed for the textile industry (initiated by RSWM), we are now focused on establishing our footprint in promising locations that offer more favourable sops to the textile sector.

...and many more interesting projects on the anvil will unfold every year as we progress towards our ambitious goals.







From the Chairman's office

“We will focus on long-term growth, the ultimate measure to generate value. To achieve this, we will strengthen our competitive advantages, be disciplined in capital allocation, and stay diligent in our pursuit of efficiencies.”

## Dear Shareholders

It is a pleasure to connect with you through this communicate. Your Company endured and overcame several challenges of a rather tough year. Though our performance for the year was impacted, our stability was reinforced. Our topline was almost at the same level as the previous year but our bottom line was halved.

### Amidst all the negative euphoria, there were two essential positives.

**One**, our effort to foster relations with customers – existing and potential – was particularly heartening. We went above and beyond to connect and engage with them. It is these relationships that, sooner than later, would yield desired returns.

**Two**, in the face of a hostile business environment, we sustained our planned investments in both business verticals. We invested about ₹410 crore in FY23.

As the winds of change usher in positive demand trends, we will be ready to capitalise on growth opportunities with enhanced capacities and superior capabilities. I am optimistic that good times will resurface because what we experienced in FY23 was not a cyclical downturn but a blip caused by geopolitical considerations.

While the world remained consumed with negative considerations, from the armed conflict between Ukraine and Russia, most nations today (more than a year hence) have worked around the adversities and moved on. Most developed nations are back in business.

For the textile sector, I expect that the structural shift, which I had briefly touched upon in my earlier message, will gain momentum over the next 12-18 months. When that happens, it will proliferate growth opportunities for the Indian textile sector.

Aligned with this belief, we are bracing ourselves for the big leap. We have drawn a roadmap for the Company titled Vision 2030 which projects our strategy beyond 2024. While the finer nuances of the blueprint are being refined, I wish to give you a brief overview of our plans.

We have listed the projects to be implemented and bucketed them for product, location, and timeframe.

We will be increasing yarn capacity with a special focus on value-added yarns. These could be a combination of brownfield and greenfield projects which will unfold as we finalise the details of the project blueprint.

We are debating scaling the value chain from fabrics to garments for our denim division, which would positively impact our profitability. Further, we are also contemplating a considerable increase in our knitting capacity over the medium term.

We have decided to revamp our R&D facility to a world-class facility that inspires creativity and product development. Also, we have ideated on the sectors, product lines, and products to be developed over this period.

We have strategised to increase the deployment of cutting-edge IT solutions that will streamline our processes, facilitate faster and knowledge-backed decision-making and enhance the overall quality of our business. For this, we will make significant investments in making our IT infrastructure more robust and reliable.

We realise that commitments to causes like climate change and sustainability have become pivotal factors for our long-term success. We will intensify our investments in sustainability strategies and technologies to reduce our carbon footprint.

The idea is to see a multi-fold growth in the Company's topline by the end of our ambitious plan, accompanied by a healthy rise in profits and profitability.

We will focus on long-term growth, the ultimate measure to generate value. To achieve this, we will strengthen our competitive advantages, be disciplined in capital allocation, and stay diligent in our pursuit of efficiencies.

My focus will be hooked on enhancing the quality of our business. It means all aspects of our business should be of high quality, whether related to product, service, or any interaction with stakeholders.

In closing, I take this opportunity to thank all our stakeholders for their continued support. Finally, I sincerely thank RSWM's exceptionally talented and hardworking team for their relentless pursuit of improving RSWM, daily. As we continue to dream bigger, challenge norms and do better, I look forward to your continued support.

Warm regards

**Riju Jhunjunwala**

Chairman & Managing Director  
and CEO



## About us

We are the flagship of the LNJ Bhilwara Group and one of India's leading textile players with an expansive global presence.

## About LNJ Bhilwara

1961

Year Established

## Sectoral presence



Graphite Electrode



Textile



Power Generation



IT Services

## About RSWM Limited

Headquartered in Noida, India, RSWM is one of India's largest manufacturers and exporters of synthetic and blended spun yarns. Our products are marketed to marquee textile players in India and worldwide.

We also manufacture denim fabric and are recognised and respected by discerning members in this space for our product quality. Our clients include large domestic brands and leading global names.

## Our business

Yarn

77%

Contribution to Net Revenue

Fabric

23%

Contribution to Net Revenue

## Our resources

11

Manufacturing Units

16,272

Team size

₹ 2,840.97 crore

Capital employed (March 31, 2023)

## Our recognition



ISO 9001 2015

Global Organic  
Textile Standard  
(GOTS)Oeko-Tex-100  
(certified by  
Hohenstein)SA-8000:2015  
(certified by BSI)ISO EnMS  
5001: 2012Organic  
Cotton Fair Trade  
Standards

## Our responsibility

360

Waste fabric recycled (MT)

54,000

PET bottles recycled (MT PA)

28.08

Renewable Energy (MW)

1,350

Water saving (KL/day)

## Our performance

3,788.90

Revenue  
(₹ crore)

339.53

EBITDA  
(₹ crore)

109.61

Net Profit  
(₹ crore)

88.92

Net Cash Flow from  
Operations (₹ crore)

## Our value creation

5


Proposed dividend per share (₹)

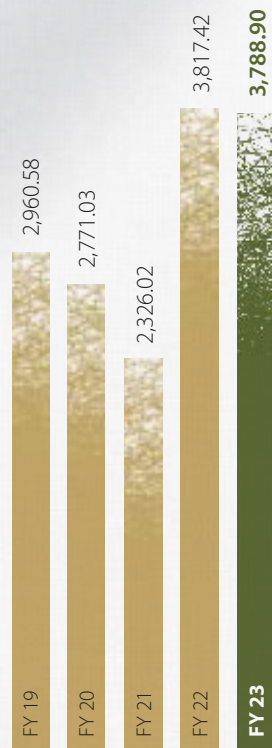
₹ 707.94 crore

Market capitalisation (March 31, 2023)



# Key Performance Indicators

  
**Revenue from operations**  
(₹ Crore)




FY23 was a mixed bag. It started with a bang, but the second half ended with a whimper.

  
**EBITDA**  
(₹ Crore)



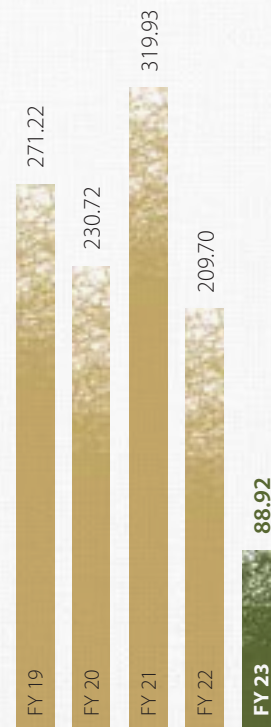
Unprecedented volatility in cotton prices and elevated inflation hiked overall costs and impacted business profitability.

  
**Profit/(Loss) for the year**  
(₹ Crore)



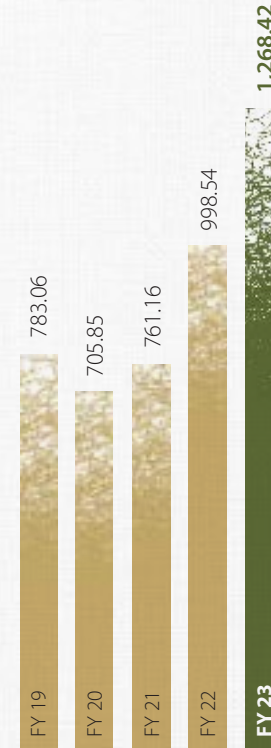
The drop in EBITDA cascaded into a significant scale-down in the Net Profit for the year.

  
**Net Cash flow from operations**  
(₹ Crore)



The drop in Net Cash flow from Operations is due to the funds consumed in the working capital and margin money invested for expansions.

  
**Network**  
(₹ Crore)



The increase in Network was on account of the Rights Issue during the year and the addition of business surplus.

  
**Capital Employed**  
(₹ Crore)



The increase in the Capital employed is primarily owing to the growth in Network.



Business Vertical 1

# The *Yarn* vertical

494,680

Spindles  
(March 31, 2023)

4,800

Rotors  
(March 31, 2023)

145,500

Yarn capacity  
(TPA)

138,934

Yarn output  
(MT)

2,932.59

Revenue in FY23  
(₹ crore)

77

Contribution to the total revenue  
(%)





### About the business

The yarn business is RSWM's revenue spinner and growth driver. Being concentrated in Rajasthan, India, the Company's facilities house modern equipment sourced from globally-renowned textile machinery players that produce one of the largest yarn ranges comprising fiber blends, counts, and shades. Its products are considered reliable and accepted by marquee brands across 70 nations worldwide.

Mélangé yarn is the value-added segment within the yarn vertical that caters to global brands for diverse applications. The Company produces these yarns at two locations. While the yarn business is largely volume-driven, the mélangé segment is the value-added piece that drives profitability.

### Competitive edge

- Multi-decadal experience
- Contemporary equipment
- One of the largest ranges of yarns
- Balanced product portfolio between cotton, synthetic and value-added yarns
- Prudent sales mix between domestic and international customers

### Performance in FY23

It was a year of endurance and learning as external factors kept testing the resilience of the yarn division.

The order book at the end of the previous fiscal and continuing order inflow in the first quarter of the year ensured happy tidings for the year's first half. The drop transpired in the third quarter which was very severe. Thankfully, the pain was short-lived as towards the year's close the fog was getting lifted.

The Russia-Ukraine war and the subsequent elevated inflation impacted demand from international destinations. Also, the sharp volatility in cotton prices (an astronomical rise towards the close of FY22 followed by a sudden and sharp fall in the first quarter of FY23) adversely impacted the yarn business across the nation.

To cushion the drop in exports, the team worked untiringly to shift volumes to domestic customers. Despite being a key player in synthetic yarn, the Company's profitability dropped considerably. But the fall was relatively lower than players primarily focused on cotton yarn.

### Improving business operations

Continuing the Kifayat project, the team intensified cost-saving efforts across all functions in all manufacturing facilities, energy consumption being a key focus area. The Company invested ₹78 crore in modernising its spinning equipment with an eye for improving productivity and optimising the cost of operations. The Company consolidated its purchase and store operations to optimise its purchasing rates and inventory. Marketing and customer relationship management efforts came under the spotlight in a bid to cement stronger relations with existing and potential customers.

The Company moved ahead with its compact cotton yarn project, which is expected to commence operation in the current year. In addition to balancing the Company's presence between cotton and synthetic yarns, the project will make a healthy contribution to shoring business profitability.

### A Glimpse into FY24

Towards the close of FY23, there was some sign of recovery as orders trickled in. Other factors suggest that growth is around the corner, such as the reopening of China, a dry order pipeline, and economic recovery in some parts of the world. But it will be some time before the order flow gains momentum. The Company expects to reach optimal operations in the second half of the current year.

### Revenue from the yarn vertical (₹ crore)



### The mélangé yarn segment

The performance of the mélangé yarn segment dropped considerably. Europe, a big market for mélangé yarn, nearly shut purchases owing to huge inventory in the pipeline (in the early parts of FY23) and recessionary headwinds. Towards the close of FY23, some brands returned to the market. This suggests that the order flow should improve in FY24.

During the year, the Company added 30,000 spindles to its existing fleet. The Company has earmarked this capacity to manufacture dyed polyester viscose and cotton yarn. The full benefit of this expansion will be realised in the current year.



Business Vertical 2

# The *fabric* vertical

172

Looms

27

Fabric capacity  
(lakh mtrs/month)

856.31

Revenue  
(₹ crore)

17.07

Growth over FY22  
(%)

23

Contribution to the total revenue  
(%)





The fabric division comprises denim fabric and the recently introduced knitted fabrics. Infused with nascent energy and passion, the denim vertical is currently recognised globally for its product quality by prominent and respected garmenters and brands in India and worldwide. Updated business policies, streamlined processes, and a team of energetic and passionate professionals drive the denim division's performance.

#### Competitive edge

- Cutting edge technology
- An array of capabilities providing a wide range of colors and finishes
- Superior product quality
- Flexibility to cater to small and large orders

#### Performance in FY23

After a record performance in FY22, the period under review was unimpressive. The division's performance was hit because of a slowdown in demand and the unprecedented volatility in cotton prices.

Yet, these external factors did not dampen the team's spirit as it continued to operate its facility at optimum utilisation. This was possible as the Company has maintained a judicious mix of customers between exports, brands and other domestic customers. This strategy ensured that order flow continued. But at the operational level, the division reported a loss.

#### Improving business operations

The team successfully added new customers, some of whom were reputed global brands, to increase sales. It also increased wallet share with existing clients – Levi's is a case in point.

The Company commenced operation of the brownfield expansion of its fabric capacity (7 lakh mtrs/month). This has helped stabilise operations. It also installed a 19,584 spindle yarn manufacturing unit, which will cater to the yarn requirement of the division. The returns from these investments are likely to accrue in the current year with the resumption of healthy demand.

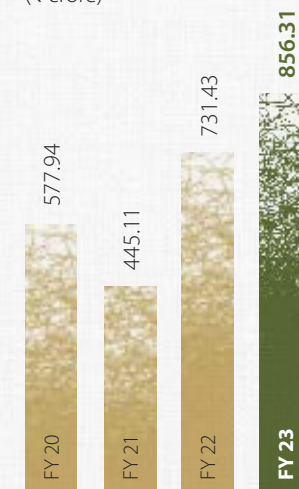
The in-house yarn will help the division optimise costs and inventory levels. Moreover, it would assist the team in faster and better product development – strengthening its go-to-market endeavours.



#### A Glimpse into FY24

The team believes that the tide will turn towards a positive direction in the current year and is hopeful of the division reporting a better performance in FY24 against FY23. The new investments are also likely to make a substantial contribution to business growth.

#### Revenue from the fabric vertical (₹ crore)



#### The knitted fabric segment

The knitted fabric segment commenced operations in FY23. But owing to an unfavourable environment in the global textile world, the unit could not make much headway. The team onboarded some customers and some existing buyers of its mélange yarn. The team expects to scale manufacturing operations in FY24 as demand resurges.



15-minutes with the Shri B M Sharma, Joint Managing Director

“Hang on. A lot is happening internally, which will unfold in a phased manner over the coming years. I assure you that the ride will be enjoyable as it will be rewarding.”

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

**Kindly share your thoughts on the Company's performance in FY23.**

Coming off an exceptionally fantastic year (FY22), FY23 was difficult. Adversities prevailed at both supply chain ends – raw materials and customers. Everyone in between got squeezed and we were no exception. Several players reported losses. Some even had to shut operations for a while during the period under review. Considering these realities, I believe that we were better off. Our efforts to sustain our operations helped in reporting a positive bottom line.

**Could you throw some light on how the year transpired?**

It was a dreaded rollercoaster ride. The first quarter was exceptional compared to the first quarter of earlier years. The sizeable order book at the year's beginning ensured that we operated at maximum utilisation. The momentum continued in the second quarter of the year. But by then, the order flow had dried. As a result, the third quarter was a complete wipeout. It erased all the positives of the first half of the year. In the fourth quarter, green shoots of recovery became visible. But the road to arriving at optimum utilisation of our capacities and capabilities will take a while.

**Would you like to give some color to the challenges in FY23 that thwarted the Company's progress?**

Essentially there were two significant issues. One is cotton prices. Two, subdued demand from international customers.



**Let's talk about cotton prices first.**

Sure. Cotton prices rose to unprecedented levels of ₹1 lakh plus per candy. The highest I have ever seen in my multi-decadal career was about ₹75,000 per candy. So when the cotton prices started moving northward, our worst-case scenario planning was done with a price range around this band. Nobody in the textile space had ever planned for a scenario with cotton prices scaling beyond the six-figure mark.

So why did it rise? For that, we must step back into the previous cotton season (October'21 to September 22). Farmers got an excellent price for cotton because it was an exceptional year for the entire textile value chain. They wished to continue the good times into the current cotton season too. And hence, they held back deliveries in the hope of better prices. Throttled supplies pushed cotton prices through the roof. This disrupted the cost sheet of every textile player in the value chain.

**In FY22, you discussed the issue of cotton prices, and you passed it on across the value chain. What was different this year?**

It brings me to the second adversity. The Russia-Ukraine war cast an ominous shadow on the entire world. Inflation surged as oil & gas, and food prices soared. Europe faced the maximum fallout of this humanitarian crisis as it was hit by significantly elevated energy prices. Recessionary winds blew strongly over Europe and the US, which are very large textile-consuming markets. Garment purchase was relegated to the back burner.

The trade channel, which had overstocked towards the end of FY22, felt the heat first and initiated aggressive destocking. After the initial few months of FY23, the order flow dropped and demand plummeted for the textile industry as a whole. From an RSWM perspective, while our topline in FY23 mirrored what we achieved in FY22, the share of exports in our topline dropped from about 40% in FY22 to about 25% in FY23.

**This is interesting. In a dull year, you matched the topline of a fantastic year. How did you manage that?**

Media was rife about India being the shining star after the GDP numbers for FY23 were announced. We experienced it throughout the year as domestic demand remained robust. We diverted our products to our domestic customers.

**You must have gone all out to get business.**

During these trying times, we took a decisive call – Relationships over Returns. Throughout the year, we connected with key customers physically and virtually. We were aggressive on social media to promote our products through engaging campaigns. We increased our participation in exhibitions and trade events. We left no stone unturned to connect with existing and potential customers. These efforts generated volumes. Although profitability was compromised, it kept our machines running and our team motivated. That was very critical for the overall morale of the organisation.

**Coming to the business divisions, how did the new knitting unit perform?**

We commenced operations of the knitting unit in FY23 as planned, and achieved stability during the year. Due to the inhospitable ecosystem, we could not achieve the optimum capacity we had hoped for. I am satisfied with the decent start we have made. I hope to achieve optimum utilisation in the current year (FY24). In the future, we may consider increasing our knitting capacity as emerging trends over the medium to long term strongly suggest that the demand for knitted fabrics will leapfrog.

**Since raw material prices shot up, the yarn business must have been hit the most.**

The overall cotton yarn business in India was significantly impacted. The impact on us was considerably less due to our balanced presence between cotton and synthetic yarn, and domestic and international markets. This strategy helps us de-risk the organisation when things go amiss in any business product category or geography. The performance of the yarn division in FY23 reflects the relevance of this strategy.

**What investments did the Company make in the yarn business?**

Bad times are the best times to look inwards to strengthen capabilities because when the going is good, one is focused on grabbing opportunities and delivering on commitments. We added about 81,072 spindles at an investment of about ₹480 crore. These

include our 51,072 spindles compact cotton yarn unit and the 30,000 spindles for manufacturing the value-added mélange range of products. While the mélange yarn expansion was commercialised in FY23, our compact cotton yarn unit should see the light of day in the current year. These investments will make us Future Ready when the tide turns favourable.

**Did the denim vertical sustain its performance of the previous year?**

Allow me to answer this question from two perspectives 1) Operational and 2) Financial

The denim ecosystem was not conducive to growth. Because the fortunes of denim are closely dovetailed to cotton prices and market demand, both of which were unfavourable.

Operationally, it was a good year for us. When most other denim businesses shut operations for some time to tide over the adversities, RSWM was one of the very few denim units that operated throughout the year. We added new customers. We increased our volumes with Levi's. We significantly reduced our inventory. We produced less and sold more.

Financially, while revenue from the vertical increased, we reported a loss at the operating level. I am not perturbed because there is a silver lining to this. In the last quarter of FY23, the denim division reported a positive operating profit. The happy change suggests we could see some improvement in the fortunes of this division in the current year.

**You were planning some additional yarn capacity for the denim division.**

We added fabric-making capacity which was commercialised during the year. Also, we invested ₹78 crore to set up 19,584 spindles to supply yarn to the denim fabric operations. The yarn operations will reduce our yarn outsourcing to half, allowing us to improve fabric quality and optimise costs.

**Turning the page onto FY24, what are your thoughts?**

We have been through challenging waters. As we advance, I believe the going will get better than the previous year, although it may not be close to the excitement of FY22.

**What are your reasons for the optimism?**

From a macro perspective, some factors suggest that there could be some improvement in fortunes.

Inflation in the developed economies has dropped appreciably owing to the interest rate hikes by Central Banks worldwide. Employment generation in developed economies, a crucial consumption driver, continues to remain strong. The world economy seems to have moved ahead of the war towards some sense of stability.

From a sector perspective, I believe recovery should start sometime in the second half of the current year. This should happen because the order pipeline has dried up in the second half of FY23. Moreover, destocking by the channel and retailers is largely over as

people have returned to purchasing. And FY25 should be a good year for the textile sector.

**How are you getting ready for the future?**

In FY24, we have our hands full. We would focus on generating orders in the yarn business to ensure our spindle fleet runs optimally. For the denim unit, we will put in all our energy to get into the black at the bottom line.

**What is the single message you would like to leave for shareholders?**

Hang on. A lot is happening internally, which will unfold in a phased manner over the coming years. I assure you the ride will be enjoyable as it will be rewarding.

**The denim fabric segment**

we invested ₹78 crore to set up 19,584 spindles to supply yarn to the denim fabric operations. The yarn operations will reduce our yarn outsourcing to half, allowing us to improve fabric quality and optimise costs.



# Maneuvering through the maze

Risks are integral to any business, and our risk management framework over the years has evolved in line with our strategic objectives and changes in our operating environment. It helps us predict and undertake pre-emptive response to manage and mitigate key risks. Our Enterprise Risk Management (ERM) analyses the potential upside and downside of all factors that can materially impact our ability to create and protect value.

## Funding risk

The Company will need significant financial resources to fund its capital-intensive projects.

### Mitigation measures

We have factored this in our business plan. While the entire amount looks large, its break-up into a year-wise fund requirement is easily manageable. My optimism stems from two factors. One, we have a solid financial foundation platformed on robust cash flow generation from business operations and a deleveraged position. Two, our projects will come up in a phased manner, allowing the additional cash generated from new projects to fund subsequent projects.

## Vision risk

The Company's blueprint has been set today for the next 5-6 years. Assumptions could go wrong.

### Mitigation measures

Business is all about taking calculated risks. And we have charted our path after considering the thought. Our mitigation measure is platformed on two pillars.

One, we are in the textile space. Textile (read garment) consumption and growth are closely dovetailed with increased population and disposable income. In the immediate scenario, there could be blips on account of natural or manufactured issues, but the growth story largely remains intact over the medium term.

Two, Our think tank has years of experience in the textile sector. Having been through multiple sectoral cycles and endured sudden upheavals, they have developed our Vision document with significant flexibilities considering some of the most challenging probabilities.

## Client risk

The Company will need to ensure that the marketplace consumes additional output.

### Mitigation measures

We have been in the textile space for quite a while and have established relationships that extend over generations. Having said that, we are mindful that these relations need to be strengthened and new ones are established to increase the width and depth of our presence. Over the last few years, we have intensified our customer relations management efforts. The leadership and marketing teams engage with customers regularly through diverse channels and multiple forums. Our efforts have helped strengthen our client base in India and other international destinations. We will sustain our customer interaction through conventional and contemporary channels as we progress.



## Environment risk

The Company will need to consider climate change as a critical consideration in their investment plans.

### Mitigation measures

Mindful of the reality that our operations rely heavily on resources drawn from Earth, we are leaving no stone unturned to give back to Earth. Our PET recycling plant and water recycling initiatives at all our facilities testify to our committed integration with the circular economy. We are increasing our reliance on renewable power sources to reduce our carbon footprint. Moreover, our continuous investment in modernising our asset fleet should help us reduce energy and utility consumption. Moreover, we are working patiently towards enhancing the green cover. Further, we have embedded sustainability initiatives in our expansion blueprint, which will pan out as we progress.

## Management risk

The Company will need considerable leadership bandwidth for managing business operations.

### Mitigation measures

RSWM is building a leadership pipeline by identifying star performers from its team and fast-tracking their career paths to allow them to take on additional responsibilities within the organisation. This strategy prepares them to transition seamlessly into leadership positions as business operations expand.

## Data security risk

Data leaks could result in business loss and erosion of brand image.

### Mitigation measures

Akin to India Inc., IT solutions have become the backbone of business operations at RSWM. Cognizant of the perils of data loss, the IT team has, over the years, strengthened its Data Security measures by ring-fencing its IT infrastructure and network with stringent firewalls and other security solutions. These continue to be upgraded periodically to align with the dynamic digital world and emerging threats.



# Management *Discussion & Analysis*







## An economic overview

India's economy demonstrates resilience amidst a volatile global environment.

According to the second advance estimate released by the Ministry of Statistics and Programme Implementation, India's GDP will grow by 7.2% in FY23 against 9.1% in FY22. The drop in the year-on-year growth rate is also partly due to waning of pandemic-induced base effects, contributing towards higher growth figures in FY22.

India once again showcased its resolve and resilience towards economic growth despite the uncertainties prevailing in global markets, persistent inflations, and the enduring impact of geopolitical fractures.

In FY23, Industrial Production in India (IIP) recorded a growth of 5.1% for the entire year. The eight-core sectors, which comprise little more than 40% of IIP, stood at 7.6% in the same period. Electricity generation surged 8.9% in FY23 over the corresponding previous year.

The CPI has slowed to a 15-month low of 5.66% in March 2023, below RBI's ceiling of 6%. This data is indicative of RBI's estimate of inflation slowing down.

In the context of macroeconomic challenges on a global scale, India's overall exports showed a stellar performance. The exports grew by 13.84% to a record US\$770.18 billion in 2022-23. Export of services are estimated to have grown by 26.79%, compared to merchandise exports at just over 6% during the fiscal year.

World Bank has revised India's real GDP growth projection for 2023-24 downwards to 6.3% from 6.6% owing to muted consumption and continued global crisis. The growing borrowing costs and slower income growth would impact private consumption, while government consumption is likely to moderate owing to the withdrawal of pandemic-related fiscal measures.

The World Bank has projected the current account deficit (CAD) to moderate to 2.1% of GDP in 2023-24 compared to 3% of GDP estimated for 2022-23. It expects inflation to ease to 5.2% as compared to 6.6% in the current fiscal.

## The sectoral overview

### Indian Textile Sector

The Textile industry is one of the largest in the world, with a hefty raw material base and manufacturing strength across the value chain. India is one of the dominant players in the global textile and apparel trade and holds a 4% share of the global trade in textiles and apparel. However, exports in recent years have faced challenges due to the preferential tariff treatment towards countries like Bangladesh and Vietnam.

The Indian textile industry continues to be predominantly based on cotton; 65% of the raw materials consumed is cotton. It is one of the few industries to provide substantial employment opportunities to both the skilled and unskilled workforce.

The sector is also critical for the economy owing to its contribution to the national exchequer and economic progress.

**Performance in FY23:** While the overall economy was relatively strong and outperformed major economies, the textile sector was a notable exception, and orders suggest the downturn will continue well into 2023, raising the risk of layoffs in an industry that employs more than 45 million people. A sharp rise in cotton yarn prices at the start of the year (FY23) and moderation in export demand adversely impacted industry revenue and profitability.

**Exports:** After 18 months of robust growth through mid-2022, global retail sales of clothing have been dragged down by high inflation and depressed consumer sentiment. Exports, which constitute about 22% of the industry, continued to drop every month for the second half of CY22. Consumers in the United States, Europe, and other big markets have cut spending on clothing following a surge in inflation consequent to the Russia-Ukraine war.

As per the Department of Commerce under India's Ministry of Commerce and Industry, India's exports of readymade garments (RMG) of all textiles increased by 1.10% to US\$16,191.47 million in FY23. RMG exports were recorded at US\$16,014.84 million in FY22. But the exports of cotton yarn, fabrics, made-ups, and handloom products declined by 28.45% to US\$10,946.20 million in 2022-23 from US\$15,298.02 million in the corresponding period of the previous fiscal.

Moreover, overseas orders for next summer (Summer of 2023) were down by about one-third, hurting the prospects of a quick revival.

**Domestic market:** Domestic sales remained sluggish owing to high costs and cheap imported garments. The unprecedented volatility in cotton prices made it impossible for textile players to pass on the cost hike to consumers and forced them to cut production. Textile players had to shut plant operations to manage operating losses.







**Possibilities in FY24:** The textiles industry is set for moderation in revenue growth in 2023-24 (FY24) as export demand, which usually accounts for a fourth of the total market, is expected to be limited due to a slowdown in key markets. Domestic demand will continue to grow at a steady pace.

In the readymade garment (RMG) segment, ease of discretionary spending in leading consumer markets such as the US and EU will tone down the revenue growth of key export-

oriented RMG clusters. On the other hand, clusters that depend more on the domestic market are likely to register a healthy performance.

In FY24, cotton yarn prices are projected to fall almost 15% due to a high base and subdued export demand. While it may dent realisation, it should help in improving profitability.

**Government thrust:** The Government remains focused on strengthening the prospects of the Indian textile industry through favorable policies and important strategic initiatives:

- In the Union Budget 2023, the Government has focused on the yield of extra-long staple cotton to increase the manufacturing of value-added garments and lessen the import of ELS cotton.
- A National Technical Textiles Mission has been set up that aims at an average growth rate of 15-20% to increase the domestic market size of technical textiles to US\$ 40-50 Bn by the year 2024 through market development, market promotion, international technical collaborations, investment promotions, and the Make in India initiative.

### INDEX OF INDUSTRIAL PRODUCTION FOR TEXTILES AND TEXTILE IMPORTS



Source: Ministry of Statistics and Program Implementation and Ministry of Commerce and Industry

The production of textiles, as measured by the Index of Industrial Production (IIP) for textiles, has seen a consistent decline since March 2022. The index value, 118.5 in March 2022, has fallen to 102.3 in October 2022. On a cumulative basis from April to October 2022, the index value is lower than the corresponding period in the last year.



- The Government approved the setting up of seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with an outlay of ₹4,445 crore for a period of seven years up to 2027-28. These parks will enable the Indian textile industry to become globally competitive, attract significant investment, and boost employment generation.
- The scheme of Rebate of State and Central Taxes and Levies (RoSCTL), effective from March 2019, has been extended till March 31, 2024, for exports of apparel/garments and made-ups to make the Indian textile sector competitive in the international markets.
- The Government has stepped up efforts to ink Free Trade Agreements (FTAs) with all major exporting nations. Once materialised, these FTAs would give India a level playing field with competitors who enjoy duty-free access. The Government has already inked such pacts with Australia and other key export nations.
  - India-Australia Economic Cooperation and Trade Agreement that came into force will boost textile and apparel exports. Under this agreement, Australia is offering zero-duty

access to India for about 96.4% of exports (by value) from day one. Australia is the largest importer of garments in the Southern Hemisphere, giving textile and garment exporters substantial business opportunities.

- The historical India-UAE Comprehensive Economic Partnership Agreement (CEPA) was signed on February 18, 2022. The UAE has traditionally been the topmost trading partner for Indian garment exports. With the signing of the UAE-India CEPA agreement giving duty-free access to Indian garment exports, this share is expected to increase further.

**A new trend:** Recently, traceability and sustainability have become crucial when exporting textiles and apparel (T&A) products to Western markets, including the UK, EU, and US.

Sustainability in textile production uses methods that minimise the use of water and electricity, the release of harmful chemicals, and the requirement for at least 20% recyclable materials.

Traceability, on the other hand, refers to the capacity to track a product's whole lifecycle, from its raw materials through

the end users, including its recycling and disposal.

With the call for sustainability and traceability strengthening across the world, to be able to continue to compete in the global markets, the ability to integrate technology into the textile sector at a swift pace will play a crucial role, and the Government's commitment is something to look forward to.

By focusing on technology integration into the textile sector, tech players involved in this space will be able to increase productivity and improve utilisation.

This is especially important given the limited technologies currently available and the fact that both of these concepts are relatively new.

It will also pave the way for our country to become self-reliant. Rather than depending on imports of yarns & textiles, we can start focusing on exports, thereby becoming the global backbone of the textile sector.

While technology integration is a big piece of the puzzle, simultaneous prioritising of infrastructure development, particularly for the unorganised sector that makes up India's natural fiber ecosystem, is crucial.



## Spinning sector



India's spun yarn spinning industry is one of the few industries that has gained global eminence for many factors, which include scale, productivity, quality standards, share in global yarn trade and respect as a dependable supplier of quality products, etc. India has the second-largest capacity for spinning and is the market leader in global yarn trade.

Indian spinning industry also has the unique capability of offering the entire range of yarns from the coarsest count to the finest ones for domestic and export markets.

As a cotton-growing country, cotton-based yarn, fabric, and apparel have dominated offerings from India for decades and which, as a natural progression, developed into a robust organic cotton movement at the turn of the new century. As such, cotton yarn manufacturing constitutes the backbone of the textile industry in India.

As a result, India has gained the reputation of being a strong spinning center primarily because of cotton yarns. Many fabrics and apparel manufacturing destinations rely on India for sourcing raw materials.

**Performance in FY23:** In FY23, cotton yarn exports have been affected as orders from the country's top two textiles and apparel exports market – US and EU – dried up. Further, business profitability for spinners was significantly impacted due to the sharp volatility in cotton prices, reaching an all-time high level in May 2022, followed by a sharp drop.

**Estimates for FY24:** According to CRISIL Ratings, India's cotton yarn spinners could see a fall in revenue in FY24 due to lower realisation and muted exports. At the same time, they could see an improvement in business profitability owing to reduced input costs. However, the challenges to this estimate are lifting of the ban on Xinjiang cotton and any adverse movement in domestic cotton prices in the coming months.

Someone's pain is  
someone's gain.

Turkey's hub of spinning mills has been affected by the earthquake, which is the reason many Indian mills and exporters are now receiving higher trade inquiries from Turkey as well as European nations which import yarn from the country. These increased inquiries may benefit Indian exporters.



## Man-made fiber sector



Man-made fibers are fast becoming a favorite choice amongst many weavers and spinners in India. They contribute to around 100% of non-cotton fabrics and blended fabrics. With the rise in demand for technical and medical textiles, India has seen a surge in demand for man-made fibers. Additionally, with the increase in the price of raw materials, such as cotton, many weavers and spinners have started blending man-made fibers to stay cost competitive.

Viscose and Polyester are also flexible and durable, hence able to endure high-speed machinery. Moreover, these fibers also have multiple uses due to properties such as being hydrophobic. As a result, man-made fiber is emerging as a critical pillar of India's textile industry.

**A new opportunity:** Bangladesh has shifted its focus towards India from China for importing man-made fiber yarn and fabric due to competitive pricing, improved lead time with the opening of two new land ports and growing demand for the vital apparel raw material globally.

Industry stakeholders suggest that the United States' anti-China position may have also played a role in Bangladesh's shift towards India for man-made fiber, the import volume of which is likely to double in the next five years.



### Cotton

Cotton is one of the most important commercial crops in India, accounting for around 25% of the total global cotton production. It plays a significant role in sustaining the livelihood of an estimated 6 million cotton farmers and 40-50 million people who engaged in related activities such as cotton processing & trade.

Cotton Association of India (CAI) further reduced its cotton crop estimate for the 2022-23 season to 313 lakh bales as production is expected to decline in Maharashtra, Telangana, and Haryana. The total cotton production in the last season was estimated at 307.05 lakh bales. The domestic consumption for the season is estimated at 300 lakh bales, which is at the same level as estimated earlier. The exports for the season have been estimated at 30 lakh bales leaving a carry-over stock of 26.89 lakh bales.

Cotton is one of the most important commercial crops in India, accounting for around 25% of the total global cotton production.



## Denim sector



Denim has been the quickest sector to recover from the pandemic outbreak. India is one of the leading countries in denim fabrics. In the recent past, the jeans market has been expanding steadily, quicker than the rate of global expansion. As per industry experts, the Indian domestic denim market has maintained an average 8-9% CAGR and is anticipated to reach ₹91,894 crore by 2028.

However, as per the latest statistics released by the Ministry of Commerce and Industry (India), the overall denim fabrics shipment value dropped in FY23 against FY22. This decline is attributed to the recessionary trends in Western countries leading to piled-up inventories in retail stores.

Despite the not-so-positive year, the strong demand for denim in India is conducive to the future growth of the denim industry. To expand denim

manufacturing capabilities, some mills are investing in spindles to enhance their self-dependence and optimise costs to capitalise on opportunities in the domestic and international markets effectively.

**Trends and prospects:** Undoubtedly, denim continues to be a fashion mainstay, regardless of the season. Denim is always in style. It is simple to wear and simple to style with any wardrobe staple. It can be dressed up or down and offer the promise of options.

Denim is never out of fashion and is always in demand. To cater to the ever-growing demand, the denim market recurrently witnesses new trends and innovations of new varieties. As of today, soft and stretchable denim is in demand. Regular denim is 100% cotton, non-stretchable, and firm. Stretchable denim, denim spandex

fabric is comfortable and softer than regular denim. Owing to the demand for stretchable denim, we have seen an increase in the use of spandex in manufacturing denim. The resulting product is lighter that is comfortable yet fashionable for everyday wear.

With the US and European countries now targeting other Asian countries to meet their demands, this policy could be a blessing in disguise for India. India is the second-largest denim producer after China. China's Covid-related policies have disrupted the global supply chain. This disruption, coupled with the West's China plus one policy, is an opportunity for the Indian textile industry to increase its penetration in the US and European markets.

Sustainability is pivotal for Western customers because today's consumer is well-informed and environment conscious. Hence, there is a growing

demand for sustainable and environment-friendly fabric. The real challenge for domestic manufacturers is adopting new technologies and using sustainable raw materials while ensuring the affordability of the end products. The recycled denim market is still at the nascent stage. R&D and investments are required to develop the sustainable and recycled denim market further.

Demand from the domestic market is also increasing at a healthy uptick. With India's expanding economy, booming consumption, urbanising population, and growing middle-class income, denim wear has a huge potential and opportunity to grow. Until a few years ago, denim was popular in urban cities only. However, it has gradually become popular in the semi-urban and rural markets.

Some of the key factors driving denim consumption in India are enlisted below:

### A youthful and enterprising India.

The Start-up ecosystem in the country has evolved dynamically since 2016 with the launch of the 'Start-up India' initiative. From a mere 417 start-ups in 2016, the number has proliferated with each passing year, taking the count to 20,160 in 2021. The start-up ecosystem is driving the demand for denim.

### Growing western influence

Over the years, India has been influenced by the Western style of dressing, and this influence has been consistent. Increasing disposable income in the urban youth is driving the demand for denim. As a result,

denim will continue to be an innate part of the wardrobe of India's growing youth population.

### Denim as workwear

With a more youthful and gender-diverse workforce, denim has emerged as the preferred office wear fabric. Its diversity of fitting into the semi-formal and casual styles has increased its acceptability among the youth.

### Preference for the branded

Indian domestic jeans have the potential to grow as there are many unorganised hubs with small denim factories. Industry experts say they make around 75 to 80% of jeans for the Indian domestic market. With an increasing preference for brands, the organised sector can hike its share of the domestic pie.







## Operational performance

FY23 was an operational challenge for the Indian textile industry, and it was no different for RSWM. Muted demand and rising costs impeded operations for the yarn and fabric divisions. On the operations front, the attention was squarely on cost optimisation, and improving systems and processes for higher productivity.

The Company successfully commissioned its knitted fabrics unit, which promises to emerge as an essential growth level for the Company over the medium term.

The Company also added new capacity to its yarn and mélange yarn units which should help in effectively capitalising on the impending uptick in the textile sector.

On the marketing front, the team worked untiringly to onboard new customers. This was particularly difficult in a dull environment when the global textile world was experiencing a slowdown. The team hopes to nurture these relations over time, which would help it fill in the additional capacities.

## Financial performance

After a stellar performance in FY22, the Company's performance was tepid as the positive trend reversed because of the Russia-Ukraine crisis, leading to spiraling inflation and recessionary headwinds.

Revenue from operations dipped by 1% from ₹3,817.42 crore in FY22 to ₹3,788.90 crore in FY23 while EBITDA slipped by 27% to ₹339.53 crore. Likewise, EBITDA margin dropped by 320 basis points. Profit after tax stood

at ₹109.61 crore against ₹239.98 crore. The pronounced drop in profits and profitability was due to the severe volatility in cotton prices which could not be passed on to consumers owing to the hostile market conditions.

Shareholders' Fund increased from ₹998.54 crore as on March 31, 2022 to ₹1,268.42 crore as on March 31, 2023. Total debt (current and non-current) was at ₹1,150.67 crore as on March 31, 2023 against ₹1,102.52 crore as on

March 31, 2022. The debt-equity ratio was comfortable at 0.91x as on March 31, 2023. The Company is scheduled to repay long-term debt amounting to ₹84.94 crore in FY24.

The working capital requirement increased over the previous year which was primarily due to the increase in business operations. The Company's debtor's management helped reduce the debtor's cycle. The overall current ratio improved appreciably.

	FY23	FY22	% Change
<b>Stability Ratios</b>			
Debt Equity Ratio	0.91	1.10	(17.27)
Debt Service Coverage Ratio	1.81	2.04	(11.27)
Interest Coverage Ratio	4.59	6.87	(33.19)
<b>Liquidity Ratios</b>			
Current Ratio (incl. CPTL)	1.44	1.29	11.63
Current Ratio (excl. CPTL)	1.58	1.46	8.22
Debtor Turnover Ratio (days)	44	51	(13.73)
Inventory Turnover Ratio (days)	65	49	32.65
<b>Profitability Ratios</b>			
Operating Profit Margin (%)	8.96	12.16	(26.32)
Net Profit Margin (%)	2.89	6.29	(54.05)

### 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

RSWM believes that human capital is its most invaluable asset. For it is their entrepreneurial spirit, nurtured over the years, that has enabled the Company to attain and strengthen its leadership position in an otherwise cluttered business space.

Consistent with this belief, the Company continues to invest in its people – building their capability, sharpening their expertise, and nurturing the spirit of leadership, which makes it a learning and delivering hub.

### Key initiatives in FY23

The Company partnered with an external agency to undertake a manpower study. The team completed a threadbare study of three large operating facilities and provided valued insights into restructuring and reorganising the team which will be implemented in the current year (FY24). The team completed the study of the other operating facilities in the current year and submitted its findings.

To broaden the pool of middle managers with leadership potential, the Company continued to recruit fresh graduates from leading Indian Institutes. In FY23, the Company made two improvements in the campus recruitment process:

- The team connected with the families of selected Textile/ Engineering Graduate Trainees to build a bond with them. The HR team informed the parents first before notifying the colleges, believing that the family should receive the good news first. This initiative helped the Company establish a relationship with the new hires' families and made them feel more comfortable and supported in their new roles.
- Created a structured training curriculum comprising intensive training by internal and external faculty. The senior management also interacted with the new joiners which helped them in strengthening the initial connection with the organisation.

The Company organised excursion tours for its employees and their family members to Shimla/Manali, Gangtok/ Darjeeling, Kerala, and Jammu & Kashmir in a group of 100-125 family members for 6/7 days. A total of 2,000+ family members participated.

For the Middle level and senior-level managers, the HR team sent selected members to reputed B-schools for strengthening and sharpening their management and leadership skills.

## Information technology (IT)

With the digital transformation sweeping across India, it is hard to think of any enterprise without an IT backbone.

It has silently transformed its relevance from being a business enabler into a business imperative, without which managing a business enterprise is unthinkable.

RSWM had maintained its business on a robust IT platform much before it emerged as a business mandate. Its IT solutions have facilitated in creation of a more cohesive and closely connected organisation even as the Company expanded its operations geographically. The Company continues to leverage the latest technologies to increase its efficiency and effectiveness to support the ambitious business growth targets.

### Some of the key initiatives implemented in FY23 include:

#### Advanced Email Security Solutions:

The Company has successfully implemented advanced email security solutions, ensuring impeccable protection against phishing attacks, malware, and other cyber threats. This has resulted in a significant reduction in email-related security incidents and has strengthened the overall cybersecurity position.

**CRM Implementation:** The Company has successfully implemented a Customer Relationship Management (CRM) system. This tool will be pivotal for sales and marketing engagement, customer communication and get overall advanced analytics for enquiries.

**Digitisation of Board Meetings:** The Company has successfully digitised board meetings, leveraging secure online platforms for virtual meetings, document sharing, and decision-making. This has resulted in more collaborative and productive Board Meetings, and significant time and cost savings.

**Optimum Usage of ITSM Tool:** The team has optimised the usage of the IT Service Management (ITSM) tool, streamlining IT processes, improving incident resolution times, and enhancing overall IT service quality. This has effected increased employee productivity and improved customer satisfaction.

**Technology Upgradation:** RSWM IT team has successfully upgraded the IT infrastructure, including servers, storage, and networking equipment, to ensure optimal performance, enhanced reliability, and improved security. This has improved system performance, reduced

downtime, and increased data security.

#### Service Monitoring by NMS Tool:

RSWM has implemented a robust network monitoring system (NMS) tool to proactively monitor and manage IT services, identify and resolve issues in real-time, and ensure high service availability. This has resulted in improved service uptime, reduced service disruptions, and enhanced customer satisfaction.

#### Disaster Recovery (DR) Mock Drill:

RSWM has conducted a successful disaster recovery (DR) mock drill, testing the DR plans, processes, and systems. This has helped identify and address potential vulnerabilities, ensuring readiness for any unforeseen events and minimising potential downtime in a disaster.

**Enhanced Usage of CCTV:** RSWM has expanded and upgraded its closed-circuit television (CCTV) system, improving physical security measures and increasing surveillance coverage across the premises.





## Internal control and its adequacy

RSWM recognises that adequate control systems are the backbone of the company and accordingly 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 continuously strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has obtained ISO 9001 and ISO 14001 certifications and adheres to standard operating practices in its manufacturing and operating activities. 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 audit committee's attention for periodical review.

## Risk Management

The Company has adopted a comprehensive and integrated risk appraisal, mitigation, and management process. The risks and mitigation measures of the Company are placed before the Board periodically for review and improvement, which will help achieve organisational goals in a more structured manner.

## CORPORATE INFORMATION

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

### BOARD OF DIRECTORS

<b>Riju Jhunjhunwala</b> Chairman & Managing Director and CEO	<b>B M Sharma</b> Joint Managing Director	<b>Amar Nath Choudhary</b> Director	<b>Archana Capoor</b> Director
<b>Ravi Jhunjhunwala</b> Director	<b>Arun Churiwal</b> Director	<b>Priya Shankar Dasgupta</b> Director	
<b>Shekhar Agarwal</b> Director	<b>Dr. Kamal Gupta</b> Director	<b>Deepak Jain</b> Director	

### KEY MANAGERIAL PERSONNEL

<b>Riju Jhunjhunwala</b> Chairman & Managing Director and CEO	<b>Surender Gupta</b> Company Secretary
<b>B M Sharma</b> Joint Managing Director	<b>Avinash Bhargava</b> Chief Financial Officer

### AUDITORS

Lodha & Co  
S S Kothari Mehta & Company

### REGISTERED OFFICE

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

### CORPORATE OFFICE

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

### BANKERS

State Bank of India  
Bank of Baroda  
Punjab National Bank  
Union Bank of India  
ICICI Bank Limited  
Yes Bank Limited  
HDFC Bank Limited  
Export-Import Bank of India  
Central Bank of India  
IndusInd Bank Limited  
Shinhan Bank  
Bank of Maharashtra  
Indian Bank  
Kotak Mahindra Bank Ltd  
Axis Bank Ltd

### BUSINESS HEADS & KEY EXECUTIVES

<b>Prakash Maheshwari</b> Chief Executive (Corporate Affairs)	<b>Arvind Gupta</b> Chief Executive (Melange Yarn & Knits)
<b>Suketu Shah</b> Chief Executive (Denim)	<b>Manoj Sharma</b> President & CHRO
<b>Sukesh Sharma</b> Chief Executive (Yarn)	

### PLANT LOCATIONS

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

LNJ Nagar, Mordi,  
Dist. Banswara - 327 001, Rajasthan  
(Denim & Knits)

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

Mandpam, Dist. Bhilwara - 311 001  
Rajasthan

Kanya Kheri, Dist. Bhilwara - 311 025  
Rajasthan

Rishabhdev, Dist. Udaipur - 313 802,  
Rajasthan

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



# Statutory Reports

# 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, 2023.

Company's Performance

Your Company's performance during the year 2022-23 is summarized below:

Financial Results		(₹ in Crores)
Particulars	2022 -23	2021-22
Turnover		
Export	937.14	1419.41
Domestic	2851.76	2398.01
TOTAL	3788.90	3817.42
Profit before Interest & Depreciation	339.53	464.17
Less: Interest/Finance Cost	73.95	67.61
Profit before Depreciation & Amortisation	265.58	396.56
Less: Depreciation & Amortization	127.30	113.08
Profit/(Loss) before Tax	138.28	283.48
Less: Current Tax	24.48	49.37
Tax of earlier years provided (written back)	(20.66)	(11.78)
Deferred Tax Liability/(Asset)	24.85	5.91
Profit/(Loss) after Tax	109.61	239.98
Add: Opening Balance	716.58	477.20
Dividends & Others	(57.70)	(0.60)
Profit available for appropriation	768.49	716.58

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 is in the report on Corporate Governance.

Dividend and other Appropriations

Your Directors are pleased to recommend a dividend on Equity Shares @ 50% i.e. ₹5/- per Equity Share of ₹10/- each for the year ended the March 31, 2023.

The proposal for payment of dividend on Equity Shares of the Company will absorb an amount of ₹23.55 Crore.

The proposal with regard to the payment of dividend on Equity Shares for the year ended March 31, 2023 shall

be placed before the Shareholders at the ensuing Annual General Meeting.

No amount is proposed to be transferred to General Reserve. The amount of ₹ 768.49 Crore has been carried over to next year.

As already informed in the previous report(s), your Directors have adopted the Dividend Distribution Policy in line with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same forms part of this Annual Report and is also available on the website of the Company.

Operational Performance

Your Directors feel pleasure to present the operational performance of your Company for the financial year ended 31<sup>st</sup> March,2023. Your Directors inform the members that the financial year under review began on higher note carrying



forward the performance of the previous year. However, the glooms of inflationary and recessionary trends in the US and the Europe started reflecting on the operations of the Company from the second quarter onwards. Though there was some recovery in the intermittent period but the overall trend remained sluggish. Your Company utilised these challenging times to reorganise and restructure itself and raised funds by way of rights issue to deleverage itself by lowering its high cost debt obligations substantially and getting ready for future expansions and diversifications as and when the normalcy returns.

Your Company has also continuously worked on cost optimization program to economize its operations and operated on optimum capacity to minimize its losses during difficult period alongside focusing on reducing inventories and realization of its outstanding debtors. Due to all these measures your Company could sustain its operations and profitability during challenging times. Your Directors are hopeful that the continuous focus of the company on cost optimization measures and on value added products as well as increase in productivity will help in increasing profitability in future years.

During the period under review, the sale/transfer of Private Freight Terminal of the Company situated at Namli, Madhya Pradesh was completed and entire consideration was received as per MOU entered with the buyer. The accounting treatment has been explained in the note no. 3e (b) of the notes on accounts.

Your Company recorded a turnover of ₹3788.90 Crore as against a turnover of ₹3817.42 Crore recorded in the previous year. This includes the operations of the newly set up Mélange and Knits Units which commenced its operations in the second quarter of the year under review. However, operating profit of the Company declined to ₹339.53 Crore from ₹464.17 Crore recorded in the previous year. Profit before depreciation also declined to ₹265.58 against ₹396.56 Crore recorded in the previous year and the profit after tax also decreased to ₹109.61 Crore against ₹239.98 Crore in the previous year.

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

Working results of last three financial years 2020-21 to 2022-23 are given in Annexure – I and form part of this report.

Further, your directors are glad to inform the members that during the year under review, your Company raised its paid up capital by way of issue of Rights Equity Shares aggregating to

2,35,50,842 equity shares of face value of ₹10/- each at a price of ₹100/-each (including a premium of ₹90/-per share) and thus raised ₹235.50 Crore. The funds raised by Rights issue were utilized for debt reduction as per stated objectives in the offer letter. Your Directors draw attention of the members to Note No.12 to the financial statement, which contain particulars in this regard.

Expansion and Modernization

Your Directors in their previous report informed the members about the capital expenditure programs of the Company comprising of setting up of 19,488 Spindles of combed spinning of Cotton Yarn at Mordi at a capital outlay of ₹78.35 Crores, setting up of 30,000 Spindles of Mélange yarn at Kharigram at a capital outlay of ₹157.12 Crores and the setting up of Knitted Fabric facility at Mordi at a capital outlay of ₹89 Crores in the first phase. Your Directors are pleased to inform the members that all the above projects were completed and made operational in the second quarter of the year under review. Your Directors further inform that an outlay of ₹77.84 Crores was incurred as capital expenditure on Modernisation and Balancing Equipment's across all locations during FY22-23.

Your Directors inform the members that though the above stated capital expenditure programs were completed during the previous year, the Company could not take the full advantage of the above programs due to depressed market conditions which started in the second quarter and continued till middle of the fourth quarter. The business conditions started showing signs of improvement towards the end of last quarter and your Directors are hopeful that the Company is ready and would be able to reap the full benefits of capital expenditure completed in the last year in the current and subsequent financial year(s).

Your Directors are further pleased to inform the members that your Company during the year under review has envisaged further expansion in spinning capacity by setting up 51,072 Spindles of Compact Cotton Yarn at its Lodha Unit at Banswara at an outlay of ₹315.00 Crores. This project is expected to be commissioned in the financial year 2023-24 and is expected to boost up the turnover and profitability of the Company significantly in the coming years.

Your Directors in their previous report informed the members about the agreement with M/s. Manjeet Cotton Private Limited for acquiring Butibori Unit from them upon completion of NCLT proceedings of M/s. CLC Corporation Ltd. However, no progress was achieved with regard to NCLT proceedings of M/s. CLC Corporation Ltd. Your Directors are reviewing the proposal and will take a suitable decision in due course of time.

Your Directors take this opportunity to inform the members that your Company keeps evaluating opportunities for inorganic

growth apart from the organic expansion of its capacity and as and when any such opportunity would come across, the same would be looked into by your Directors for necessary action.

Subsidiary Companies, Joint Ventures & Associates

Your Directors take this opportunity to inform the members that during the year under review, they approved purchase of 100% shareholding in M/s. BG Wind Power Limited at a consideration of ₹5 Crores from Bhilwara Energy Limited an Associate of your Company subject to regulatory and other relevant approvals and fulfilment of procedural requirements. Your Company has obtained regulatory approvals, subject to fulfillment of certain conditions, towards the end of financial year and accordingly completed the acquisition of 100% shareholding on 6<sup>th</sup> April, 2023. Upon completion of purchase of 100% shares, BG Wind Power Limited became wholly owned subsidiary of your Company. Your Directors inform the members that the said acquisition would ensure that various Units of the Company receive the supply of long term uninterrupted clean power for the operations, once the restoration work of all the wind mills is completed.

Your Directors have already reported in the previous report(s) that your Company is holding significant investment in Bhilwara Energy Limited and is represented by Shri Riju Jhunjunwala, Chairman and Managing Director of your Company on their Board, where also he is holding the position of Managing Director. 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 Jhunjunwala, Chairman and Managing Director on the Board of BEL and accordingly continue to treat M/s. Bhilwara Energy Limited as its Associate.

Your Directors in their previous reports had been mentioning about the investment of the Company in M/s. LNJ Skills & Rozgar Private Limited which is involved in skill development related activities. Your Directors inform the members that during the year under review, your Company continued to hold 47.30% of total shareholding in LNJ Skills & Rozgar Private Limited at an investment of ₹ 11.80 Crores and therefore it is continuing as Associate of your Company. Your Directors feel pleasure that by virtue of this investment, your Company is continuing to contribute its bit in enhancing the skill levels of manpower of our country.

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

Contribution to the Exchequer

Your Company has contributed an amount of ₹ 427.12 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 various activities viz. 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 2022-23, your Company has incurred ₹ 1.22 Crore on account of CSR activities which includes health care, sanitation & safe drinking water ₹0.23 Crore; promoting education, skills development ₹ 0.70 Crore; ensuring environment sustainability, ecology balance ₹ 0.09 Crore, protection of national heritage, culture ₹0.18 Crore and towards empowering women, help to armed forces veterans & training to promote rural sports ₹0.02 Crores.

Your Directors inform the members that the Corporate Social Responsibility Committee comprising of Shri Arun Churiwal, Shri Riju Jhunjunwala 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 Annual Report on CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is 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 endeavors to look continuously 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 details 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.



Annual Return

In terms of Companies Act, 2013 as amended, the Annual Return is available on the website of the Company at the following link:  
<https://rswm.in/Annual-Return-2022-23>

Directors & Key Managerial Personnel

Shri Shekhar Agarwal and Shri Arun Kumar Churiwal, Directors retire by rotation and being eligible offer themselves for reappointment.

Your Directors inform the members that Shri B M Sharma was reappointed as Joint Managing Director with effect from 7<sup>th</sup> August, 2022 for a further term of two years and his reappointment was approved by the members at the previous Annual General Meeting held on 6<sup>th</sup> September, 2022 by Special Resolution.

Your Directors further inform the members that Smt. Archana Capoor was reappointed as Independent Director for the second term of five consecutive years with effect from 13<sup>th</sup> February, 2023 upto 12<sup>th</sup> February, 2028 and her reappointment was approved by the members at the previous Annual General Meeting held on 6<sup>th</sup> September, 2022 by Special Resolution.

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.

During the year, Shri Riju Jhunjunwala, Chairman & Managing Director and CEO, Shri B M Sharma, Joint Managing Director, Shri Avinash Bhargava, Chief Financial Officer and Shri Surender Gupta, Company Secretary have acted as Key Managerial Personnel.

Directors’ Appointment and Remuneration Policy

Your Directors inform the members that a Nomination and Remuneration Policy as amended from time to time in view of regulatory changes had been in place for the appointment of Directors and Senior Management and fixation of their remuneration. The Nomination and Remuneration Policy as framed is annexed as Annexure -V and forms part of this report.

Your Directors inform the members that the Nomination and Remuneration Committee as well as 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 rated satisfactory.

Public Deposit

During the year under review, your Company has not accepted any public deposit under Companies Act, 2013.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investment is 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 amended from time to time in view of regulatory changes and as approved by the Board of Directors is disclosed on the website of the Company under the following link:  
[https://rswm.in/pdf/policy/Related\\_Party\\_Transaction\\_Policy.pdf](https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf)

Significant and Material Orders Passed by the Regulators or Courts

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

Risk Management Policy

Your Directors in their previous report informed the members that a detailed Risk Management Policy was framed in line with SEBI stipulations along with the framework for identification of internal and external risks faced by the Company as well measures for risk mitigation including systems and processes for internal control of identified risks. Your Directors periodically review the risks associated with the business which can threaten the prospects of the Company along with the measures for mitigation of such risks..

The Risk Management Committee met periodically to monitor, review and evaluate the identified risks as per Enterprise Risk Management Policy.

Internal Control Systems

Your Directors recognize that adequate control systems are the backbone of any Company. Your Directors have accordingly put in place strong internal control systems which commensurate with the size of the Company and ensure that all assets are properly safeguarded and also that all the information provided to the management is reliable and the obligations of the Company are properly adhered to.

Your Directors place the utmost importance on continuous strengthening of internal control systems and inform the members that in pursuit of strengthening internal control systems, 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 and discuss reports by the independent audit firms on internal audit findings.

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 - VI.

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

Auditors

Statutory Auditors

Your Directors inform the members that M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No.000756N) were reappointed as Joint Statutory Auditors of the Company for second term of five years from the conclusion of 58<sup>th</sup> Annual General Meeting of the Company held on 11<sup>th</sup> September, 2019 till the conclusion of 63<sup>rd</sup> Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act, 2013.

Your Directors also inform the members that M/s. Lodha & Co, Chartered Accountants (Firm Registration No.301051E), were reappointed as Joint Statutory Auditors of the Company for

second term of five years from the conclusion of 61<sup>st</sup> Annual General Meeting of the Company held on 6<sup>th</sup> September, 2022 till the conclusion of 66<sup>th</sup> Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act, 2013.

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. V Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.109208W) to act as the Internal Auditors of the Company for the financial year 2022-23 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 Kumar 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 2022-23 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 -VIII.

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, 2023.

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://rswm.in/pdf/policy/Whistle\\_Blower\\_Policy.pdf](https://rswm.in/pdf/policy/Whistle_Blower_Policy.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.

Business Responsibility and Sustainability Report (BRSR)

In terms of the Regulation 34 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Business Responsibility and Sustainability Report forms part of the Annual Report.

General

- a) The Company being a Textile Company falls under the prescribed class of Companies and maintain Cost Accounts and Records which are subject to audit conducted by the Cost Auditor.
- b) In line with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place a Policy framed at Group level and also set up an Internal Complaints Committee (ICC) to deal with any such reported matter. During the year the ICC did not report receipt of any complaint with regard to sexual harassment.
- c) The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.

Directors’ Responsibility Statement.

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) They had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) 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 Jhunjhunwala

Chairman & Managing Director and CEO

Place: Noida (U.P)

DIN – 00061060

Date: May 26, 2023

Annexure I to Directors' Report

WORKING RESULTS

Particulars	UOM	2022-23	2021-22	2020-21
I. Production				
Yarn	In MTs			
Own		1,38,934	1,31,849	1,08,774
Job Spinning from outside (Domestic)		-	-	-
		1,38,934	1,31,849	1,08,774
Fibre	In MTs	43,745	42,217	33,837
		43,745	42,217	33,837
Fabric and Denim	In thousand meters			
Own		28,377	29,526	9,839
Job Weaving from outside (Domestic)		-	2,630	1,219
		28,377	32,156	11,058
Knitted Fabric	In MTs			
Own		1,263	-	-
Job Weaving from outside (Domestic)		-	-	-
		1,263	-	-
II. Turnover	₹ in Lakh			
Yarn				
Domestic				
Grey Yarn		1,66,990	1,13,836	77,804
Dyed Yarn		78,974	73,046	61,837
Job Spinning		919	931	488
Total (Domestic Yarn)		2,46,883	1,87,813	1,40,129
Export				
Grey Yarn		52,061	84,679	42,462
Dyed Yarn		28,361	35,862	23,187
Total (Export Yarn)		80,422	1,20,541	65,649
Total (Domestic and Export Yarn)		3,27,305	3,08,354	2,05,778
Less: Inter Unit/ Division Transfer/ Job Receipt/ Incentives, Discounts & Rebate Claims as per Ind AS		41,912	27,015	15,348
Net Turnover (Yarn)		2,85,393	2,81,339	1,90,430
Fibre				
Domestic		39,500	34,569	22,459
Export		238	80	-
Total (Fibre)		39,738	34,649	22,459
Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		37,982	31,643	20,340
Net Turnover (Fibre)		1,756	3,006	2,119



WORKING RESULTS (CONTD.)

Particulars	UOM	2022-23	2021-22	2020-21
<b>Fabric and Denim</b>	₹ in Lakh			
Domestic		71,785	51,187	25,781
Export		13,098	21,437	10,088
<b>Total (Fabric and Denim)</b>		<b>84,883</b>	<b>72,624</b>	<b>35,869</b>
Less: Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		16	406	442
<b>Net Turnover (Fabric and Denim)</b>		<b>84,867</b>	<b>72,218</b>	<b>35,427</b>
<b>Weaving and Processing Charges</b>				
Weaving Charges		-	19,343	53
Processing Charges		338	699	1,973
<b>Total (Weaving and Processing Charges)</b>		<b>338</b>	<b>20,042</b>	<b>2,026</b>
Less: Inter Unit/ Division Transfer		-	273	711
<b>Net Weaving and Processing Charges</b>		<b>338</b>	<b>19,769</b>	<b>1,315</b>
<b>Skill Services</b>		<b>2,442</b>	<b>1,628</b>	<b>732</b>
<b>Waste</b>				
<b>Domestic</b>				
Yarn		5,367	4,693	3,033
Fabric and Denim		585	418	300
		<b>5,952</b>	<b>5,111</b>	<b>3,333</b>
Less: Inter Unit/ Division Transfer				
Yarn		1,858	1,329	754
Fabric and Denim		-	-	-
<b>Net Waste Sales</b>		<b>4,094</b>	<b>3,782</b>	<b>2,579</b>
<b>Net Turnover</b>		<b>3,78,890</b>	<b>3,81,742</b>	<b>2,32,602</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 Companines

Associates (₹ in Lakh)

Name of Associate	Bhilwara Energy Limited	LNJ Skills & Rozgar Private Limited
Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023
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	7,152.40	1,229.20
Profit/(Loss) for the year	15,714.96	281.02
i. Considered in Consolidation	1,188.05	132.92
ii. Not Considered in Consolidation	14,526.91	148.10

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 Jhunjhunwala**  
Chairman & Managing Director and CEO  
DIN: 00061060

**Avinash Bhargava**  
Chief Financial Officer  
M.No. FCA 076277

**B. M. Sharma**  
Joint Managing Director  
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 2022-23

1. **Brief outline on CSR Policy of the Company:** The brief outline of CSR policy has been enumerated in the Board Report under the para Corporate Social Responsibilities.

2. **Composition of CSR Committe**

SI No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Arun Churiwal	Chairman of the Committee	4	4
2	Shri Riju Jhunjhunwala	Member	4	4
3.	Shri Amar Nath Choudhary	Member	4	4

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects/activities approved by the Board are disclosed on the website of the Company. [https://www.rswm.in/RSWM CSR POLICY](https://www.rswm.in/RSWM_CSR_POLICY)

4. Provide the executive summary alongwith web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**

- 5
- a) Average net profit of the company as per section 135(5): **₹ 7527.98 Lakh**
- b) Two percent of average net profit of the company as per section 135(5): **₹ 150.56 Lakh**
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **N.A.**
- d) Amount required to be set off for the financial year, if any : **₹ 62.82 Lakh**
- e) Total CSR obligation for the financial year {(b+c)-(d)}: **₹ 87.74 Lakh**

- 6
- a) Amount spent on CSR Project :-
- Ongoing Project : **Not Applicable**
  - Other than Ongoing Project : **₹ 121.74 Lakh**

b) Amount spent in administrative overheads: **Nil**

c) Amount spent on impact assessment, if applicable: **Not Applicable**

d) Total amount spent for the financial Year (a+b+c): **₹ 121.74 Lakh**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund under Schedule VII as per second proviso to sub-section (5) of section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
₹121.74	Not Applicable		Not Applicable		

(f) Excess amount for set off, if any:

SI No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)*	150.56
(ii)	Total amount spent for the Financial Year	121.74
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

\* During the year the Company was required to spend ₹150.56 Lakh on CSR activities and the Company spent an amount of ₹121.74 Lakh under review. The excess amount of ₹62.82 Lakh of previous year was available for set off out of which the Company set off an amount of ₹28.82 Lakh in the year under review. ₹34.00 Lakh is available for set off in the next financial year.

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account as per section 135(6)	Balance Amount in unspent CSR account under sub-section (6) of section 135	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Amount / Date of transfer		Amount remaining to be spent in succeeding financial years (in ₹.)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2019-20	N A	N A	N A	N A	N A	N A	N A
2.	2020-21	N A	N A	N A	N A	N A	N A	N A
3.	2021-22	N A	N A	N A	N A	N A	N A	N A

8. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR amount spent in the financial year: Not Applicable**

If Yes, enter the number of Capital assets created/acquired  
Furnish the details relating to such assets (s) created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or assets(s) including complete address and location of the property	Pincode of the property or assets (s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).  
**Not Applicable**

Arun Churiwal  
(Director and Chairman CSR Committee)  
DIN: 00001718

Riju Jhunjhunwala  
(Chairman & Managing Director and CEO)  
DIN: 00061060

Dated : 26<sup>th</sup> May, 2023  
Place : Noida (U.P.)



Annexure IV to Directors’ Report

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

Our company continues to place a lot of focus on energy conservation. Regarding the Company's commitment, efforts are made to conserve energy and minimise energy costs while conducting manufacturing activities.

The Business sustains its efforts to increase energy efficiency through better maintenance and operational procedures. The following are the actions made in this direction:

- a) Energy conservation is a continual process; new opportunities are constantly found and appropriate investments are made, as needed.
- b) Some ongoing energy-saving initiatives include
  - (i) using energy-efficient lighting and better utilisation of natural illumination,
  - (ii) reducing energy loss, and
  - (iii) replacing obsolete energy-intensive equipment.

(A) Energy conservation measures taken during FY 2022-23:

I. YARN BUSINESS

Compressors:

- Saved energy by continuous monitoring of air leakages and same have been attended with immediate action in air compressor line in various machines i.e. Blow room, Carding, Draw-frame, Speed frame, Ring-frame & Autoconer machines.
- Installed new Energy Efficient air compressor of 495 CFM in place of old one and saved approx. 175 units/day.

Utilities and others:

- Variable Frequency Drive (VFD): Mixing blender ventilator fan speed controlled through VFD.
- Energy Efficient Fan: Replacement of old 80 watts ceiling fans with 35 watts high efficiency fans in the Staff Colony.
- LED Street Light: 250 Watt ordinary type Street light replaced with 80 Watt LED Street light.
- Installation of LPADU System Removing High Pressure Air Compressor.
- UPS (Each 400 KVA) taken on ECO Mode and reduced Rectifier Heating load to save energy 1000 KWh/day.

- Installed VFD on Cooling Tower Pump to save energy 260 KWh/day.
- Installed VFD drive in different Humidification towers of Units and saved Avg. 340 units/day.
- Ring frame machines pneumafil fan impellers replaced with less diameter fans on 36 machines and saved 22 units per day per machine.
- Installed VFD drive at various locations which resulted in saving of 1041 units / day.
- Installed one 5.5 KW/2900 RPM motor in DC fan against 2 X 4 KW Motor in Carding waste cleaning system.
- Pneuma conversion kit installed in 13 machines and thus started saving of 390 units per day.
- Installation of VFD on 11 KW SA Fan, 15 KW SA Fan 22 KW SA Fan, 30 KW SA Fan 37 KW SA Fan and inverters and started saving 838 units/day.
- Replacement of old ceiling fan with energy efficient gorilla fan.
- Air Booster Size 1/2” ABP12-GS Installed on Autoconer air line in M1. Achieved saving of 50CFM or 186 units/day.
- In humidification plant installed variable frequency drive for pump motors with (relative humidity) RH sensors to maintain the constant RH in department and optimize the pump motor power consumption. Also replaced the old inefficient motors with IE4 higher energy efficient motors in humidification plant fans.
- Replaced the ring frame machines impeller fans 510 mm diameter having 12 blades by 490 mm diameter 8 blades to optimize the power consumption.
- Daily checking and arresting of compressed air leakages in machines and lines.

Power Factor:

Maintained the power factor from 0.996 to 0.999 and reduced the cable and transmission losses as well as rebate was taken from Electricity bill and during the year we got incentive from SEB (AVVNL) ₹89.08 Lakh.

II. MELANGE BUSINESS

Mandapam

Utilities and others:

- Installed various VFD at blow room H plant, washer pump, comber and blow room dyed line.
- Installed VFD in compressor of Biological tank 37 Kw.

Kanyakheri

- Ring frame machines pneumafil fan impellers replaced with less diameter fans on 36 machines and saved 22 units per day per machine – saved 792 units per day.

III. DENIM BUSINESS

Utilities and others:

- Compressed air Cleaning a separate 1.5 “ pipe line with time base air supply ensured. Energy Saving 324 Units/day.
- Replacement of standard ceiling fan (70W) to 80 new BLDC ceiling fan (35 W) at plant. Energy saving 67 units/day.
- Ceramic insulation coating at VDR Drum Dhal -4 machine-1(1450 Kg/Hr) & Dhal mercerizer Machine (2000 Kg/Hr)—total 40 nos. to reduce the steam energy consumption. Saving in 4.0 ton per day.

IV. KNIT BUSINESS

- Installed new Air compressor with VFD, earlier compressor was running on star delta starter, after

installation of compressor, plant saved about 900 KWH units per day.

- Installed DO sensor at Biological plant – In past, blowers were running continuously in biological tank, installed DO sensor and now running on sensor feedback.
- VFD at Thermopac – Installed VFD for ID and FD at Thermopac unit.

Summary of energy saved in FY 22-23

Sr. No.	Unit	Capital investment on energy saving (₹ In Lakh)	Energy saving (Lakh units)	Amount of energy saved (₹ In Lakh)
1	Kharigram	19.92	5.44	36.46
2	Lodha	28.22	0.17	11.39
3	Rishabhdev	26.52	0.99	6.62
4	Ringas-Spinning	6.83	0.73	5.24
5	Ringas-Green Fibre Plant	146.50	19.27	136.62
6	Melange at Mandapam	14.53	3.12	20.93
7	Melange at Kanyakheri	3.30	2.90	19.36
8	Denim at Mordi	15.43	1.42	9.56
9	Knit	24.0	4.63	30.53
	Total	285.25	38.67	276.71

(B) Energy conservation plan for FY 2023-24:

i. YARN BUSINESS

a) Kharigram

- Modification in suction fan motor in C1/3 Carding with an Investment of ₹4.75 Lakh.
- Replacement of multiple rewind motor with energy efficient motor on Ring frame & Two For One (TFO) machine with an investment of ₹20 Lakh.
- Replacement of Supply & Return Air Fan with high efficiency axial flow fan impeller with Spinner with an Investment of ₹10 Lakh.
- Modification in AHU unit to optimize frequency with inverter drive.
- Reduction in Raw water consumption to maintain zero wastage.

b) Banswara

- Save power by replacing inefficient old motors with high energy efficient motor IE4.
- Save power by installing VFD (Variable Frequency Drive) on supply air and return air fans of Humidification plant.
- Save power by optimizing the suction pressure of ring frame machines by replacing fan impeller having diameter 510, 12 blades by fan having diameter 490 mm, 8 blades.
- Save energy by replacing old air conditioners and ceiling fans by 5-star /3-star rating equipment.

c) Rishabhdev

- Will replace multi rewind 48 kw motors in Doubling and TFO machines with IE4 motors.
- Replacement of 86 watts old Ceiling fans with BLDC energy efficient Ceiling fans 26 watts in staff colony.



d) Ringas (Spinning)

- Replacement of old rewinded 22 KW motors of Ring Frame LR 68G5/1 & TFO IE2/IE3 Motor with energy efficient motor IE4.

e) Ringas (Green Fibre Plant)

- Install 4 Nos VFD (11 KW Each) on Drawline 2 RHS Dryer Blower. Due to this Energy saved 110 KWH/day.
- Install 1 Nos VFD on Chiller Pump (30KW). Due to this Energy saved 120 KWh/day.

ii. MELANGE YARN BUSINESS

Mandapam

- Installation of one 5.5 KW/2900 RPM motor in DC fan against 2 X 4 KW Motor in Carding Waste cleaning system (WCS).
- To Install VFD in MA fan 75 KW motor at Mill No. 3.
- Replacement of old ceiling fans with energy efficient ceiling fans.

Kanyakheri

- Ground Mounted Solar project 1.6 MW.

iii. DENIM BUSINESS

- Connecting two compressor house by 8” G I Air line -300 Mtr Air Line Modification Work, Connecting Denim Compressor house (Atlas copco) to Spinning Phase 3 Compressor House (kaeser) through 8 Inch Line, for Air CFM and Pressure Balancing and optimum utilization of compressor's capacity - running weaving Toyota & weaving picanol at 6.5 bar -Saving 756 Units/day.
- Replacement of screw compressor with new technology Centrifugal compressor and dryer for denim plant of 4500 CFM with silencing canopy- Total energy saving 4838 units/day.

iv. KNIT BUSINESS

- Timer installation in lighting – By this we can save ₹3000/- per day.
- Pressure switch at softening water line – Right now pumps are running continuously, after installation of pressure switch plant can save ₹1200/- per day.

(C) New product developed during FY 2022-23

YARN BUSINESS

i. New product development

- Total 8 New fibre introduced in our product range (Recycled Cotlук polyester, Regenerative Cotton, Recycled Spandex, Ecocell Lyocell, Circulose Viscose, Spun Polyester Filament, Viscolyk Polyester, Low Pill Polyester).
- Greige yarn: Exclusive Sustainable collection A23A, K22A & W23A launched in market.
- Greige yarn: Home Linen and Woven collection HL22A & W22A launched in market.
- Cottonised Jute run successfully in Open End/Ring spun process with cotton as well as polyester and submitted samples to different markets.
- Successfully made 38% Marino wool blended yarn.
- Commercialized X-static blended products.
- 40s PV Agniveer made by using Polyester 1.0 denier as market need softer feel in fabric. Product established in market.
- 20s GRS made by new variant 305 (green gold by Reliance) to provide extra whiteness.
- Poly Flax new blend started like PF 80/20 slub and with Reliance green gold polyester (variant 205) with flax.
- Trying to establish flax qualities by Indian Supplier Flax prime plus off Laura.
- 32s PV reverse blend 35/65 establish in Ludhiana Market where single part dyeing (only viscose) going on.
- 8/21s SHT and 8/20s Poly new product made.
- 1/30s P/V 65/35 (Blue Barry)- Used dyed 13D flat viscose to create special effect in knitted fabric.
- 1/24s & 1/30s P/V 65/35 (Foggy) – Used 6Dx6mm dyed polyester fibre to give special effect in knitted fabric.
- 1/08s Poly-100% (Galaxy)- Use sparkle & 15Dx18mm polyester fibre to create special effect in knitted fabric.
- 1/08s Polyester (Fusion)- It is Draw Frame grindle with Roving gridle to create special effect in knitted fabric.
- 2/14s Polyester(Meta)- 1/08s (Karishma quality) twisted with Golden filament to give special effect for sweater knit product.

- 2/20s P/C 80/20 Slub (Tiger slub) – Used cotton noil with slub to Linen look effect suiting Fabric.
- 2/30s P/V 65/35 Injection slub- This product used one ply plain + one ply injection slub to give special effect with minimize cost of product for suiting fabric.
- 1/30s P/V 90/10 (Vita Slub) – Developed in bright colour with more slub dia to give special effect in shirting & Kurta fabric.
- 1/30s P/V-90/10 (Moon light)- Injection slub with different pattern and colour for shirting and Kurta Fabric.
- 1/30s P/V 90/10 (Raffle)- Injection slub with different shade and pattern for shirting & Kurta fabric.
- 1/30s P/V 90/10 (Champ)- Used 7D multi-colour polyester fibre to give special effect in Shirting & Kurta Fabric.
- 1/30s Poly-100%(RRR)- Used 7Dx18mm cut length polyester of 4 different colour and also used grey cationic polyester to give special effect in fabric.
- 2/10s P/V -90/10 – Used 6Dx6mm polyester to give special effect yarn for Furnishing end product.
- Produced new quality (Knotless yarn) in Filasia Product like Ne 2/12 PC & Ne 2/ 20 PC etc.
- New Quality of Yarn introduced & set as per requirement like NM 2 / 10 Polyester, 1 /36, HM, Agniveer Products, different type of Cellulosic new blends & Lcyra & Cationic Yarn quantum also increased.

ii. New process, process optimisation, quality up gradation, waste reduction, cost and manpower reduction

- IT enabled service – Ringas unit started Auto email of Quality results of Coal with Vendors. There is no delay in sharing the information, as every day, all the testing reports & parameters are shared with vendor in a single mail, thereby reducing manual intervention and avoiding delay of information sharing.
- Layering process optimized and thereby reducing shade variation (process) and Neps/Futki issue. Layering being done with 25 kg instead of 100 kg. However, there is no increase of cost of manpower/material.
- This has led to Better Blending of fibre, less fly generation and Ease of work to the worker.
- Recycling of 100% useable waste and 25% Saleable started in house in process, with shade wise segregation.
- In-house Maintenance initiatives like Spindle Rebuttoning, Annual OH of Autoconers, Development of indigenous spares to replace OEM spares etc.

- Utilization of Bale press to prepare bale of Own Dyed fibre, thereby saving on Space as well as saving on handling.
- Inventory Reduction in Stores – Monitoring, planning & coordination has led to reduction in inventory levels by ₹30-40 Lakh/month, thereby saving of interest cost.
- Reduction of Old Fibre – Contingency on Old fibres has reduced by ₹8 Lakh as compared to previous year. This is due to better planning/coordination between PPC & Dye house.
- For improvement in classmate fault, some card wire replaced and each card sampling started on routine basis.
- CPF Filter cleaning machine installed for Filter cleaning in proper way.
- Installed the PPR line which is beneficial for minimum air losses.
- Pre-insulated False ceiling installed to control the air changes in the department its helps in energy saving.
- PIR ducts installed to eliminate the leakages and thermal conductivity also better.
- PIR ducts are lightweight durable and low impact building.
- Solar Plant installed with 2.7MW capacity in HJ-21 roof.
- Latest modified Bale Pressing machine installed which is consumed low energy.
- Single piece roof sheet is installed which are joint less so repeated repair and maintenance is zero.
- Installed energy efficient steam humidifiers.
- Installed latest model YCP from SARA-ELGI with additional water tank, its helps to save energy.
- All H-plants and WCS systems installed Pre-fabricated which are energy efficient and easy to install.
- Installed reinforced glass pipe in Trenches. It helps to lower energy loss and repeated repair and maintenance is zero.

MELANGE YARN BUSINESS

i. New product development

- A new range of Sustainable Melange Yarn, which includes an astounding assortment of 20 different sustainable fibres, including Bamboo, Lotus, Sorona, Coolmax, Wool, Silk, Linen, Hemp, Recycled Cotton, Recycled Polyester.
- Introduced the Regeneri Cotton & blended yarn and



Renewcell Yarn & blended yarn which are also nominated by PVH brand.

ii. **New process, process optimisation, quality up gradation, waste reduction, cost and manpower reduction**

- Process set for snow process and also for lining issue product new designed.
- Process redefined to avoid losses of fabric matching in injection products.
- Checking system upgraded to avoid any failure in slub products.
- Advance fabric checking system started to check fabric quality in terms of neps.
- Mixing SOP revised for weaving products, gain in mixing was taken by replacement of dch 32 by mcu -5.
- Mixing sop revise for PC shades, to use hot water in mixing.
- Bin size in mixing increased to run big lot size more than 8 mt in mill no 2.
- Ultraviolet tube installed at mbo to check optical contamination.
- Permanent portion are fixed to avoid contamination in red family shades.

**DENIM BUSINESS**

**New product development**

- Developed a Zero Cotton 360-degree stretch denim that looks, feels and wears like the highest quality denim, but without the environmental impacts of cotton farming and the product is with inherent all climate functionality of Reliance ALL CLIMA technology that enable all year comfort.
- Bring in denim with sustainable elastane like ECOMODA by Inviya (100 % recycle pre consumer spandex waste) and REGEN by Creora (100 % recycle spandex made from reclaimed waste).
- Introduced Graphene denim (abrasion resistant, anti-microbial, strength), Performance Melange (moisture wicking technology) and Ocean Recycle Poly (plastic waste collected from ocean) which delivers elevated functionality with sustainable benefits.
- Developed SANDWICH shade in dyeing which gives vintage cast during washing.
- Added new Reactive Coating range to its innovation portfolio with wide range of colours which gives bright yarn dyed like wash downs with soft handle.
- Using smart fibres like LOTUS (hydrophilic in nature, hold water and generates negative oxygen ions), BAMBOO (anti-bacterial, UV protective and breathable), COCONA

37.5(maintains the ideal body temperature @ 37.5 irrespective of the outer atmospheric temperature).

- Introduced 3 D Max spandex by CREORA which is having performance features like high stretch, excellent recovery, low growth or bagging.

**New process, process optimisation, quality up gradation, waste reduction, cost and manpower reduction**

- Ceramic insulation coating at VDR Drum Dhall -4 machine-1(1450 Kg/Hr) & Dhall mercerizer machine (2000 Kg/Hr)—total 40 nos. to reduce the steam energy consumption. -Saving in 4.0 ton per day.

**(D) Technology absorption and up gradation during FY 2022-23**

**YARN BUSINESS**

**Kharigram**

- Replacement of old slub attachment with latest Slub Attached Machines.
- Two For One (TFO)-23 added to increase production capacity, improve yarn quality and productivity.
- Replacement of old UT-3 by latest generation UT-6 (Uster Evenness Tester).
- Replaced three dyeing machine for better productivity and quality.
- Replacement of old hydro extractor with Hydro extractor 54 inch dia (150 kgs)

**Banswara**

- To boost quality, 3 new schlafhorst Autoconers X6 with quantum 4 Gauge have been installed.
- 8 Nos New Cards, LC - 361 installed, so basic quality of Yarn improved.
- Installed LK 69 new generation Comber with increased productivity and better quality.
- Installed LH 20 new generation Lap former with increased productivity and space saving.

**Risbhabdev**

- To reduce drum cut issue by cheese winding, a new generation cheese winding machine installed by which drum cut issue reduced and timely lot run out.
- To improve grinding performance, off line flat grinding machine installed and it gives more accurate and precise grinding performance.
- To check knitting performance on day to day basis, a new Knitting machine installed so as to check yarn performance and fabric appearance in house.

**Ringas (Spinning)**

- 2 Simplex LF-4200 A to replace old LF-1400.
- 5 Single Delivery Breaker Draw Frame to replace 3 No Double Delivery Draw Frame.
- 4 New Cards LC 361 to replace Old C1/3 Cards.
- 2 Chute Feed Line to replace Lap feed line.
- 2 New Autoconer to replace 2 Old SAVIO Espro Autoconers.

**Ringas (Green Fibre Plant)**

- Flakes Polymer Sorter installed for Non PET removal from washed flakes.

**MELANGE YARN BUSINESS**

**Mandapam**

- Sheltronics e draft autoleveller controller - m2 Draw Frame installed.
- Sheltronics e draft autoleveller controller - m1 Draw Frame installed.
- Digital bomb calorimeter RSB-7 - etp lab installed.
- Dhaara smart ultrasonic flow meter.
- Xylem hpn pumping system for R.O. water (nr. O/h tank).
- Three new Draw Frame ldb3 installed.
- Verivide colour cabinets cac060-5 (f/d lab) installed in lab.
- Cubotex yarn dyeing machine rvs 50 (100 kg) (s/n 2378) added.

**Kanyakheri**

- 2 Ring frame machine installed with pinter optofil bonda controller.

**DENIM BUSINESS**

- Rope dyeing machine -Conversion of DC motor & drive system to AC motor & drive system.
- H-plant Up-gradation of Luwa PC from window xp to window 10 operating system for H-Plant & controller from DIGI II TO DIGI-V.
- SPMF metal detector upgradation from OEM.
- Up-gradation in picanol loom from PB card to LDAC-- 5 machine.
- LCB machine 1& 4 - drive up gradation.
- Washing Machine model upgradation & Metrohm -Titrimo Required for dyeing Machine dye bath process control.
- Dyeing & finishing section--LMR Moisture Controller on Dhal - 3 & Dhal – 4, Beam Loading Trolley to Loom, Spectrophotometer for sheet dyeing machine.

**(E) New technology absorption plan for 2023-24 for betterment of products**

**YARN AND MELANGE BUSINESS**

- 10 no's Cyclone in mixing bins for better blending and working.
- 2 no's Simplex- 4280A for betterment in quantity and reduction in creel opening at Ring Frame stage.
- 4 no's Ring Frame OHTC for better quality and working.
- 8208 sp Roving Stop Motion in Ring Frame for better quality, increase efficiency and reduction in waste.
- One blow room of Trutzschler.
- Trutzschler T cards.
- Draw frame – Rieter RSB D 45.
- Speed frame LMW- LF 4280.
- Autoconer Schlafhorst X6 Saurer.
- Finisher Draw frame LDA1 Modification.
- Simplex Machine DMM Modules Modification.
- Rewinding Machine PS Versa - 30 Drums.
- Over Head traveller Cleaner for Ring Frames.
- Over Head traveller Cleaner for Speed Frames.
- Draw Frame -5 & Simplex-5 replacement to Increase Production Efficiency, Improve Yarn Quality and Productivity.
- Burkulising Machine.
- Cots mounting and demounting Machine, replaced by semi-automatic machine to better quality and productivity of yarn.
- Card Stripping Roll.
- BRW Truetzschler Make.
- Two for One (TFO)-23 Winding Machine to Increase Production Efficiency, Improve Yarn Quality and Productivity.
- Uster Classmate -5 from Uster Technologies.

**DENIM BUSINESS**

- Boiler-1 Modification -Conversion of Boiler-1 to run on 100% biomass & run the back pressure turbine/Generator -375 KW to --- Saving of 4000 units per day.
- New upgraded MEE with ATFD of 200 KLD- Addition of New MEE with ATFD & 4<sup>th</sup> stage RO system which has low specific steam consumption & low power consumption.
- Weaving section -Lycra Attachment - 5 loom, Slub Nozzle Injector, Axillary nozzle for loom, Double pick insertion on loom.



KNIT BUSINESS

- Installation of new Dyeing machines of low liquor ratio.
- Hot water recycles– for recycle of hot water, and this water is going to ETP plant.
- Separation of Effluent from process –planning to separate high TDS stream from plant, so that we can increase efficiency of our RO system.

(F) Expenditure on Research and Development during the FY 2022-23

(₹ In Lakh)

Sr No	Unit	Capital	Revenue	Total
1	Kharigram	0.63	362.21	362.84
2	Kharigram - HJ21	242.05	33.76	275.81
3	Banswara	1.12	274.31	275.43
4	Melange at Mandapam	6.37	207.86	214.23
5	Melange at Kanyakheri	-	59.59	59.59
6	Rishabhdev	7.02	86.68	93.70
7	Ringas (Spinning)	1.55	79.19	80.74
8	Ringas (Green Fibre Plant)	-	84.42	84.42
9	Denim	171.23	292.46	463.69
10	Knit	99.33	54.59	153.92
	Total	529.30	1,535.07	2,064.37

(G) Details of major machines installed during FY 2022-23

No.	Unit	Name of machine	Model/Make
1.	Kharigram	Breaker draw frame-5	LMW LDB3
		OHTC-10	ELGI electrical
		Slub attached-6	Industrial electronics corporation
		Two For One (TFO)-23	Hitech
		Assembly Winder Machine-2	Reshmi PPW
		Oil topping Machine	Saurer
		HTHP Fibber Dyeing machine	Sanarco
		Manual bale press machine	TinyTop
		Steam continuous drier	Aastha
		BLOWROOM LINES -4	Trutzschler
		Br. Draw frame – 5	Reiter
		Simplex -2	Saurer Zinser
		Ring frame -20	LMW LR9
		Link coner – 4	Schlafhorst
		Auto coner X6 -5	Schlafhorst

No.	Unit	Name of machine	Model/Make
2.	Banswara	Card LC 361- 6 no.	LMW LC 361
		Draw frame – 1 no.	LMW DO B 3
		Comber – 1 no.	LMW LK 69 M
		Lap former- 1 no	LMW LH 20 S
3.	Rishabhdev	Cheese winding	Reshmi
		Knitting machine	Bharat Knitting
4.	Ringas (Spinning)	2 Autoconers ACX6 TYPE RM 60 Winding Heads with FD FL  Weigh-Scale 3 Draw Frame (New) [2-Twin/1-Single Delivery]  Single - Double Yarn Twist Tester	LMW LH 20 S
5.	Ringas ( Green Fibre Plant)	Flakes Polymer Sorter	Lauffer
		CPF Filter cleaning machine	Jiangsu Ruiiju Env. Tech co. ltd
6.	Melange at Mandapam	Draw frame-6 nos.	LMW- LDB 3
		Draw frame-6 nos.	LMW- LDF3S
		Flat end milling machine	LCC
		Cubotex 100kg. Machine	Cubotex Cubotex

(H) 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 ₹ 870.63 Crores (\$116.12 million) on FOB Basis.

2. Total Foreign Exchange Earned and Used

Particulars	₹ In Crore	\$ Million
Foreign exchange earned in terms of actual inflows	870.63	116.12
Foreign exchange used in terms of actual outflows	142.19	



## Annexure V 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 as amended time to time, every Listed Public Company is required to constitute a Nomination and Remuneration (NRC) Committee with at least three Non-Executive- Directors, out of which not less than two third shall be Independent Directors..

The Company already had in place a Remuneration Committee which was made well in line with the above mentioned requirements. The Board has authority to reconstitute this Committee from time to time. In order to align the policy with the provisions of the Companies Act, 2013, and the Listing Regulation, 2015 as amended from time to time, the Board of Directors of the Company at their meeting held on the 22<sup>nd</sup> April, 2014, renamed the “Remuneration Committee” as “Nomination and Remuneration Committee”.

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

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

- Managing Director & Chief Executive Officer or the Manager,
- Whole Time Director,
- Company Secretary,
- Chief Financial Officer,
- Such other officer not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- 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 Including Functional Heads and shall specifically include Company Secretary and Chief Financial Officer"

#### Role and Objective of Committee:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
2. The Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agency(ies), if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
3. 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.
4. Recommend to the Board the appointment and removal of Directors and Senior Management.
5. Formulate criteria for effective evaluation of performance of Independent Directors,Board, its Committees and Individual Directors to be carried out either by the Board, by the Committee itself or by an independent external agency and review its implementation and compliance.
6. To devise a policy on Board diversity.
7. 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. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

8. To develop a Succession Plan for the Board and to review it regularly.
9. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
10. To perform such other functions as may be referred by the Board or be necessary in view of the Listing Regulation, 2015 and the provisions of the Companies Act,2013 and Rules made thereunder.
11. To recommend whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
12. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and provision of the Companies Act, 2013 & Rules thereunder.

#### Membership:

1. The Committee shall comprise at least three (3) Directors.
2. All members shall be Non- Executive Directors and at least two third of them shall be Independent Directors provided that in case company will have outstanding SR equity shares, two third of them shall be independent directors.
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/Chairperson 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/Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman/ Chairperson.
4. Chairman/Chairperson of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member of the Committee to answer the shareholders’ queries.

#### Frequency of Meetings:

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

#### Quorum:

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

#### Committee Member’s 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.

#### SECRETARY

The Company Secretary of the Company shall act as Secretary 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:

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, integrity, background and other qualities required to operate successfully;
- The experience and knowledge that the appointee brings to the role of KMP/Senior Management, 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.



Term / Tenure

Appointment of Managing Director / Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders of the Company as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and in compliance of the Listing Regulation, 2015 as amended time to time.

Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for a period upto five years or such other period as may be stipulated on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

Removal/Retirement

Due to any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations. The Directors, KMP and Senior Management shall retire as may be recommended by the NRC and approved by the Board as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.

Letter of Appointment:

Each Independent/KMP/Senior Management, 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 has 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 at least 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 Management 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:

Managerial Person, 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 and SEBI(Listing Obligations 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 Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time.

3. Provision for excess remuneration:

If any Managerial Person 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.

5. Sitting Fees:

A director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof unless he/she is not getting any remuneration by way of Salary. Provided that the amount of such fees per meeting of the Board or Committees shall not exceed the maximum amount as provided in the Companies Act, 2013 as amended from time to time.

6. Remuneration/Commission to Non-executive / Independent Director:

The remuneration/commission to Non-executive / Independent Director shall be in accordance with the

statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.

Except with the approval of the Company in the general meeting by a special resolution the overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013 & rules thereto.

Evaluation/ Assessment of Directors/ of the Company:

The evaluation/assessment of the Directors 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 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.
- Review management's Succession Plan.
- Effective meetings.
- Clearly defining role & monitoring activities of Committee.
- Review of ethical conduct.
- Assuring appropriate Board size, composition, independent structure.
- Clearly defining roles & monitoring activities of Committee,
- Communication of expectations and concerns clearly with subordinates.
- Direct, monitor & evaluate KMPs, Senior Officials.

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 Director/Non-Independent Directors along with the Independent Directors shall evaluate /assess each of the

Independent Director of the aforesaid parameters which shall also include the following:

- a) performance of the Directors and
- b) fulfillment of the Independence criteria as specify in Listing Regulation as amended from time to time and their independence from management,

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 Independent Directors, 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. The Director being evaluated will not participate in evaluation process.

Performance Evaluation of KMPs/ Senior Management of the Company

The performance evaluation of KMPs/ Senior Management is measured with regard to the goals and objectives set for the year and increase in compensation & reward by way of variable bonus is linked to the evaluation of individual's performance. Additionally, industry benchmarks are also used to determine the appropriate level of remuneration, from time to time.

Deviations from this Policy:

Deviations on 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. However, this shall be subject to the approval of the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company.

Policy review

- a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time.
- b. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.



Annexure VI to Directors’ Report

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

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

Median Salary for the Financial Year 2022-23 ₹1.86 Lakh

S. No.	Name of the Director	Remuneration FY 2022-23 (₹ In Lakh)	Ratio
1	Shri Riju Jhunjhunwala (Chairman & Managing Director and CEO)	494.82	266.03
2	Shri B M Sharma (Joint Managing Director)	342.61	184.20

- (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 & KMP	% Increase in Remuneration
1	Shri Riju Jhunjhunwala (Chairman & Managing Director and CEO)	No Increase
2	Shri B M Sharma (Joint Managing Director)	No Increase
3	Shri Avinash Bhargava (Chief Financial Officer)	29.35
4	Shri Surender Gupta (Company Secretary)	6.16

- (iii)
- The percentage increase in the median remuneration of employees in the financial year
- % increase in the Median remuneration of employees in the FY.10.71
- (iv)
- The number of permanent employee on the rolls of Company
- No. of Permanent Employees as on 31<sup>st</sup> March, 202316272
- (v)
- Average percentile increase already made in the salaries of employee other than the managerial personnel in the last financial year and its comparison with the perecentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration;
- Salary/Wages of employee other than managerial personnel has marginally increased
- The remuneration to employees and managerial personnel is commensurate with Industry standards.
- (vi)
- Affirmation that the remuneration is as per remuneration policy of the company.
- Yes, the remunewration is as per the remuneration policy of the Company.

ANNEXURE - VII 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	Remu- neration (₹ In Lakh)	Qualification	Experience (Years)	Commence- ment of Employ- ment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Shri Riju Jhunjhunwala	Chairman & Managing Director and CEO	494.82	MBA	22	1 <sup>st</sup> May, 2013	3,77,000	Contractual	44	HEG Limited	Executive Director	15 Months
2	Shri B. M. Sharma	Joint Managing Director	342.61	FCA	40	15 <sup>th</sup> January, 2011	-	Contractual	65	Kesar Enterprises Ltd	AVP	5
3	Shri Prakash Maheshwari	Chief Executive- Corporate Affairs	165.09	BSC, FCA	46	1 <sup>st</sup> April, 2003	-	Permanent	68	HEG Limited	President	14
4	Shri Vimal Banka	President - Corporate Office	195.66	CA	43	1 <sup>st</sup> April, 1990	8,083	Permanent	72	Shashi Commercial Ltd	Manager	4
5	Shri Suketu N Shah	Chief Executive- Denim Business	149.89	BSC, DTC	39	3 <sup>rd</sup> December, 2018	-	Permanent	60	Mafatal Industries Ltd.	BH & Resident	2
6	Shri Arvind Gupta	Business Head MYB & Knit	105.73	BE (Chemical), MBA (USA), EPSCM(IIMC)	32	17 <sup>th</sup> February, 2020	-	Permanent	57	Tolaram Group	President Director	4
7	Shri Sukesh Sharma	Business Head Yarn Business	103.16	B. Text.	40	8 <sup>th</sup> February, 2003	-	Permanent	64	Parasrampuria	DGM	5
8	Shri Naresh Kumar Bahedia	Chief Operating Officer	84.07	ICMAI (ICWA)	33	3 <sup>rd</sup> December, 1990	-	Permanent	55	-	-	-
9	Shri Ashutosh Sharma	Sr. Vice President Yarn Marketing	82.75	MBA	31	24 <sup>th</sup> August, 1991	-	Permanent	53	-	-	-
10	Shri Manoj Sharma	President & CHRO	76.07	MBA, LLB (Hons)	36	9 <sup>th</sup> April, 2019	-	Permanent	59	RG Group	Sr. Vice President CHR & Business Strategy	3



B. Persons employed throughout the financial year & paid Rupees One crore two Lakh P.A. or more

S. No.	Name of Employee	Designation	Remu-neration (₹ In Lakh)	Qualification	Experience (Years)	Commence-ment of Employ-ment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Shri Riju Jhunjunwala	Chairman & Managing Director and CEO	494.82	MBA	22	1 <sup>st</sup> May, 2013	3,77,000	Contractual	44	HEG Limited	Executive Director	15 Months
2	Shri B. M. Sharma	Joint Managing Director	342.61	FCA	40	15 <sup>th</sup> January, 2011	-	Contractual	65	Kesar Enterprises Ltd	AVP	5
3	Shri Prakash Maheshwari	Chief Executive- Corporate Affairs	165.09	BSC, FCA	46	1 <sup>st</sup> April, 2003	-	Permanent	68	HEG Limited	President	14
4	Shri Vimal Banka	President - Corporate Office	195.66	CA	43	1 <sup>st</sup> April, 1990	8,083	Permanent	72	Shashi Commercial Ltd	Manager	4
5	Shri Suketu N Shah	Chief Executive- Denim Business	149.89	BSC, DTC	39	3 <sup>rd</sup> December, 2018	-	Permanent	60	Mafatlal Industries Ltd.	BH & Resident	2
6	Shri Arvind Gupta	Business Head MYB & Knit	105.73	BE (Chemical), MBA (USA), EPSCM(IIMC)	32	17 <sup>th</sup> February, 2020	-	Permanent	57	Tolaram Group	President Director	4
7	Shri Sukesh Sharma	Business Head Yarn Business	103.16	B. Text.	40	8 <sup>th</sup> February, 2003	-	Permanent	64	Parasrampuria	DGM	5

C. Persons employed part of the financial year & paid ₹ 8.5 Lakh p.m or more - None

Notes :

- 1
- None of the employee is holding more than 2% of the paid - up capital of the Company.
- 2
- Shri Riju Jhunjunwala, Chairman & Managing Director and CEO is relative of Shri Ravi Jhunjunwala, Director.

Annexure VIII to Directors’ Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[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, 2023** 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 31<sup>st</sup> March, 2023 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 and in compliance with the SDD provisions.
- c)
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d)
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 -**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:
- Textile Committee Act, 1963
  - Cotton Textile Order,1986
  - 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. as mentioned above.

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 except the Company had issued 2,35,50,842 equity shares of face value of ₹10/- each for cash at a price of ₹100/- per Share (including a premium of ₹90/- per Share) aggregating up to ₹235.51 Crore on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (one) Rights Equity Shares for every 1 (one) equity shares held by the Eligible Equity Shareholders of the Company on the record date, that is 16<sup>th</sup> December, 2022.

For Mahesh Gupta & Company  
Company Secretaries

**MAHESH KUMAR GUPTA**

PROPRIETOR

Place: Delhi FCS:2870:C.P.: 1999  
Date:26/05/2023 Peer review certificate no: 727/2020  
UDIN NO.:F002870E000384064

*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)  
Kharigram, P.O. Gulabpura, Distt. Bhilwara,  
Rajasthan-311021

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 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.
- Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.

For Mahesh Gupta & Company  
Company Secretaries

**MAHESH KUMAR GUPTA**

PROPRIETOR

FCS:2870:C.P.: 1999  
Peer review certificate no: 727/2020  
UDIN NO.:F002870E000384064

Place: Delhi  
Date:26/05/2023



## DIVIDEND DISTRIBUTION POLICY

### 1. Introduction and Background

The Securities and Exchange Board of India (SEBI) vide its Notification dated 5<sup>th</sup> May, 2021, have extended the requirement for formulation of dividend distribution policy to top 1000 listed entities on the basis of market capitalization in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall be disclosed in the Annual Report and on the Website of the Company.

The Board of Directors ("Board") of RSWM Limited ("Company") has adopted this Dividend Distribution Policy to comply with these requirements.

### 2. Objective of the Policy

The Company is committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

### 3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend. The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

### 4. Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year.

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital
- Significantly higher working capital requirements adversely impacting free cash flow
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- In the event of inadequacy of profit or whenever the Company has incurred losses.

### 5. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations

### 6. Dividend Distribution Policy

- Current year profits and outlook in line with internal and external environment
- Operating cash flows
- Liquidity and outstanding borrowing position
- Future business plans of the Company
- Cash to be retained for future investments and outlays
- Changes in the external environment impacting business
- Providing for unforeseen events and contingencies with financial implications.
- Any other relevant factor that the Board may deem fit to consider

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and Articles of Association of the Company, as in force and as amended from time to time.

In addition, the Board of Directors, based on the above parameters, may declare interim dividend(s) as and when they consider fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

### 7. General

- In case the Board of Directors proposes not to distribute the profit in any year; the grounds thereof shall be disclosed to the shareholders in the Annual Report of the Company.
- The retained earnings will be utilized towards funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, Buyback of shares subject to applicable limits, Payment of Dividend in future years, Issue of Bonus shares, any other permissible purpose in accordance with applicable provisions of the Companies Act, 2013, the applicable Rules thereunder, SEBI regulations and Articles of Association of the Company.
- The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

### 8. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.



# Business Responsibility & Sustainability Reporting

## Director Responsibility Statement

We are committed to promoting sustainable business practices at RSWM Limited as we believe that sustainability should be at the core of every business decision we make.

We manufacture polyester staple fiber from PET bottles, yarn from polyester staple fiber made from PET bottles and fabric from yarn so made. We save water in dyeing & processing and also protect the environment by complying with relevant regulations. There are crucial advantages of using recycled polyester over virgin polyester as it results in reduction of bottles in landfills; plastic bottles are reused benefiting in the reduction of contamination of the earth as well as water and air pollution.

RSWM has been investing in preserving and improving the environment for close to six decades by various activities. The company have one of the cleanest and greenest campuses in India. Our sustainability initiatives are not guided by legal or regulatory requirements only but are rooted in our core values.

At RSWM Limited, our goal is to create a circular economy where materials are recycled and repurposed, and waste is minimized. We invest in sustainable and ethical sourcing of raw materials, as well as promoting fair labor practices for workers throughout the supply chain. We ensure that our products are made with the least environmental impact possible.

To achieve these goals, we work collaboratively with all stakeholders, including customers, suppliers, employees, and regulators. We engage in continuous dialogue to promote transparency and accountability in our practices and seek out innovative solutions to address challenges.

We are committed to promoting sustainable business practices at RSWM Limited. We will work with our team to drive change and ensure that we are making a positive impact on the environment and society. We believe that we must act today to ensure a sustainable future for generations to come.

### RSWM's Core Competency for Growth & Resilience: -

We at RSWM Limited, engaged in the production of textiles, commit ourselves to total stakeholder's satisfaction by setting high standards of Quality, Environment, Health & Safety practices by:

- Continual improvement in our quality, environmental health & safety management and performance by setting & reviewing objectives and targets. Continuous cost cutting exercises through internal program "KIFAYAT".
- Complying with all the applicable legal & other requirements related to our products, environmental aspects and health & safety hazards. Implemented compliance management system (Developed by an independent agency).
- Preventing defects, pollution, injuries & ill health using modern technology, improved processes competence and systems.

### Journeying into a bright future

Our Vision is to forge ahead in sustainable business practices by minimizing the negative environmental and social impacts of our operations and maximizing the positive ones. We aspire to innovate new trends in the textile industry through Excellence and seamlessly grow to pose as a Global Leader by positioning our finest and diverse product worldwide. We are committed to achieve growth by promoting integrity & ethics and co-prosperity to ensure that our success is mutually beneficial for our costumer, employees and the community. Our sustainability strategy will work around 3 E's i.e., Equity, Environment and Economics.

### Mission & Values

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

Our commitment to managing our environmental and social impacts is not just a business priority, it is a moral imperative.

To continuously grow on a sustainable basis and be a major, innovative, profitable and the most admired textile manufacturer in Asia.

### Our Core Values

- Giving back to Society
- Respect for Individual
- Integrity
- Passion

Strategic priorities and key topics for RSWM Limited to focus on in the short and medium-term with respect to sustainability are:

#### 1) Short-term priorities:

- **Implement sustainable sourcing:** Company is prioritizing sustainable sourcing of raw materials such as cotton, wool, and synthetic fibers. This means sourcing from suppliers who adhere to environmental and social standards such as organic, fair trade, or recycled materials.
- **Minimize waste:** Textile production generates a significant amount of waste, including fabric scraps, yarns, and packaging materials. The company is reducing waste by implementing a waste management system that includes recycling, reuse, and waste-to-energy solutions.
- **Reduce water consumption:** Textile production is a water-intensive process. Therefore, reducing water consumption can help the company to minimize its impact on the environment. The company is achieving this by implementing water-efficient technologies, such as low-flow nozzles and closed-loop systems.

#### 2) Medium-term priorities:

- **Ignite 2026:** As we look ahead to the future of textiles, we recognize the critical role that leadership plays in driving innovation and growth. Ignite 2026 is not just an event, it is about unlocking new possibilities. Our vision is to foster an environment of innovation, collaboration and sustainable growth, where the team gets together to create a better tomorrow.
- **Adopt circular economy principles:** The textile industry can play a significant role in a circular economy by designing products for reuse, recycling, and composting. The company is adopting circular economy principles by implementing closed-loop production systems, reducing the use of virgin materials, and designing products with circularity in mind.
- **Reduce carbon emissions:** The textile industry is a significant contributor to greenhouse gas emissions, mainly from energy use and transportation. The company is reducing its carbon footprint by using renewable energy sources such as solar and wind power, optimizing its production processes, and implementing energy-efficient technologies.

- **Enhance supply chain transparency:** Company is aiming to enhance supply chain transparency by monitoring and reporting on its environmental and social impact throughout its supply chain. This includes monitoring suppliers' compliance with labor and environmental regulations and identifying opportunities to improve performance.

#### 3) Broader Trends Influencing Sustainability Priorities at RSWM Limited

- **Climate change:** As the world becomes more aware of the effects of climate change, we are working to reduce our carbon footprint and adopt sustainable practices in our operations.
- **Resource depletion:** Textile production requires significant amounts of water, energy, and raw materials. As these resources become scarcer, we are working to find more sustainable ways to produce products.
- **Circular economy:** The circular economy is a new economic model that emphasizes recycling, reusing, and reducing waste. We are adopting circular economy principles to reduce our environmental impact.
- **Consumer demand:** Consumers are becoming more conscious of the environmental impact of the products they buy. As a result, we are adopting sustainable practices to meet consumer demand.
- **Regulations and standards:** Governments and industry bodies are introducing regulations and standards to promote sustainability in the textile industry. The company needs to comply with these regulations and meet these standards to stay competitive.
- **Water management:** RSWM manufactures yarns dyed with advanced techniques that use less water and chemicals. 1,350 kiloliters of water is saved every day and around 4,93,000 kiloliters of water is saved annually through the advanced techniques that we use. Our advanced fabric dyeing process is water efficient. 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.
- **Sewage:** 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.

- **Energy management:** For RSWM, energy consumption is not just a cost element, but is considered as its burden on the Earth. As a result, the Company zealously works toward reducing its energy consumption at all levels. The shopfloor team continuously monitors energy consumption real-time; this is then analyzed and steps to optimize consumption are implemented. The Company continues to replace legacy equipment with contemporary and energy-efficient variants; lighting solutions have been altered in favour of LED solutions. The Company, with an aim to reduce consumption of fossil fuel, enhanced its dependence on renewable energy. This trend is expected to continue over the coming years. The Company has reduced 800,000 Tonnes of Co2 emissions annually.

*RSWM Limited, Group units were awarded State Energy Conservation Award on different positions in different financial years.*

- **Energy Policy:** RSWM limited is committed to achieve energy performance improvements in manufacturing cotton & synthetic blended grey, dyed and specialty yarn, mélange yarn and polyester staple fibre including entire boundaries of the organization, by conserving the energy use and consumption by procurement of energy efficient products and services, design for energy performance improvements.
- This will be achieved by ensuring the availability of information and resources compiled with applicable legal and other requirements related to energy use, reviewing energy objectives and targets, and laying down procedures to improve energy performance and ensure that it is adequate and effective. This policy is committed to all levels of the organization by displaying at strategic locations and providing training to all employees. The policy is reviewed during management review to ensure that it remains relevant and appropriate to the organization.
- **Clean energy:** The Company's clean energy initiative comprises solar installation and tie-ups for the sourcing of wind power. RSWM has entered into a Power Purchase Agreement (PPA) arrangement

with a company engaged in generation and supply of wind power to RSWM. The total capacity of wind power is 40 MW.

- RSWM has also installed Solar Power Plants at its various manufacturing locations including Kanyakheri, Mandpam, Gulabpura, Kharigram, Mordi, Ringas and Rishabdev. The total solar capacity is 28.08 MW's.
- **Responsible sourcing:** The Company sources its raw materials from environment respecting vendors for its man-made and natural fibre requirements. Man-made fibre is sourced from reputed corporates that are environmentally conscious and compliant with global environment standards. For natural fiber, the Company sources its requirements from mandis at fair market prices. Furthermore, the Company assists cotton growers to enhance their farm output.
- **Increase in green vegetation:**  
We deliver positive green energy and procure more people to participate in activities related to promotion of green ideas, environmental protection and nature conservation, with an aim to make proper contributions to the Company's green development. We ourselves have planted trees inside our facilities and premises to promote greenery.

#### 4) Recycle-Reuse-Sustain

India Plastic Packaging Industry-Vision-Targets

- India's packaging market size \$73 Billion
- Plastic packaging accounts to around 40%
- India's recycled plastic market is set to grow at a rate of 11% CAGR for next few years.
- India had pledged to reduce emissions intensity of GDP by 30-35% by 2030.
- India targets 100% recycling and reuse PET plastic by 2025

RSWM is one of the few textile players in India who can claim to be converting waste into wealth. We proudly offer recycled yarn in our fabrics. Our state-of-the-art Garnett machine efficiently breaks down post-consumer waste fabrics and converts them into new usable fibres, we're weaving new fabrics while eliminating excess waste from landfills. Around 30 tonnes of fabric is recycled per month by us.

According to a recent survey, it is estimated that a massive

25,940 tonnes of plastic waste are generated in India every day. This converts to almost 11 Kgs of plastic (on an average) per capita consumption. The practical usage of plastic cannot be stopped by companies, industries or by common public entirely since it has become a part of our lifestyle. Moreover, plastic is reasonable, flexible and sturdy to use. However, they can be appropriately recycled into many creative and innovative products like kitchenware, clothing, and attractive carpets. It is our job to make the Earth a better place. We can efficiently convert these pesky plastics into fibre which can be used for many end-uses and one among them is designer clothes you wear or the pillow you sleep in.

1. Plastic to fiber: Plastic/PET bottles have become a menace for the Earth on land and in water. RSWM, albeit in a small way, is trying to address this issue. The Company has invested in a 120 MT/day green fibre unit which processes about 150 MT of waste plastic bottles per day into green fibre, which is then spun into yarn. This plant has received approval from global brands with regard to the fibre quality and its usage for their products.

Advantages of recycled polyester –

- Sustainable, durable and economical.
- It's durable, lightweight, crease resistant, color fast, quick drying, stain resistant, eco-friendly and economical.
- It results in huge energy savings (of up to 45%) during the production as compared to virgin polyester.
- Choosing recycled polyester over its virgin counterpart also means 20% reduction in water consumption and 30% less CO2 emissions.
- Each T-Shirt manufactured = 12 plastic bottles recycled

*RSWM Limited recently received Global Recycle Standard (GRS) Certification for its Ringas location.*

Company recycles plastic pet bottles using advanced technology and as per undermentioned process: -

1. Washing Line -Input of PET bottle in wash line to convert into wash flakes. First soil & dust removed by Dealer after that PET bottles goes into hot water tank for the purpose of pre-wash. After that PET bottles go into label remover and manual sorting conveyer belt. Further PET-Bottle cuts into 12-14 mm pieces which called PET Flakes.

2. Spinning– Washed Flakes charged into hopper through pneumatic flow, after that flake comes into crystallizer for removal of moisture and crystallization. Further flakes are stored in dryer for 4-5 hours for removal of moisture, then flakes melt into polymer in Extrusion process. In precise spinning process, polymer melts, or solutions are extruded from a fine hole and is elongated by applying a tensile external force on the extruded portion. As the polymer melts or solution is pulled, it is cooled or precipitated, respectively, to form a solid filament and converted into TOW.

3. Draw Line – Transfer the collected TOW in Draw line for stretching. TOW passes through different speeds on draw rolls for stretching, further stretched and flatted TOW passed through Crimper machine, which helps to make crimps, crimped TOW passes through Hot Air Chamber's Dryer for moisture removal, then fibre goes into cutting section in which we cut the length of fiber according to customers demand.

2. Fiber to Yarn (Liva reviva)

**Liva Reviva** yarns are made up of viscose fibres, with 20% pre-consumer textile industrial waste and 80% wood pulp at the fibre manufacturing stage. It is sourced by 100% Sustainability Forestry and is RCS Certified.

**Cupro** is an ideal sustainable yarn for summer clothing. Clothes made of cupro are comfortable, breathable, luxurious, and suitable for warmer, humid weather. With its silky luster and bright colors, Cupro can be used for traditional wear, linings, apparel textile, activewear and intimates.

Damask, the coffee charcoal yarn by RSWM, speaks of luxury, sustainability, and coziness in one. It is a yarn made with charcoal from upcycled coffee grounds which is blended with the finest quality cotton. The yarn provides superior moisture absorption, odour control, and UV protection and is environmentally friendly.

Hemp Yarn comes from the stalks of the Cannabis stavia plant which is 4x stronger than cotton. It uses only 1/20<sup>th</sup> the amount of water as regular cotton to grow and process. It resists bacterial growth and is naturally porous and breathable.



3. Yarn to fabric: The Company recycles post-consumer waste fabrics into new usable fibres. About 30 tonnes of waste fabrics are effectively and efficiently recycled every month.

## 5) 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.

RSWM is committed to invest in growing its people, their skills and capabilities through knowledge-enhancing initiatives. People are the cornerstones of RSWM's success and sustained growth. Their dedicated passion and disciplined efforts have positioned RSWM as one of the leading players in the Indian textile industry.

Team building is an essential part of RSWM's people practices. The Company encourages cross functional teams to address complex operational challenges. It leverages people's knowledge for operational improvements by encouraging members to suggest and implement ideas. Team bonding happened through cultural events and festival celebrations.

Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

Ethical business practices and high governance standards have been the bedrock of our business policies and practices. Efficient conduct of the business of the Company through complete transparency in discharging its corporate responsibilities and accurate accountability thereof has resulted in sustained business excellence and delivering value to all our stakeholders.

RSWM's Code of Conduct aims at maintaining the 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. It extends to all directors and senior employees of the Company. They are mandated to read and understand this code and agree to abide by it.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are considered before making any business decision. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established seven Committees to discharge its responsibilities in an effective manner.

At RSWM, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

1. Dividend Distribution Policy
2. Preservation Of Documents
3. Sexual Harassment Policy
4. RSWM Economic Environment and Social Policy
5. RSWM Board Performance Evaluation Policy
6. Related Party Transaction Policy
7. Whistle Blower Policy
8. Nomination & Remuneration Policy
9. Determination of Materiality of Events
10. Material Subsidiary
11. CSR Policy
12. Policy Of Archival
13. Risk policy
14. HR Policy
15. Energy Policy
16. Quality, Environment, Health & Safety Policy

RSWM maintains the highest standards of Corporate Governance. It is the Company's constant endeavor to adopt the best Corporate Governance practices, keeping in view the international codes of Corporate Governance and the practices of well-known global companies. Some

of the best implemented global governance norms include the following:

- The Company has designated Directors with their defined roles.
- All securities-related filings with Stock Exchanges and SEBI are reviewed at regular intervals by the Company's respective officials.
- The Company has Board Committees for matters related to Corporate Governance and stakeholders' interface.
- The Company's internal audit is also conducted by independent auditors.
- The Company also undergoes a secretarial audit conducted by an independent company secretary who is in whole-time practice and the annual secretarial audit report placed before the Board is included in the Annual Report.

## 6) Key events and achievements: -

1. RSWM Limited is the first to create a market in Europe for Polyester/ Viscose, blended yarn and is amongst the first three to produce blends for the first time in the world.
2. RSWM Limited, KGM was India's first composite textile unit to get the coveted ISO 9001 certification.
3. RSWM Limited is the winner of the SRTEPC Highest Export Award for Polyester/ Viscose yarn exports for the last 19 consecutive years.
4. RSWM Limited, Rishabhdev unit received National Export Award for the year 1997-98. Rishabhdev unit also won SRTEPC Excellence Award for highest production in the export of 100% Polyester spun yarn in the year 1996-97.
5. RSWM Limited has been awarded the Star Trading House by the Government of India
6. RSWM Limited, Mayur Nagar, Banswara unit won

the "Rajeev Gandhi National Quality Award-2006" (commendation certificate) in the large-scale Textile manufacturing company.

7. RSWM Limited, Kharigram unit won the "Rajeev Gandhi National Quality Award-2007" (commendation certificate) in the large-scale Textile manufacturing company.
8. RSWM Limited, Rishabhdev unit won the "Rajeev Gandhi National Quality Award-2008" (commendation certificate) in the large-scale Textile manufacturing company.
9. RSWM Limited Mandpam unit is the first unit in Mélange Yarn that is certified for Global Recycle Standard (GRS).
10. RSWM received Rajasthan Export Awards for the year 2009-10.
11. RSWM Limited units were awarded by State Energy Conservation Award in different positions in different financial years.
12. RSWM Limited recently received Global Recycle Standard (GRS) Certification for its Ringas location.
13. RSWM Limited has won the TEXPROCIL GOLD TROPHY for the highest export of cotton mélange yarn during the year 2017-18 in category - II. In 2016-17, Texprocil Gold Trophy in the category – I, and in 2014-15 and 2015-16 Bronze trophy.
14. RSWM Limited was the highest exporter of Mélange Yarn in 2020-21 in Rajasthan
15. Best employer award in FY 2022-23.
16. RSWM'S long-standing commitment to being a responsible organization is pivoted in its ability to embrace and align with global sustainability best practices. These facets of sustainability play a pivotal role in formulating every business strategy at the Company.



SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17115RJ1960PLC008216
2.	Name of the Listed Entity	RSWM Limited
3.	Year of Incorporation	Date of Incorporation - 17/10/1960 Year – 1960
4.	Registered Office Address	Kharigram, P.O. Gulabpura – 311021, Distt. Bhilwara, Rajasthan
5.	Corporate Office Address	Bhilwara Towers, A-12, Sector -1, Noida – 201301 (U.P.)
6.	E-mail	skg@lnjbhilwara.com
7.	Telephone	Tel.: +91-1483-223144 to 223150, 223478
8.	Website	www.rswm.in
9.	Financial year for which reporting is being done	April 2022 to March 2023
10.	Name of the Stock Exchange(s) where shares are listed	1). BSE Limited 2). National Stock Exchange of India Limited
11.	Paid-up Capital	47.10 Crores
12.	Name and Contact details (Telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Name - Mr. Avinash Bhargava (Chief Financial Officer) Contact Details: -Telephone - +91-9414005164 Email ID- cfo.rswm@lnjbhilwara.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	RSWM is reporting on standalone basis.

II.Products/Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business	% of Turnover of the Entity
1	Manufacturing	Textile and Other	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of Total Turnover Contributed
1	Spinning, Weaving & Processing of Man-made Textile fibers	2470	63.16 %
2	Cotton Spinning & Weaving	2352	36.84 %

As a leader in the domestic and international textile industry, our innovative mindset and visionary approach has blessed us with associations across the globe. Our yarns adhere to the worldwide leading textile processing standard for organic fibers, including ecological and social criteria along with certification of the entire supply chain.

We strive to produce textiles that are environment friendly, sustainable, and socially responsible. From carefully selecting raw materials to implementing eco-friendly manufacturing processes, we are committed to reducing our carbon footprint and conserving natural resources. We prioritize responsible sourcing, recycling, and waste reduction throughout our supply chain to minimize our environmental footprint.

Our commitment to the environment extends to the entire lifecycle of our products. We aim to create textiles that are durable, long-lasting and of high quality, to reduce the need for frequent replacements and minimize waste. We're proud to produce a natural and beautiful array of hues, textures, blends and various other concoctions when it comes to yarn.

We produce various blends of yarns including cotton, synthetic, core-spun, zero-twist, hollow-core, greige, dyed and fancy, mélange and eco-friendly, and green yarns meant for knitting and weaving which can be utilized in various segments such as suiting, shirting, knits, sewing thread, home furnishing, carpets and industrial applications.

We are committed to produce quality by which we have earned an excellent reputation amongst many international and domestic brands.

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	11	10	21
International	0	0	0

Plant Name	Location	Address	Commercial Head	Contact Details
Kharigram	Gulabpura	RSWM Limited, Village-Kharigram, P.O.- Gulabpura, Dist.- Bhilwara (Raj) 311021	Shri Anil Bhandari	Mob- +91 94133 57239 Email- anil.bhandari@lnjbhilwara.com
HJ21	Gulabpura	RSWM Limited, Village-Kharigram, P.O. - Gulabpura, Dist. - Bhilwara (Raj) 311021	Shri Anil Bhandari	Mob- +91 94133 57239 Email- anil.bhandari@lnjbhilwara.com
Mandpam	Bhilwara	RSWM Limited, P.O. - Mandpam, Dist. - Bhilwara (Raj) 311001	Shri Pramod Singhal	Mob- +91 94133 02362 Email- pramod.singhal@lnjbhilwara.com
KanyaKheri	Bhilwara	RSWM Limited, Unit-Kanyakheri, Vill. Kanyakheri, Teh. -Hamirgarh, Dist.- Bhilwara (Raj) 311025	Shri Pramod Singhal	Mob- +91 94133 02362 Email- pramod.singhal@lnjbhilwara.com
Ringas-Spinning	Ringas	RSWM Limited, P.O. - Ringas, Dist. - Sikar (Raj) 332404	Shri Sachin Sodani	Mob- +91 98281 09150 Email- sachin.sodani@lnjbhilwara.com
Ringas-RCPF	Ringas	RSWM Limited, P.O. - Ringas, Dist. - Sikar (Raj) 332404	Shri Sachin Sodani	Mob- +91 98281 09150 Email- sachin.sodani@lnjbhilwara.com
Banswara	Lodha, Banswara	RSWM Limited, Mayur Nagar Village - Lodha, Dist. - Banswara (Raj) 327001	Shri Narendra Bhandari	Mob- +91 94140 13203 Email- narendra.bhandari@lnjbhilwara.com
Power	Mordi, Banswara	RSWM Limited, Thermal Power Division, LNJ Nagar Village- Mordi Dist. - Banswara (Raj) 327001	Shri Sandeep Porwal	Mob- +91 92523 04904 Email- sandeep.porwal@lnjbhilwara.com
Knits	Mordi, Banswara	RSWM Limited, Knits Division, LNJ Nagar Village- Mordi Dist. - Banswara (Raj) 327001	Shri Gopal Mundra	Mob- +91 78911 25990 Email- gk.mundra@lnjbhilwara.com
Denim	Mordi, Banswara	RSWM Limited, Denim Division, LNJ Nagar Village- Mordi Dist. - Banswara (Raj) 327001	Shri Pradeep Kumar Sharma	Mob- +91 94141 02397 Email- pradeep.sharma@lnjbhilwara.com
Rishabdev	Rishabdev	RSWM Limited, P.O. - Rishabhdev, Dist - Udaipur (Raj) 313802	Shri Ashok Sodani	Mob- +91 94140 05134 Email- ashoksodani@lnjbhilwara.com



17. Market served by the entity:

We began as a small textile mill in Bhilwara and have become a leader in the domestic and international textile industry transforming Bhilwara into one of the most important textile hubs in India. The journey of our company has been one of perseverance, innovation, and continuous growth. Starting from humble beginnings, we embarked on a mission to create high-quality textiles and build a reputable brand in the industry.

a. No of Locations

Locations	Number
National (No. of States and Union Territories)	25
Name of States and Union Territories	Maharashtra, Rajasthan, Gujarat, Punjab, Delhi, Haryana, Tamil Nadu, Karnataka, Uttar Pradesh, West Bengal, Dadra and Nagar Haveli and Daman and Diu (Newly Merged Ut), Madhya Pradesh, Uttarakhand, Andhra Pradesh, Jharkhand, Himachal Pradesh, Goa, Telangana, Odisha, Bihar, Kerala, Chhattisgarh, Jammu and Kashmir, Chandigarh etc.

International (No. of Countries)	70 Countries (In FY 2022-23)
Name of Countries	Afghanistan, Algeria, Argentina, Australia, Bangladesh, Belgium, Brazil, Canada, Chile, Colombia, Denmark, Dominican Republic, Dubai, Ecuador, Egypt, Ethiopia, France, Germany, Greece, Guatemala, Honduras, Hong Kong, Horn Of Africa, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Kenya, South Korea, Kuwait, Lebanon, Lithuania, Madagascar, Malaysia, Mauritius, Mexico, Moldova, Mongolia, Morocco, Mozambique, Oman, Panama, Peru, Philippines, Poland, Portugal, Romania, Salvador, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Switzerland, Syrian Arab Republic, Taiwan, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Venezuela, Vietnam, Yemen.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports are incredibly important to modern economies because they offer entities many more markets for their goods. One of the core functions of diplomacy and foreign policy between governments is to foster economic trade, encouraging exports and imports for the benefit of all trading parties.

We believe that export and environmental sustainability are not mutually exclusive, but rather go hand-in-hand. We are dedicated to finding innovative solutions that balance economic growth with environmental conservation. By promoting environmentally friendly export practices, we aim to contribute to a sustainable future, protect the environment, and ensure the long-term success of our business.

We produce and supply high-quality yarns to some of the most renowned brands in 70 countries all over the world. Our diverse products are used in many different markets worldwide.

The total turnover of the entity for the period April 2022 to March 2023 is 3788.90 Crores, (Previous Year 3817.42 Crores), and a significant part i.e., 24.73% is covered by export. RSWM is committed to contribute to nation's growth and prosperity by exporting its high-quality products all across the world.

Summary of export awards received by RSWM: -

RSWM has received various awards for its contribution to nation's growth and development through its high volume of exports: -

SRTEPC award details:

Sr. No.	Awards	Year	EPC
1	Best Export Performance Spun Yarn	2021-22	SRTEPC- The Synthetic & Rayon Textiles Export Promotion Council
2	Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2021-22	
3	Best Export Performance Spun Yarn	2020-21	
4	Second Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2020-21	
5	Third Best Overall Export Performance in Synthetic & Rayon Textiles	2020-21	
6	Best Export Performance Spun Yarn	2019-20	
7	Second Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2019-20	
8	Third Best Overall Export Performance in Synthetic & Rayon Textiles	2019-20	
9	Best Export Performance Spun Yarn	2018-19	
10	Second Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2018-19	
11	Fourth Best Overall Export Performance in Synthetic & Rayon Textiles	2018-19	
12	Best Export Performance Spun Yarn	2017-18	
13	Second Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2017-18	
14	Fourth Best Overall Export Performance in Synthetic & Rayon Textiles	2017-18	
15	Best Export Performance Spun Yarn	2016-17	
16	Second Best Export Performance Man-made Fiber Yarn Blended with Natural Fiber	2016-17	
17	Third Best Overall Export Performance in Synthetic & Rayon Textiles	2016-17	

TEXPROCIL award details:

Sr. No	Awards	Year	EPC
1.	Silver Trophy for The Second Highest Export Performance in Cotton Fabrics - Denim Fabrics Under Category II: Denim Fabrics	2020-21	TEXPROCIL- The Cotton Textiles Export Promotion Council
2.	Silver Trophy for The Second Highest Export of cotton yarn (Processed Yarns) in Category II	2020-21	
3.	Silver Trophy for The Second Highest Export Performance in Cotton Yarn - Processed Yarns Under Category II: Mélange Yarns	2019-20	
4.	Silver Trophy for The Second Highest Export Performance in Cotton Fabrics - Denim Fabrics Under Category II: Denim Fabrics	2019-20	
5.	Silver Plaque for The Second Highest Export Performance in Cotton Yarn - Counts Sos & Below Under Category I Banswara Cotton Export	2019-20	
6.	Highest Exports of Processed Yarns - Gold Trophy/Plaque: Mélange Yarns	2017-18	
7.	Denim Fabrics - Silver Trophy/Plaque	2017-18	
8.	Highest Exports of Processed Yarns - Gold Trophy/ Plaque: Mélange Yarns	2016-17	
9.	Highest Exports of Denim Fabrics - Gold Trophy/Plaque	2015-16	
10.	Processed Yarns- Bronze Trophy/Plaque: Mélange Yarns	2015-16	
11.	Processed Yarns- Bronze Trophy/Plaque: Mélange Yarns	2014-15	
12.	Denim Fabrics - Bronze Trophy/Plaque	2014-15	

c. A brief on types of customers

As a responsible textile company, we recognize the profound significance of both our customers and the environment.



Our customers are at the heart of everything we do, and their satisfaction is our top priority. We strive to provide them with the highest quality products and services, listening to their feedback and incorporating it into our operations to continuously improve.

At the same time, we are acutely aware of the critical need to protect our environment. As a textile company, we understand the impact our operations can have on the environment, and we are committed to minimizing our carbon footprint, reducing waste, and promoting sustainable practices throughout our supply chain. We believe that sustainable business practices are not only essential for the health of our planet but also for the well-being of our customers and future generations.

RSWM is one of India's leading manufacturers of high-quality cotton, mélange, synthetic and novelty yarns, along with knitting and denim fabric. Mainly, our company is engaged in Business to Business (B-2-B) transactions as the products manufactured by our company need further processing before, they reach the final consumer. Our customers consist of fabric manufacturers and wholesalers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	1599	1533	95.87	66	4.13
2	Other than Permanent (E)	11	10	90.91	1	9.09
3	<b>Total Employees (D+E)</b>	1610	1543	95.84	67	4.16
WORKERS						
4	Permanent (F)	14673	12544	85.49	2129	14.51
5	Other than Permanent (G)	1329	1120	84.27	209	15.73
6	Total Workers (F+ G)	16002	13664	85.39	2338	14.61

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B /A)	No. (C)	% (C /A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	3	3	100.00	0	0.00
2	Other than Permanent (E)	0	0	0.00	0	0.00
3	Total Differently abled Employees (D+E)	3	3	100.00	0	0.00
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0.00	0	0.00
5	Other than Permanent (G)	0	0	0.00	0	0.00
6	Total differently abled Workers(F+ G)	0	0	0.00	0	0.00

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10
Key Management Personnel (other than BOD)	2	0	0
Other Personnel			

20. Turnover rate for permanent employees and workers (Disclose trend for the past 3 years)

	FY 2022-23 (Turnover rate in Current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.39	8.93	16.11	16.68	18.18	16.72	17.85	12.50	17.72
Permanent Workers	73.87	86.55	75.71	57.64	58.88	57.81	52.37	46.69	51.53

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bhilwara Energy limited	Associate	7.56	No
2	LNJ Skills & Rozgar Private Limited	Associate	47.30	No

VI. CSR Details

22. Whether CSR is applicable as per section 135 of Companies Act,2013: (Yes/No)- Yes

Particulars	Amounts ₹ in Lakh
ii. Turnover	3,78,890
iii. Net worth	1,26,842

CSR (Corporate Social Responsibility) initiative is 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. Company's CSR policy reflects its commitment to sustainability, responsible business practices, and making a positive impact on the environment and society.

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.



VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, our Corporate Finance Department is regularly keeping track over the complaints of communities to resolve them on real time basis. email id: <a href="mailto:info.rswm@lnjbhilwara.com">info.rswm@lnjbhilwara.com</a>	0	0	-	0	0	RSWM's CSR initiatives addressing priority areas of improving lives and livelihood.
Investors (Others than Shareholders)	Yes, the Company has created a dedicated email id: <a href="mailto:rswm.investor@lnjbhilwara.com">rswm.investor@lnjbhilwara.com</a> where the members can send their grievances and the same are addressed promptly.	0	0	-	0	0	Demonstration of LNJBhilwara Group's ethical and governance practices, transparent and adequate disclosure, business and profitability performance and prospects and capital appreciation.  Regular interactions with investors help us in understanding their requirements and taking actions in the response.
Shareholders	Yes, we have constituted a separate department "Secretarial Department" to look over the grievances of shareholders and resolve them on real time basis. Email id: <a href="mailto:rswm.investor@lnjbhilwara.com">rswm.investor@lnjbhilwara.com</a>	74	0	-	3	0	Regular meetings and discussions help us in understanding our Shareholders concern and take required actions on real time basis.
Employees and Workers	Yes, company is having detailed HR Policy covering different areas including grievance redressal mechanism for employees and workers. Web link is not available.	38	14	-	0	0	Productivity, training, learning and development, career growth, work environment and culture.  Regular interactions of Senior management with employees and workers at respective units helps in encouraging them to raise their concerns.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, company has sales policy and standard operating procedure in place to resolve the grievances of its customers and ensure best level of customer satisfaction.Web Link: <a href="https://cms.lnjbhilwara.com/Complaint/">https://cms.lnjbhilwara.com/Complaint/</a>	805	105	Quality related complaints	871	177	Timely redressal of issues, understand aspirations and evolving trends, market knowledge and technology exchange, servicing solutions also include virtual meet with customers by senior management including JMD.
Value Chain Partners	Yes, we have constituted separate departments "Corporate Commercial Department" & "Corporate Finance Department" to look over the grievances and resolve them on real time basis. email id: <a href="mailto:info.rswm@lnjbhilwara.com">info.rswm@lnjbhilwara.com</a>	0	0	-	0	0	RSWM is committed to serve its value chain partners in a sustainable and economically beneficial manner, RSWM is regularly engaged in discussion on business issues and requirements, quality improvements and business plans with its value chain partners.

The Company is committed to pursue its business objectives in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and for the purpose, encourage and protect all of its stakeholders who wish to raise and report their genuine concerns.

During the current and previous financial year, the company has received complaints from its shareholders and customers. RSWM is committed to serve its customers' needs on a priority basis, our set procedures for responding and resolving grievances of customers help us in taking care of customers grievances in the mutual benefits of both the parties involved.



24. Overview of the entity’s material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
1	Subdued demand scenario in overseas markets	Moderate Risk	1. During the year, due to Ukraine war, other geo political issues and high volatility in raw material prices especially cotton has an adverse impact on textile markets. Due to inflationary conditions in American and European countries, consumers cut spending on discretionary items like textiles which has resulted into steep drop in textile exports.	1. Capacities redirected to domestic markets. 2. Change in product mix to lower down the consumption of high-priced cotton.	Negative implications  Revenue remains lower than estimates that resulted into lower cash generation.
2	Risk of casualties of life & injuries	Risk	1. Inadequate fire safety precaution measures and non compliance with statutory requirements including lack of maintenance and inspection with regard to firefighting infrastructure (for instance lack of fire extinguisher placed, absence of ramps, inadequate safe-assembly areas etc.) 2. Improper storage of flammable materials. 3. Staff not aware of the fire safety measures or the safe-assembly areas due to fire drills not being conducted on a regular basis. 4. Lack of staff training for the disaster recovery and management process on occurrence of a catastrophic fire. 5. Safety standards for the firefighting equipment and assembly points were not met. 6. Smoking in the premises/near storage areas (especially near flammable substances). 7. Instance of fire incident in the past, where adequate risk mitigation measures have not been implemented. 8. Inadequate fire alarm and warning systems. 9. Non Compliance with Fire / Boiler Safety Acts and Rules, e.g., expired Fire / Boiler license or NOC.	1. The company's technical cell organizes safety audit, training and awareness programs periodically and findings are put up in Board meetings. Findings are also shared with all the units. 2. External and Internal safety audits are also carried out regularly. Environmental Audits through outside agencies are also being carried out regularly. 3. Third party fire safety audits are conducted periodically, including assessment of fire alarms and warning systems.	Negative implications  Risk of casualties of life & injuries of staff, workers, visitors), major damage to property and assets and potential reputational, operational and financial damages in the event of any major fire / gas explosion related incident.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
3	Environment, Health & Safety (EHS)	Risk	1. No. of instances where emissions and hazardous wastes had resulted in operational disruptions during the period. 2. No. of instances where noncompliance with EHS norms have resulted in notices / penalties from Statutory authorities. 3. No. of instances of accidents or near misses during the period, where reasons are attributed to EHS factors (ref. "impact scale" tab for EHS consequence guidelines).	1. The Company's operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified. 2. The Company has in place sound Governance policies and procedures for EHS, including oversight by Sr. Management of RSWM. 3. The Company is committed to protection and restoration of the environment. 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, implying Zero discharge. 4. The Company's products are sustainable, approx. 40% of input material is sustainable. We have a polyester recycling plant in place. 5. RSWM has institutionalized important training practices for its team members including workmen. It has various HR monitored development activities that are carried out from time to time for employees at different levels. The organization subscribes to various economic, environmental and social or charters, codes or voluntary initiatives. 6. The Company complies with stringent EHS measures as prescribed by key global clients such as Levi's.	Negative implications  Risk of potential health hazards and/or accidents due to noncompliance with defined EHS norms and guidelines resulting in production disruptions, potential financial losses and statutory fines / penalties.
4	Customer Complaints	Risk	1. Inability to meet customer expectations in terms of product quality, longer time for product development etc. (e.g., lead time by Brands is 30 days only). 2. Absence of a single point of contact / complaint redressal cell for customers. 3. Lack of training, overwork and fatigue, time pressures, interruptions or distractions, anxiety, fear etc., on part of staff.	1. Established service policy for customers, from inquiry to closure. 2. Regular and direct engagement with Brands. Four member Key Account Management (KAM) team has been created to interact with Brands and related Key Vendors. 3. Engagement with customers take place with Senior most Management of RSWM. Weekly Zoom meetings are held with key customers. 4. Continued focus on value-added products that cater to the demanding aspiration of global brands; product development and innovation.	Negative implications  Risk of customer dissatisfaction resulting in potential loss of business and brand reputation.



Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
5	Cyber Security	Opportunity	<div>1. We follow a well-documented security policy where only secured and licensed applications are permitted for use by the employee. Unlicensed software is strictly prohibited for any usage.</div> <div>2. Authorization to business application is provided based on business requirement under IT Policy &amp; these authorizations are periodically reviewed.</div> <div>3. No users may install any third-party software by their own as it is centrally restricted. Only approved software is installed by IT Manager.</div> <div>4. DLP tools have been installed and USB access have been disabled.</div> <div>5. Restricted internet is provided to employees as per business requirement under IT Security Policy. No user has access to unauthorized websites to download any malicious software that restricts downloading of malicious content</div>	-	<div>Positive implications</div> <div>As we are committed towards Cyber security which results in less chances of data breaches and prevent downtime through which Company is better placed amongst competitors.</div>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9	
Policy and management processes											
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)  b. Has the policy been approved by the Board? (Yes/No)  c. Web Link of thePolicies, if available	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Determination of Materiality of Events Policy	https://rswm.in/pdf/policy/Determination_Materiality_of_Events_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf
	Material Subsidiary Policy	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf	https://rswm.in/pdf/policy/Material_Subsidary_Policy.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Nomination And Remuneration Policy	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf	https://rswm.in/pdf/policy/Nomination_and_Remuneration_Policy.pdf
	Related Party Transactions Policy	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf	https://rswm.in/pdf/policy/Related_Party_Transaction_Policy.pdf
	Whistle Blower Policy / Vigil Mechanism Policy	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf	https://rswm.in/pdf/policy/Whistle_Blower_Policy.pdf
	Dividend Distribution Policy	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf
	Corporate Social Responsibility Policy	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Product Quality Control policy	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf	https://rswm.in/pdf/policy/Dividend_Distribution_Policy.pdf
	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, RSWM is committed to conduct its operation as per prescribed policies in place, top level management has circulated all relevant policies across all units and respective departments and company ensures that all the conducted tasks have been done keeping in mind the established policies and procedures of the entity. RSWM's commitment to translating the policy into procedures reflects its dedication to compliance, accountability, and responsible business practices, promoting a culture of integrity and excellence within the organization.	Yes, RSWM is committed to conduct its operation as per prescribed policies in place, top level management has circulated all relevant policies across all units and respective departments and company ensures that all the conducted tasks have been done keeping in mind the established policies and procedures of the entity. 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4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001:2015 & ISO 9001:2015	ISO 9001:2015	OHSAS 18001:2007	ISO 14001:2015	SA 8000:2014	Global Recycled Standard (GRS) - Version 4.0	-	ISO 14001:2015 & SA 8000:2014	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	RSWM is continuously working towards betterment of environment and society. 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 considers the environment in all aspects of its business.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The company is committed to work towards betterment of environment and sustainability related issues through its efficient water management, energy conversation and waste management practices. 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. The company is also zealously working toward reducing its energy consumption at all levels. Plastic/PET bottles have become a menace for the Earth on land and in water. RSWM, being one of the responsible companies, is trying to address this issue. The Company has invested in a 120 MT/day green fibre unit which processes about 150 MT of waste plastic bottles per day into green fibre, which is then spun into yarn. This plant has received approval from global brands regarding the fibre quality and its usage for their products.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Company has provided Director's statement in the beginning of the report over Business Responsibility and Sustainability Reporting.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (is).	Name	Mr. Avinash Bhargava (CFO)
	Telephone	+91-9414005164
	Email ID	cfo.rswm@lnjbhilwara.com

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Risk Management Committee		
SL.NO.	NAME	DESIGNATION
1	Shri Riju Jhunjhunwala	Chairman
2	Dr. Kamal Gupta	Member
3	Shri Amar Nath Choudhary	Member
DIN		
00061060		
00038490		
00587814		

10. Details of Review of NGRBCs by the Company:

Subjects for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Company conducts regular audits and evaluations for compliance of its policies and procedures across all units and offices. Evaluation has been done internally.									On a quarterly basis, RSWM Ltd. diligently reviews its performance, progress, and objectives.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	RSWM ensures compliance of all statutory requirements and taking immediate action in case of any noncompliance identified, for this company has incorporated various control and checks in its day-to-day operating activities to avoid non-compliance.									Taken care on Day-to-Day basis. Also, an independent agency has been engaged to ensure compliances through compliance management system.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
RSWM is having mechanism of renewal of policies wherever required as per changing requirements of internal and external factors affecting the entity. Operation of policies has been regularly assessed through Internal audits.									

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	N/A								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Trans-parent and Accountable

Essential Indicators- Importance to Investors:

**Overview / Objective:** It illuminates entity values & a commitment to high standards of ethical conduct. Demonstrating a "good faith effort" to prevent illegal acts may reduce the financial risks associated with government fines for ethical misconduct. This principle is aligned with **SDG 16- Peace, Justice and Strong Institutions**.



1. Percentage coverage by training and awareness programs on any of the principles during the year

**Overview / Objective:** This gives insight into how our company embeds its policy commitments for responsible business conduct, including the commitment to respect human rights, throughout its activities. It also ensures that everyone in the company is aware of the policies & respects human rights.

Segment	Total Number of training and awareness programs held	Topics / principles covered under the training and its impact	% of person in respective category covered by the awareness programs
Board of Directors	0	-	0
Key Managerial Personnel	0	-	0
Employees other than BOD and KMPs	46	1. Learning for Leap 2. Training on Prevention, Prohibition & redressal against Sexual Harassment of Women 3. Mock drill 4. Training ISO 45001:2018 5. Career Planning 6. Knowledge of Hazardous Waste (MSDS) 7. Stress Management and many more.	>70%
Workers	466	1. SA -8000 Awareness 2. Fire & safety 3. Material Handling & Chemical Handling and many more.	>80%

2. Details of fines /penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

**Overview / Objective:** This gives insight into the ability of management to ensure that our company conforms to certain performance parameters & to enable stakeholders to evaluate the efficacy & scope of enterprise risk management.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-
Non-Monetary					

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

**Overview / Objective:** This gives insight into the ability of management to ensure that the organization conforms to certain performance parameters & to enable stakeholders to evaluate the efficacy & scope of enterprise risk management.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

**Overview / Objective:** It enables the stakeholders to know about the company's compliance with the applicable laws relating to bribery & corruption & illuminates company values & a commitment towards high standards of ethical conduct.

RSWM is committed to providing regular training and awareness programs on anti-corruption and bribery to all employees, officers, directors, contractors, agents, and other representatives. RSWM is dedicated to maintaining the highest standards of integrity and ethical conduct in all aspects of its operations. All employees, officers, directors, contractors, agents, and other representatives are expected to comply with this Anti-Corruption Policy and take proactive measures to prevent corruption in all forms.

Being a responsible organization, RSWM has proactively taken measures in combating bribery and corruption. As an additional pillar to support the existing governance mechanism, it has consciously worked towards establishing a robust Anti-Bribery Management System (ABMS).

Requirements and guidance to achieve these goals were already available in some form, albeit in different documents. Mainly our HR policy has detailed description over this to prevent or detect and correct such matters. The company has also implemented a compliance management system developed through an independent agency to prevent non-compliance of policies in place and to prevent any unethical practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

**Overview / Objective:** It enables the stakeholders to know about the company's compliance with the applicable laws relating to bribery & corruption & illuminates company values & a commitment towards high standards of ethical conduct.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

In addition to the Code of Conduct, RSWM has implemented internal checks and controls to monitor compliance and mitigate risks. These internal checks may include regular audits, reviews, and assessments to ensure adherence to policies, procedures, and applicable laws and regulations. RSWM also maintains channels for employees and stakeholders to report any suspected violations or concerns through whistleblowing mechanisms, which are treated with confidentiality and without fear of retaliation.



Companies’ robust code of conduct and internal check and controls help in avoiding any of such instances. Ethical business practices and high governance standards have been the bedrock of our business policies and practices. Efficient conduct of the business of the Company through complete transparency in discharging its corporate responsibilities and accurate accountability thereof has resulted in sustained business excellence and delivering value to all our stakeholders.

6. Details of complaints with regard to conflict of interest:

**Overview / Objective:** It enables the stakeholders to know about the entity’s compliance with the applicable laws relating to bribery & corruption & illuminates entity values & commitment towards high standards of ethical conduct.

RSWM is committed to maintain a culture of transparency, fairness, and ethical conduct. We encourage all employees and stakeholders to report any suspected conflicts of interest to ensure that our business practices are conducted with the highest standards of integrity and in compliance with applicable laws and regulations.

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints related to issues of Interest of the Directors	-	-	-	-
Number of complaints related to issues of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Overview / Objective: It enables the stakeholders to know about the entity’s compliance with the applicable laws relating to bribery & corruption & illuminates entity values & a commitment towards high standards of ethical conduct.

Not applicable, as the company has not undergone through any of such instances.

Leadership Indicators (Good Governance)

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

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

The Directors and Senior Management are scrupulous in avoiding ‘conflicts of interest’ with the Company. In case there is likely to be a conflict of interest, in the case of Senior Management personnel, he/she should make full disclosure of all facts and circumstances thereof to the Managing Director and a prior written approval should be obtained. In case there is likely to be a conflict of interest in the case of Managing Director, he should make full disclosure of all facts and circumstances to the Chairman of the Board. The Chairman and any Director of the Board in like circumstances should make full disclosures to the Board. The Code of Conduct is available at the Company’s website.

Weblink for company’s code of conduct is: - <https://www.rswm.in/investors/code-of-conduct/>

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators – Importance to Investors

**Overview / Objective:** This covers an organization’s support for local suppliers or those owned by members of vulnerable groups. It also covers how the organization’s procurement practices (such as the lead times it gives to suppliers, or the purchasing prices it negotiates) cause or contribute to negative impacts in the supply chain or environment. This principle is aligned with SDG GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, GOAL 5: Gender Equality, GOAL 6: Clean Water and Sanitation,

GOAL 7: Affordable and Clean Energy, GOAL 7: Affordable and Clean Energy, GOAL 8: Decent Work and Economic Growth, GOAL 9: Industry, Innovation and Infrastructure, GOAL 10: Reduced Inequality, GOAL 11: Sustainable Cities and Communities, GOAL 12: Responsible Consumption and Production, GOAL 13: Climate Action, GOAL 14: Life Below Water, GOAL 15: Life on Land and GOAL 16: Peace and Justice and Strong Institutions.



Essential Indicators – Importance to Investors

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

**Overview / Objective:** Measuring expenditure on R&D on specific technologies to improve the environmental and social impacts: Casts light on major technological shifts & technological advantages, which also demonstrates how the entity has been focusing on mitigating its adverse environmental & social impact.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of Improvements in Environmental and social impacts
R&D	0.00%	0.07%	Testing of water and air emission
Capex	39.06%	0.22%	For improvement of ground water level and energy conservation

Low carbon footprint, truly sustainable, green, internationally patented technology (USA, Europe & India) developed after years of R&D, tested to perfection in technical collaboration with IIT Delhi (Indian Institute of Technology, Delhi).

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

**Overview / Objective:** By actively managing sustainable sourcing, companies act in their own interests, the interests of their stakeholders & the interests of society at large.

The Company does not have specific procedures in place for sustainable sourcing. However, company sources its raw materials from environment respecting vendors for its man-made and natural fibre requirements. Man-made fibre is sourced from reputed corporates that are environmentally conscious and compliant with global environment standards. For natural fibre, the Company sources its requirements from mandis at the fair market prices. Furthermore, the Company assists cotton growers to enhance their farm output.

b. If yes, what percentage of inputs were sourced sustainably?

RSWM sources approximately 99.99% of its fibre (other than cotton) from vendors who are certified to be compliant with social, environmental standards such as SA 8000, ISO 14001 etc.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

**Overview / Objective:** Reclaiming refers to collecting products & their packaging materials at the end of their useful lives, for reusing, or recycling or safe disposal. Reclaimed items can include products & their packaging materials that are collected by or on behalf of the organization, by a third-party contractor.

We produce textile products which are normally disposable. However, we are reusing the used fabrics and making recycled denim fabrics.



With respect to other waste generated, RSWM is following the practice of selling all waste generated to renowned buyers of such waste and after complying with all regulations, the buyer will reuse the waste as per their individual requirement.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

**Overview / Objective:** “Extended Producer Responsibility” means the responsibility of a producer for environmentally sound management of product until the end of its life. The Uniform Framework for Extended Producers Responsibility issued by Ministry of Environment, Forest & Climate Change places responsibility on producers, importers & brand owners to establish a system for collecting back the plastic waste generated due to their products & submit a plan for such collection with the relevant Pollution Control Board(s)

The Company sold all its E-waste to environmentally reputed vendors, to ensure safe disposal of E-waste generated. The company is also having set norms related to E-waste and other hazardous waste to ensure that their disposal will result in environmental degradation. However, Extended Producer Responsibility is not applicable to the company.

Leadership Indicators (Good Governance)

1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

**Overview / Objective:** This can predict the possible overloading on current waste management facility capacities & provide decision support for designing strategies to approach resource sustainability.

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Recycled Polyester Fibre (In Spinning)	24.43%	17.99%
Plastic Pet Bottles (In Recycled fibre manufacturing)	100%	100%

2. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

**Overview / Objective:** This can predict the possible overloading on current waste management facility capacities & provide decision support for designing strategies to approach resource sustainability.

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	53519.3	472.5	0	56079	351
E-Waste	0	0	1.3	0	0	3
Hazardous Waste	0	0	3231	0	0	250
Other Waste	0	0	8949	0	47	1423

3. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

**Overview / Objective:** This can predict the possible overloading on current waste management facility capacities & provide decision support for designing strategies to approach resource sustainability.

Indicate Product Category	Reclaimed product and their packaging Material as %of total product sold in respective category
Synthetic Blended Yarn	44.22
Recycled Fabric	13.48
RCPF Fibre	100.00

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators – Importance to Investors

**Objective -** This Principle encompasses all policies & practices of an organization relating to the well-being of all employees or its value chain partners, without discrimination & in an inclusive manner. The principle recognizes that an employee’s well-being includes his/her family’s well-being & a positive work environment. This principle is aligned with SDG GOAL 1: No Poverty, GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, GOAL 4: Quality Education, GOAL 5: Gender Equality, GOAL 8: Decent Work and Economic Growth, GOAL 10: Reduced Inequality, GOAL 11: Sustainable Cities and Communities and GOAL 16: Peace and Justice and Strong Institutions.



Essential Indicators

**Overview / Objective:** This illustrates the entity’s engagement with sustainability reporting frameworks that most investors value.

1. (a). Details of measures for the well-being of employees:

**Overview / Objective:** This disclosure gives insight into the organization’s approach towards employees & workers by understanding the kind & extent of benefits it offers. The quality of benefits offered has a key role/influence on an organization’s attrition rate. Policies like no gender bias for maternity & paternity leave can lead to the greater recruitment & retention of qualified employees. Offering health/accidental insurance & daycare facilities is a way to promote/ensure the mental well-being of the employee & their family.

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1533	1533	100	1533	100	0	0.00	0	0.00	1533	100
Female	66	66	100	66	100	66	100	0	0.00	66	100
Total	1599	1599	100	1599	100	66	4.13	0	0.00	1599	100
Other than Permanent Employees											
Male	10	0	0.00	1	10.00	0	0.00	0	0.00	0	0.00
Female	1	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	11	0	0.00	1	9.09	0	0.00	0	0.00	0	0.00

The well-being of employees is a top priority for RSWM, and we have implemented several measures to support and promote the physical, mental, and emotional well-being of our employees.



(b). Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	12544	12544	100	12544	100	0	0.00	0	0.00	12544	100
Female	2129	2129	100	2129	100	2129	100	0	0.00	2129	100
Total	14673	14673	100	14673	100	2129	14.51	0	0.00	14673	100
Other than Permanent Workers											
Male	1120	628	56.07	1254	111.96	0	0.00	0	0.00	0	0.00
Female	209	113	54.07	158	75.60	95	45.45	0	0.00	0	0.00
Total	1329	741	55.76	1412	106.25	95	7.15	0	0.00	0	0.00

The company is committed to ensure the well-being of its workers through comprehensive measures that promote a safe, healthy, and supportive work environment, while providing opportunities for growth.

RSWM employs 20% women workforce and provides the environment and the facilities to support the ambitions of women also.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Overview / Objective: In the interest of employees: to provide security. Offering retirement benefits is a way to promote/ ensure the mental well-being of the employee & their families as well as the organization's willingness to have a long-term association with its employees & workers.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97.50	86.48	Yes	99.87	89.71	Yes
Gratuity	80.35	73.85	N/A	99.61	85.27	N/A
ESI	9.72	82.82	Yes	15.31	95.33	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

**Overview / Objective:** Accessibility refers to physical accessibility such as wheelchair ramps, braille signage & accessible restrooms, & digital accessibility, where information & communication technology is accessible to all and compatible with assistive technology devices. This disclosure on accessibility to differently abled persons provide valuable insight into human capital strategy & the level of inclusivity offered by the management regarding certain protected employment classes.

RSWM considers its team as a most valuable asset. The Company has a culture of empowerment which values and respects individual potential and helps each one in achieving it to the fullest. The individual is made to feel like he owns the job and not just perform it. Also, the Company strive hard to improve the quality of work-life for total job satisfaction and social harmony of its people.

We believe that no person should be discriminated based on an individual's disability. We have constructed our premises by keeping in mind the hardships of differently abled persons. We do our best to mitigate the discrimination against the differently abled people.

At RSWM, we are committed to creating an inclusive and accessible workplace for all our employees, including those with different abilities. We strive to ensure that our workplaces are designed and maintained in a way that promotes equal opportunities and removes barriers for our differently abled employees and workers.

In this view, our premises have elevators and ramps for the benefit of wheelchair users and accessible restrooms available on our plants.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

**Overview / Objective:** Freedom from discrimination is a human right & a fundamental right at work. Discrimination can impose unequal burdens on individuals or deny fair opportunities on individual merit basis.

RSWM provides equal opportunity to all the people.The company is dedicated to fostering an inclusive and diverse workplace and has implemented an equal opportunity policy in accordance with the Rights of Persons with Disabilities Act, 2016. This policy ensures that all employees, including those with disabilities, are treated with dignity, respect, and fairness, and are provided with equal access to opportunities for employment, promotion, training, and career advancement

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

**Overview / Objective:** This disclosure gives an overview of whether or not the entity believes in equitable gender choice for maternity & paternity leave & also an insight into the work pressure & working system of the entity. Parental leave refers to maternity & paternity leave.

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Overview / Objective: Gives an overview of whether there exists a channel for an employee to voice his/her concern over any grievances & how the entity resolves them in order to ensure that the organization can provide for or cooperate in the remediation of negative impacts that it identifies it has caused or contributed to.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

RSWM is committed to protecting the interests of its employees and workers. The management safeguards the interests of the employees and ensures that the grievances of the employees are attended promptly and effectively within a time frame defined in the policy.

Grievance redressal at RSWM follows a three–tier mechanism. The following contact points are at the disposal of employees for reporting their concerns:

- 1) Immediate or Next Supervisor/HOD
- 2) Plant HR Head/Plant Head
- 3) FH/BH
- 4) If the employee is not comfortable resolving the issue with the above three-tier, can directly report his/her concerns to CHRO. Note: Any grievance raised beyond HOD, should be intimated to CHRO. At all units and offices of RSWM, senior level management regularly interacts with workers and staff members, in case of any issue they can freely report the same to the senior management and get it resolved on real time basis.



7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Overview / Objective: Gives insights into whether or not the employees’ freedom of association & collective bargaining is respected by the entity. Data from both the previous & the current year improves comparability & transparency.

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/ Workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	660	202	30.60	1516	0	0.00
Male	648	202	31.17	1471	0	0.00
Female	12	0	0.00	45	0	0.00
Total Permanent Workers	13239	12523	94.59	15099	13528	89.60
Male	11718	11014	93.99	12971	11438	88.18
Female	1521	1509	99.21	2128	2090	98.21

8. Details of training given to employees and workers:

Overview / Objective: This disclosure provides insight into the scale of an organization's investment in training & the degree to which the investment is made across the entire employee base. Also to review the current status of the strategies, processes, & activities used by an organization to control risks to health & safety. Training on health & safety can include general training on health & safety as well as training on specific work-related hazards, hazardous activities, or hazardous situations. It can also include training on mental health. Training programs on skill upgradation can include both internal training courses & funding support for external training or education.

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and Safety		On Skill Upgradation		Total (D)	On Health and Safety		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1543	1239	80.30	979	63.47	1476	870	58.90	1168	79.08
Female	67	36	53.73	22	33.33	45	31	68.89	13	28.89
Total	1610	1275	79.19	1001	62.17	1521	901	59.20	1181	77.60
Workers										
Male	13664	9181	67.19	9215	67.44	14167	7619	53.78	7597	53.62
Female	2338	1301	55.65	642	27.46	2359	666	28.23	689	29.21
Total	16002	10482	65.50	9857	61.60	16526	8285	50.13	8286	50.14

9. Details of performance and career development reviews of employees and worker:

Overview / Objective: Regular performance & career development reviews can also enhance employee satisfaction, which correlates with improved organizational performance. Regular performance & career development review refers to review based on criteria known to the employee / worker & his or her superior. This disclosure measures the extent to which an organization regularly appraises employee performance. Such a review is undertaken with the knowledge of the employee.

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	1543	818	53.00	1476	1366	92.48
Female	67	36	53.73	45	42	93.33
Total	1610	854	53.04	1521	1408	92.51
Workers						
Male	13664	2184	15.98	14167	3881	27.39
Female	2338	329	14.07	2359	597	25.31
Total	16002	2513	15.70	16526	4478	27.10

10. Health and safety management system:

Overview / Objective: It gives insights into how the quality of occupational health services is ensured, whether the services are provided by competent individuals with recognized qualifications & accreditations, & whether it complies with legal requirements &/or recognized standards/guidelines. It enables an organization to identify deficiencies in its overall management of occupational health & safety; address resources, policy, & operational controls; & ensure continual improvement

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

RSWM implemented the occupational health and safety management system to consistently identify and control its health and safety risks, reduce the occurrence for incidents, helps in achieving compliance with health and safety legislation and continually improve its performance.

It covers safe risk procedure and written instruction, health and safety training instruction, identifying hazards and managing risks, Inspection of premises, equipment, workplaces & work practices, Investigation of incidents, Program administration, Occupational health and safety programs and health & safety committee headed by Safety officer and senior Plant representatives.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At all units of RSWM, the Company has constituted a separate department named the safety department. The safety department is headed by a Safety officer (HOD) and the safety officer is entrusted with the task of prevention or detection and correction of any work-related hazard. The Safety department regularly conducts training on safety related issues for workers, Workers are instructed to report immediately to the safety officer in case any safety related issue is noticed. Safety officers also visit the plant at regular intervals for identification of any work-related hazard if any. The Company celebrates the 4<sup>th</sup> of March as safety day and gives a token of appreciation to all those workers who reported any safety related incident to the safety officer and helped in saving any major loss on account of that issue.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, please refer to the above explanation.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Human resources being the most valuable asset, the company ensures the protection of their interests and rights and is committed to providing the best working conditions for its employees and workers. In line, RSWM provides non occupational medical healthcare services to its employees and Workers.



11. Details of safety related incidents, in the following format:

Overview / Objective: It is a measure of the extent of harm suffered by employees & workers & enables the entity to recognize & rectify lacks/loopholes in its OHAS Management. Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury or ill-health. Work related injury & ill-health arise from exposure to hazards at work & are directly related to performance of work-related tasks.

Safety Incident / Number	Category	FY 2022-23 CurrentFinancial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	0.06	-
Total recordable work-related injuries	Employees	-	-
	Workers	16	25
No. of Fatalities	Employees	-	-
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	7

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

**Overview / Objective:** This disclosure gives an overview of the efforts taken by an entity to protect its workers & employees, & shows the commitment of an entity towards the protection & well-being of its employees.

RSWM's endeavor to create a culture of safe and healthy workplace by its various programs and diverse practices followed across all locations. The main goal of safety and health programs is to prevent workplace injuries, illnesses, and deaths, as well as suffering and financial hardships. Company's Safety and health programs helps to:

- 1) Prevent workplace injuries and illnesses
- 2) Improve compliance with laws and regulations
- 3) Reduce costs, including significant reductions in workers' compensation premiums
- 4) Engage workers more efficiently,
- 5) Enhance their social responsibility goals
- 6) Increase productivity and enhance overall business operations

Company strives to achieve the objective of safe and healthy workplace:

- Educate all employees, workers and contractors by conducting seminars, workshops, training and discussion forums.
- Designing plants with proper and adequate safeguards for ensuring process safety.
- Following effective use of safe working procedures and practices for operation, maintenance, inspection and emergency situations.
- Reviewing and updating the system and procedure regularly.
- Conducting all work in a safe manner and to ensure integrity of all the assets, by providing personal protective equipment, tools and tackles.
- Auditing periodically internal and external work procedure and practices.
- Investigating all incidents relating to Health and safety, including minor ones and near misses, followed implementation of corrective measures.
- Communicating learning from investigation of incidents, internal and external, to all employees and taking steps to prevent such occurrence in its works.
- Identifying and evaluating health risks related to operations and carrying out pre-employment and periodic medical check-up of its employees.

13. Number of Complaints on the following made by employees and workers:

Overview / Objective: Gives insights into the attentiveness of the entity toward the working environment, how effective their grievance redressal system is, data from both the year improves comparability & transparency.

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	7	2	0	0	0	0
Health & Safety	31	12	0	0	0	0

14. Assessments for the year:

Overview / Objective: This indicates the relative trustworthiness of the sustainability data published by the entity through various reporting channels.

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Condition	100%

RSWM is committed towards taking health and safety measures and providing the best working conditions to its employees. The company has constituted a separate department, the "Safety Department" at each of its manufacturing facilities for ensuring provision of best working conditions to its employees and the safety officer is charged to ensure the same. All manufacturing facilities of RSWM have been reviewed by an outside agency through a special audit program named Environment, Health and Safety (EHS) audit to ensure best Health & Safety and Working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Overview / Objective: This disclosure gives an overview of the efforts taken by an entity to protect its workers & employees from health & safety related risks, & shows the commitment of an entity towards the protection & well-being of its employees.

Due to robust safety control system at its plants, Company has not identified any major safety related incident throughout the year, however in case any issue is identified, the company deals with such issue in a set manner examined in earlier questions.

Leadership Indicators (Good Governance)

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Overview / Objective: Gives an overview of whether or not the entity is concerned about protecting the employees / workmen & their dependents in case they meet any accident or injury while working in the organization.

Yes, Company's Mediclaim and accidental policies extends to the event of death of employees and Workers. In case of Death of employees or workers of the company, a defined amount is paid to their family members.

2. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported

Overview / Objective: It gives insights into whether or not the entity's value chain partners comply with the statutes & legal requirements.



	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	-	-	-	-
Workers	28	33	-	-

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all their stakeholders

Essential Indicators – Importance to Investors

Overview / Objective: It provides an overview of the strategies used by an entity to engage with its various types of stakeholders & also intends to highlight how effectively the entity engages them. Through this process, engaging with stakeholders helps the organization identify & manage its negative & positive impacts. This principle is aligned with SDG GOAL 1: No Poverty, GOAL 5: Gender Equality, GOAL 11: Sustainable Cities and Communities and GOAL 16: Peace and Justice and Strong Institutions.



Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Overview / Objective: Gives insight into the organization’s approach to identifying & engaging with various stakeholders.

The Company believes that the stakeholder engagement is the greatest source of input for its development activities and it also broadens the horizon for improving the Company’s sustainability performance. The mapping of internal and external stakeholders is an outcome of the analysis of issues that have the potential to impact on the Company’s activities as well as that are of critical importance to the Company’s stakeholders.

RSWM interacts with stakeholders frequently through various modes and ensures prompt actions to meet stakeholder expectations.

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.

RSWM identifies its key stakeholder groups by determining the impact of various stakeholder groups on the operations of the entity, analysis of their needs in relation to entities business and then priorities the list. RSWM has identified six stakeholder groups. RSWM considers every group of people as important stakeholders directly or indirectly affected by the company, and protection of their interest is the company’s responsibility.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Overview / Objective: Gives insight into how it provides stakeholders with information that is understandable & accessible through appropriate communication.

Stakeholders Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly /Others-Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Meetings conferences and other correspondence.	Annually	Demonstration of LNJ Bhilwara Group’s ethical and governance practices, transparent and adequate disclosure, business and profitability performance and prospects and capital appreciation
Employees	No	Personal/group interactions, mails and trainings.	Periodically/ throughout the year	Productivity, training, learning and development, career growth, work environment and culture
Suppliers / Partners	No	Meetings and annual report.	Annually	Discussion on business issues and requirements, quality improvements, business plans and information on applicable statutory requirements and safety standards
Customers / Dealers	No	Meeting, Survey and Web portal	Quarterly	Timely redressal of issues, understand aspirations and evolving trends, market knowledge and technology exchange, servicing solutions also include virtual meet with customers by senior management including JMD.
Community	No	CSR initiatives	Whenever required	CSR initiatives and Affirmative Action (AA) initiatives addressing priority areas of improving lives and livelihood.
Government / Regulators	No	Industry representations, meetings and filings	Whenever required	Compliance, Ethics, Corporate governance, corporate citizenship

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators – Importance to Investors

Overview / Objective: This Principle is aimed at helping entities demonstrate their performance in integrating their human Rights related values & morals with key processes & decisions. This principle is aligned with SDG GOAL 1: No Poverty, GOAL 4: Quality Education, GOAL 5: Gender Equality, GOAL 8: Decent Work and Economic Growth, GOAL 10: Reduced Inequality and GOAL 16: Peace and Justice and Strong Institutions.



Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Overview / Objective: This disclosure indicates the proportion of the employees & workers that can reasonably be assumed to have been sensitized to the importance of human rights. Also it gives an insight about an entity’s policy commitments for responsible business conduct, including the commitment to respect human rights.



Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous FinancialYear		
	Total (A)	No. (B)	% (B /A)	Total (C)	No. (D)	% (D/C)
Employees						
Permanent	1599	0	0	1516	0	0
Other than permanent	11	0	0	5	0	0
Total Employees	1610	0	0	1521	0	0
Workers						
Permanent	14673	0	0	15099	0	0
Other than permanent	1329	0	0	1427	0	0
Total Workers	16002	0	0	16526	0	0

RSWM is committed to protecting the interests of its employees and workers. We have a detailed HR manual which includes all relevant policies for prevention of human rights and the policy abides all the employees and worker of the company. The company has not conducted any formalized training program on the issue of Human Rights for its employees and workers, however we regularly encourage our employees and workers to report their grievance, if any.

2. Details of minimum wages paid to employees and workers, in the following format:

Overview / Objective: Measuring wages & salaries contributes in the standardization of an equitable wage & compensation structure, as well as an understanding of pay disparities across different sections of employees.

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (D)	Equal to Minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1533	0	-	1533	100.00	1471	0	-	1471	100.00
Female	66	0	-	66	100.00	45	0	-	45	100.00
Other than permanent										
Male	10	0	-	10	100.00	5	0	-	5	100.00
Female	1	0	-	1	100.00	-	0	-	-	-
Workers										
Permanent										
Male	12544	1059	8.44	11485	91.56	12971	214	1.65	12757	98.35
Female	2129	182	8.55	1947	91.45	2128	41	1.93	2087	98.07
Other than permanent										
Male	1120	111	9.91	1009	90.09	1196	453	37.88	743	62.12
Female	209	8	3.83	201	96.17	231	146	63.20	85	36.80

3. Details of remuneration/salary/wages, in the following format:

Overview / Objective: Maintains transparency between the entity & its stakeholders on Senior Management pay policies & gives insights into whether or not Remuneration policies further support the organization’s strategy & contribution to sustainable development & align with stakeholders’ interests.

	Male		Female	
	Number	Median remuneration/ Salary/Wages of respective category	Number	Median remuneration/ Salary/Wages of respective category
Board of Directors (BOD)	9	12,75,000	1	9,75,000
Key Managerial Personnel	2	68,07,498	0	-
Employees other than BOD and KMP	1610	4,70,592	67	4,21,800
Workers	16002	1,82,172	2338	1,82,172

- Details of Median remuneration/Salary/Wages of the respective category shown above are annual.
- 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Overview / Objective: Indicates the seriousness with which human rights issues are looked at & investigated.

Yes, complaints at RSWM are being addressed and investigated by the “Internal Complaints Committee” (Internal Committee/ ICC). Any aggrieved may make, in writing, a complaint to the Internal Complaints Committee. Also, at every unit and offices of RSWM, Company has constituted a Human Resource department and the Head of Department is entrusted with the task of taking care of any human rights related issues identifies at respective locations. Head of HR department regularly interacts with employees and Workers to encourage them to report such issue, if any. The head of HR department also takes various unformalized training sessions on Human rights.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Overview / Objective: It enables stakeholders to know how they can raise concerns about, & seek remedy for, the organization’s potential & actual negative impacts on them, also it shows an organization's commitment to remediate its negative impacts.

The Company, through its redressal mechanism, ensures a healthy and safe work environment. The complaints at RSWM are being addressed and investigated by the “Internal Complaints Committee” (Internal Committee/ICC). Any aggrieved may make, in writing, a complaint to the Internal Complaints Committee. The Labour Welfare Officer ensures that all basic amenities necessary for a congenial working ecosystem are in place in every manufacturing location and is available to all workers.

Grievance redressal at RSWM follows a three–tier mechanism. The following contact points are at the disposal of employees for reporting their concerns:

1. Immediate or Next Supervisor/HOD
2. Plant HR Head/Plant Head
3. Functional Head/Business Head
4. If the employee is not comfortable resolving the issue with the above three-tier, can directly report his/her concerns to CHRO. Note: Any grievance raised beyond HOD, should be intimated to CHRO.

Further, the senior officials of the plant regularly interact with the employees and workers to address their grievances with the objective of maintaining a harmonious working environment. RSWM has been certified under OHSAS 18001 by BSI since 2013. During the year, no complaints were received pertaining to human rights violations.

6. Number of Complaints on the following made by employees and workers:

Overview / Objective: It indicates the workplace culture of the entity. ‘Discrimination’ refers to unjust or prejudicial treatment of people, especially on the grounds of, but not limited to, caste, creed, sex, race, ethnicity, age, color, religion, disability, socio-economic status or sexual orientation.

‘Forced Labour’ or ‘Involuntary Labour’ refers to all work or service that is extracted under the menace of penalty. It also includes terms such as, bonded labour & modern slavery. It also includes any labour for which the worker receives less than the government-stipulated minimum wage.



Sexual Harassment’ refers to unwelcome acts or behavior (direct or indirect) via physical contact, advances, demand or request for sexual favours, making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplaces	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages						
Other human rights related issues	-	-	-	-	-	-

Employees are encouraged to resolve the grievance in the workplace at the earliest possible opportunity and usually with the least possible formality. In case of an unsatisfactory outcome, we encourage our employees to take the matter to higher authorities of the company as per grievance redressal mechanism of RSWM. Due to the company’s friendly attitude and robust governance system the company has not identified any complaints from its employees and workers during the financial year.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

**Overview / Objective:** It indicates the workplace culture of the entity & highlights the mechanisms in place to safeguard the complainants from further harassment

At the request of the complainant, the senior management at respective units and offices of RSWM (as the case may be) may provide interim measures until the final judgement on the identified issue is rendered, such as: transfer of the aggrieved or the respondent to any other workplace; granting leave to the aggrieved person; restrain the respondent from reporting on the work performance of the aggrieved or writing confidential report, which duties may be transferred to other employees..

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

**Overview / Objective:** Shows the commitment of an entity to protect the human rights of its stakeholders

Yes, all business agreements and contracts specifically mention that the entity is required to follow all required and applicable statutory norms. The company is committed to following human rights requirements, as non-compliance of such requirements is against the company’s ethics and policies.

9. Assessments for the year:

**Overview / Objective:** Provides insight into the entity’s commitment to protect the well-being & human rights of its employees.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/ involuntary labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

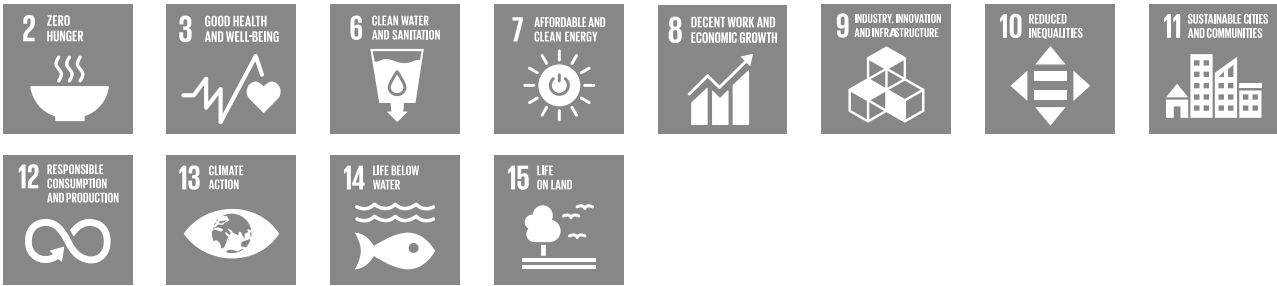
**Overview / Objective:** Provides insight into the entity’s commitment to protect the well-being & rights of its employees.

Not applicable, as no such incidences has been identified during the financial year.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators – Importance to Investors

Overview / Objective: This Principle emphasizes the importance of environmental stewardship in ensuring long-term economic prosperity & societal well-being by highlighting the interconnections of environmental issues at the local, regional, & global levels, making it critical for businesses to address pollution, biodiversity conservation, sustainable natural resource management, & climate change (mitigation, adaptation, & resilience) in a fair, comprehensive, & systematic manner. The principle encourages businesses to assess the environmental consequences of their products & operations & to take steps to reduce & mitigate those consequences where they cannot be avoided. The principle encourages businesses to adopt environmental practices & methods that reduce or eliminate the negative impacts on/of their operations & supply chain. This principle is aligned with SDG GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, GOAL 6: Clean Water and Sanitation, GOAL 7: Affordable and Clean Energy, GOAL 8: Decent Work and Economic Growth, GOAL 9: Industry, Innovation and Infrastructure, GOAL 10: Reduced Inequality, GOAL 11: Sustainable Cities and Communities, GOAL 12: Responsible Consumption and Production, GOAL 13: Climate Action, GOAL 14: Life Below Water and GOAL 15: Life on Land.



“The Group is committed to giving back to the nature more than what it draws from it (nature) in all spheres of the business.”

Essential Indicators – Importance to Investors

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

**Overview / Objective:** Energy cost, source, availability, & resilience directly impact entity’s ability to operate. Knowing such detail aids transparency & pushes efficiency over time.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	1725.65	1685
Total fuel consumption (B)	0.55	0.50
Energy Consumption through other sources (C)	39.20	0
<b>Total Energy Consumption (A+B+C)</b>	<b>1765.4</b>	<b>1685.50</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover In Rupees)	0.0000000466	0.0000000044
Energy Intensity (Optional)- the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency; the company is involved in regular evaluation exercises performed through its internal technical team to ensure efficient consumption of energy.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

**Overview / Objective:** Perform Achieve & Trade (PAT) scheme has been launched by Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE) [details available at the link]. Under the Scheme, certain sites / facilities are identified as designated consumers & targets are set for such entities in relation to the energy consumption.

RSWM is committed to conducting its operations in a sustainable and environment friendly manner, we ensure safe disposal of all types of waste that we generate and also contribute towards betterment of environment through recycling the waste of others. However, PAT scheme of Government of India is not applicable to the company.

3. Provide details of the following disclosures related to water, in the following format:

**Overview / Objective:** Gives insights into the negative effects of an organization’s activities on the environment i.e water. Also confirms whether the reporting organization has identified significant water-related impacts in the value chain, which includes activities carried out by the organization, & by entities upstream & downstream from the organization.

Total water consumption is a measure of water used by an organization, that it is no longer available for use by the ecosystem or local community, such as water that has been withdrawn & incorporated into products or has evaporated or is polluted to the point of being unusable by other users, & is therefore not released back to surface water, groundwater, seawater, or a third party. It also includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
i. Surface Water	694725.00	1181790.00
ii. Ground Water	648905.18	875723.00
iii. Third Party water	7645.00	46340.00
iv. Seawater/ desalinated water	0	0
v. Others		15119.00
<b>Total Volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)</b>	<b>1351275.18</b>	<b>2118972.00</b>
<b>Total Volume of water Consumption (in kiloliters)</b>	<b>1351275.18</b>	<b>2118972.00</b>
Water intensity per rupee of turnover (Water consumed/ Turnover)	0.000036	0.00006
Water Intensity (Optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency however the Company is committed to conducting its operations as per government prescribed norms and standards.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

**Overview / Objective:** A zero liquid discharge system involves using advanced waste-water treatment technologies to recycle, recover & then re-use the treated waste-water; towards ensuring that there is no discharge of waste-water to environment. This question reveals efforts taken by entity to eliminate liquid discharge & promote recycling & reuse of water.

Yes, 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. The Company is working towards reducing fresh water consumption by use of STP water for plantation through drip irrigation, water drip irrigation, use of rejected R.O. water for plantation.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

**Overview / Objective:** Disclosure of air emissions helps in assessing the efforts taken to lower its emissions, & increases transparency & comparability. Greenhouse Gas (GHG) emissions are significant determinants of climate change & global environmental health.

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	ug/m3	26	22
Sox	ug/m3	14.5	10.9
Particulate Matter (PM)	ug/m3	80.1	73.4
Persistent organic pollutants (POP)	Microgram/m3	<0.5	<0.5
Non-Methane Hydrocarbon	mg/Nm3	25	30
Oxides of Nitrogen	ppmv	270	264
Carbon Monoxide	mg/Nm3	130	122
Suspended Particulate Matters (SPM)	µg/m2	310	326.4
Sulphur Dioxide	Mg/Nm3	BDL(<2.0)	BDL(<2.0)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Company conducts regular testing programs through independent agencies for testing of its air emissions and to have proper control for safe and healthy environment. The independent agencies involved in testing are Mumbai Waste Management Limited & Enviro Tech Services.

The independent agency has used different methods like Gravimetric Method, Improved West and Greak Method, Modified Jacob and Hochheiser Method, Chemical Method, IS: 5182-1975 PartX, Indophenol Blue Method, AAS Method etc. for testing the air quality/air emission in the air.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

**Overview / Objective:** GHG reporting is an opportunity for businesses to be transparent. Complete & accurate GHG emissions disclosures provide greater clarity to stakeholders. This enables better decision-making & helps to guide capital towards companies that are consciously addressing their impact on climate change.

‘Green-house Gases’: Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF6) and Nitrogen trifluoride (NF3)

Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the entity. Source refers to any physical unit or process that releases GHG into the atmosphere.

Scope 2 emissions are energy indirect emissions that result from the generation of purchased or acquired electricity, heating, cooling, & steam consumed by the entity.

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-



Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 1 and Scope 2 emissions per rupee of Turnover</b>	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

**Overview / Objective:** Apart from disclosing data, the organization can describe reduction initiatives & their targets when reporting how it manages this topic.

Not Applicable, as company is not involved in greenhouse gas emissions.

8. Provide details related to waste management by the entity, in the following format:

**Overview / Objective:** To have availability of valuable materials to reuse - reducing, reusing & recycling the waste is important for the environment, which also generates new business opportunities. This question provides a holistic overview of waste generation & its causes & reveals the effectiveness of the waste management practices adopted by the organization.

Waste may be ‘recovered’ through any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. Preparation for re-use & recycling are examples of recovery operations.

Parameter	FY2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in Metric Tonnes)</b>		
Plastic Waste (A)	497.30	323.88
E-Waste (B)	2.36	0.00
Bio-Medical Waste (C)	0.00	2.34
Construction and demolition waste (D)	0.30	1.00
Battery Waste (E)	2.71	356.55
Radioactive Waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	2753.95	334.07
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	9816.75	793.84
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>13073.37</b>	<b>1811.69</b>

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(I) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(I) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations(Sales of waste generated)	13073.37	1811.69
<b>Total</b>	<b>13073.37</b>	<b>1811.69</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

**Overview / Objective:** To have availability of valuable materials to reuse - reducing, reusing & recycling the waste is important for the environment, which also generates new business opportunities. This question provides a holistic overview of waste generation & its causes & reveals the effectiveness of waste management practices adopted by the organization.

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.

The Company recycles post-consumer waste fabrics into new usable fibres. Plastic/PET bottles have become a menace for the Earth, on land and in water. RSWM, albeit in a small way, is trying to address this issue. We are following the practice of converting waste material into fibre. In this process, the loss of useful resources is minimized. Disposed PET bottles are converted into flakes which are finally turned into fibre in different deniers and cut for spinning into yarn. By using waste PET bottles which would otherwise have been incinerated or dumped into landfills or oceans, we are contributing to the mission of saving the environment and our soil. Company has received approval from global brands regarding the fibre quality and its usage for their products.

RSWM uses ecologically favorable inputs and is committed to serve the society by its environmentally friendly waste management practices.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

**Overview / Objective:** Monitoring which activities are taking place in both protected areas & areas of high biodiversity value outside protected areas makes it possible for the organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or to avoid mismanagement.

Sr. No.	Location of operations/offices	Type of Operation	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
N/A			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

**Overview / Objective:** A key element in managing environment impacts on people in local communities is assessment & planning in order to understand the actual & potential impacts, & strong engagement with local communities to understand their expectations & needs. There are many elements that can be incorporated into local community engagement, impact assessments, & development programs. This disclosure seeks to identify which elements have been consistently applied, organization-wide.



Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web Link
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Overview / Objective: Non-compliance with laws & regulations can give insight into the ability of management to ensure that the organization conforms to certain performance parameters.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
N/A				

The entity is committed to conducting its operations in a true and fair manner and by complying with all statutory norms. For compliances of statutory requirement company has implemented various checks and controls in its internal system to ensure prevention or detection and correction of non-compliances on real time basis. During the current financial year, the company has complied with all the requirements of applicable environmental laws/regulations/ guidelines and no non-compliance has been identified.

Leadership Indicators (Good Governance)

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non- renewable sources, in the following format:

Overview / Objective: It aids in the identification of energy sources & provides a comprehensive overview of how much renewable & non-renewable energy is consumed. Disclosing previous years’ data aids in comparison.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	454.18	196
Total fuel consumption (B)	0	0
Energy Consumption through other sources (C)	0	0
<b>Total Energy Consumed from renewable sources (A+B+C)</b>	<b>454.18</b>	<b>196</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1271.47	1489
Total fuel consumption (E)	19482.49 MT	16659 MT
Energy Consumption through other sources (F)	39.20	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>1310.67+19482.49 MT</b>	<b>1489+16659 MT</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency; The company is involved in regular evaluation exercises performed through its internal technical team to ensure efficient consumption of energy.

2. Provide the following details related to water discharged:

Overview / Objective: This question provides a holistic overview of the water usage & the methods adopted by the organization for its discharge

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface Water	N/A	
- No Treatment		
- With Treatment-please specify level of treatment		
(ii) To Groundwater		
- No Treatment		
- With Treatment-please specify level of treatment		
(iii) To Seawater		
- No Treatment		
- With Treatment-please specify level of treatment		
(iv) Sent to third-parties		
- No Treatment		
- With Treatment-please specify level of treatment		
(v) Others		
- No Treatment		
- With Treatment-please specify level of treatment		
<b>Total Water discharged (in Kiloliters)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): For each facility / plant located in areas of water stress, provide the following information:

Overview / Objective: Gives insights into the negative effects of an organization's activities on the environment i.e water in water stressed areas. Also confirms whether the reporting organization has identified significant water-related impacts in the value chain, which includes activities carried out by it, & by entities upstream & downstream from the organization.

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface Water	N/A	
(ii) Ground Water		
(iii) Third Party water		
(iv) Seawater/ desalinated water		
(v) Others		
Total Volume of water withdrawal(in kiloliters) (i+ii+iii+iv+v)		
Total Volume of water Consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed/ Turnover)		
Water Intensity (Optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		



Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(i) To Surface Water	N/A	
- No Treatment		
- With Treatment-please specify level of treatment		
(ii) To Groundwater		
- No Treatment		
- With Treatment-please specify level of treatment		
(iii) To Seawater		
- No Treatment		
- With Treatment-please specify level of treatment		
(iv) Sent to third-Parties		
- No Treatment		
- With Treatment-please specify level of treatment		
(v) Others	N/A	
- No Treatment		
- With Treatment-please specify level of treatment		
Total Water discharged (in Kiloliters)		

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

**Overview / Objective:** Scope 3 emissions are indirect GHG emissions (not included in energy indirect (Scope 2) GHG emissions) that occur outside of the organization, including both upstream & downstream emissions. Upstream categories can include purchased goods & services, capital goods, upstream transportation & distribution, business travel, etc.

Downstream categories can include downstream transportation & distribution, processing of sold products, end-of-life treatment of sold products etc.

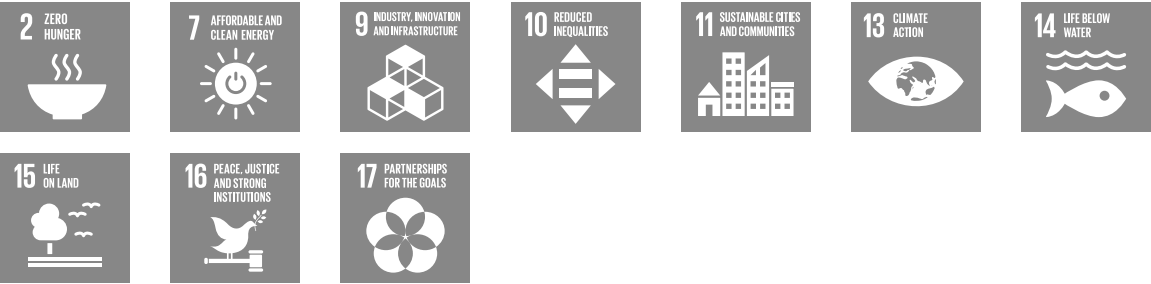
Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of Turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**Overview / Objective:** The organization may have a significant role in an association or advocacy organization when it holds a position in the governance body, participates in projects or committees, or provides substantive funding beyond routine membership dues. The role may also be significant when the organization views its membership as strategic to influencing the mission or objective of the association that is critical to the organization's own activities. This principle is aligned with SDG GOAL 2: Zero Hunger, GOAL 7: Affordable and Clean Energy, GOAL 9: Industry, Innovation and Infrastructure, GOAL 10: Reduced Inequality, GOAL 11: Sustainable Cities and Communities, GOAL 13: Climate Action, GOAL 14: Life Below Water, GOAL 15: Life on Land, GOAL 16: Peace and Justice Strong Institutions and GOAL 17: Partnerships to achieve the Goal.



Essential Indicators – Importance to Investors

1. a. Number of affiliations with trade and industry chambers/ associations.

**Overview / Objective:** It gives insight into whether or not an organization’s affiliation with a particular trade & industry association influences the mission or objective of that particular association. Also, to find out whether an Associations’ primary objective of helping existing businesses to grow locally, expand into new markets& remain competitive in an increasingly complex & evolving global marketplace is being fulfilled or not.

RSWM is a member of several industrial and trade associations and is certified by 11 trade associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industry (CII)	National
2	The Denim Manufacturing Association	National
3	The Cotton Textile Export Promotion Council (TEXPROCIL)	National
4	Federation of Indian Exporters Organization (FIEO)	National
5	Indian Spinners Association (ISA)	National
6	Rajasthan Textile Mills Association (RTMA)	State
7	Synthetic and Rayon Textile Export Promotion Council (SRTEPC)	National
8	Rajasthan Employers Association	State
9	Indian Merchant Chambers (IMC)	National
10	Northern India Textile Research Association (NITRA)	National



Quality & Other Social Compliance Certifications -

Sr. No.	Certification	Certification Number	Certification Body
1	Quality Management System - QMS ---ISO 9001: 2015	FM-602678	BSI
2	Environmental Management System - EMS --- ISO 14001: 2015	EMS-602680	BSI
3	Health & Safety Management System - OHS ---ISO 45001	OHS-602681	BSI
4	Social Accountability --- SA 8000: 2014	SA 613026	BSI
5	Global Recycle Standard --- GRS	CU 812424 GRS-2021-00076685	CUC
6	Recycled Claim Standard --- RCS	CU812424 RCS-2021-00119385	CUC
7	Forest Stewardship Council --- FSC	C862424 CU-COC- 01.2021	CUC

Product related certifications

Sr. No.	Certification	Certification Number	Certification Body
1	Oeko Tex Raw White (Grey) & Dyed --- Oeko Tex 100	07.JA.52858	Hohenstein, Germany
2	Cellulosic Oeko Tex --- Oeko Tex 100	07.JA.52856	Hohenstein, Germany
3	Organic Cotton Oeko Tex --- Oeko Tex 100	21.HIN.45612	Hohenstein, Germany

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

**Overview / Objective:** This disclosure addresses non-compliance, or failure to comply with, laws & regulations that apply to the organization. Level of compliance with laws & regulations can give insight into the ability of management to ensure that the organization conforms to certain performance parameters.

Name of authority	Brief of the case	Corrective action taken
N/A		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

**Overview / Objective:** The Principle recognizes the value of the energy & enterprise of businesses & encourages them to innovate & contribute to the overall development of the country with a specific focus on disadvantaged, vulnerable & marginalized communities, as articulated in Section 135 of the Companies Act, 2013. The principle also emphasizes the need for collaboration amongst businesses, government agencies & civil society in furthering this development agenda in line with SDGs. This principle is aligned with SDG GOAL 1: No Poverty, GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, GOAL 4: Quality Education, GOAL 5: Gender Equality, GOAL 8: Decent Work and Economic Growth, GOAL 9: Industry, Innovation and Infrastructure, GOAL 11: Sustainable Cities and Communities, GOAL 13: Climate Action, GOAL 14: Life Below Water, GOAL 15: Life on Land, GOAL 16: Peace, Justice and Strong Institutions and GOAL 17: Partnerships to achieve the Goal.



Essential Indicators – Importance to Investors

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

**Overview / Objective:** A key element in managing impacts on people in local communities is assessment & planning in order to understand the actual & potential impacts, & strong engagement with local communities to understand their expectations & needs. There are many elements that can be incorporated into local community engagement, impact assessments, & development programs. This seeks to identify which elements have been consistently applied, organization-wide.

Name and brief details of projects	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant web link
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

**Overview / Objective:** This educates stakeholders about an entity's understanding of its negative effects on the community. It also allows the business to better prioritize & improve its attention to local communities across the board.

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
N/A						

3. Describe the mechanisms to receive and redress grievances of the community.

**Overview / Objective:** To have an effective grievance redressal mechanism which is legitimate, accessible, predictable, equitable, transparent, rights-compatible, & a source of continuous learning further it shows how an organization deals with the grievances.

RSWM is committed to serving communities by contributing to their well-being through its CSR initiatives. RSWM believes that growth of community by contributing to improving their lives and livelihood will ultimately affect entities growth and development.

Extensive engagement with the community in all phases of program planning and implementation not only helps in identifying needs of the stakeholders, but also leads to a greater sense of ownership among the people and better capacity to plan and manage the program. This ensures continued support for the initiative and adoption of good practices even after the exit of RSWM from the intervention area.

Multiple interactions are held with the communities through meetings, and meetings with local administration and officials from the line departments to understand the basic necessities of people and invest in addressing these. The Company



continues to support the provision of quality health care through interventions such as infrastructure building. Such initiatives help build a positive perception about the business and earn public goodwill, which is important for the adoption of the program in the long run.

RSWM also encourages regular feedback from the beneficiaries to continuously improve facilities and services in locations where there is a demand.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

**Overview / Objective:** To have an effective grievance mechanism which is legitimate, accessible, predictable, equitable, transparent, rights-compatible, & a source of continuous learning further it shows how an organization deals with the grievances.

Particulars	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producer	24.51	21.26
Sourced directly from within the district and neighboring districts	44.59	32.99

Leadership Indicators (Good Governance)

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Sector in which project is covered	Amount spent (In Lakh)
1	Rajasthan	Banswara, Bhilwara, Udaipur & Sikar	Healthcare, sanitation & safe drinking water	22.86
2	Rajasthan	Bhilwara, Udaipur & Sikar	Promoting education & skills development	70.73
3	Rajasthan	Bhilwara, Udaipur & Sikar	Ensuring environment sustainability and ecology balance	8.79
4	Rajasthan	Banswara, Bhilwara, Udaipur & Sikar	Protection of national heritage and culture	17.85
5	Rajasthan	Banswara & Bhilwara	Training to promote rural sports	1.51

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

**Overview / Objective:** Gives insight into the organization's support for marginalized or vulnerable groups.

No, Company is not having specific written policies in place for purchase from marginalized / vulnerable group. However, companies procure a huge amount of its input materials from micro, small and medium enterprises to encourage and help small suppliers to grow and contribute to overall growth and development of the nation.

(b) From which marginalized /vulnerable groups do you procure?

Company produces a significant portion of its input requirements from MSME vendors.

(c) What percentage of total procurement (by value) does it constitute?

It covers approx. 25% of total procurement.

6. Details of beneficiaries of CSR Projects:

**Overview / Objective:** Being able to measure & report on your organization's social impact can ultimately attract investors, retain top talent, boost reputation, & boost business performance alongside several other potential benefits

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries s from vulnerable and marginalize d groups
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the Swatch Bharat Kosh) and making available safe drinking water;	We ensure betterment and development of society through our CSR projects. Company contributes for development of society at large.	
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;		
3	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;		
4	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		
5	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;		
6	Measures for the benefit of armed forces veterans, war widows and their dependents;		
7	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports;		

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

**Overview / Objective:** This principle addresses the topic of customer health & safety, including an organization's systematic efforts to address health & safety across the life cycle of a product or service, & its adherence to customer cyber security & privacy regulations & voluntary codes. This principle is aligned with SDG GOAL GOAL 2: Zero Hunger, GOAL 4: Quality Education, GOAL 12: Responsible Consumption and Production, GOAL 14: Life Below Water, GOAL 15: Life on Land and GOAL 16: Peace and Justice and Strong Institutions.



Essential Indicators – Importance to Investors

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

**Overview / Objective:** Gives a holistic overview of the Grievance redressal mechanism in place: whether they enable users to raise privacy related issues, can the consumer use this mechanism anonymously, etc.

Customers are the life blood of business. We understand what drives value for our customers, and we offer the best quality



products with a prime focus on developing memorable customer experiences. Keeping this in mind, RSWM engages in multiple forums to know the customer complaints and valuable feedback so that necessary steps to be taken.

The Company follow the several modes to connect with customers to understand the complaints and feedback. Our process of receiving and redressal of customer complaint is as follows: -

- a. Receive the customer complaints (Letter/Fax/E-mail) & record details in ERP system after sharing all information with Quality Assurance & Technical teams.
- b. Send the Supporting details/samples of the complaints to HOD(QA) & Plant head along with copy of letter/Fax/E-Mail from the customer
- c. Internal investigation of complaint by QA team and will be discussed with concerned department Head / plant team as well as with the Plant Head for Corrective and preventive action.
- d. If required the complaints are investigated at the customer's site by deputing a person for visit/Discussion with the customer.
- e. In case Quality Assurance is unable to complete the investigation or any dispute / un –resolved matter remain between plant and marketing , the same is discussed at senior management level. Further if required investigation is done through outside agencies like SITRA, BTRA, ATIRA etc.
- f. Based on the findings of the internal/external complaint investigations, necessary corrective & Preventive action are taken by the plant team. Also Comprehensive analysis report is submitted to Marketing team.
- g. Coordinate through respective CMO/BH/Respective Marketing Team Member to arrive at mutually agreed redressal with the customer through any of the following means.

• By paying in claim.

• By Replacing the material

• By Convincing the Customer
- h. After the above action, the respective Head of marketing shall close the complaint & get the same updated in ERP system.
- i. Redressal of complaints within the maximum period specified in Company SOP from the date of receipt.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

**Overview / Objective:** It provides an overview to understand what could be potential risks & opportunities in terms of ESG compliances or investment or finance could be related to any product & its overall impact on the organization's turnover & financial standing.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	29%

3. Number of consumer complaints in respect of the following:

**Overview / Objective:** This disclosure provides an evaluation of the success of complaints management systems & procedures relating to them.

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Quality Complaints	930	317	-	871	177	-

4. Details of instances of product recalls on account of safety issues:

**Overview / Objective:** A product recall is the process of retrieving defective &/or potentially unsafe goods from consumers. Such data can reveal the extent of the entity's safety measures & their effectiveness.

Not applicable, as no such product recalls happened during the current financial year.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

**Overview / Objective:** This disclosure can help stakeholders assess an entity's cybersecurity risk & level of disclosures & provide regulators with information on whether additional legislative standards are necessary for encouraging companies to disclose more about their cybersecurity.

Yes, the entities IT policy includes instructions over cyber security and risk related to data privacy, IT policy ensures to protect our organization from data breaches.

RSWM, maintains safe and encrypted database its value chain partners, Company regularly updates security software and also provide various training to its staff members related to the data security and privacy.

We can get an idea about robust IT system of company through the fact that company has not faced any data breaches till now.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

**Overview / Objective:** This disclosure provides an overview of the success of management systems & procedures relating to overall customer satisfaction.

As the company has not faced any complaints or issue relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls and no amount paid as penalty to regulatory authority on account of safety product and services. However, company policies and procedures has set patterns for corrective actions, wherever required.

Leadership Indicators (Good Governance)

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).



**Overview / Objective:** This disclosure guides various stakeholders on the nature of products & services provided by the entity. The Company website provides detailed information about its wide range of products.  
Link: <https://www.rswm.in/collections/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Overview / Objective: This disclosure provides an overview of procedures asset up by the entity to raise awareness regarding the nature & use of its products / services.

RSWM, cares the customer satisfaction and their values. The company engages with customers on different forums to educate the responsible usage of products. Company shares information with its customer on responsible usage of products at the time of distribution, conducting various meetings and seminars for its customers.

3. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

**Overview / Objective:** This disclosure provides investors with valuable information regarding overall level of customer satisfaction relating to the entity's products & services.

RSWM continued its efforts for reducing the environmental, health and safety impacts of its products throughout their lifecycle. RSWM adheres to all the compliance of product information and product labelling. The Company's marketing communication efforts adhere to the brand standards/guidelines regarding visual manifestation, brand promise, relevance and salience of the target group. RSWM adheres to all legal statutes with respect to product labelling and display of product information.

Understanding the needs of the customers is of paramount importance to RSWM. The Company follows several modes of customer engagement to understand customer needs and is always vigilant towards providing superior customer experience. RSWM conducts various meetings both physically and virtually with its customers. This has helped the Company to ensure periodical fulfilment of service delivery promise, conformance to internal norms and standards, identification of process improvement areas and understand customer attitude and behavior change to ascertain those needs are met at all stages..

# 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 play 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 Company is managed by its Board of Directors, which formulates strategies & policies and carries out periodic review of its performance. The Board of Directors of the Company is constituted in such manner so as to be in conformity with the regulatory requirements. As on 31<sup>st</sup> March, 2023, RSWM's Board comprises of ten Directors. Eight Directors are Non-Executive. Among the Non-Executive, five Directors are Independent Directors.

Shri Riju Jhunjhunwala, Chairman & Managing Director and CEO and Shri B M Sharma, Joint Managing Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors. During the year the Board of the Directors recommended reappointment of Smt. Archana Capoor as an Independent Woman Director for a second consecutive term of 5 years w.e.f. 13<sup>th</sup> February, 2023 upto 12<sup>th</sup> February, 2028 and the reappointment of Shri B M Sharma as Joint Managing Director for a term of 2 years w.e.f. 7<sup>th</sup> August, 2022. The above reappointments were approved by the shareholders at the previous Annual General Meeting held on 6<sup>th</sup> September, 2022.

### 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 Riju Jhunjhunwala, Chairman & Managing Director and CEO	✓		✓	✓	✓	✓
2	Shri Ravi Jhunjhunwala, Director	✓		✓	✓	✓	✓
3	Shri Shekhar Agarwal, Director	✓		✓	✓	✓	✓
4	Shri B M Sharma, Joint Managing Director	✓		✓	✓	✓	✓
5	Shri Arun Churiwal, Director	✓		✓	✓	✓	✓
6	Dr. Kamal Gupta, Director	✓	✓	✓			✓



S. No.	Name of Director	Skills/Expertise/Competence					
		Finance	Law	Management	Technical Operations	Marketing/Sales	Administration
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 the Financial Year 2022-23, the Board of RSWM met six times i.e. on 27<sup>th</sup> May, 2022, 8<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022, 12<sup>th</sup> December, 2022, 13<sup>th</sup> January, 2023 and 9<sup>th</sup> February, 2023. The maximum time gap between any two consecutive meetings was less than 120 days. 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 Obligations & 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.

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	Director-ships*	No. of Membership (s) / Chairmanship (s) of Board Committees in other Companies as on 31.03.2023#	Name of the Company	Category of Directorship
Shri Riju Jhunjunwala, Chairman and Managing Director and CEO Promoter - Executive	6	6	7	2 (including 1 as Chairman)	Bhilwara Technical Textiles Limited	Director
					HEG Limited	Vice Chairman
Shri Ravi Jhunjunwala, Director Promoter - Non-Executive	6	6	9	6 (including 2 as Chairman)	BSL Ltd.	Director
					HEG Ltd.	Chairman and Managing Director
					India Glycols Ltd	Director
					JK Lakshmi Cement Ltd.	Director
					Maral Overseas Limited	Director

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	Director-ships*	No. of Membership (s) / Chairmanship (s) of Board Committees in other Companies as on 31.03.2023#	Name of the Company	Category of Directorship
Shri Shekhar Agarwal, Director Promoter - Non–Executive	6	5	4	3	Bhilwara Technical Textiles Ltd.	Chairman and Managing Director
					BSL Ltd.	Director
					HEG Ltd.	Director
					Maral Overseas Limited	Chairman and Managing Director
Shri B M Sharma, Joint Managing Director, Non-Promoter – Executive	6	6	-	NIL	-	-
Shri Arun Churiwal, Director Promoter – Non-Executive	6	6	3	3 (including 1 as Chairman)	BSL Ltd	Chairman and Managing Director
					LA Opala R G Limited	Director
Dr. Kamal Gupta, Director Independent - Non-Executive	6	6	5	7 (including 2 as Chairman)	HEG Ltd.	Director
					Maral Overseas Limited	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	6	7	5 (including 3 as Chairman)	Cummins India Ltd	Director
					Ester Industries Ltd.	Director
					Maral Overseas Limited	Director
					Timken India Ltd.	Director
					Vindhya Telelinks Ltd.	Director
Shri Deepak Jain, Director Independent - Non-Executive	6	1	5	3 (including 1 as Chairman)	Lumax Auto Technologies Limited	Director
					Lumax Industries Limited	Chairman and Managing Director
					Talbros Automotive Components Ltd.	Director
Smt. Archana Capoor, Director Independent - Non-Executive	6	6	5	5 (including 2 as Chairman)	Birla Cable Ltd.	Director
					Maral Overseas Limited	Director
					S Chand and Company 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 Jhunjhunwala who being father of Shri Riju Jhunjhunwala is related to him.

The last Annual General Meeting was held on 6<sup>th</sup> September, 2022 through Video Conferencing/Other Audio-Visual Means and was attended by Shri Riju Jhunjhunwala, Chairman & Managing Director and CEO and Chairman of Risk Management Committee, Shri B M Sharma, Joint Managing Director, Shri Ravi Jhunjhunwala, Director, Shri Shekhar Agarwal, Director and member of Nomination & Remuneration Committee and Stakeholders Relationship Committee, Shri Arun Churiwal, Director and Chairman of Corporate Social Responsibility Committee and member of Stakeholders’ Relationship Committee, Dr. Kamal Gupta, Director and Chairman of the Audit, Nomination & Remuneration Committee and Stakeholders’ Relationship Committee, and also member of Risk Management Committee, Shri Amar Nath Choudhary, Director and member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee, Shri Deepak Jain, Director and Smt. Archana Capoor, Director and Member of Audit Committee of the Company. Shri Priya Shankar Dasgupta, Director could not attend the meeting due to preoccupation.

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 denotes a Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

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 Chairman & Managing Director and CEO and also by Joint Managing Director giving an overview and updates 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:

<https://rswm.in/investors-relations/disclosure-under-regulation-46/familiarization-programme/>

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 labor 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 31<sup>st</sup> March, 2023

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	6,07,410	Nil
Shri Shekhar Agarwal	Promoter - Non-Executive	3,463	Nil
Shri Arun Churiwal	Promoter – Non-Executive	3,310	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 31<sup>st</sup> March, 2023, RSWM’s Audit Committee comprised of 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 2022-23, the Audit Committee met six times on – 27<sup>th</sup> May, 2022, 28<sup>th</sup> July, 2022, 8<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022, 20<sup>th</sup> January, 2023 and 9<sup>th</sup> February, 2023.

Details of the Audit Committee

Name of the Member	Category	No. of Meetings held during tenure	No. of Meet-ings Attended	Sitting fees (₹)
Dr. Kamal Gupta (Chairman)	Independent – Non-Executive	6	6	4,50,000
Shri Amar Nath Choudhary	Independent – Non-Executive	6	6	4,50,000
Smt. Archana Capoor	Independent – Non-Executive	6	6	4,50,000

Shri Surender Gupta, the Company Secretary, is also the Secretary to the Committee. Invitees to the Audit Committee include the Chairman & Managing Director and Chief Executive Officer, Joint Managing Director and Directors, 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 previous Annual General Meeting held on 6<sup>th</sup> September, 2022 through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") 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 utilization 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 and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
- Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamations etc, on the Company and its shareholders.

**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.
- Management letters/letters of internal control weakness issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
- 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.
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 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.

- For every appointment of an independent director shall evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required of an independent director and recommend the appointment on the basis of such description.
- 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.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

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

As on 31<sup>st</sup> March, 2023, 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	Independent – Non-Executive

**c) Meeting and Attendance**

In the financial year 2022-23, the Nomination and Remuneration Committee met two times on 27<sup>th</sup> May, 2022 and 9<sup>th</sup> February, 2023. 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	2	2	1,50,000
Shri Shekhar Agarwal	2	2	1,50,000
Shri Amar Nath Choudhary	2	2	1,50,000

**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 and commission to be paid to the Company’s Managing Director(s) and whole time Director(s). 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.

The Nomination and Remuneration Committee in terms of reference of (Listing Obligations and Disclosure Requirements) Regulations, 2015 also recommends to the Board, all remunerations, in whatever form, payable to Senior Management.

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. The remuneration of Executive Directors is also 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 2022-23(₹)

Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total
Shri Riju Jhunjunwala	Promoter - Executive	-	3,00,60,698	1,94,21,000	4,94,81,698
Shri Ravi Jhunjunwala	Promoter - Non-Executive	4,50,000	-	-	4,50,000
Shri Shekhar Agarwal	Promoter - Non-Executive	13,50,000	-	-	13,50,000
Shri B M Sharma	Non-Promoter - Executive	-	2,50,55,694	92,05,000	3,42,60,694
Shri Arun Churiwal	Promoter – Non-Executive	7,50,000	-	-	7,50,000
Dr. Kamal Gupta	Independent - Non-Executive	23,25,000	-	-	23,25,000
Shri Amar Nath Choudhary	Independent - Non-Executive	12,75,000	-	-	12,75,000
Shri Priya Shankar Dasgupta	Independent - Non-Executive	5,25,000	-	-	5,25,000
Shri Deepak Jain	Independent - Non-Executive	1,50,000	-	-	1,50,000
Smt. Archana Capoor	Independent - Non-Executive	9,75,000	-	-	9,75,000

\* Includes sitting fees for all Committee meetings.

# includes retirement benefits

During the year ended 31<sup>st</sup> March, 2023, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

III) Stakeholders’ Relationship Committee

As on 31<sup>st</sup> March, 2023, 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 2022-23, the Committee met four times on 27<sup>th</sup> May, 2022, 28<sup>th</sup> July, 2022, 14<sup>th</sup> November, 2022 and 9<sup>th</sup> February, 2023.

The terms of reference of the Committee are as follows:

- a) Consider and resolve the grievances of shareholders of the Company with respect to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings.;

- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/warrants/annual reports/statutory notices by the shareholders of the company.

a) Details of Stakeholders’ Relationship Committee

Name of the Member	Category	No. of Meetings held during the year	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

The Committee mainly look into redressal of grievances of investors /other security holders including complaints relating to transfer/transmission of shares; non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

The Company received 74 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 31<sup>st</sup> March, 2023. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31<sup>st</sup> March, 2023.

b) Details of Stakeholders’ Queries and Grievances received and attended by the Company.

Sl. No.	Nature of Query/Complaint	Pending as on 1 <sup>st</sup> April, 2022	Received during the year	Addressed during the year	Pending as on 31 <sup>st</sup> March, 2023
1.	Transmission/Name Deletion/Name Correction/Issue of Duplicate Share Certificate(s)/ Sticker for Name Change/KYC Updation etc.	0	0	0	0
2.	Non-receipt of application form, communication, allotment of shares in respect of Rights Issue	0	51	51	0
3.	Non-receipt of Dividend	0	15	15	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	3	3	0
	- Stock Exchanges	0	5	5	0
	- Registrar of Companies/Ministry of Corporate Affairs	0	0	0	0
Total		0	74	74	0

The Company also has a Share Transfer Committee to deal with the requests of transfer/transmission of Equity Shares, issue of duplicate share certificates and consolidation/split/replacement of share certificates, etc. The Share Transfer Committee presently comprises of:

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

However in terms of SEBI press release no 12/2019 dated 27<sup>th</sup> March, 2019, the physical transfer of shares is not permitted with effect from 1<sup>st</sup> April, 2019 and also w.e.f 1<sup>st</sup> April, 2021 re-lodgement of physical shares for transfer, which were



returned prior to 01.04.2019 due to deficiency in the documents are not permitted in terms of SEBI Circular no SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2<sup>nd</sup> December, 2020.

Further, the SEBI vide its circular no. SEBI/HO/MIRSD/ MIRSD\_RTAMB/ P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 stipulated that the processing of service request in relation to Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub division/Splitting of securities, Certificate, Consolidation of securities certificates/folios, Transmission and Transposition would henceforth be carried out in dematerialized form only.

During the year ended 31<sup>st</sup> March, 2023, the Company has processed the requests relating to the above matters as below:-

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transmission/Name deletion/Name correction	26	31,532
Duplicate Share Certificates	25	2,661
Consolidated/Torn Certificates	0	0

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 accordance 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, Chairman & Managing Director and CEO and Shri Amar Nath Choudhary, Independent Director with Shri Arun Churiwal acting as the Chairman of the Committee.

During the year 2022-23, the Committee met four times on 27<sup>th</sup> May, 2022, 8<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 9<sup>th</sup> February, 2023.

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://rswm.in/pdf/od/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://rswm.in/pdf/od/Corporate_Social_Responsibility_Policy.pdf)

Details of Corporate Social Responsibility Committee

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings Attended
Shri Riju Jhunjunwala	Promoter – Executive	4	4
Shri Arun Churiwal (Chairman)	Promoter– Non-Executive	4	4
Shri Amar Nath Choudhary	Independent - Non- Executive	4	4

V. Risk Management Committee.

In accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted the Risk Management Committee comprising of Shri Riju Jhunjunwala, Chairman & Managing Director and CEO, Dr. Kamal Gupta, Independent Director and Shri Amar Nath Choudhary, Independent Director with Shri Riju Jhunjunwala acting as the Chairman of the Committee.

The terms of reference of the Committee are as follows:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the year 2022-23, the Committee met two times on 28<sup>th</sup> July, 2022 and 20<sup>th</sup> January, 2023 which were attended by all the Committee members

VI. 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 9<sup>th</sup> February, 2023, without the attendance of Non-Independent Directors and members of management to inter-alia:

- bring an independent judgment to bear on the Board’s deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- to safeguard the interests of all stakeholders, particularly the minority shareholders;
- to balance the conflicting interest of the stakeholders;

- to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary, recommend removal of executive directors, key managerial personnel and senior management;
- to moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder’s interest.
  - review the performance of Non-Independent Directors and the Board as a whole;
  - review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
  - 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 Directors 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
2019-20	24 <sup>th</sup> September, 2020	2:00 P.M	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) Deemed Venue -Kharigram, P. O. Gulabpura – 311021 District Bhilwara, Rajasthan	1
2020-21	15 <sup>th</sup> September, 2021	2:00 P.M	Through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) Deemed Venue -Kharigram, P. O. Gulabpura – 311021 District Bhilwara, Rajasthan	0
2021-22	6 <sup>th</sup> September, 2022	2:00 P.M	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) Deemed Venue -Kharigram, P. O. Gulabpura – 311021 District Bhilwara, Rajasthan	4

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

2019-2020:

- Approval for Re-appointment of Shri B M Sharma (DIN:08195895) as Joint Managing Director of the Company for a period of two years with effect from 7<sup>th</sup> August, 2020.

2020-2021: Nil

2021-2022:

- Approval for reappointment of Smt. Archana Capoor (DIN: 01204170), as an Independent Director of the Company for second term of five consecutive years commencing from 13<sup>th</sup> February, 2023 upto 12<sup>th</sup> February, 2028.
- Approval for revision in remuneration of Shri Riju Jhunjhunwala (DIN: 00061060) Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2022 upto 30<sup>th</sup> April, 2023.
- Approval for revision in remuneration w.e.f. 1<sup>st</sup> April, 2022 of Shri B M Sharma (DIN:08195895) Joint Managing Director of the Company for his remaining tenure upto 6<sup>th</sup> August, 2022.
- Approval for reappointment of Shri B M Sharma (DIN:08195895) as Joint Managing Director of the Company for a period of two years w.e.f. 7<sup>th</sup> August, 2022.

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.

Further in accordance with Regulation 23(9) of LODR, 2015 disclosure of Related Partly Transactions is made to Stock Exchanges on half yearly basis within 15 days from the date of publication of standalone and consolidated financial Results. The same is also updated on the website of the Company. With effect from 1<sup>st</sup> April, 2023, the said disclosure of Related Party Transactions is proposed to be made on the date of publication of its standalone and consolidated financial results.

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

[https://rswm.in/pdf/policy/Related\\_Party\\_Transaction\\_Policy.pdf](https://rswm.in/pdf/policy/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 formulated a detailed risk management policy which includes a framework for identification of internal and external risks faced by the company including financial, operational, sectoral, sustainability, cyber security and other risks as perceived by the Company as

well as measures for risk mitigation including systems and processes for internal control of identified risks. RSWM has also adopted a business continuity plan. The broad objective of Risk Management policy is to protect the assets and other resources of the company by instituting a risk culture by establishing risk ownership throughout the Company and embedding Risk Management as an integral part of the business rather than a standalone system. This helps the decision makers explicitly take account of uncertainty by continuously monitoring the lead indicators and develop an implementable risk response plan and ensure that all the current and expected risk exposures of the Company are identified and evaluated. This also facilitates compliance with the relevant legal and regulatory requirements and international norms. The policy comprise of Risk Management Process which lays down the overall structure for the risk management at an entity level and also Risk Management Organisation structure to enable implementation of the policy and enable effective functioning of the enterprise wide Risk Management. The policy has laid down risk rating criteria as very low, low, moderate, high and very high with impact on EBITDA, health and safety, reputation and legal/compliance. The reporting formats and templates have been devised for reporting in the Risk Management Committee meetings along with Risk Register review report. 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 the above 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.

The Company is maintaining the structural digital data base in line with the requirement of SEBI under PIT Regulation and obtained compliance certification/report from Secretarial Auditors in this regard.

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) Regulations, 2015. A certificate from Practicing Company Secretary 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 complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Company's financial statements are unmodified and Company continues to adopt best practices to ensure the regime of unmodified opinion.

The reports of Internal Auditors of all Units are placed directly before the Audit Committee in every quarter.

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://rswm.in/pdf/policy/Material\\_Subsidary\\_Policy.pdf](https://rswm.in/pdf/policy/Material_Subsidary_Policy.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 unqualified 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 and 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 [https://rswm.in/pdf/policy/Whistle\\_Blower\\_Policy.pdf](https://rswm.in/pdf/policy/Whistle_Blower_Policy.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 its 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) Regulations, 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 as amended. 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 form 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.

Shareholders

i) 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 retire every year and if eligible, propose themselves for the re-appointment. This year, Shri Shekhar Agarwal (DIN 00066113) and Shri Arun Kumar Churiwal (DIN 00001718) are retiring by rotation and being eligible, offer themselves for re-appointment in the Annual

General Meeting. Shri B M Sharma joined the Board of the Company on 7<sup>th</sup> August, 2018 as Joint Managing Director for two years and was reappointed w.e.f 7<sup>th</sup> August, 2020 for further two years. During the year under review the Board of Directors upon recommendation of Nomination and Remuneration Committee reappointed Shri B M Sharma as Joint Managing Director for further period of two years commencing from 7<sup>th</sup> August, 2022, which was approved by the shareholders of the Company by Special Resolution at the previous Annual General Meeting held on 6<sup>th</sup> September, 2022.

Their brief resumes are given below:

Shri Shekhar Agarwal (70)

Shri Shekhar Agarwal is a Non-Executive Promoter Director of the Company. Shri Agarwal is B. Tech (Mech.) from Indian Institute of Technology, Kanpur and has done his Masters in Science from University of Chicago. He joined the Board of the Company on 13<sup>th</sup> February, 1984. He has an experience of around four decades in the Textile Industry. He is also Chairman and Managing

Director of Maral Overseas Limited and Bhilwara Technical Textiles Ltd.

Shri Arun Churiwal (73)

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 23<sup>rd</sup> October, 2003. He is an eminent industrialist having rich experience in textile industry.

Shri B M Sharma (65)

Shri B M Sharma is Joint Managing Director of the Company looking after the day to day operations of the Company. He had been instrumental for closure of various expansions, modernization and diversification programme of the Company. Shri B M Sharma holds a degree in B.Com (Hons) and is a Chartered Accountant. He has an experience of more than 41 years across various industries.

ii Appointment or Reappointment of Independent Directors

Pursuant to the provisions of Section 149 read with schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Archana Capoor was appointed as Independent Director for first term of 5 consecutive years commencing from 13<sup>th</sup> February, 2018. The Board of Directors, upon recommendation of Nomination and Remuneration Committee, at its meeting held on 27<sup>th</sup> May, 2022 reappointed Smt. Archana Capoor as an Independent Director for the second term of five years commencing from 13<sup>th</sup> February, 2023 and this was approved by the shareholders of the Company by Special Resolution at the 61<sup>st</sup> Annual General Meeting held on 6<sup>th</sup> September, 2022. The brief profile of Smt. Archana Capoor is given below;

Smt. Archana Capoor (64)

Smt. Archana Capoor is an Independent Director of the Company. She is a graduate in B.Sc. (Chemistry), MBA (Finance & Market Research). Smt. Capoor is noted professional and has more than 38 years of experience across various sectors including Tourism and Housing Sector.

Details of Directorship Held in Other Companies

Directors' name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Shri Shekhar Agarwal	Bhilwara Technical Textiles Ltd		
	BSL Limited		Audit Committee
	HEG Limited		Audit Committee
	Maral Overseas Limited		Stakeholders' Relationship Committee
Shri Arun Kumar Churiwal	BSL Limited		Stakeholders' Relationship Committee
	La Opala RG Limited	Stakeholders' Relationship Committee	Audit Committee
	LNJ Financial Services Limited		
Shri B M Sharma	None	None	None



Directors' name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Smt. Archana Capoor	Birla Cable Limited		
	Maral Overseas Limited		Audit Committee
	S Chand and Company Limited	Audit Committee	
	Sandhar Technologies Limited	Audit Committee	
	Uniproducs (India) Limited		Audit Committee

\* 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 centralized 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 of India Limited.)

### Disclosure on Website

The Company’s website www.rswm.in has separate section “Investor Relations” 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. The Company has dedicated investor email-id [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

### 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.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

- Date : 15<sup>th</sup> September, 2023
- Day : Friday
- 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: 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

For the year ended 31<sup>st</sup> March, 2023 results were announced on:

- 8<sup>th</sup> August, 2022

: First quarter
- 14<sup>th</sup> November, 2022

: Second quarter and Half year
- 9<sup>th</sup> February, 2023

: Third quarter and Nine months
- 26<sup>th</sup> May, 2023

: Fourth quarter and Annual.

For the year ending 31<sup>st</sup> March, 2023, quarterly results will be

announced within 45 days from the end of each quarter or such time as may be 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 9<sup>th</sup> September, 2023 Saturday to 15<sup>th</sup> September, 2023 Friday (both days inclusive).

### Dividend Dates

A dividend of 50% i.e. ₹ 5 per share on 4,71,01,684 equity shares of ₹ 10/- each has been recommended by the Board subject to the approval of shareholders at the Annual General Meeting, which will be paid within 30 day from the date of AGM.

The payment of dividend shall be subject to applicable TDS rates in force.

### 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 31<sup>st</sup> March, 2024.

## Stock Code of the Company

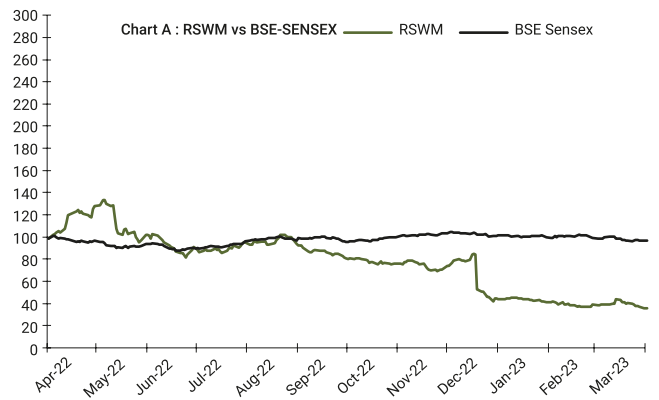
Equity Shares	
Stock Exchanges	Stock Codes
BSE	500350
NSE	RSWM

## Stock Data

### Share Prices of RSWM at BSE/NSE in 2022-23

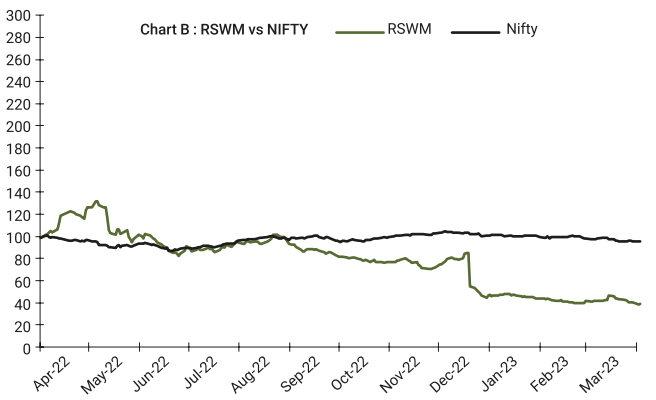
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-22	548.65	408.00	5,22,374	549.00	407.95	29,73,368
May-22	572.60	366.00	5,35,512	573.75	413.25	42,10,191
Jun-22	438.35	330.50	2,44,058	438.80	330.55	20,69,208
Jul-22	407.90	358.20	1,32,343	407.05	358.50	14,34,833
Aug-22	435.85	377.20	4,84,431	435.80	386.00	39,37,928
Sep-22	394.00	328.00	2,68,328	395.00	327.35	15,52,217
Oct-22	344.25	309.95	95,845	344.20	312.00	6,64,183
Nov-22	335.85	284.00	1,43,110	338.85	285.75	11,66,920
Dec-22	362.30	169.75	3,73,273	361.95	169.75	41,52,556
Jan-23	192.80	165.90	1,60,652	192.90	164.00	21,21,045
Feb-23	174.25	147.55	2,10,882	169.00	147.45	14,28,518
Mar-23	184.75	144.00	2,32,135	185.00	144.00	20,98,173

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2022-23



Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2022-23 i.e. 1<sup>st</sup> April, 2022.

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2022-23



Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2022-23 i.e. 1<sup>st</sup> April, 2022



Shareholding Pattern

Shareholding Pattern by Equity Shareholders as on 31<sup>st</sup> March, 2023

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	2,61,63,543	55.55
Foreign Institutional Investors/ Mutual Funds	7,82,980	1.66
Public Financial Institutions/ State Financial Corporation	2,14,673	0.46
Mutual Funds (Indian )	2,325	0.00
Nationalized and other banks	31,701	0.07
NRIs/ Foreign Companies (Other than Promoters)	7,79,707	1.65
Public	1,91,26,755	40.61
Total	4,71,01,684	100.00

Shareholding Pattern by Size-Class as on 31<sup>st</sup> March, 2023

Categories	No. of Shareholders	No. of shares held	Percentage
1-1000	32,233	39,87,275	8.47
1001-5000	1,746	37,55,185	7.97
5001-10000	234	17,06,068	3.62
10001 and above	276	3,76,53,156	79.94
Total	34,489	4,71,01,684	100.00

- 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 ₹ - 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		International market	
			OTC	Exchange	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:

Dematerialization of Shares

As on 31<sup>st</sup> March, 2023, 4,68,97,498 Equity Shares representing 99.57 % 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.

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

As per stipulations of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the shares of the Company can only be transferred in dematerialized mode w.e.f. 1<sup>st</sup> April, 2019. Further, SEBI vide its circular dated December 02, 2020 stipulated 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgment of transfer requests and also stipulated that such transferred shares shall be issued only in demat mode. Therefore, the Company did not acknowledge such requests after 31<sup>st</sup> March, 2021. Further, as per the SEBI Circular dated 25<sup>th</sup> January, 2022, the transmission or transposition of securities held in physical or dematerialized form is being effected only in dematerialized form.

Matters related to share transfer and transmission etc. were attended by the delegated authorities on 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 as amended, the Company has obtained yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities.

Pursuant to Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate at the end of financial year submitted to the Stock Exchanges 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.

In furtherance of earlier SEBI Circular(s) dated 3<sup>rd</sup> November, 2021 and 14<sup>th</sup> December, 2021, SEBI vide its Circular dated 16<sup>th</sup> March, 2023, has mandated to shareholders holding securities in physical mode for furnishing of the following documents to the Registrar and Share Transfer Agent (“RTA”) of the Company on or before 30<sup>th</sup> September, 2023 as an on-going measure to enhance the ease of doing business for investors in the securities market pertaining to Common and simplified norms for processing any service request from the shareholder/investors.

- PAN
- Nomination / Declaration to Opt- out of Nomination

- Contact details (Postal address with PIN Code, Mobile Number and E-mail address)
- Bank Account details (Bank and branch name, account number, MICR, IFSC Code)
- Specimen Signature through Form ISR-2

In case the aforesaid details are not made available to the Company/RTA, then such folio shall be frozen by the RTA on and after 1<sup>st</sup> October, 2023. Such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if it continues to remain frozen as on December 31, 2025.

In this regard, the Company has sent an intimation to all shareholders holding shares in physical form individually by Registered Post on 19<sup>th</sup> May, 2023, requesting them to update PAN, KYC details and nomination details (including declaration to opt out of nomination). All shareholders are requested to update their KYC details and nomination details in the prescribed forms to enable the Company to make effective communication to them and render prompt service. The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 shall be available on the website of the Company and RTA. Members may request to submit their PAN/KYC/Nomination/Bank detail in the prescribed Form(s) duly filled in to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi–110020 E-mail: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com) / [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

In order to enhance the awareness of investors about the availability of arbitration facility at the Stock Exchanges for their dispute, if any, against listed companies/Registrar and Share Transfer Agent (‘RTA’), SEBI vide Circular No. SEBI/HO/OIAE/2023/03391 dated January 27, 2023, advised the listed companies/RTA to share below intimation, either by e-mails or by SMSs to all investors, who hold the shares in physical form:

“If you have any dispute against a listed company and or its Registrar and Share Transfer Agent (RTA) on delay or default in processing your request, as per SEBI circular dated 30.05.2022, you can file for arbitration with Stock Exchange.

Formore details, please see the weblinks of the stock exchanges:

BSE: <http://tiny.cc/m1l2vz>

NSE: <http://tiny.cc/s1l2vz>

Accordingly, the said intimation was sent to all holders of physical shares by the RTA on 17<sup>th</sup> February, 2023.

The Shareholders holding shares of the Company in physical form and who have not updated their e-mail ID or



mobile number or who desire to change their e-mail ID or mobile number, are requested to approach for updating or change in their details with the Company's RTA - MCS Share Transfer Agent Limited, F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 Tel.: 011-41406149-52; e-mail: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)

The said information is also available on the website of the Company i.e. [www.rswm.in](http://www.rswm.in)

Details of Public Funding Obtained in the Last Three Years

During the year under review, the Company came out with a Rights Issue of 2,35,50,842 Equity Shares of ₹10/- each at a price of ₹100/- per share(including a premium of ₹90 per share) aggregating to ₹235.50 Crore. The issue was fully subscribed and the fund raised thereof have been utilised for stated purposes as enumerated in the offer letter and no deviation from stated purposes has taken place.

Outstanding Warrants and their Implications on Equity

The Company has no outstanding warrants/convertible instruments.

Plant Locations

- 1. Kharigram, P.O. Gulabpura – 311001, 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 and Knit).
- 4. Mandpam, Distt. Bhilwara-311001, 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, 1<sup>st</sup> 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](mailto: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](mailto:rswm.investor@lnjbhilwara.com)

Registered Office

Kharigram  
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:

Instrument Type	Rating/ Outlook	Rating Action
Term Loans	IND A/Stable	Affirmed; Outlook revised to Stable
Fund Based Working Capital	IND A/Stable/ IND A1	Affirmed; Outlook revised to Stable
Non Fund-Based Working Capital	IND A/Stable/ IND A1	Affirmed; Outlook revised to Stable

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 9<sup>th</sup> 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 9<sup>th</sup> 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. The Company had transferred these 26,322 equity shares of 396 Shareholders of the Company to the Investor 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.

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, 9,115 equity shares of 137 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 2014-15. Out of total 1,19,522 Equity Shares transferred to IEPF, 714 Equity Shares were claimed by the Shareholders from the IEPF Authority. As on 31<sup>st</sup> March, 2023, total 1,18,808 Equity Shares of 1,406 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 2022-23, the Company raised funds through rights issue aggregating ₹235.50 Crore.

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 Jhunhunwala**  
Chairman & Managing Director and CEO  
Place: Noida (U.P)  
Date: May 26, 2023

DIN – 00061060



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

We, Riju Jhunjunwala, Chairman and Managing Director & CEO and Avinash Bhargava, Chief Financial Officer of **RSWM Limited**, hereby certify to the Board that:

- a.

We have reviewed Financial Statements and the Cash Flow statements 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.

Riju Jhunjunwala  
Chairman & Managing Director and CEO

Avinash Bhargava  
Chief Financial Officer

Place: Noida  
Dated: 26<sup>th</sup> May, 2023

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 31<sup>st</sup> March, 2023, 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, 2023.
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  
FRN : 301051E

**Gaurav Lodha**  
Partner  
M. No. 507462  
Place : Noida  
Date : May 26, 2023  
UDIN: 23507462BGVDKA7971

For **S S Kothari Mehta & Company**  
Chartered Accountants  
Firms Registration No. : 000756N

**Vijay Kumar**  
Partner  
M. No. 092671  
Place : Noida  
Date : May 26, 2023  
UDIN: 23092671BGSICD4474

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 31<sup>st</sup> March, 2023 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 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 Jhunjhunwala	00060972	18-05-1979
6	Mr. Riju Jhunjhunwala	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. B M 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.

For **Mahesh Gupta & Company**  
Company Secretaries

**Mahesh Kumar Gupta**  
Proprietor

FCS No.: 2870::C P No.: 1999  
Peer Review Certificate No.727/2020  
UDIN: F002870E000384053

Place: Delhi  
Date: 26<sup>th</sup> May, 2023

FINANCIAL HIGHLIGHTS

( ₹ in Crores)

S. No.	Description	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1	Turnover	2,996.20	2,943.09	2,960.58	2,771.03	2,326.02	3,817.42	3,788.90
1	PBIDT	357.87	263.08	210.01	263.74	214.97	464.17	339.53
2	Interest	110.36	117.29	119.52	108.51	83.03	67.61	73.95
3	PBDT	247.51	145.79	90.49	155.23	131.94	396.56	265.58
4	Depreciation (Net)	132.17	124.48	123.28	131.67	127.68	113.08	127.30
5	P B T	115.34	21.32	(32.79)	23.56	4.26	283.48	138.28
6	TAX	14.37	6.82	(8.52)	0.89	(17.35)	43.50	28.67
7	PAT	100.97	14.50	(24.27)	22.67	21.61	239.98	109.61
1	EPS (In ₹)	43.33	6.16	(10.30)	9.62	9.18	65.28	28.13
2	Equity	23.55	23.55	23.55	23.55	23.55	23.55	47.10
1	Total Capital Employed	2,390.39	2,713.01	2,537.62	2,182.58	2,037.96	2,536.81	2,840.97
2	Net Worth	633.19	900.74	783.06	705.85	761.16	998.54	1,268.42
3	Deferred Tax Liability (DTL)	86.52	88.76	80.29	64.77	58.01	63.77	89.23
4	Net Worth and DTL	719.71	989.50	863.35	770.62	819.17	1,062.31	1,357.65
5	Long Term Loans	496.94	570.90	572.62	484.24	334.45	461.68	499.74
6	Current Maturities of Long Term Loan	243.66	128.47	203.15	107.96	158.79	115.62	84.94
7	Working Capital Loans	632.36	680.02	584.61	474.31	349.47	441.72	488.96
8	Unsecured Loans	90.98	140.15	80.19	93.62	79.72	83.50	77.03
9	Total Borrowings(5+6+7+8)	1,463.94	1,519.54	1,440.57	1,160.13	922.43	1,102.52	1,150.67
10	Fixed Assets ( Net )	1,190.21	1,138.30	1,144.15	1,034.34	928.31	1,086.43	1,298.23
11	Investments	110.27	383.35	270.05	59.90	91.59	89.27	75.01
1	Operating Profit Margin %	11.98	8.94	7.09	9.52	9.24	12.16	8.96
2	Return on Sales % ( PAT/ Turnover )	3.38	0.49	(0.82)	0.82	0.93	6.29	2.89
3	Debt Equity Ratio (Total Borrowings/Equity)	2.31	1.69	1.84	1.64	1.21	1.10	0.91
4	Interest Cover Ratio	3.24	2.24	1.76	2.43	2.59	6.87	4.59
5	Fixed Assets Cover Ratio	2.40	1.99	2.00	2.14	2.78	2.35	2.60



## Independent Auditor's Report

To the Members of RSWM LIMITED

### Report on Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of RSWM Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive loss), the Standalone Statement of Cash Flows and Standalone 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit (including other comprehensive loss), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### 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 standalone 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 including other comprehensive loss, 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) specified u/s 133 of the Act. 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.

The 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 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 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

- As required by the Companies (Auditor's Report) Order, 2020 ("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.
- As required by Section 143(3) of the Act, based on our audit we report that:
  - 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss including other comprehensive loss, 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.
  - In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- With respect to the adequacy of the internal financial controls with reference to Standalone financial statement 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 with reference to Standalone financial statement.

- 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.

- 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 37 and 45 to the standalone financial statements;
  - 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; and
  - 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, 2023.
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or



invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with section 123 of the act to the extent it applies to payment of dividend.
- (b) As stated in Note 44D to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended March 31, 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

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

**Gaurav Lodha**  
Partner  
M. No. 507462  
UDIN: 23507462BGVDJV3251  
Place : Noida  
Date : 26-05-2023

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

**Vijay Kumar**  
Partner  
M. No. 092671  
UDIN: 23092671BGSICB6525  
Place : Noida  
Date : 26-05-2023

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, 2020 (“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. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has physically verified certain Property, Plant and Equipment as per its program of physical Verification that covers all items of Property, Plant and Equipment over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its Property, Plant and Equipment. Based on information and records provided, 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 of the title deeds provided to us, we report that, the title deeds of the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, investment property and non-current assets held for sale are held in the name of the Company as at the balance sheet date .
- (d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year. Hence reporting under clause 3(i) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) As per the physical verification program, the inventory (except for stocks lying with the third parties and in transit which have been verified based on confirmations) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of ₹5 Crores, in aggregate, at points of time during the year, from banks or financial institutions during the year on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns/ statements filed by the Company with such banks are in agreement with the books of account of the Company and no material discrepancies have been observed.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
  - a) The Company has not granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
  - b) The Company has not made any Investment during the year and hence reporting under clause 3(iii)(b) of the Order is not applicable to the Company.
  - c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of interest has been stipulated and

- the principal outstanding in respect of Compulsory convertible debentures will be compulsory converted (as stipulated) into equity at the end of the maturity period. There are no repayments due of principal amounts during the year. The Company has not received interest on compulsory convertible debentures (CCDs) amounting to ₹1785.76 Lakhs since financial year 2016-17 to 2022-23 (Refer note 37(B)).

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount of principal remaining outstanding as at the balance sheet date. In respect of Interest overdue on Compulsory Convertible debentures amounting to ₹1785.76 Lakhs in respect of CCDs, the management has taken reasonable steps. As stated in note 37(B), arbitration proceedings have been initiated. (Refer note 37(B))

e) None of the loans and advances in the nature of loans granted by the Company have fallen due during the year which has been renewed or extended or fresh loan granted to settle any overdues of existing loans given to the same party. Hence reporting under clause3(iii)(e) of the order is not applicable to the company.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii) (f) is not applicable.

iv. According to the information, explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act with respect to loans granted, investments made, guarantees and securities provided,
- v. According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

vi. We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie, the prescribed accounts and records are being maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities, to the extent applicable.  
  
There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.  
  
(b) According to the records and information's and explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of The Statute	Nature of Dues	Amount (₹ in Lakhs)*	Period to which amount relates to	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

Name of The Statute	Nature of Dues	Amount (₹ in Lakhs)*	Period to which amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	685.66	2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	2286.64	2013-2014	ITAT,Delhi
Income Tax Act, 1961	Income Tax Demands	1453.67	2010-2011	ITAT, Delhi
Income Tax Act, 1961	Income Tax Demands	2479.09	2014-2015	ITAT, Delhi
Income Tax Act, 1961	Income tax disallowances	813.65	2015-2016	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax disallowances	1267.94	2016-2017	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax disallowances	762.72	2017-2018	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	2020.83	2013-2014	ITAT, Delhi
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	12.21	1998-1999	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.59	1995-1996	Assessing Officer, Tripur
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.36	1996-1997 & 1998-1999	Assessing Officer, 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	1987-1989	Honorable High Court, Jodhpur Rajasthan
Goods and Services Tax, 2017	GST	54.79	2019-2020	CESTAT/ GST Tribunal
Custom Act	Custom Duty Demand in Coal	58.55	2013-2014	CESTAT, Ahmedabad
Customs Act,1962	DEPB	31.52	2010-2011	Additional DGFT, New Delhi
Electricity Act, 1962	Cess,duty,surcharge etc	1535.95	May 2019 to March 2022	High Court
Electricity Act, 1962	Electricity duty	653.53	2020-2021	High Court
Tamil Nadu Electricity Act, 2003	Cross Subsidy Surcharge	96.82	2014-2015	Supreme Court
Stamp Duty Act, 1998	Stamp Duty	1,580.87	2014-2015	Rajasthan High Court, Jodhpur
Employee state insurance Act, 1948	Employee State Insurance	2.37	2000 to 2003	Labour court, Salem
Employee State Insurance Act, 1948	Employee State Insurance	39.45	2009 to 2011	Rajasthan High Court, Jaipur
Textile Committee Act, 1963	Textile committee Cess	17.25	1999-2000 to 2006-2007	Textile Committee Cess Appellate Tribunal, Mumbai

\*Net of amount deposited under protest.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.



- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on examination of the books of the company, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company and based on the representations of the Company we report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year on account of or to meet the obligations of its associates and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its associate companies. Hence, the requirement to report on clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of right issue of shares for the purposes for which they were raised. Refer Note No 12 (i) .
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on the audit procedure performed and on the basics of information and explanations provided by the management, no fraud by the company and no material fraud on the Company has been notice or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- 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 section 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit issued to the Company during the year and till the date of this report in determining the nature, timing and extent of our audit procedures.
- 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 its directors. and hence Provision of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) As per the information and details provided, the Group does not have any Core investment Company (CIC), as defined in the regulations made by the Reserve Bank of India under Core Investment Companies (Reserve Bank) Directions, 2016, as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state

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

**Gaurav Lodha**  
Partner  
M. No. 507462  
UDIN: 23507462BGVDJV3251  
Place : Noida  
Date : 26-05-2023

that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring transfer to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) or special account in compliance with the provisions of sub-section (6) of section 135 of the said Act.

b) According to the information and explanation provided to us, the Company has not undertaken any ongoing project during the year. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

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

**Vijay Kumar**  
Partner  
M. No. 092671  
UDIN: 23092671BGSICB6525  
Place : Noida  
Date : 26-05-2023

## Annexure B to the Independent Auditor’s Report

### Report on the Internal Financial Controls with reference to standalone financial statement 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 control with reference to Standalone financial statement of RSWM LIMITED (“the Company”) as of March 31, 2023 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 with reference to Standalone financial statement 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 Act.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial control with reference to Standalone financial statement 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 issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial control and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statement 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 with reference to Standalone financial statement and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone financial statement included obtaining an understanding of internal financial controls with reference to Standalone financial statement, 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 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 with reference to Standalone financial statement.

#### Meaning of Internal Financial Controls with reference to Standalone financial statement

A company’s internal financial control with reference to Standalone financial statement 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 with reference to Standalone financial statement 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 with reference to Standalone financial statement

Because of the inherent limitations of internal financial controls with reference to Standalone financial statement, 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 with reference to Standalone

financial statement to future periods are subject to the risk that the internal financial control with reference to Standalone financial statement 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, the Company has, in all material respects, an adequate internal financial controls system with

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

**Gaurav Lodha**  
Partner  
M. No. 507462  
UDIN: 23507462BGVDJV3251  
Place : Noida  
Date : 26-05-2023

reference to Standalone financial statement and such internal financial controls with reference to Standalone financial statement were operating effectively as at March 31, 2023, based on “the internal control with reference to Standalone financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

**Vijay Kumar**  
Partner  
M. No. 092671  
UDIN: 23092671BGSICB6525  
Place : Noida  
Date : 26-05-2023



CIN L17115RJ1960PLC008216

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
ASSETS					
1 Non-current Assets					
a Property, Plant and Equipment	3a		1,08,156.68		92,466.13
b Capital Work-in-Progress	3b		18,280.26		14,331.37
c Investment Property	3c		3,014.57		1,090.16
d Other Intangible Assets	3d		371.11		755.39
e Financial Assets					
i) Investments	4	7,500.75		8,927.26	
ii) Other financial assets	8	749.22	8,249.97	1,210.87	10,138.13
f Other Non-current Assets	11		6,834.27		5,106.80
2 Current Assets					
a Inventories	9		67,725.20		50,906.91
b Financial Assets					
i) Trade receivables	6	45,440.60		53,646.12	
ii) Cash and cash equivalents	7	320.96		588.35	
iii) Bank balances other than (ii) above	7	190.07		280.10	
iv) Loans	5	199.80		86.36	
v) Other financial assets	8	6,123.84	52,275.27	6,034.97	60,635.90
c Current Tax Assets (Net)	10		2,025.58		-
d Other Current Assets	11		17,164.08		13,604.00
3 Assets Classified as Held for Sale	3e		-		4,646.70
TOTAL ASSETS			2,84,096.99		2,53,681.49
EQUITY AND LIABILITIES					
Equity					
a Equity Share Capital	12		4,710.17		2,355.08
b Other Equity	13		1,22,131.92		97,498.50
Liabilities					
1 Non-current Liabilities					
a Financial Liabilities					
i) Borrowings	14	49,973.63		46,168.38	
ia) Lease Liabilities	15a	481.07		13.48	
ii) Other financial liabilities	17	165.40	50,620.10	594.11	46,775.97
b Deferred Tax Liabilities (Net)	20		8,922.64		6,376.84
c Deferred Government Grants	21		951.04		41.64
2 Current Liabilities					
a Financial Liabilities					
i) Borrowings	15	65,093.46		64,083.80	
ia) Lease Liabilities	15a	113.17		31.98	
ii) Trade payables					
- Total outstanding dues of micro and small enterprises	16	1,703.65		2,534.46	
- Total outstanding dues of creditors other than micro and small enterprises	16	11,774.52		13,937.04	
iii) Other financial liabilities	17	7,826.74	86,511.54	7,461.53	88,048.81
b Provisions	18		24.17		30.06
c Deferred Government Grants	21		62.50		53.29
d Current Tax Liabilities (Net)	10		-		407.07
e Other Current Liabilities	22		10,162.91		12,091.06
3 Liabilities Classified as Held for Sale	3e		-		3.17
TOTAL EQUITY AND LIABILITIES			2,84,096.99		2,53,681.49

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

Gaurav Lodha

Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

For S S Kothari Mehta & Company

Chartered Accountants  
Firm Regn. No. 000756N

Vijay Kumar

Partner  
M. No. 092671

For and on Behalf of Board of Directors

Riju Jhunjunwala

Chairman & Managing Director and CEO  
DIN 00061060

Avinash Bhargava

Chief Financial Officer  
M.No. FCA 076277

B. M. Sharma

Joint Managing Director  
DIN 08195895

Surender Gupta

Company Secretary  
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue From Operations	23	3,78,889.62	3,81,742.30
Other Income	24	9,144.01	3,211.91
Total Income		3,88,033.63	3,84,954.21
Expenses			
Cost of Materials Consumed	25	2,22,483.69	2,10,799.26
Purchase of Traded Goods	26	13,175.26	8,872.45
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	(4,314.10)	(6,073.24)
Employee Benefit Expenses	28	41,847.80	40,139.46
Finance Cost	29	7,394.51	6,760.48
Depreciation and Amortization Expenses	30	12,730.08	11,307.92
Other Expenses	31	80,888.44	84,799.46
Total Expenses		3,74,205.68	3,56,605.79
Profit/(Loss) Before Tax		13,827.95	28,348.42
Tax Expense			
Current Tax	19	2,447.86	4,936.98
Tax of earlier year provided/(written back)	19	(2,065.64)	(1,178.06)
Deferred Tax	19	2,484.93	591.45
Profit/(Loss) for the Period		10,960.80	23,998.05
Other Comprehensive Income	32		
a) (i) Items that will not be reclassified to Profit or Loss		(1,244.24)	(323.33)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(63.69)	32.12
b) (i) Items that will be reclassified to Profit or Loss		(8.08)	47.61
(ii) Income tax relating to items that will be reclassified to Profit or Loss		2.82	(16.64)
Other Comprehensive Income/(Loss) for the year		(1,313.19)	(260.24)
Total Comprehensive Income/(Loss) for the year		9,647.61	23,737.81
Earnings per Equity Shares of ₹ 10/- each	33		
1) Basic (in ₹)		28.13	65.28
2) Diluted (in ₹)		28.13	65.28

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

Gaurav Lodha

Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

For S S Kothari Mehta & Company

Chartered Accountants  
Firm Regn. No. 000756N

Vijay Kumar

Partner  
M. No. 092671

For and on Behalf of Board of Directors

Riju Jhunjunwala

Chairman & Managing Director and CEO  
DIN 00061060

Avinash Bhargava

Chief Financial Officer  
M.No. FCA 076277

B. M. Sharma

Joint Managing Director  
DIN 08195895

Surender Gupta

Company Secretary  
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Standalone Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash Flow From Operating Activities				
Profit / (Loss) Before Tax		13,827.95		28,348.42
Adjustments for:				
Depreciation and Amortization Expenses	12,730.08		11,307.92	
Net Gain / Loss on Sale of Property, Plant & Equipment *	(3,736.54)		(661.46)	
Provisions Written Back	(694.60)		(310.84)	
Allowances for Impairment Loss Allowance	125.93		(190.80)	
Finance Costs	7,418.85		6,806.98	
Interest Income	(2,247.92)		(675.46)	
Dividend Income from Investments	(129.57)		(10.67)	
Forex Fluctuation on translation of Assets and Liabilities	(4.67)	13,461.56	(9.25)	16,256.42
Operating Profit/(Loss) before Working Capital Changes		27,289.51		44,604.84
(Increase)/Decrease in Trade Receivables	8,205.52		(15,753.98)	
(Increase)/Decrease in Current Financial Assets - Loans	(121.52)		(2.25)	
(Increase)/Decrease in Other Current Financial Assets	416.63		(315.95)	
(Increase)/Decrease in Other Non Current Financial Assets	461.65		(230.64)	
(Increase)/Decrease in Other Current Assets	(2,351.95)		(4,778.44)	
(Increase)/Decrease in Other Non Current Assets	(1,218.10)		51.73	
(Increase)/Decrease in Inventories	(16,818.29)		(6,008.60)	
Increase/(Decrease) in Trade Payables	(2,993.33)		2,748.32	
Increase/(Decrease) in Other Current Financial Liabilities	322.35		316.87	
Increase/(Decrease) in Other Non Current Financial Liabilities	(428.71)		203.59	
Increase/(Decrease) in Other Current Liabilities	(1,239.44)		3,149.15	
Increase/(Decrease) in Other Non Current Liabilities	182.27	(15,582.92)	(195.30)	(20,815.50)
Cash generated from/(used in) Operations before tax		11,706.59		23,789.34
Net Direct Taxes paid		(2814.87)		(2819.75)
Net Cash Flow from/(used in) Operating Activities		8,891.72		20,969.59
B. Cash Flow From Investing Activities				
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(33,373.33)		(35,580.66)	
Proceeds from sale of Property, Plant & Equipment	8,854.68		2,687.95	
Proceeds from/(Investment in) Term Deposit	100.88		138.75	
Interest Received	402.18		987.63	
Dividend Received	129.57		10.67	
Net Cash Flow from/(used in) Investing Activities		(23,886.02)		(31,755.66)
Net Cash from/(used in) Operating and Investing Activities		(14,994.30)		(10,786.07)
C. Cash Flow From Financing Activities				
Repayment of Borrowings	(23,735.57)		(15,879.47)	
Proceeds from Borrowings	24,473.89		24,285.38	
Proceeds / (Repayment) of Short Term Borrowings	4,076.59		9,602.84	

CIN L17115RJ1960PLC008216

Standalone Statement of Cash Flow (Contd.)

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Proceeds from Allotment of Right Equity Shares	23,550.86		-	
Transaction costs for Right Equity Shares issue	(322.25)		-	
Payment of Dividend	(5,887.71)		-	
Repayment of Lease Liabilities	(52.91)		(76.59)	
Finance Costs	(7,375.99)		(6,851.42)	
Net Cash from/(used in) Financing Activities		14,726.91		11,080.74
Net Cash from/(used in) Operating, Investing & Financing Activities		(267.39)		294.67
Opening balance of Cash and Cash Equivalent		588.35		293.68
Closing balance of Cash and Cash Equivalent		320.96		588.35
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)				
i) Cash on Hand	8.37		9.09	
ii) Balance with Banks :				
- On Current Accounts	312.59		579.26	
Total		320.96		588.35

\* Includes the gain of ₹ 1,992.57 Lakh on sale of Freight Terminal Business on Slump Sale basis.

Notes:

1. Changes in Liabilities arising from Financing Activities:

(₹ in Lakh)

Particulars	Balance as at March 31, 2022	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2023
Long Term Borrowings (Including Current Maturity)	57,729.95	738.32	-	58,468.27
Short Term Borrowings	52,522.23	4,081.24	(4.65)	56,598.82
	1,10,252.18	4,819.56	(4.65)	1,15,067.09

Particulars	Balance as at March 31, 2022	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2023
Long Term Borrowings (Including Current Maturity)	49,324.04	8,405.91	-	57,729.95
Short Term Borrowings	42,919.39	9,603.96	(1.12)	52,522.23
	92,243.43	18,009.87	(1.12)	1,10,252.18

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 & Company

Chartered Accountants

Firm Regn. No. 000756N

For and on Behalf of Board of Directors

Riju Jhunjhunwala

Chairman & Managing Director and CEO

DIN 00061060

B. M. Sharma

Joint Managing Director

DIN 08195895

Gaurav Lodha

Partner

M. No. 507462

Place: Noida, (U.P.)

Date: May 26, 2023

Vijay Kumar

Partner

M. No. 092671

Avinash Bhargava

Chief Financial Officer

M.No. FCA 076277

Surender Gupta

Company Secretary

M.No. FCS 2615



Standalone Statement of Changes In Equity

for the year ended March 31, 2023

a. Equity Share Capital

Particulars	Note No	Amount
Balance as at April 1, 2021		2,355.08
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2021		2,355.08
Changes in Equity Share Capital during 2021-22	12	-
Balance as at March 31, 2022		2,355.08
Balance as at April 1, 2022		2,355.08
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2022		2,355.08
Changes in Equity Share Capital during 2022-23	12	2,355.09
Balance as at March 31, 2023		4,710.17

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. Other Equity										(₹ in Lakh)
Balance at April 1, 2021			701.48	9,618.56	4,910.28	6,060.85	47,719.52	4,746.20	3.80	73,760.69
- Profit or Loss during the year			-	-	-	-	23,998.05	-	-	23,998.05
- Other Comprehensive Income for the year		32	-	-	-	-	(59.80)	(231.41)	30.97	(260.24)
Total Comprehensive Income			-	-	-	-	23,938.25	(231.41)	30.97	23,737.81
Balance at March 31, 2022			701.48	9,618.56	4,910.28	6,060.85	71,657.77	4,514.79	34.77	97,498.50
Balance at April 1, 2022			701.48	9,618.56	4,910.28	6,060.85	71,657.77	4,514.79	34.77	97,498.50
Share Premium on Right Shares Allotment			-	21,195.77	-	-	-	-	-	21,195.77
Right Shares Issue Expenses Adjustment			-	(322.25)	-	-	-	-	-	(322.25)
- Profit or Loss during the year			-	-	-	-	10,960.80	-	-	10,960.80
- Other Comprehensive Income for the year		32	-	-	-	-	118.58	(1,426.51)	(5.26)	(1,313.19)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI			-	-	-	-	-	-	-	-
Total Comprehensive Income			-	20,873.52	-	-	11,079.38	(1,426.51)	(5.26)	30,521.13
- Dividend paid during the year		13	-	-	-	-	(5,887.71)	-	-	(5,887.71)
Total Contribution by and distribution to owners			-	-	-	-	(5,887.71)	-	-	(5,887.71)
Balance at March 31, 2023			701.48	30,492.08	4,910.28	6,060.85	76,849.44	3,088.28	29.51	1,22,131.92

Accompanying notes form an integral part of financial statements.

As per our report of even date For Lodha & Co. Chartered Accountants Firm Regn. No. 301051E

Gaurav Lodha Partner M. No. 507462 Place: Noida, (U.P.) Date: May 26, 2023

Vijay Kumar Partner M. No. 092671

For S S Kothari Mehta & Company Chartered Accountants Firm Regn. No. 000756N

For and on Behalf of Board of Directors

Riju Jhunjhunwala Chairman & Managing Director and CEO DIN 00061060

Avinash Bhargava Chief Financial Officer M.No. FCA 076277

B. M. Sharma Joint Managing Director DIN 08195895

Surender Gupta Company Secretary M.No. FCS2615

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

1. Company Overview and Accounting Policies

1.01 Company Overview and Information

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 31<sup>st</sup> March, 2023 are approved for issue by the Company’s Board of Directors on May 26, 2023.

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. 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.
- 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

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.

Notes to the Standalone Financial Statement  
For the year ended March 31, 2023

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 recognized 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 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'.

Notes to the Standalone Financial Statement  
For the year ended March 31, 2023

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



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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:-

Sr. 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.

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

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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.

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 (except trade receivable that does not contain significant financing component) 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.

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For the year ended March 31, 2023

(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:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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

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 transaction price unless it creates a significant financing components in accordance with Ind AS 115 for pricing adjustments embedded in the contact. 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



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For the year ended March 31, 2023

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 though 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

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For the year ended March 31, 2023

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

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For the year ended March 31, 2023

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

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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-



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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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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

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For the year ended March 31, 2023

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.

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

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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 it's 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.

(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.



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(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.

(k) Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- (i)

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in these financial statements.
- (ii)

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- (iii)

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

3a. Property, Plant & Equipment

(₹ in Lakh)

Particulars	Land- Freehold	Buildings (including Roads) ***	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting, Water Supply & Installations	Right to Use Assets	Total
								Building	Land- Leasehold
Gross Carrying Value									
Balance at April 1, 2021	3,910.73	44,291.94	85,929.60	3,566.65	1,306.64	1,016.91	6,159.87	476.85	335.04
Additions	5.03	5,402.70	12,033.66	173.26	223.81	121.95	1,040.50	-	-
Deductions/ disposals *	(100.12)	(26.23)	(6,775.32)	(227.89)	(212.00)	(114.38)	(152.65)	(362.33)	(0.15)
Assets classified as held for sale	(1,476.11)	(3,966.15)	(1,490.17)	(1.37)	-	(11.18)	(28.10)	-	-
Reclassification of assets to investment property	(231.40)	-	-	-	-	-	-	-	(231.40)
Balance at March 31, 2022	2,108.13	45,702.26	89,697.77	3,510.65	1,318.45	1,013.30	7,019.62	114.52	334.89
Balance at April 1, 2022	2,108.13	45,702.26	89,697.77	3,510.65	1,318.45	1,013.30	7,019.62	114.52	334.89
Additions	75.00	2,933.15	23,156.67	516.84	546.19	195.43	2,497.92	640.88	-
Deductions/ disposals *	-	(338.57)	(1,226.17)	(44.68)	(394.83)	(123.18)	(217.19)	(16.78)	-
Reclassification of assets	-	(758.20)	758.20	-	-	-	-	-	-
Reclassification of assets as investment property #	110.17	(2,536.02)	-	-	-	-	-	-	(2,425.85)
Balance at March 31, 2023	2,293.30	45,002.62	1,12,386.47	3,982.81	1,469.81	1,085.55	9,300.35	738.62	334.89
Accumulated Depreciation									
Balance at April 1, 2021	-	8,513.40	42,067.05	1,680.09	551.55	729.26	3,175.66	133.35	19.31
Depreciation for the year	-	1,390.62	8,278.80	224.10	161.10	82.89	541.33	82.52	5.57
Impairment Allowance	-	188.08	-	-	-	-	-	-	-
Deductions/ disposals **	-	(11.36)	(6,088.01)	(152.06)	(163.21)	(104.60)	(133.76)	(136.30)	-
Assets classified as held for sale	-	(1,839.23)	(817.57)	(0.95)	-	(10.40)	(13.77)	-	(2,681.92)
Balance at March 31, 2022	-	8,241.51	43,440.27	1,751.18	549.44	697.15	3,569.46	79.57	24.88
Balance at April 1, 2022	-	8,241.51	43,440.27	1,751.18	549.44	697.15	3,569.46	79.57	24.88
Depreciation for the year	-	1,741.70	9,568.86	192.26	178.36	117.13	607.31	56.80	5.29
Deductions/ disposals **	-	(338.57)	(1,139.60)	(26.86)	(283.95)	(127.97)	(206.30)	(16.78)	-
Reclassification of assets as investment property #	-	(243.40)	-	-	-	-	-	-	(243.40)
Balance at March 31, 2023	-	9,401.24	51,869.53	1,916.58	443.85	686.31	3,970.47	119.59	30.17
Net Carrying Value									
Balance at March 31, 2022	2,108.13	37,460.75	46,257.50	1,759.47	769.01	316.15	3,450.16	34.95	310.01
Balance at March 31, 2023	2,293.30	35,601.38	60,516.94	2,066.23	1,025.96	399.24	5,329.88	619.03	304.72

Notes:

1. \*Deduction from Gross Carrying Value represents sale/transfer/discarding of Property, Plant & Equipment/Lease hold rights written off.
2. \*\* Deduction in depreciation ₹ 2140.03 Lakh (Previous Year ₹ 6789.30 Lakh) represents adjustment on account of sale/ transfer/discarding of Property, Plant & Equipment.
3. \*\*\* includes value of irrevocable Licencing Rights to use of a flat in New Delhi ₹ 10.00 Lakh.
4. Depreciation for the year 2022-23 includes ₹ 136.99 Lakh (Previous Year ₹ 57.93 Lakh) against amortisation of Government Capital Grants (refer Note 30)
5. 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.
6. Assets pledged as security (refer Note 14)
7. # Other income during the year includes the sale of land admeasuring 34159 square feet out of total 48661 square feet bought long time ago before 1983 and was lying with the Company as an investment Property, and Portion of land admeasuring 10752 square feet classified as Property, Plant and Equipment (PPE) from investment property and Remaining land 3750 square feet lying as part of Investment Property.
8. # Pursuant to Lease Agreement dated 16<sup>th</sup> December 2022 building of mumbai office has been reclassified as Investment Property as per Ind AS-40 : Investment Property.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

3b Capital Work in Progress (₹ in Lakh)

Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
Balance at April 1, 2021	108.64	481.40	150.24	740.28
Additions	6,089.43	21,564.85	1,347.56	29,001.84
Less: Amount capitalized in Property, Plant & Equipment	5,232.31	9,505.14	673.30	15,410.75
Balance at March 31, 2022	965.76	12,541.11	824.50	14,331.37
Balance at April 1, 2022	965.76	12,541.11	824.50	14,331.37
Additions	6,458.55	22,417.29	1,004.07	29,879.91
Less: Amount capitalized in Property, Plant & Equipment	2,658.37	22,103.99	1,168.66	25,931.02
Balance at March 31, 2023	4,765.94	12,854.41	659.91	18,280.26

\*The detail of Pre-operative expenses is given below

Particulars	2022-23	2021-22
(A) Opening Balance	824.50	150.24
(B) Additions:		
Raw Material	109.03	153.61
Salaries & Wages	135.72	349.84
Professional & Consultancy Charges	43.62	48.67
Borrowing Costs	682.64	751.61
Power & Fuel	57.57	49.21
Other Expenses	39.06	129.12
Less : Sale of Stock	-	(64.29)
Less : Trial Run Stock	(63.57)	(70.21)
	1,004.07	1,347.56
(C) Deductions:		
Amount capitalized in Property, Plant & Equipment	1,168.66	673.30
	1,168.66	673.30
(A+B-C)	659.91	824.50

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.

Capital work-in-progress ageing schedule as at March 31, 2023 and March 31, 2022 is as follows: (₹ in Lakh)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18,200.27	79.99	-	-	18,280.26
	(13,867.77)	(463.60)	-	-	(14,331.37)
Total Capital work-in-progress	18,200.27	79.99	-	-	18,280.26
	(13,867.77)	(463.60)	-	-	(14,331.37)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

3c Investment Property (₹ in Lakh)

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2021	890.91
Additions	50.05
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	231.40
Balance at March 31, 2022	1,172.36
Balance at April 1, 2022	1,172.36
Additions	9.64
Deductions/disposals/written off	(253.24)
Reclassified from Property, Plant & Equipment	2,536.02
Reclassified to Property, Plant & Equipment	(110.17)
Balance at March 31, 2023	3,354.61
Accumulated Depreciation	
Balance at April 01, 2021	67.75
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2022	82.20
Balance at April 1, 2022	82.20
Depreciation for the year	14.44
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	243.40
Balance at March 31, 2023	340.04
Net Carrying Value	
Balance as at March 31, 2022	1,090.16
Balance as at March 31, 2023	3,014.57

(₹ in Lakh)	
Fair Value	Amount
At March 31, 2022	12,051.22
At March 31, 2023	13,715.43

3c(i) Measurement of Fair Value

The fair value of the investment property has been determined by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, 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, 2023

3c(ii) Information regarding Income and Expenditure on Investment Property (₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Lease Rental recognized during the year	35	254.38	278.94
Direct expenses		7.44	0.20
<b>Profit arising from investment properties before depreciation and indirect expenses</b>		<b>261.82</b>	<b>279.14</b>
Less : Depreciation for the year		14.44	14.45
Indirect Expenses		2.38	0.14
<b>Profit/(Loss) arising from Investment Properties after depreciation and expenses</b>		<b>245.00</b>	<b>264.55</b>

3c(iii) The Investment Property amounting ₹ 336.82 Lakh (Fair Value ₹ 5132.58 Lakh) is owned jointly with HEG Limited

3d Other Intangible Assets (₹ in Lakh)

Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2021</b>	<b>2,452.46</b>
Additions	11.20
Deductions/ disposals	(19.76)
Assets classified as held for sale	(3.15)
<b>Balance at March 31, 2022</b>	<b>2,440.75</b>
<b>Balance at April 1, 2022</b>	<b>2,440.75</b>
Additions	0.64
Deductions/ disposals	(10.61)
Assets classified as held for sale	-
<b>Balance at March 31, 2023</b>	<b>2,430.78</b>
<b>Accumulated Amortization</b>	
<b>Balance at April 01, 2021</b>	<b>1,309.14</b>
Amortization for the year	396.39
Deductions/disposals	(19.62)
Assets classified as held for sale	(0.55)
<b>Balance at March 31, 2022</b>	<b>1,685.36</b>
<b>Balance at April 1, 2022</b>	<b>1,685.36</b>
Amortization for the year	384.92
Deductions/ disposals	(10.61)
Assets classified as held for sale	-
<b>Balance at March 31, 2023</b>	<b>2,059.67</b>
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2022</b>	<b>755.39</b>
<b>Balance at March 31, 2023</b>	<b>371.11</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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

3e Assets & Liabilities Classified as Held for Sale (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets	-	4,646.70
Liabilities	-	3.17

- (a) Due to closure of Bagalur and Pondy units since May 31, 2018, the Company was in process of disposing the Property, Plant and Equipment. During the previous year, the Company has entered into Agreement for sale with an Independent party for sale of Property, Plant and Equipments of Bagalur unit worth of ₹ 3500 Lakh and have been classified as held for sale as on March 31, 2022 in accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations". During the year, the sale agreement has been executed.
- (b) During the previous year, the Company has entered into an agreement with buyer for sale/transfer of Private Freight Terminal (PFT) (net book value of ₹ 1138.53 Lakh) of the company situated at Namli, Madhya Pradesh, for total consideration of ₹ 3300 Lakh (net ₹ 3066.99 Lakh). The transaction to be completed on fulfilment of certain regulatory and other necessary requirements. In accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations", assets and liabilities of PFT has been disclosed as Assets and Liabilities held for Sale in the Financial Statements as follows:

Assets & Liabilities of disposal group classifies as held for sale (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
Land and building	-	386.85
Property, plant and equipment other than Land and building	-	688.14
Intangible Assets	-	2.60
Other Current Assets	-	64.11
<b>Assets held for sale</b>	<b>-</b>	<b>1,141.70</b>
<b>Liabilities</b>		
Liabilities for Expenses	-	3.17
<b>Liabilities Held for Sale</b>	<b>-</b>	<b>3.17</b>
<b>Net assets directly associated with disposal group</b>	<b>-</b>	<b>1,138.53</b>

On receipt on full consideration and fulfilment of certain regulatory and other necessary requirements, the transactions have been concluded during the year and gain (other income) on the above transaction is ₹ 1992.57 Lakh has been accounted for (Refer Note 24).

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

### 4 Investments (Non-Current)

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	48.55	31,396	35.11
HEG Limited	3,18,391	2,931.43	3,18,391	4,374.85
State Bank of India (of ₹ 1 /- each)	24,080	126.11	24,080	118.81
Punjab National Bank (of ₹ 2 /- each)	4,715	2.20	4,715	1.65
Whirlpool (India) Limited	372	4.89	372	5.85
Vardhman Holdings Limited	30	0.77	30	1.10
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹ 2 /- each)	775	2.03	775	3.90
Vardhman Textiles Limited (of ₹ 2 /- each)*	900	2.64	900	3.92
Vardhman Special Steel Limited	36	0.14	36	0.08
		<b>3,118.78</b>		<b>4,545.29</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	1,25,24,960	2,343.97
LNJ Skills and Rozgar Private Limited (of ₹ 1 /- each)\$	11,80,000	1,180.00	11,80,000	1,180.00
		<b>3,523.97</b>		<b>3,523.97</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>7,500.75</b>		<b>8,927.26</b>
<b>Market value of Quoted Investments</b>		<b>3,118.78</b>		<b>4,545.29</b>
<b>Carrying value of Un-quoted Investments</b>		<b>4,381.97</b>		<b>4,381.97</b>

\* Vardhman Textiles Ltd. Shares split/sub-division of each Equity Share of the Company having face value of ₹10/- per share into Five Equity Shares having face value of ₹ 2/- per share as on 28.03.2022

#Pledged

\$ Company has issued letter of Comfort to the borrower of not reducing its shareholding in LNG Skills and Rozgar Private Limited nor it will sell, assign, transfer, pledge] or encumber or disposed the same.

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

### 5 Loans

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Considered Good (unless otherwise stated)</b>				
<b>Unsecured</b>				
Advances to Staff	-	-	199.80	86.36
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>199.80</b>	<b>86.36</b>
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(A+B)</b>	<b>-</b>	<b>-</b>	<b>199.80</b>	<b>86.36</b>

Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment,

### 6 Trade Receivables

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Unsecured Trade Receivables -Considered Goods	45,688.96	53,837.16
Trade Receivables which have significant increase in credit risk	259.36	210.06
Trade Receivables - credit impaired	-	-
Less: Impairment Loss Allowance	(507.72)	(401.10)
	<b>45,440.60</b>	<b>53,646.12</b>

Of the above, trade receivables from related parties are given below.

Particulars	Note No.	Current	
		As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good	39	1,777.61	1,636.86

### Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 9,815.64 Lakh (as at March 31, 2022 ₹ 15,561.07 Lakh ), 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)



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Trade receivable ageing schedule as at March 31, 2023 and March 31, 2022 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	31,693.75	11,709.83	1,378.91	751.41	111.26	43.80	45,688.96
	(17,246.64)	(35,715.57)	(409.31)	(355.90)	(55.08)	(54.66)	(53,837.16)
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	37.42	3.78	1.60	9.45	207.11	259.36
	-	-	(0.01)	-	(2.94)	(207.11)	(210.06)
Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	31,693.75	11,747.25	1,382.69	753.01	120.71	250.91	45,948.32
	(17,246.64)	(35,715.57)	(409.32)	(355.90)	(58.02)	(261.77)	(54,047.22)
Less : Impairment Loss Allowance							507.72
							(401.10)
Total Trade Receivables							45,440.60
							(53,646.12)

Figures in brackets in aforesaid note represent the figures of previous year

7 Cash and Cash Equivalents (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
- Balance with Banks		
In Current Accounts #	312.59	579.26
- Cash in hand	8.37	9.09
	320.96	588.35
Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits with remaining maturity of more than three month but less than 12 months	0.34	101.22
- Balance with Banks		
Unpaid Dividend *	189.73	178.88
	190.07	280.10

\* Earmarked against the corresponding provision (Refer Note 17)  
# Refer Note No. 37A c.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

8 Other Financial Assets (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered Good (Unless otherwise stated)				
Claims and other Receivables	-	-	1,334.14	2,661.84
Employees' Benefit Fund	357.04	836.55	-	-
Forward Cover Receivable	-	-	54.85	67.60
Earnest Money Deposit	-	-	15.95	19.95
Interest Receivable	-	-	381.91	163.16
Less: Impairment Loss Allowance	-	-	(13.19)	(13.09)
Security Deposits	392.18	374.32	235.51	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	243.26	287.23
- Unrelated Parties	-	-	3,871.41	2,848.28
	749.22	1,210.87	6,123.84	6,034.97

\* Other receivables include debenture interest and rent receivable.

9 Inventories (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Raw materials :		
(a) In Godown	37,766.19	24,768.47
(b) In Transit	560.53	257.16
	38,326.72	25,025.63
Work-In-Progress	12,191.23	11,406.54
Finished Goods	15,733.48	11,924.37
Traded Goods	11.81	320.85
Stores and Spares :		
(a) In Godown	1,157.02	1,946.17
(b) In Transit	0.02	0.02
	1,157.04	1,946.19
Loose tools	67.53	138.85
Others-Waste	237.39	144.48
	67,725.20	50,906.91

(i) For basis of valuation of Inventories refer Inventory Valuation Note 1.05  
(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15  
(iii) The cost of Inventories recognised as expense amount to ₹ 2,42,888.47 Lakh during the year ended March 31, 2023 (₹ 2,26,205 Lakh for the year ended March 31, 2022)

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

10 Current Tax Assets/(Liabilities) (Net)(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax Assets {Net of Provision for Income Tax of ₹ 7,910.41 Lakh (Previous Year ₹ 5,462.55 Lakh)}	2,025.58	(407.07)
	2,025.58	(407.07)

11 Other Assets(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered Good (unless otherwise stated)				
Capital Advances	4,877.01	4,328.45	-	-
Security Deposits	1,957.26	778.35	-	-
Advances to Vendors*	-	-	2,256.92	1,562.35
Advances to Employees	-	-	42.97	13.62
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	14,566.58	11,718.51
Prepaid Expenses	-	-	297.61	309.52
	6,834.27	5,106.80	17,164.08	13,604.00

\* Includes advances to related vendors ₹ 1.57 Lakh for 2022-23 (₹ NIL for 2021-22)

12 Equity Share Capital(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
25,00,000 (Previous Year 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 150 each	3,750.00	3,750.00
5,00,00,000 (Previous Year 5,00,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each	3,750.00	3,750.00
	13,500.00	13,500.00
Issued, Subscribed and Fully paid up		
47,101,684 (Previous Year 23,550,842) Equity Shares of ₹ 10 each	4,710.17	2,355.08
	4,710.17	2,355.08

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount in Lakh	Number of shares	Amount in Lakh
Opening	2,35,50,842	2,355.08	2,35,50,842	2,355.08
Add: Share allotment during the year*	2,35,50,842	2,355.09	-	-
Closing Balance	4,71,01,684	4,710.17	2,35,50,842	2,355.08

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

\*On January 13, 2023, the Company allotted 2,35,50,842 fully paid-up equity shares having a face value of ₹ 10/- each at a price of ₹ 100/- per Right equity share (including premium of ₹ 90/- per right equity share) aggregating to ₹ 23,550.84 Lakh on a rights basis to the existing equity shareholders of the Company in the ratio of 1:1 right equity shares i.e. 1 (one) equity shares for every 1 (one) equity shares held by the eligible equity shareholders on the record date. The issue was fully subscribed. The basic and diluted earnings per share for the year ended March 31, 2023 March 31,2022 have been adjusted appropriately for the bonus element in respect of rights issue. The Rights Issue proceeds has been utilised in line with the objects of the issue as stated in the Offer Document.

Details of utilization of proceeds from Right issue is as follows:(₹ in Lakh)

Purpose of Utilization	Amount
Repayment of certain borrowings availed by the Company#	13,410.00
Funding working capital requirements	7,000.00
Issue Related Expenses in relation to the issue*	322.25
General corporate purposes*	2,818.59
Total	23,550.84

# Repayment of Loan of Bharat Investment Growth Limited of ₹ 12,690 Lakh and Bhilwara Infotechnology Limited of ₹ 720 Lakh.

\* The revision of general corporate purpose expense is on account of lower share issue expense by ₹ 52.38 Lakh as compared to estimated/ disclosed in Offer Document

(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, 2023		As at March 31, 2022	
	Number of Shares	% of shares held	Number of Shares	% of shares held
Microbase Limited	73,01,940	15.50	36,50,970	15.50
LNJ Financial Services Limited	51,25,370	10.88	23,83,370	10.12
Purvi Vanijya Niyojan Limited	31,57,077	6.70	14,68,077	6.23
	1,55,84,387	33.08	75,02,417	31.85

(iv) The Company does not have any holding/ultimate holding company.



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(v) Shares held by promoters and change in shareholding of promoters

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Ravi Jhunjhunwala*	6,07,410	1.29	2,82,410	1.20	0.09
Riju Jhunjhunwala*	3,77,000	0.80	1,75,000	0.74	0.06
Rita Jhunjhunwala*	3,36,420	0.71	1,56,048	0.66	0.05
Rishabh Jhunjhunwala*	86,000	0.18	40,000	0.17	0.01
Arun Kumar Churiwal*	3,310	0.01	1,610	0.01	0.00
Shekhar Agarwal *	3,463	0.01	1,500	0.01	0.00
Shantanu Agarwal (HUF)*	3,463	0.01	1,500	0.01	0.00
LNJ Financial Services Limited*	51,25,370	10.88	23,83,370	10.12	0.76
Purvi Vanijya Niyojan Limited*	31,57,077	6.70	14,68,077	6.23	0.47
Nivedan Vanijya Niyojan Limited*	18,60,074	3.95	8,65,074	3.67	0.28
Investors India Limited*	11,39,955	2.42	5,29,955	2.25	0.17
N.R. Finvest Pvt Limited*	5,16,000	1.10	2,40,000	1.02	0.08
Bharat Investment Growth Limited*	18,15,300	3.85	8,44,300	3.59	0.27
Akunth Textile Processors Pvt Limited*	2,80,000	0.59	1,40,000	0.59	-
Raghav Commercial Limited*	7,47,800	1.59	3,47,800	1.48	0.11
Kalati Holding Pvt Limited*	2,29,573	0.49	1,06,573	0.45	0.03
India Tex Fab Marketing Limited*	5,287	0.01	2,289	0.01	0.00
Micro Base Limited*	73,01,940	15.50	36,50,970	15.50	-
Microlight Investments Limited*	21,70,000	4.61	10,85,000	4.61	-
Corn Hill Investments Limited*	3,97,600	0.84	1,98,800	0.84	-
RLJ Family Trusteeship Private Limited (Trustee Of Ravi Jhunjhunwala Family Trust)	500	0.00	-	-	0.00
Total	2,61,63,542	55.55	1,25,20,276	53.16	2.38

\* The Company allotted 1,36,42,766 fully paid-up equity shares at a price of ₹ 100/- per Right equity share aggregating to ₹ 13,642.77 Lakh on a rights basis to the Promoters or Promoter Group. Refer Note 12(i)

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Ravi Jhunjhunwala	2,82,410	1.20	14,32,410	6.08	(4.88)
Riju Jhunjhunwala	1,75,000	0.74	1,75,000	0.74	-
Rita Jhunjhunwala	1,56,048	0.66	1,56,048	0.66	-
Rishabh Jhunjhunwala	40,000	0.17	40,000	0.17	-
Arun Kumar Churiwal	1,610	0.01	1,610	0.01	-
Shekhar Agarwal	1,500	0.01	1,500	0.01	-
Shantanu Agarwal (HUF)	1,500	0.01	1,500	0.01	-
LNJ Financial Services Limited	23,83,370	10.12	19,33,370	8.21	1.91
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,68,077	6.23	-
Nivedan Vanijya Niyojan Limited	8,65,074	3.67	8,65,074	3.67	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Investors India Limited	5,29,955	2.25	5,29,955	2.25	-
N.R. Finvest Pvt Limited	2,40,000	1.02	2,40,000	1.02	-
Bharat Investment Growth Limited	8,44,300	3.59	1,44,300	0.61	2.97
Akunth Textile Processors Pvt Limited	1,40,000	0.59	1,40,000	0.59	-
Raghav Commercial Limited	3,47,800	1.48	3,47,800	1.48	-
Kalati Holding Pvt Limited	1,06,573	0.45	1,06,573	0.45	-
India Tex Fab Marketing Limited	2,289	0.01	2,289	0.01	-
Micro Base Limited	36,50,970	15.50	36,50,970	15.50	-
Microlight Investments Limited	10,85,000	4.61	10,85,000	4.61	-
Corn Hill Investments Limited	1,98,800	0.84	1,98,800	0.84	-
Total	1,25,20,276	53.16	1,25,20,276	53.16	-

13 Other Equity (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
a. Capital Reserve				
Balance at the beginning of the year	701.48		701.48	
Balance at the end of the year		701.48		701.48
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.				
b. Securities Premium				
Balance at the beginning of the year	9,618.56		9,618.56	
Add/ (Less):				
Security Premium received on Right Issue Share Allotment	21,195.77			
Right Share Issue Expenses Adjustment	(322.25)			
Balance at the end of the year		30,492.08		9,618.56
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.				
c. Preference Share Capital Redemption Reserve				
Balance at the beginning of the year	6,060.85		6,060.85	
Balance at the end of the year		6,060.85		6,060.85
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.				
d. Effective Portion of Cash Flow Hedge				
Balance at the beginning of the year	34.77		3.80	
Change in fair value (net off tax)	(5.26)		30.97	
Balance at the end of the year		29.51		34.77

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Other Equity (contd.)

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
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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.

e. General Reserve

Balance at the beginning of the year	4,910.28		4,910.28	
Balance at the end of the year		4,910.28		4,910.28

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 )

Balance at the beginning of the year	4,514.79		4,746.20	
Additions/Deductions during the year	(1,426.51)		(231.41)	
Balance at the end of the year		3,088.28		4,514.79

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.

g. Retained Earnings

Balance at the beginning of the year	71,657.77		47,719.52	
Additions during the year	10,960.80		23,998.05	
Add/ (Less):				
Remeasurements of the defined benefit plans through OCI (refer Note 32)	118.58		(59.80)	
Gain/(Loss) on sale of equity instruments valued through OCI	-		-	
Dividend paid during the year	(5,887.71)		-	
Balance at the end of the year		76,849.44		71,657.77

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.

Total (a to g)		1,22,131.92		97,498.50
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Details of Dividend Proposed and Paid

Dividend paid

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend paid ₹ 25 per share* (Previous year ₹ NIL per share)	5,887.71	-
	5,887.71	-

\* Final Dividend for the financial year ending 31<sup>st</sup> March 2022

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

14 Borrowings

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term Loans :				
- From Banks	46,923.63	32,213.38	8344.64	5354.00
- From Financial Institutions	3,050.00	2,000.00	150.00	-
Corporate Loans :				
- From Banks	-	-	-	2,571.43
- From Financial Institutions	-	-	-	1,363.64
Unsecured				
- From NBFCs	-	11,955.00	-	2272.50
	49,973.63	46,168.38	8,494.64	11,561.57
Less: Current Maturity of Long term Debt (Refer Note 15)	-	-	(8,494.64)	(11,561.57)
	49,973.63	46,168.38	-	-

Term Loans from Banks, Financial Institutions and NBFCs:

Current Year Figures

I Term loans - secured

Term loans secured by way of 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 6 Month MCLR to 1Y MCLR + 1.05% as on 31<sup>st</sup> March 2023

Date of Maturity	Outstanding March 31, 2023			Installments due after March 31, 2023
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
30/Sep/23	395.00	-	395.00	2
30/Dec/23	708.00	-	708.00	3
25/Apr/24	2,000.00	400.00	1,600.00	5
30/Jun/25	6,825.00	3,950.00	2,875.00	9
30/Jun/27	3,419.32	3,019.32	400.00	16
25/Nov/28	1,150.00	1,110.00	40.00	20
1/Jan/29	6,376.86	5,719.86	657.00	24
30/Jan/29	3,107.00	2,961.36	145.64	24
30/Mar/29	9,436.65	8,836.65	600.00	24
31/Mar/29	5,000.00	4,376.00	624.00	24
30/Jun/29	800.00	500.00	300.00	24
1/Jan/31	2,446.45	2,446.45	-	28
30/Mar/31	13,603.99	13,603.99	-	28
Sub Total	55,268.27	46,923.63	8,344.64	



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(B) Floating Rate - 1 Year MCLR + 1.60% as on 31<sup>st</sup> March 2023

Date of Maturity	Outstanding March 31, 2023			Installments due after March 31, 2023
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jan/29	3,200.00	3,050.00	150.00	24
Sub Total	3,200.00	3,050.00	150.00	
Total I	58,468.27	49,973.63	8,494.64	

Previous Year's Figures

I Term loans - secured

Term loans secured by way of 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 6 Month MCLR to 1Y MCLR + 1.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
30/Sep/23	1,197.00	395.00	802.00	6
30/Dec/23	1,660.00	708.00	952.00	7
25/Apr/24	3,300.00	2,000.00	1,300.00	9
30/Jun/25	9,125.00	6,825.00	2,300.00	13
30/Jun/27	2,569.32	2,569.32	-	16
1/Jan/29	4,907.07	4,907.07	-	24
30/Jan/29	2,000.00	2,000.00	-	24
30/Mar/29	8,618.80	8,618.80	-	24
31/Mar/29	4,190.19	4,190.19	-	24
Sub Total	37,567.38	32,213.38	5,354.00	

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% and 1 Year MCLR + 1.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jun/22	1,363.64	-	1,363.64	3
1/Jan/29	2,000.00	2,000.00	-	24
Sub Total	3,363.64	2,000.00	1,363.64	

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31/Mar/23	2,571.43	-	2,571.43	12
Total I	43,502.45	34,213.38	9,289.07	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR and 1Y MCLR +2.30% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	832.50	675.00	157.50	13
20/Sep/26	13,395.00	11,280.00	2,115.00	18
Total II	14,227.50	11,955.00	2,272.50	
Total I+II	57,729.95	46,168.38	11,561.57	

15 Borrowings (Current)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
a. Loans Repayable on Demand		
From Banks	46,783.18	36,961.16
b. Bill Discounted from Banks (Refer Note 6)	2,112.29	7,211.01
c. Current Maturities Of Long Term Debts	8,494.64	11,561.57
	57,390.11	55,733.74
Unsecured		
Bill Discounted From Banks (Refer Note 6)	7,703.35	8,350.06
	7,703.35	8,350.06
	65,093.46	64,083.80

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 ranging from 7.20% to 10.05% per annum (Previous year 5.30% to 8.90%), computed monthly.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

15a Lease Liabilities (₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 47)	481.07	13.48	113.17	31.98
	481.07	13.48	113.17	31.98

16 Trade Payables (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	1,703.65	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,002.24	1,542.20
- Unrelated parties	10,772.28	12,394.84
	13,478.17	16,471.50

Trade payables ageing schedule as at March 31, 2023 and March 31, 2022: (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,573.43	130.22	-	-	-	1,703.65
	(1,820.77)	(713.69)	-	-	-	(2,534.46)
Others	7,956.79	2,906.77	374.88	534.28	1.80	11,774.52
	(8,608.95)	(4,828.53)	(433.92)	(0.05)	(65.59)	(13,937.04)
Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Payable	9,530.22	3,036.99	374.88	534.28	1.80	13,478.17
	(10,429.72)	(5,542.22)	(433.92)	(0.05)	(65.59)	(16,471.50)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

17 Other Financial Liabilities (₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	-	91.95	49.09
Unclaimed dividend*	-	-	189.73	178.88
Security deposits from outsiders	165.40	594.11	1,048.29	546.93
Liability towards staff and workers	-	-	3,267.78	3,685.94
Commission, incentives etc. payable on sale	-	-	1,712.58	2,006.72
Other liabilities for expenses	-	-	1,516.41	993.97
	165.40	594.11	7,826.74	7,461.53

Note:

\* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18 Provisions (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Provision for Employees' Benefit		
-Superannuation (Refer Note 34)	24.17	30.06
	24.17	30.06

19 Income Tax

a) Income tax recognized in profit or loss (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense		
Current year	2,447.86	4,936.98
Tax of the Earlier Years Written off / (Written back)#	(2,065.64)	(1,178.06)
Deferred tax expense		
Origination and reversal of temporary differences	2,484.93	591.45
	2,867.15	4,350.37

b) Reconciliation of effective tax rate (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	13,827.95	28,348.42
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	4,832.04	9,906.07
Expenses further deductible/not deductible for tax purposes	(1,493.49)	658.75
Difference in Tax Rate due to Special Rate on LTCG	(494.49)	(159.22)
Dividend Income exempt from tax	-	-
Tax due to timing differences	2,484.93	591.45
MAT Credit Utilized	(396.20)	(5,468.62)
Tax of the Earlier Years Written off / (Written back)#	(2,065.64)	(1,178.06)
	2,867.15	4,350.37



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

# Reversal of tax provision of earlier years of ₹ 2,065.64 Lakh (Previous Year ₹ 1,178.06 Lakh), interest of ₹ 1,334.06 Lakh (Previous Year ₹ 242.02 Lakh) on refund receivable and MAT credit reversal of ₹ 697.58 Lakhs (Previous Year MAT Credit generated of ₹ 4,986.54 Lakhs) based on similar judgement held in favour of the Company by the Income Tax Authorities and also same has been endorsed by views of an expert on Income tax matters.

20 Deferred Tax Liabilities (Net) (₹ in Lakh)

Particulars	As at April 1, 2022	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2023
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-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	695.03	-	39.68	-	734.71
-Allowance for impairment loss allowances	144.74	-	37.29	-	182.03
	839.77	-	76.97	-	916.74
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	9,947.70	-	1,468.12	-	11,415.82
- Cash Flow Hedge	18.68	-	-	(2.82)	15.86
- Remeasurements of the defined benefit plans	67.05	-	-	63.69	130.74
	10,033.43	-	1,468.12	60.87	11,562.42
Less: MAT Credit Available #	(2,816.82)	-	1,093.78	-	(1,723.04)
Net Deferred Tax Liability	6,376.84	-	2,484.93	60.87	8,922.64

Particulars	As at April 1, 2021	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2022
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-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	765.01	-	(69.98)	-	695.03
-Allowance for impairment loss allowances	217.31	-	(72.57)	-	144.74
	982.32	-	(142.55)	-	839.77
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	9,980.87	-	(33.17)	-	9,947.70
- Cash Flow Hedge	2.04	-	-	16.64	18.68
- Remeasurements of the defined benefit plans	99.17	-	-	(32.12)	67.05
	10,082.08	-	(33.17)	(15.48)	10,033.43
Less: MAT Credit Available#	(3,298.89)	-	482.07	-	(2,816.82)
Net Deferred Tax Liability	5,800.87	-	591.45	(15.48)	6,376.84

Note:

# The Company has accounted for MAT credit reversal of ₹ 697.58 Lakh (Previous Year MAT Credit generated of ₹ 4986.54 Lakh) in books of accounts based on income tax assessments of earlier years, available judgements and legal opinion obtained by the company. refer footnote to note no. 19

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

21 Deferred Government Grants (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	94.93	152.86
Grants during the year	1,069.88	-
Released to the statement of profit and loss	(151.27)	(57.93)
Closing Balance	1,013.54	94.93
Out of above:		
Current	62.50	53.29
Non- Current	951.04	41.64
	1,013.54	94.93

Government grants have been received for the purchase of certain items of property, plant and equipment.

22 Other Liabilities (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advances from customers	-	-	1,169.12	1,402.25
Advances from others	-	-	231.09	1,367.99
Statutory dues payable				
-Tax deducted at source	-	-	389.77	419.60
-Other statutory dues	-	-	276.26	257.66
Other Payables *	-	-	8,096.67	8,643.56
	-	-	10,162.91	12,091.06

\* Include accrued liabilities and legal claims.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

23 Revenue From Operations (₹ in Lakh)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
<b>A</b>	<b>Revenue from Contracts with Customers disaggregated based on nature of Product or Services</b>		
<b>a)</b>	<b>Sale of Products :</b>		
	<b>Manufactured Goods</b>		
	Yarn	2,75,546.86	2,95,756.75
	Fabric	79,689.99	67,098.59
	Total Manufactured Goods	3,55,236.85	3,62,855.34
	<b>Traded Goods</b>		
	Yarn	9,782.28	4,922.22
	Fibre	237.71	79.82
	Fabric	4,845.65	4,704.71
	Garments	0.05	8.20
	Total Traded Goods	14,865.69	9,714.95
		<b>3,70,102.54</b>	<b>3,72,570.29</b>
<b>b)</b>	<b>Sale of Services :</b>		
	Services	3,164.13	3,011.80
		<b>3,164.13</b>	<b>3,011.80</b>
<b>c)</b>	<b>Other Operating Revenues :</b>		
	Sale of Waste	4,093.59	3,782.08
	Export Benefits/Incentives	1,529.36	2,378.13
		<b>5,622.95</b>	<b>6,160.21</b>
		<b>3,78,889.62</b>	<b>3,81,742.30</b>
<b>B</b>	<b>Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)</b>		
	India	2,85,175.62	2,39,801.30
	Outside India	93,714.00	1,41,941.00
		<b>3,78,889.62</b>	<b>3,81,742.30</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 Lakh)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Segment Revenue</b>						
External Customer	2,93,259.14	85,630.48	3,78,889.62	3,08,599.01	73,143.29	3,81,742.30
Inter-segment	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
	<b>3,31,373.82</b>	<b>85,697.51</b>	<b>4,17,071.33</b>	<b>3,33,464.50</b>	<b>73,174.01</b>	<b>4,06,638.51</b>
Less: Inter-segment adjustment and elimination	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
<b>Total Revenue from Contract with Customers</b>	<b>2,93,259.14</b>	<b>85,630.48</b>	<b>3,78,889.62</b>	<b>3,08,599.01</b>	<b>73,143.29</b>	<b>3,81,742.30</b>

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

The Company has recognized revenue of ₹1402.25 Lakh (Previous year ₹1979.49 Lakh) from the amounts included under advance received from customers at the beginning of the year

C Reconciliation of Revenue from Contracts with Customers (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Contracts with Customers as per contract price	3,81,584.13	3,84,200.06
Less: Incentives, Discounts and Claims	2,694.51	2,457.76
<b>Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss</b>	<b>3,78,889.62</b>	<b>3,81,742.30</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 Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest income on Financial Assets at amortized cost</b>		
- Interest Income from Customers	513.43	115.18
- Interest Income Others *	1,618.01	443.80
<b>Interest income on Debentures</b>	<b>116.48</b>	<b>116.48</b>
<b>Dividend Income from Investments at FVTOCI</b>		
- From other than Subsidiary Companies	129.57	10.67
<b>Other Non-operating Income</b>		
Provisions written back	694.60	310.84
Insurance & Other Claims **	1,420.06	2.40
Net Gain on Foreign Currency Transaction	-	314.95
Miscellaneous receipts	644.14	785.04
Rent on Investment Properties and others	271.18	288.36
Allowances for Impairment Loss Allowance	-	190.80
Net Gain / Loss on sale of Property, Plant & Equipment #	3,736.54	633.39
	<b>9,144.01</b>	<b>3,211.91</b>

\* Includes interest income of ₹ 1,334.06 Lakh (Previous year ₹ 242.02 Lakh) on tax adjustment for earlier years. Refer Footnote to note no. 19

\*\* Includes claim of ₹ 1,360.41 Lakh against fire at Denim. Refer Note 44 (c )

# Includes the gain of ₹ 1,992.57 Lakh on sale of Freight Terminal Business on Slump Sale basis. Refer Note 3(e ).



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

25 Cost of Raw Materials Consumed (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw Materials		
Opening Stock	25,025.63	25,369.90
Add:		
Purchases	2,35,784.78	2,10,454.99
	2,60,810.41	2,35,824.89
Less:		
Closing Stock	38,326.72	25,025.63
	2,22,483.69	2,10,799.26

26 Purchase of Traded Goods (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Yarn	8,916.97	4,735.27
Fibre	213.54	72.92
Fabric	4,044.75	4,049.47
Garments	-	14.79
	13,175.26	8,872.45

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	15,733.48	11,924.37
Traded Goods	11.81	320.85
Work In Progress	12,191.23	11,406.54
Waste	237.39	144.48
	28,173.91	23,796.24
Inventories at the beginning of the year		
Finished Goods	11,924.37	9,026.71
Traded Goods	320.85	9.03
Work In Progress	11,406.54	8,403.66
Waste	144.48	213.39
	23,796.24	17,652.79
Add : Trial Run Stock	63.57	70.21
(Increase)/ Decrease in Inventory	(4,314.10)	(6,073.24)

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

28 Employee Benefit Expenses (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	36,680.37	35,377.96
Contribution to provident and other funds	3,729.18	3,273.66
Expenses related to post employment defined benefit plan (Refer Note 34)	763.23	749.70
Expenses related to earned leave (Refer Note 34)	137.08	129.11
Workmen and staff welfare expenses	537.94	609.03
	41,847.80	40,139.46

29 Finance Cost (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	3,341.23	2,789.36
On working capital	3,540.36	3,406.69
Other borrowing costs	512.92	564.43
	7,394.51	6,760.48
* Net of RIPS Subsidy received / receivable	615.78	450.27

30 Depreciation and Amortization Expenses (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Property, Plant & Equipment *		
Depreciation and Impairment	12,467.71	10,955.01
	12,467.71	10,955.01
Less:		
Amortization of Government Capital Grants	136.99	57.93
	136.99	57.93
Investment Property#		
Depreciation	14.44	14.45
	14.44	14.45
	12,345.16	10,911.53
Intangible Assets		
Amortization @	384.92	396.39
	384.92	396.39
	12,730.08	11,307.92

\* Refer Note 3a

# Refer Note 3c

@ Refer Note 3d

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

31 Other Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and spares consumed	6,988.10	7,682.31
Power and fuel	42,478.41	38,783.12
Packing expenses	4,555.52	4,924.22
Processing and job charges	4,281.29	4,885.76
Research and development expenses	93.68	83.76
Repairs & maintenance - building	532.00	446.07
Repairs & maintenance - plant & machinery	1,241.07	1,533.04
Repair and maintenance - others	570.92	384.45
Rent	686.18	446.76
Insurance (Net)	1,000.86	863.34
Rates and taxes	108.87	78.87
Directors' fee	78.00	71.25
Corporate social responsibility (Refer Note 36)	121.74	62.82
Charity and donation	40.05	69.28
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services#	11.55	17.95
For reimbursement of expenses	2.94	4.83
Legal, professional & consultancy expenses	1,410.61	1,088.38
Other miscellaneous expenses	2,228.79	1,664.25
Commission and brokerage	2,251.35	3,074.86
Freight, forwarding and octroi charges	9,661.72	16,706.38
Advertisement expenses	75.20	125.54
Travelling expenses	1,031.11	703.33
Other selling expenses	1,117.08	1,048.89
Net Loss on Foreign Currency Transaction	145.47	-
Allowances for Impairment Loss Allowance	125.93	-
	80,888.44	84,799.46

#Professional services fee relating to issuance of shares on rights basis amounting to ₹ 40 Lakh has been netted off from equity during the year ended March 31, 2023. Hence, not included in above.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

32 Other Comprehensive Income

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Items that will not be reclassified to Profit or Loss		
Remeasurement of the defined benefit plans	182.27	(91.92)
Equity Instruments through Other Comprehensive Income (OCI)	(1,426.51)	(231.41)
	(1,244.24)	(323.33)
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurement of defined benefit plans	(63.69)	32.12
(ii) Items that will be reclassified to Profit or Loss		
Change in Fair value of Effective portion of Cash Flow Hedge Recognised during the year (Refer Note 42)	45.37	53.45
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	(53.45)	(5.84)
	(8.08)	47.61
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	15.86	18.68
- Tax on amount reclassified to Profit & Loss account during the year	(18.68)	(2.04)
	2.82	(16.64)

33 Earning Per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Net Profit for Basic EPS (₹ In Lakh)	10,960.80	23,998.05
Net Profit for Diluted EPS (₹ In Lakh)	10,960.80	23,998.05
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	4,71,01,684	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	3,89,70,813	3,67,61,029
Weighted Average number of Equity Shares outstanding during the year - Diluted	3,89,70,813	3,67,61,029
Earning Per Share - Basic (₹)*	28.13	65.28
Earning per share - Diluted (₹)*	28.13	65.28
Face value per share (₹)	10.00	10.00

\* The basic and diluted earnings per share for the year ended March 31,2023 and March 31,2022 have been adjusted appropriately for the bonus element in respect of rights issue (Refer Note no. 12(i))



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

34 Employee Benefits

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 2022-23) 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.

a) Defined Contribution Plans

The Company has recognised an expense of ₹ 2433.62 Lakh (Previous Year ₹ 2311.76 Lakh) towards the defined contribution plan.

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1. Employer's Contribution to Provident Fund	1,950.98	1,794.44
2. Employer's Contribution to Superannuation Fund	300.91	355.82

b) Defined Benefit Plans : Provident Fund

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employer’s Contribution to Provident Fund Trust (Managed by PF Trust)	181.73	161.50

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

c) Defined benefits plans - as per actuarial valuation

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
I Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	5,983.15	1,216.89	5,549.24	1,180.00
- Current Service Cost	763.23	240.09	749.70	216.57
- Interest Cost	430.02	88.02	374.67	79.71
- Acquisition cost	-	-	-	-
Actuarial loss/(gains) on Obligation	(457.26)	(113.66)	67.39	70.12
Benefits Paid	(562.42)	(137.02)	(757.85)	(329.51)
Present Value of obligation as at year-end	6,156.72	1,294.32	5,983.15	1,216.89

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
II Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	6,735.95	1,300.65	6,346.73	1,219.12
Expected Return on Plan Assets	452.10	90.28	428.40	72.32
Employer’s contribution	-	-	-	108.54
Amount Recovered from trust	(485.26)	-	(12.48)	(114.73)
Benefits paid	-	-	(2.18)	(147.65)
Actuarial Gain/(Loss) on Assets	(274.99)	(10.64)	(24.52)	163.05
Plan assets at the end of the year	6,427.80	1,380.29	6,735.95	1,300.65

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
Present Value of obligation as at year-end	6,156.72	1,294.32	5,983.15	1,216.89
Fair value of plan assets at year -end	6,427.80	1,380.29	6,735.95	1,300.65
Funded status {Surplus/(Deficit)}	271.08	85.97	752.80	83.76

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
IV Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	763.23	240.09	749.70	216.57
Interest Cost	(22.08)	(2.27)	(53.74)	7.38
Actuarial (Gain) / Loss	-	(103.01)	-	(87.46)
	741.15	134.81	695.96	136.49

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
V Expenses recognised in the Statement of Other Comprehensive Income				
Net Actuarial (Gain)/Loss	(182.27)	-	91.91	-

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
VI Bifurcation of PBO at the end of the year				
Current Liability	800.40	195.84	743.59	157.35
Non-Current Liability	5,356.33	1,098.48	5,239.57	1,059.54

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
VII Actuarial Assumptions				
Discount Rate	7.44%	7.44%	7.26%	7.26%
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Salary Escalation	6.00%	6.00%	6.00%	6.00%

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

VIII Expected Contribution for Next Financial Year

The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 1198.16 Lakh.

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 Lakh)

Particulars	Actual Return on Plan Assets		Estimates of Contribution for next year	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gratuity	177.11	403.88	940.95	894.04
Earned Leave	79.64	235.37	257.21	230.32

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
IX. Experience Adjustment:		
Gratuity		
Present Value of Obligation	6,156.72	5,983.15
Fair Value of Plan Assets	6,427.80	6,735.95
Net Asset/(Liability)	271.08	752.80
Actuarial (Gain)/Loss on Plan Obligation	(457.26)	67.39
Actuarial Gain/(Loss) on Plan Assets	(274.99)	(24.52)
Earned Leave		
Present Value of Obligation	1,294.32	1,216.89
Fair value of Plan Assets	1,380.29	1,300.65
Net Asset/(Liability)	85.97	83.76
Actuarial (Gain)/Loss on Plan Obligation	(113.66)	70.12
Actuarial Gain/(Loss) on Plan Assets	(10.64)	163.05

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
X Sensitivity Analysis				
a) Gratuity				
Discount rate (0.50 % movement)	(262.24)	320.78	(277.35)	315.27
Future salary growth ( 0.50 % movement)	323.58	(267.13)	317.58	(281.86)
b) Earned Leave				
Discount rate (0.50 % movement)	(61.30)	66.06	(60.55)	65.47
Future salary growth (0.50 % movement)	66.99	(61.80)	66.21	(61.02)



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	
	Gratuity	Earned Leave
<b>IX Maturity Profile of Defined Benefit Obligation</b>		
April 2023 - March 2024	800.40	195.84
April 2024 - March 2025	282.88	57.44
April 2025 - March 2026	329.97	53.60
April 2026 - March 2027	349.55	65.03
April 2027 - March 2028	406.44	69.34
April 2028 Onwards	3,987.48	853.07

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 -
- a) 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.
  - b) 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.
  - c) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - d) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
  - e) 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: -

Particulars		Sharing of Investment	
Name of Retirement Benefit	Investment with	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gratuity	ICICI Prudential Life Insurance Co. Ltd.	50.55%	55.78%
	Bajaj Allianz Life Insurance Company Ltd.	16.18%	14.89%
	Birla Sun Life Insurance Company Ltd.	1.63%	1.51%
	Kotak Mahindra Mutual Life Insurance Limited	26.85%	24.84%
	HDFC Life Insurance Company Limited	1.91%	1.78%
	Aviva Life Insurance Company Limited	0.98%	0.91%
	India First	1.70%	0.10%
	Others	0.20%	0.19%
Earned Leave	LIC of India	100.00%	100.00%

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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: (₹ in Lakh)

Particulars	For theYear ended March 31, 2023	For the Year ended March 31, 2022
Lease rentals recognized during the year	254.38	278.94

The obligations on long-term, non-cancellable operating leases receivable as per the rentals stated in the respective agreements are as follows:

(₹ in Lakh)

Future minimum lease receivable	As at March 31, 2023	As at March 31, 2022
- Not later than one year	593.15	279.45
- Later than one year and not later than five years	1,593.49	464.52
- Later than five years	-	31.66

36 CSR Expenditure

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	87.74	-
b) Amount spent during the year in :		
- Preventive healthcare and safe drinking water	22.86	42.65
- Promotion of education	70.73	12.95
- Environment sustainability and ecological balance	8.79	2.46
- National heritage, art and culture	17.85	2.42
- Training to promote rural sports	1.51	2.34
	121.74	62.82

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
CSR Obligation for the year	150.56	-
Less : Excess spent in previous year to be set-off	62.82	-
Net CSR Obligation for the year	87.74	-
(i) Amount of expenditure incurred	121.74	62.82
(ii) Shortfall at the end of the year	-	-
(iii) Total of previous years shortfall	-	-
(iv) Reason for shortfall	-	-
(v) Nature of CSR activities	Refer Note 36 b	
(vi) Excess amount for set-off in next years, if any	34.00	62.82
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	#	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

# CSR to Ramarpan Education Society of ₹66.53 Lakhs during the Year 2022-23

37A Contingent Liabilities and Commitments (to the extent not provided for) (₹ in Lakh)

Particulars	Carrying amount as at March 31, 2022	Additional during the year	Amount used during the year and capital advances	Unused & reverted during the year	Carrying amount as at March 31, 2023
a.					
(a) Guarantees (excluding financial guarantees)					
(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	2,963.45	1,186.87	995.12	-	3,155.20
(b) Letter of Comfort					
Given to HDFC Bank Limited on behalf of LNJ Institute of Skills & Technology Private Limited	800.00	-	-	-	800.00
(c) Contingent Liability not provided for Other money for which the company is contingently liable.					
(i) Excise & Customs Duties, Sales tax, Income Tax and Other demands disputed by the Company. (Refer Note 45)	9,991.29	4,142.75	-	668.51	13,465.53

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Particulars	Carrying amount as at March 31, 2022	Additional during the year	Amount used during the year and capital advances	Unused & reverted during the year	Carrying amount as at March 31, 2023
b. Commitments Outstanding:					
(d) Estimated value of contracts remaining to be executed on Capital Accounts and not provided for	24,393.31	10,268.07	18,048.00	4,300.23	12,313.15
(e) Commitment in 2012-13 to buy wind power @ ₹5.75 per unit for 20 years (balance 10 years)					
(a) Current Commitment (for next 12 Months)	2,013.00	-	-	-	2,013.00
(b) Non-current commitment (for next 9 years)	20,121.00	-	2,013.00	-	18,108.00

- c. Directorate of Enforcement (ED) had freezed the bank account of the company, in the year 2020-21 to the extent amount equivalent to USD 21800 based on the notice u/s 17(1A) of the Prevention of Money Laundering Act 2002. The Company denied all the averments, contentions, submitted desired documents. The bunch of parties approached to Delhi High Court and Hon'ble Delhi High Court on 27<sup>th</sup> October 2021 set aside the said freezing order as well as further proceedings.

The appeal against the order of Hon'ble Chair person and Hon'ble members of the adjudicating authority under Prevention of Money Laundering Act 2002 has been filed before Hon'ble Appellate Tribunal, PMLA, New Delhi.

- d. 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 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 Lakh in 13.54% Compulsory Convertible Debentures (CCDs). The interest on the above said CCDs is due from LNJPV since financial year 2016-17, ₹1785.76 Lakh remain unpaid on March 31, 2023. Also ₹1747.70 Lakh (net of debit notes) is payable against supply of power by LNJPV under a long term Power Purchase Agreement (PPA) supported by Bank Guarantee of ₹1,000 Lakh to LNJPV to secure such PPA.

To resolve it, LNJ Power Ventures Limited and RSWM Limited each has attended arbitration proceedings. Evidence from LNJPV side has already been completed whereas second evidence from RSWM side is yet to take place. After the evidence, arguments from both the side, The arbitral judges will pronounce their judgement.

The Company firmly believes that it has credible case in its favour and also been advised by an expert, accordingly the amount shown is good and fully recoverable.



## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

### 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.

Particulars	For the Year ended March 31, 2023			For the Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Segment Revenue</b>						
External customers	2,93,259.14	85,630.48	3,78,889.62	3,08,599.01	73,143.29	3,81,742.30
Inter-segment	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
<b>Total Revenue</b>	<b>3,31,373.82</b>	<b>85,697.51</b>	<b>4,17,071.33</b>	<b>3,33,464.50</b>	<b>73,174.01</b>	<b>4,06,638.51</b>
Segment Expenses*	3,17,680.63	86,366.55	4,04,047.18	2,97,521.31	75,412.60	3,72,933.91
<b>Segment Results</b>	<b>13,693.19</b>	<b>(669.04)</b>	<b>13,024.15</b>	<b>35,943.19</b>	<b>(2,238.59)</b>	<b>33,704.60</b>
Un-allocable Expenses	-	-	945.70	-	-	983.42
Other Income	-	-	9,144.01	-	-	2,387.72
Finance Costs (Refer Note 29)	-	-	7,394.51	-	-	6,760.48
<b>Profit Before Tax</b>	-	-	<b>13,827.95</b>	-	-	<b>28,348.42</b>
Tax Expenses (Refer Note 19)	-	-	2,867.15	-	-	4,350.37
<b>Profit After Tax</b>	-	-	<b>10,960.80</b>	-	-	<b>23,998.05</b>

\* Includes depreciation and amortization

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

Other Information:

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023			For the Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
<b>Depreciation and Amortization</b>						
Allocable	9,514.83	2,306.51	11,821.34	9,261.04	1,425.70	10,686.74
Unallocable	-	-	908.74	-	-	621.18
	<b>9,514.83</b>	<b>2,306.51</b>	<b>12,730.08</b>	<b>9,261.04</b>	<b>1,425.70</b>	<b>11,307.92</b>
<b>Capital Expenditure</b>						
Allocable	30,363.61	3,165.64	33,529.25	26,658.99	8,794.53	35,453.52
Unallocable	-	-	899.67	-	-	127.13
	<b>30,363.61</b>	<b>3,165.64</b>	<b>34,428.92</b>	<b>26,658.99</b>	<b>8,794.53</b>	<b>35,580.65</b>
<b>Segment Assets</b>						
Allocable	2,16,587.62	44,912.82	2,61,500.44	1,89,208.57	43,497.56	2,32,706.13
Unallocable	-	-	22,596.55	-	-	20,975.36
	<b>2,16,587.62</b>	<b>44,912.82</b>	<b>2,84,096.99</b>	<b>1,89,208.57</b>	<b>43,497.56</b>	<b>2,53,681.49</b>
<b>Segment Liabilities</b>						
Allocable	1,27,065.85	17,250.84	1,44,316.69	1,17,163.74	22,216.99	1,39,380.73
Unallocable	-	-	12,938.21	-	-	14,447.18
	<b>1,27,065.85</b>	<b>17,250.84</b>	<b>1,57,254.90</b>	<b>1,17,163.74</b>	<b>22,216.99</b>	<b>1,53,827.91</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 Lakh)

Revenue from external customers		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Based on location of the customers	For the year ended March 31, 2023	2,85,175.62	35,931.00	2,317.00	51,735.00	3,731.00	<b>3,78,889.62</b>
	For the year ended March 31, 2022	2,39,801.30	49,841.00	4,641.00	83,494.00	3,965.00	<b>3,81,742.30</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, 2023 and March 31, 2022.

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

### Revenue from products and services:

The detail of revenue from products and services are given below:

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Yarn	2,90,429.39	3,06,013.72
Fabric	85,296.10	72,716.78
Services	3,164.13	3,011.80
	<b>3,78,889.62</b>	<b>3,81,742.30</b>

### 39A: Related Party Disclosure

#### List of Related Parties as per Ind AS 24

Sr No.	Name of Related Party	Nature of Relationship
A (i)	<b>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	Promoters having voting control
	Shri Riju Jhunjhunwala	Promoters having voting control
(ii)	<b>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	
(iii)	<b>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 B M Sharma	
	Shri Arun Kumar Churiwal	
	Dr. Kamal Gupta	
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Capoor	
	Shri Avinash Bhargava	Chief Financial Officer
	Shri Surender Gupta	Company Secretary

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

#### List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
B (i)	<b>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.	
(ii)	<b>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>	
	Bhilwara Energy Limited	Associate
	LNJ Skills & Rozgar Pvt. Ltd.	Associate
	AD Hydro Power Ltd.	Subsidiary of Associate
	Malana Power Company Ltd.	Subsidiary of Associate
	Chango Yangthang Hydro Power Ltd.	Subsidiary of Associate
	NJC Hydro Power Ltd.	Subsidiary of Associate
	Indo Canadian Consultancy Services Ltd.	Subsidiary of Associate
	BG Wind Power Ltd.	Subsidiary of Associate
	Balephi Jalbidhyut Company Limited, Nepal	Subsidiary of Associate
	LNJ Institute of Skills & Technology Pvt. Ltd.	Subsidiary of Associate
(iii)	<b>Associated and other entities are joint ventures of the same third party.</b>	
	N.A.	
(iv)	<b>One Entity is a joint venture of a third party and the other entity is an associate of the third entity.</b>	
	N.A.	
(v)	<b>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>	
	Rajspin Employees Contributory Provident Fund	Trust
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
(vi)	<b>The entity is controlled or jointly controlled by a person identified in (A).</b>	
	Aadi Marketing Company Pvt. Ltd.	Shareholding more than 50% along with relatives in the Company.
	Agarwal Finestate Private Ltd	
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Alankrit Vyapaar Pvt. Ltd.	
	Backcountry Estates Pvt. Ltd.	
	Bharat Investment Growth Limited	
	Bhilwara Technical Textiles Limited	
	Balkash Exim Pvt. Ltd.	
	BMD Private Limited	
	BMD Power Private Limited	
	BMD Renewable Energy Private Limited	
	BSL Limited	



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
	Captain Trade & Agencies Private Ltd.	Shareholding more than 50% along with relatives in the Company.
	Churiwala Properties and Investments Pvt. Ltd.	
	Deepak Pens and Plastics Pvt. Ltd.	
	Diplomat Leasing Private Limited	
	Dreamon Commercial Pvt. Ltd.	
	Elapara Investment Private Ltd.	
	Escape Vincom Private Ltd.	
	Glorious Commodeal Pvt. Ltd.	
	Giltedged Industrial Securities Ltd.	
	HEG Ltd.	
	Honour Dealers Private Ltd.	
	Emersec Holdings Pvt. Ltd.	
	India TexFab Marketing Ltd.	
	Indus Life Finance and Securities Private Ltd.	
	Investors India Limited	
	Jet (India) Pvt. Ltd.	
	Jemco Vanijya Pvt. Ltd.	
	Jawahar Foundation	
	Jivon Textile Pvt. Ltd.	
	Jawahar Textile Pvt. Ltd.	
	Kalati Holdings Pvt. Ltd.	
	Kotyark Distributors Pvt. Ltd	
	LNJ Financial Services Limited	
	LNJ Realty Pvt. Ltd.	
	Mandapam Vikash Pvt. Ltd.	
	Maral Overseas Ltd.	
	Minimal Access Smart Surgery Hospital Pvt. Ltd.	
	MG Marketing & Trding Pvt. Ltd.	
	Modify Distributors Private Limited	
	ML Finlease Pvt. Ltd.	
	N.R. Finvest Pvt. Ltd	
	Nikita Electrotrades Pvt. Ltd.	
	New Delhi Law Offices	
	Pacific Management Pvt. Ltd.	
	Prapti Apparels Co. Pvt. Ltd.	
	Promise Delers Pvt. Ltd.	

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship	
	Purvi Vanijya Niyojan Limited	Shareholding more than 50% along with relatives in the Company.	
	Nivedan Vanijya Niyojan Ltd.		
	Raghav Commercial Limited		
	RANDR Trustee Pvt. Ltd.		
	Ramarpan Educational Society		
	Redrose Vanijya Private Limited		
	RLJ Family Trusteeship Pvt. Ltd.		
	RRJ Family Trustee Pvt. Ltd.		
	Sarita Computers Pvt. Ltd.		
	SKLNJ Family Trusteeship Pvt. Ltd.		
	Shashi Commercial Co. Ltd.		
	SSSA Family Private Limited		
	Texnere India Pvt. Ltd.		
	Strength Fincap Markets Pvt. Ltd.		
	Tinsukia Estate Private Ltd.		
	TACC Limited		
	Vikram Properties and Merchandise Pvt. Ltd.		
	Veronia Tie Up Pvt. Ltd.		
	Zongoo Commercial Co. Pvt. Ltd		
(vii)	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).		
1	Shri Ravi Jhunjunwala	Holding 20% or more Shareholding along with relatives in the Company.	
	AKJ Apparels Pvt. Ltd.		
	Akunth Textile Processors Pvt. Ltd.		
	Bhilwara Services Pvt. Ltd.		
	Bhilwara Infotechnology Ltd.		
	Captain Trade & Agencies Pvt. Ltd.		
	RANDR Trustee Pvt. Ltd.		
	Redrose Vanijya Private Limited		
	RLJ Family Trusteeship Pvt. Ltd.		
	RRJ Family Trustee Pvt. Ltd.		
	Shashi Commercial Co. Ltd.		
	Shrasti Marketing Pvt. Ltd.		
	SKLNJ Family Trusteeship Pvt. Ltd.		
	Zongoo Commercial Co. Pvt. Ltd.		
	Veronia Tie up Pvt. Ltd.		
2	Shri Riju Jhunjunwala		
	AKJ Apparels Pvt. Ltd.		
	Bhilwara Services Pvt. Ltd		

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
	Bhilwara Infotechnology Ltd.	Holding 20% or more Shareholding along with relatives in the Company.
	Captain Trade & Agencies Pvt. Ltd.	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Shrasti Marketing Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd.	
	Veronia Tie up Pvt. Ltd.	
(viii)	As per 2(ZB) of LODR any Person or Entity forming a part of the Promoter or Promoter Group.	
	Shri Ravi Jhunjhunwala	
	Shri Riju Jhunjhunwala	
	Shri Rishabh Jhunjhunwala	
	Shri Arun Kumar Churiwal	
	Smt. Rita Jhunjhunwala	
	Shri Shekhar Agarwal	
	Shantanu Agarwal (Huf)	
	LNJ Financial Services Ltd.	
	Purvi Vanijya Niyojan Ltd.	
	Nivedan Vanijya Niyojan Ltd.	
	Bharat Investments Growth Ltd.	
	Investors India Ltd.	
	Raghav Commercial Ltd.	
	N.R. Finvest Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Kalati Holding Pvt. Ltd.	
	India Tex Fab Marketing Ltd.	
	Micro Base Ltd.	
	Microlight Investments Ltd.	
	Corn Hill Investments Ltd.	
	RLJ Family Trusteeship Private Limited (Trustee Of Ravi Jhunjhunwala Family Trust)	

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

39 B: Related Party Disclosure

(₹ in Lakh)

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, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023
Sale of Finished Goods	-	-	-	4,829.89	6,297.83
Sale of Raw Material	-	-	-	87.87	55.73
Purchases of Raw Material & Finished Goods	-	-	-	838.98	1,405.84
Sale of Store Items	-	-	-	1.15	47.82
Purchase of Stores Items	-	-	-	49.73	42.97
Rent Received	60.72	60.72	-	140.26	140.55
Rent Paid	476.22	299.09	-	22.13	22.60
Reimbursement of revenue expenditure received	55.31	60.72	-	232.84	171.04
Reimbursement of revenue expenditure made	953.37	888.15	-	42.76	19.54
Job Charges Received	-	-	-	137.22	88.94
Job Charges paid	-	-	-	0.08	11.72
Sharing of AMC (DR Server)	-	-	-	7.05	3.52
Consultancy Charges	162.84	49.68	-	-	-
Dividend Received	-	-	-	127.73	9.55
Interest received	-	-	-	177.90	92.49
Roll back of Interest	-	-	-	17.39	227.77
Payment against Sharing of DR Server	-	-	-	37.93	18.96
Donation to Jawahar Foundation	-	-	-	-	10.00
Security Deposit	-	21.00	-	-	-
Interest on Loan taken	-	-	-	978.05	1,312.74
CSR to Ramarpan Education Society	-	-	-	66.53	-
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	300.91	355.82
Rajasathan Spinning Gratuity Fund Trust	-	-	-	177.11	389.21
Rajspin Employees Contributory Provident Fund	-	-	-	181.73	161.50
Remuneration and other perquisites					
(a) Short-term employee benefits	-	-	950.73	1,092.27	-
(b) Post-employment benefits	-	-	22.84	45.00	-
Directors' Sitting Fees	-	-	78.00	71.25	-

The Company allotted 1,36,42,766 fully paid-up equity shares at a price of ₹ 100/- per Right equity share aggregating to ₹ 13,642.77 Lakh on a rights basis to the Promoters or Promoter Group. Refer Note 12(i)



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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 Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	1,777.61	1,636.86
<b>Other Receivables</b>		
From Subsidiaries of Associates	68.15	87.81
From Other than Subsidiaries/Associates	367.58	243.29
<b>Trade Payables</b>		
To Associates	1,000.16	1,538.14
To Other than Subsidiaries/Associates	2.08	4.06
<b>Advance to Vendors</b>		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	1.57	-
<b>Loan</b>		
Loan From Bharat Investment Growth Limited*	-	13,395.00
Loan From Bhilwara Infotechnology Limited*	-	832.50

\* The Loan has been repaid back during the year

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, 2023 and for the year ended March 31, 2022, 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 Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
RSWM has provided Letter of Comfort on behalf of its reporting entity:-		
<b>Name of Reporting Entity</b>		
LNJ Skills & Rozgar Private Limited - India*	800	800

\* 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, 2023.  
The Company does not expect any outflow of resources in respect of above Letter of Comfort

Guarantee given of 600 Lakhs (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 had been terminated on satisfaction of charge of loan of A D Hydro Power Limited, during the previous year.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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 Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	1,703.65	2,534.46
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.	-	-

41 Net Dividend Remitted in Foreign Exchange

(₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Period to which dividend relates to	2021-22	-
Number of non-resident shareholders (Nos.)	5	-
Number of equity shares held on which dividend was due (Nos.)	53,53,270	-
Amount remitted (in Lakh)	1,071.88	-
Amount remitted USD (in Lakh)	13.07	-

42A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2023 were as under: (₹ in Lakh)

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
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	320.96	-	-	320.96	320.96
Bank Balances other than above (Refer Note 7)	190.07	-	-	190.07	190.07
Investments (Refer Note 4)					
- Equity	3,523.97	-	3,144.78	6,668.75	6,668.75
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	45,440.60	-	-	45,440.60	45,440.60
Loans (Refer Note 5)	199.80	-	-	199.80	199.80
Other financial assets (Refer Note 8)	6,818.21	-	54.85	6,873.06	6,873.06
	<b>56,493.61</b>	<b>832.00</b>	<b>3,199.63</b>	<b>60,525.24</b>	<b>60,525.24</b>

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,15,067.09	-	-	1,15,067.09	1,15,067.09
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	-	-	1,703.65	1,703.65
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	-	-	11,774.52	11,774.52
Other financial liabilities (Refer Note 15a & 17)	8,586.38	-	-	8,586.38	8,586.38
	<b>1,37,131.64</b>	-	-	<b>1,37,131.64</b>	<b>1,37,131.64</b>

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2023 ₹1785.76 Lakh.

The carrying value and fair value of financial instruments by category as of March 31, 2022 were as under:

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
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	588.35	-	-	588.35	588.35
Bank Balances other than above (Refer Note 7)	280.10	-	-	280.10	280.10
Investments (Refer Note 4)					
-Equity	3,523.97	-	4,571.29	8,095.26	8,095.26
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	53,646.12	-	-	53,646.12	53,646.12
Loans (Refer Note 5)	86.36	-	-	86.36	86.36
Other financial assets (Refer Note 8)	7,178.24	-	67.60	7,245.84	7,245.84
	<b>65,303.14</b>	<b>832.00</b>	<b>4,638.89</b>	<b>70,774.03</b>	<b>70,774.03</b>
<b>Liabilities:</b>					
Borrowings (Refer Note 14 & 15)	1,10,252.18	-	-	1,10,252.18	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	2,534.46	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	13,937.04	13,937.04
Other financial liabilities (Refer Note 15a & 17)	8,101.10	-	-	8,101.10	8,101.10
	<b>1,34,824.78</b>	-	-	<b>1,34,824.78</b>	<b>1,34,824.78</b>

\*Excluding accrued interest on debenture, shown separately under financial assets as at March 31, 2022 ₹1,492.86 Lakh.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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, 2023:

Particulars	As at March 31, 2023	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)	3,144.78	3,118.78	-	26.00
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8 )	54.85	-	54.85	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As at March 31, 2022	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)	4,571.29	4,545.29	-	26.00
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8 )	67.60	-	67.60	-

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.
- 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.



## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

- 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, 2023 is given below.

(Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
<b>Non Derivative</b>				
Trade receivables	100.33	2.72	0.12	8,492.15
Trade payables	(0.01)	(2.64)	-	(220.78)
Other assets	1.04	0.87	45.27	186.27
Other liabilities	(17.38)	(13.46)	(3.66)	(3,056.82)
<b>Net assets / (liabilities)</b>	<b>83.98</b>	<b>(12.51)</b>	<b>41.73</b>	<b>5,400.82</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, 2022 is given below.

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
<b>Non Derivative</b>				
Trade receivables	148.61	3.82	0.06	11,615.52
Trade payables	(1.28)	(3.55)	(8.85)	(260.35)
Other assets	1.85	1.38	1.47	246.82
Other liabilities	(33.20)	(13.27)	(1.78)	(3,986.85)
<b>Net assets / (liabilities)</b>	<b>115.98</b>	<b>(11.61)</b>	<b>(9.11)</b>	<b>7,615.14</b>

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The following significant exchange rates have been applied during the year

Spot Rate (in ₹)	For the Year ended March 31, 2023	For the Year ended March 31, 2022
USD	80.17	75.04
EURO	84.35	86.59
GBP	98.60	101.23

### 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. (₹ in Lakh)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
<b>USD Sensitivity</b>				
INR/USD-Increase/(Decrease) by 7% (Previous year 1%)	306.60	(306.60)	56.62	(56.62)
<b>EURO Sensitivity</b>				
INR/EURO-Increase/(Decrease) by 3% (Previous year 0.25%)	(20.59)	20.59	(1.64)	1.64

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2023 and March 31, 2022

##### (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.

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

### - Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below: (₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Fixed rate instruments</b>		
Financial Assets		
- Fixed Deposits with Banks (Refer Note 7)	0.34	101.22
<b>Variable rate instruments</b>		
Financial Liabilities		
- Borrowings (Refer Note 14 & 15)	1,15,067.09	1,10,252.18

### 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

A decrease of 18 basis points (previous year 125 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, 2023 and March 31, 2022 (₹ in Lakh)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 18 basis points (Previous year 125 basis points)	134.74	(134.74)	896.57	(896.57)

### (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 ₹ 311.88 Lakh (₹ 454.53 Lakh 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.

## Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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 : (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	-	199.80	-	86.36
Trade Receivables (Refer Note 6)	-	45,440.60	-	53,646.12
Cash and cash equivalents (Refer Note 7)	-	320.96	-	588.35
Bank Balances (Refer Note 7)	-	190.07	-	280.10
Other financials assets (Refer Note 8)	749.22	6,123.84	1,210.87	6,034.97
	<b>749.22</b>	<b>52,275.27</b>	<b>1,210.87</b>	<b>60,635.90</b>

Expected credit loss for trade receivables using simplified approach are given below: (₹ in Lakh)

Age Bracket	As at March 31, 2023	As at March 31, 2022
0-180	43,441.00	52,962.21
181-365	1,382.69	409.32
Above 365	1,124.63	675.69
<b>Total</b>	<b>45,948.32</b>	<b>54,047.22</b>
Allowance for Impairment Loss	507.72	401.10
<b>Closing Balance (Refer Note 6)</b>	<b>45,440.60</b>	<b>53,646.12</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 (₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance of provision for expected credit loss at the beginning	401.10	572.13
Impairment loss recognised/ (reversed)	106.62	(171.03)
<b>Balance at the end</b>	<b>507.72</b>	<b>401.10</b>



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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, 2023:

(₹ in Lakh)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	65,093.46	19,793.20	19,713.53	10,466.90	1,15,067.09
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	-	-	-	1,703.65
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	-	-	-	11,774.52
Other financial liabilities (Refer Note 15a & 17)	7,939.91	646.47	-	-	8,586.38
	86,511.54	20,439.67	19,713.53	10,466.90	1,37,131.64

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(₹ in Lakh)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	64,083.80	22,653.00	17,549.32	5,966.06	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	-	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	-	13,937.04
Other financial liabilities (Refer Note 15a & 17)	7,493.51	607.59	-	-	8,101.10
	88,048.81	23,260.59	17,549.32	5,966.06	1,34,824.78

(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

(₹ in Lakh)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Bank Cash credit Facility</b>		
Amount Unused	35,216.82	45,038.84
<b>Secured Non Fund Based Facility</b>		
Amount Unused	5,693.31	6,789.19
<b>Secured Term Loan Facility</b>		
Amount Unused	16,340.74	8,614.62
<b>Unsecured Term Loan Facility</b>		
Amount Unused	-	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

42B: 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, 2023:

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	27	121.31	4	4.00	10,406.28	April 2023 -September 2023	0.49:1	82.81	90.15

As at March 31, 2022:

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	27	147.58	3	2.96	11,560.80	April 2022 -September 2022	0.52:1	76.65	84.05

(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, 2023	45.37	-	(53.45)	Revenue
March 31, 2022	53.45	-	(5.84)	Revenue

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(iv) c The movement in hedging reserve during the year ended March 31, 2023 for derivatives designated as cash flow hedge (Refer Note 32) is as follows: (₹ in Lakh)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Balance at the beginning of the year	34.77	3.80
Change in fair value of effective portion of cash flow hedge recognised during the year	45.37	53.45
Amount reclassified to the Statement of Profit & Loss during the period	(53.45)	(5.84)
Tax Impact on above	2.82	(16.64)
Balance at the end of the year	29.51	34.77

It is anticipated that sales will take place during the first six months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to statement of 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, 2023 and March 31, 2022.

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 7% (previous year 1%)	459.02	(459.02)	65.55	(65.55)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 3% (previous year 0.25%)	8.10	(8.10)	0.44	(0.44)
GBP Sensitivity				
INR/GBP-Increase/(Decrease) by 3% (previous year 6%)	2.93	(2.93)	17.03	(17.03)



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

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 includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings including current maturities (Refer Note 14 & 15)	1,15,067.09	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	13,937.04
Other payables other than current maturities (Refer Note 15a & 17)	8,586.38	8,101.10
Less: cash and cash equivalents (Refer Note 7)	320.96	588.35
Net debt	1,36,810.68	1,34,236.43
Equity (Refer Note 12 & 13)	1,26,842.09	99,853.58
Capital and Net debt	2,63,652.77	2,34,090.01
Gearing Ratio	52%	57%

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, 2023 and March 31, 2022.

44 A : Impairment Loss on Property, Plant & Equipment and Intangible 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 except as disclosed in the financial statements.

44 B : Other Information in terms of the amendment in schedule III of the companies act vide notification dated 24<sup>th</sup> March 2021

- a) The Company does not have any Benami Property, and no proceeding has been initiated or pending against the Company for holding any Benami Property.
- b) The Company does not have any transactions with companies which are struck off.
- c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- d) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.
- g) The company has been sanctioned working capital limit in excess of ₹ 5 Crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly returns/ statements filed by the company with the bank, are generally in agreement with the books of accounts of the company of the respective quarters and differences, if any are not material.
- h) The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- i) The Company have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.
- J) The company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken during the financial year.

**44 C :** Few production lines attached to spinning division of Denim Unit and Inventory was destroyed in fire on 17<sup>th</sup> November, 2021. During the year, the Company has received ad-hoc payment of ₹ 500 Lakh based on preliminary survey by insurance company. Subsequently, the final survey report has been received and the management of the company has accounted Insurance claim income of ₹ 1,360.41 Lakh being difference of WDV value & replacement value of machinery. In the opinion of the management, insurance receivable of ₹ 1,170.97 Lakh (net) is considered good and recoverable.

44 D : Events occurring after the Balance Sheet Date

The Board of Directors of the Company in its meeting held on 26<sup>th</sup> May, 2023 has recommended a dividend @ 50% to Equity Shareholders i.e. ₹ 5 per Equity share amounting to ₹ 2355.08 Lakh for the Year ended 31<sup>st</sup> March, 2023 subject to the approval of the shareholders of the Company at the Annual General Meeting.

The Board had approved for the purchase of 100% equity stake (2,20,50,000 equity shares of the face value of ₹ 10/- each) in M/S BG Wind Power Limited (BGWPL) having generation capacity of 20 MW from Bhilwara Energy Limited, an associate for a total consideration of ₹ 500 Lakh in its meeting dated 27<sup>th</sup> May 2022. Post Balance Sheet Date, the Company has completed the acquisition on 6<sup>th</sup> April, 2023 and has made payment of purchase consideration. BGWPL has become wholly owned subsidiary of the Company w.e.f. 6<sup>th</sup> April, 2023.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

45 Legal Cases

Against the Company:

(₹ in Lakh)

S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities	Claim not acknowledged as debt	Amount Deposited Under Protest
1	Indirect Taxation	71.57	37.55	15.00	19.02	7.15
		(615.82)	(37.56)	(15.00)	(563.26)	(7.15)
2	Direct Taxation	9,084.28	-	8,240.23	844.05	-
		(5,670.23)	-	(4,826.18)	(844.05)	-
3	State Dues/ Levies	-	-	-	-	-
		-	-	-	-	-
4	Labour Laws	85.86	10.53	2.15	73.18	-
		(83.86)	(10.53)	(2.15)	(71.18)	-
5	Commercial Matters	4.47	2.10	2.37	-	-
		(4.47)	-	(2.37)	(2.10)	-
6	Others	166.04	17.25	-	148.79	-
		(166.04)	(17.25)	-	(148.79)	-
Total		9,412.22	67.43	8,259.75	1,085.04	7.15
		(6,540.42)	(65.34)	(4,845.70)	(1,629.38)	(7.15)

Figures in brackets in aforesaid note represent the figures of previous year

By the Company:

(₹ in Lakh)

S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities	Claim not acknowledged as debt	Amount Deposited Under Protest
1	Indirect Taxation	777.72	205.38		572.34	554.64
		(767.47)	(249.67)	-	(517.80)	(554.85)
2	Direct Taxation	3,586.00	21.76	2,844.31	719.93	-
		(3,586.00)	(21.76)	(2,844.31)	(719.93)	-
3	Labour Laws	53.17			53.17	-
		(66.65)	-	-	(66.65)	-
4	Commercial Matters	10,482.25	5,995.63	2,361.47	2,125.15	720.69
		(5,951.25)	(1,333.27)	(2,301.28)	(2,316.70)	(561.16)
5	Others	1,396.17	1316.82	-	79.35	-
		(1,487.28)	(1,487.28)	-	-	-
	Total	16,295.31	7,539.59	5,205.78	3,549.94	1,275.33
		(11,858.65)	(3,091.98)	(5,145.59)	(3,621.08)	(1,116.01)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

46 Ratio

Sl. No.	Ratio	Numerator	Denominator		31.03.2023	31.03.2022	% variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	Times	1.44	1.29	11.63%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	0.91	1.10	-17.27%	
3	Debt Service Coverage Ratio	PAT+Depreciation / Amortisation +Interest on term loan	Principal repayments of Current Maturity of Long term borrowings+ Interest on Term Loan	Times	1.81	2.04	-11.27%	
4	Return on Equity	Net Profit after tax	Average Shareholder's Equity	% age	9.67%	27.28%	-64.55%	Margins are reduced from the year 2021-22 and also denominator is increase because of Right issue of equity share.
5	Inventory Turnover	Net Sales	Average Inventory	Times	6.39	7.96	-19.72%	
6	Trade receivables Turnover	Net Sales	Average trade receivables	Times	7.65	8.34	-8.27%	
7	Trade payables Turnover	Net Purchases	Average Trade payables	Times	18.00	16.41	9.69%	
8	Net Capital Turnover	Net Sales	Working Capital	Times	8.93	13.09	-31.78%	There is increase in inventory level as compared to previous year.
9	Net Profit ratio	Net Profit after tax	Net Sales	% age	2.89%	6.29%	-54.05%	During the year, average sales realisation is less as compared to previous year.
10	Return on Capital Employed	EBIT	Capital employed (Tangible Networth+Total Debt+Deferred tax liability)	% age	8.47%	16.27%	-47.94%	Decreased due to reduction in profitability on account of reduced margin.
11	Return on Company's Investments	Total Return	Cost of Investment	% age	-11.83%	0.76%	-1656.58%	Reduction in fair market value of Company's investments



Notes to the Standalone Financial Statement

For the year ended March 31, 2023

47 Note on Lease Accounting

(i) Following are the changes in the carrying value of right of use assets for the year March 31, 2023:: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance (Including Lease Hold land)	344.96	659.23
Additions	640.88	-
Deductions	-	(226.18)
Depreciation	(62.09)	(88.09)
Closing Balance	923.75	344.96

(ii) The following is the movement in lease liabilities for the year March 31, 2023:: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	45.46	376.15
Additions	601.69	-
Deduction	-	(254.10)
Interest on lease liabilities	13.64	23.15
Payment of lease liabilities*	(66.55)	(99.74)
Closing Balance	594.24	45.46

\*Includes Interest expenses paid during the year ended March 31, 2023 amounts to ₹ 13.64 Lakh (Previous Year ₹ 23.15 Lakh)

(iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on discounted basis: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less Than one year	113.17	31.98
One to five years	481.07	13.48
Total Discounted Lease Liabilities	594.24	45.46

Lease rent expense recorded for short-term leases and low value leases was ₹ 686.18 Lakh (Previous Year ₹ 446.76 Lakh) for the year ended March 31, 2023.

48 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year’s classification.

As per our report of even date

For Lodha & Co.  
Chartered Accountants  
Firm Regn. No. 301051E

For S S Kothari Mehta & Company  
Chartered Accountants  
Firm Regn. No. 000756N

Gaurav Lodha  
Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

Vijay Kumar  
Partner  
M. No. 092671

For and on Behalf of Board of Directors

Riju Jhunjhunwala  
Chairman & Managing Director and CEO  
DIN 00061060

B. M. Sharma  
Joint Managing Director  
DIN 08195895

Avinash Bhargava  
Chief Financial Officer  
M.No. FCA 076277

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, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), 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, 2023, of consolidated profit (including Other Comprehensive 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 (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs 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 of a 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 No48(ii) (b) of the Consolidated Financial Statements, the board of directors of CYHPL had decided and surrendered the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh (GoHP) due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse the, CYHPL has written off Capital Work in progress during the year 2017-18 amounting to ₹2713.18 Lakhs (Company indirect share of ₹205.12 Lakhs). These events or conditions, along with other matters, indicate that there exists material uncertainty that may cast significant doubt on the CYHPL’s ability to continue as a going concern since the CYHPL’s was incorporated as a Special Purpose Vehicle for this particular project. 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:

Attention is drawn to:

- a) In case of CYHPL, the CYHPL has surrendered Chango Yangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of ₹3,789.45 Lakhs (Company indirect share of ₹286.48 Lakhs) and Security Deposit of ₹180 Lakhs (Company indirect share of ₹13.61 Lakhs) with interest since the project is not executable purely on account of various social-legal issues neither in the control of the CYHPL nor in the control of local administration/authorities.

GoHP has formed a committee to deal with the issues of various projects which includes Chango Yangthang

Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW Chango Yangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CYHPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

In view of this, CYHPL has reiterated its demand for refund of money along with the Interest and the management of CYHPL is confident of recovering the upfront premium and Security Deposit paid on account of surrender of project, in full.

- b) In case of Malana Power Company Limited (MPCL), a subsidiary of an associates (BEL), as stated in Note 48 (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 BG Wind Power Limited (BGWPL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (e) of the consolidated Financial Statements pending execution of the renewal of PPA expired on March 31, 2019, till previous year the BGWPL has recognised revenue@₹3.14/kwh (previous PPA@₹3.69/kwh) based on the order issued by RERC vide its third amendment regulation dated 5<sup>th</sup> March 2019 for execution of the PPA to DISCOM for entire balance project life. GBI also taken at applicable rate @ ₹50 Paise/kwh. In the meantime, BGWPL has filed writ petition with Rajasthan High Court at Jaipur in this regard.

During the year, effective 1<sup>st</sup> April'2022 the BGWPL has recognised revenue @ ₹2.44/- kwh based on the RRECL letter approving the change of mode of sale of power of the project from REC Mechanism to captive use, which also referred the decision taken by the Co-ordination committee in its meeting held on 31 December 2021 for adjustment of power injected after expiry of PPA till change of mode.

Due to above, the differential amount of ₹438 Lakhs (indirect share of company ₹33.11 Lakhs) From ₹3.14/ kwh to ₹2.44/kwh recognised from 01 April 2019 to 31 March 2022 and GBI recognised for the above period has also been reversed during the year and charged to the statement of Profit and loss in the books of BGWPL.

- d) In case of NJC Hydro Power Limited (NHPL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (c) to

consolidated financial statements the project of NHPL was on hold for quite some time due to suspension of environment clearance by Hon'ble National Green Tribunal and thereafter Wildlife Institute of India (WII) in its report has mentioned that project could not be undertaken at the project site.

As per directions of Hon'ble Supreme Court, arbitration notice was sent to Government of Arunachal Pradesh (GoAP) and have also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations.

As the project is not doable any more, NHPL has decided not to implement the project and sought the refund of upfront premium of ₹2546.80 Lakhs (Company indirect share of ₹192.54 Lakhs) from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP.

Accordingly, the Board of Directors of NHPL on dated 15<sup>th</sup> June 2022 decided to write-off Capital Work-in-Progress (CWIP) including pre-operative expenses net of waiver of loan from its Holding Company (Bhilwara Energy Limited (BEL)) and charged to the statement of profit & loss (shown under exceptional items in the books of NHPL) during the financial year 2022-23 except the upfront premium paid.

The above Emphasis of matters were reported in the auditor's report on consolidated financial statements of an associates (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 Financial Statements and Auditor's Report Thereon

The Company's Board of Director 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 and Sustainability 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 matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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, 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.

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 ₹1323.76 Lakhs and total comprehensive Income of ₹1320.44 Lakhs for the year ended 31<sup>st</sup> March 2023 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.

- 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 loss, the Consolidated Statement of Cash Flow and 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 Indian Accounting Standards specified under Section 133 of the Companies Act, 2013.
- e) On the basis of the written representations received from the directors of the Company as on March 31,2023 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, is disqualified as on March 31, 2023 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 with reference to Consolidated financial statement 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 with reference to Consolidated financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors on Financial Statements of Associates:
  - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the Consolidated financial position of the Company and its Associates – Refer Note No. 37, 45 (37 and 45 to the standalone financial statements) and 48 to the consolidated financial statements;
  - ii. The Company and its associates have 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; and
  - 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, 2023 and there were no amount which were required to be transferred to the Investor Education and Protection Fund by its Associates incorporated in India.
  - iv.
    - a) The respective management of the Company and its Associates Company have represented that to the best of his knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company and its Associates Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company and its Associates Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - b) The respective management of the Company and its Associates Company has represented that, to the best of it's knowledge and belief, no funds have been received by the Company and its Associates Company has from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its Associates Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.

- v.

(a)

The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with section 123 of the act to the extent it applies to payment of dividend. No Dividend has been declared or paid during the year by its associates.
- (b)

As stated in Note no 44 of the consolidated financial statements (44D to the standalone financial statements), the Board of Directors of the Company have proposed final dividend for the year ended March 31, 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi.

Proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules 2014 is not applicable for the financial year ended March 31, 2023.
- h)

With respect to the other matters to be included in the Auditor’s Report in accordance with the requirement 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, refer to in other matter paragraph, on financial statements of its Associates, we report that the managerial remuneration has been paid/ provided for by the Company and its Associates to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

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

**Gaurav Lodha**  
Partner  
M. No. 507462  
UDIN: 23507462BGVDJV8152  
Place : Noida  
Date : 26-05-2023

**Vijay Kumar**  
Partner  
M. No. 092671  
UDIN: 23092671BGSICC4844  
Place : Noida  
Date : 26-05-2023

Annexure "A" to the Independent Auditors’ Report to the members of RSWM Limited

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of paragraph 3(xxi) and 4 of the CARO 2020, in case of following companies remarks as stated by the respective auditors in CARO 2020, included in the consolidated financial statements of the holding company are as under:

Sr. No.	Name	CIN	Holding Company/Associates	Clause number of the CARO report
1	RSWM Limited	CIN L17115RJ1960PLC008216	Holding Company	3(iii)(c), 3(iii)(d)

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

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

**Gaurav Lodha**  
Partner  
M. No. 507462  
UDIN: 23507462BGVDJV8152  
Place : Noida  
Date : 26-05-2023

**Vijay Kumar**  
Partner  
M. No. 092671  
UDIN: 23092671BGSICC4844  
Place : Noida  
Date : 26-05-2023



Annexure “B” 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 With reference to consolidated financial Statement 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, 2023, we have audited the internal financial controls with reference to consolidated financial Statement of **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 with reference to consolidated financial Statement 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 Company's internal financial control with reference to consolidated financial statement 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 issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial control and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference

to the consolidated financial statement 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 with reference to consolidated financial statement and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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 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 with reference to consolidated financial statement

Meaning of Internal Financial Controls with reference to consolidated financial Statement

A company's internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statement 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 with reference to consolidated financial Statement

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, 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 with reference to consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement 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,

For **Lodha & Co.**

Chartered Accountants

FRN : 301051E

**Gaurav Lodha**

Partner

M. No. 507462

UDIN: 23507462BGVDJV8152

Place : Noida

Date : 26-05-2023

For **S S Kothari Mehta & Company**

Chartered Accountants

FRN : 000756N

**Vijay Kumar**

Partner

M. No. 092671

UDIN: 23092671BGSICC4844

Place : Noida

Date : 26-05-2023

which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial Statement and such internal financial controls with reference to consolidated financial Statement were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial Statement 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 with reference to consolidated financial Statement 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.

CIN L17115RJ1960PLC008216

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
ASSETS					
1 Non-current Assets					
a Property, Plant and Equipment	3a		1,08,156.68		92,466.13
b Capital Work-in-Progress	3b		18,280.26		14,331.37
c Investment Property	3c		3,014.57		1,090.16
d Other Intangible Assets	3d		371.11		755.39
e Financial Assets					
i) Investments	4	12,358.38		12,617.65	
ii) Other financial assets	8	749.22	13,107.60	1,210.87	13,828.52
f Other Non-current Assets	11		6,834.27		5,106.80
2 Current Assets					
a Inventories	9		67,725.20		50,906.91
b Financial Assets					
i) Trade receivables	6	45,440.60		53,646.12	
ii) Cash and cash equivalents	7	320.96		588.35	
iii) Bank balances other than (ii) above	7	190.07		280.10	
iv) Loans	5	199.80		86.36	
v) Other financial assets	8	6,123.84	52,275.27	6,034.97	60,635.90
c Current Tax Assets (Net)	10		2,025.58		-
d Other Current Assets	11		17,164.08		13,604.00
3 Assets Classified as Held for Sale	3e		-		4,646.70
TOTAL ASSETS			2,88,954.62		2,57,371.88
EQUITY AND LIABILITIES					
Equity					
a Equity Share Capital	12		4,710.17		2,355.08
b Other Equity	13		1,26,989.55		1,01,188.89
Liabilities					
1 Non-current Liabilities					
a Financial Liabilities					
i) Borrowings	14	49,973.63		46,168.38	
ia) Lease Liabilities	15a	481.07		13.48	
ii) Other financial liabilities	17	165.40	50,620.10	594.11	46,775.97
b Deferred Tax Liabilities (Net)	20		8,922.64		6,376.84
c Deferred Government Grants	21		951.04		41.64
d Other Non-current Liabilities	22		-		
2 Current Liabilities					
a Financial Liabilities					
i) Borrowings	15	65,093.46		64,083.80	
ia) Lease Liabilities	15a	113.17		31.98	
ii) Trade payables					
- Total outstanding dues of micro and small enterprises	16	1,703.65		2,534.46	
- Total outstanding dues of creditors other than micro and small enterprises	16	11,774.52		13,937.04	
iii) Other financial liabilities	17	7,826.74	86,511.54	7,461.53	88,048.81
b Provisions	18		24.17		30.06
c Deferred Government Grants	21		62.50		53.29
d Current Tax Liabilities (Net)	10		-		407.07
e Other Current Liabilities	22		10,162.91		12,091.06
3 Liabilities Classified as Held for Sale	3e		-		3.17
TOTAL EQUITY AND LIABILITIES			2,88,954.62		2,57,371.88

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 & Company  
Chartered Accountants  
Firm Regn. No. 000756N

Gaurav Lodha  
Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

Vijay Kumar  
Partner  
M. No. 092671

For and on Behalf of Board of Directors

Riju Jhunjunwala  
Chairman & Managing Director and CEO  
DIN 00061060

Avinash Bhargava  
Chief Financial Officer  
M.No. FCA 076277

B. M. Sharma  
Joint Managing Director  
DIN 08195895

Surender Gupta  
Company Secretary  
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue From Operations	23	3,78,889.62	3,81,742.30
Other Income	24	9,144.01	3,211.91
Total Income		3,88,033.63	3,84,954.21
Expenses			
Cost of Materials Consumed	25	2,22,483.69	2,10,799.26
Purchase of Traded Goods	26	13,175.26	8,872.45
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	(4,314.10)	(6,073.24)
Employee Benefit Expenses	28	41,847.80	40,139.46
Finance Cost	29	7,394.51	6,760.48
Depreciation and Amortization Expenses	30	12,730.08	11,307.92
Other Expenses	31	80,888.44	84,799.46
Total Expenses		3,74,205.68	3,56,605.79
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates		13,827.95	28,348.42
Share of Profit/ (Loss) of Associates		1,324.40	624.29
Profit/(Loss) Before Tax		15,152.35	28,972.71
Tax Expense			
Current Tax	19	2,447.86	4,936.98
Tax of earlier year provided/(written back)	19	(2,065.64)	(1,178.06)
Deferred Tax	19	2,484.93	591.45
Profit/(Loss) for the Period		12,285.20	24,622.34
Other Comprehensive Income			
32			
a) (i) Items that will not be reclassified to Profit or Loss		(1,244.24)	(323.33)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(63.69)	32.12
(iii) Share in OCI of Associates that will not be reclassified to Profit or Loss		(3.43)	(0.72)
b) (i) Items that will be reclassified to Profit or Loss		(8.08)	47.61
(ii) Income tax relating to items that will be reclassified to Profit or Loss		2.82	(16.64)
Other Comprehensive Income/(Loss) for the year		(1,316.62)	(260.96)
Total Comprehensive Income/(Loss) for the year		10,968.58	24,361.38
Profit for the year attributable to:			
- Owners of the parent		12,285.20	24,622.34
- Non-controlling interest		-	-
		12,285.20	24,622.34
Other comprehensive income / (expense) for the year attributable to:			
- Owners of the parent		(1,316.62)	(260.96)
- Non-controlling interest		-	-
		(1,316.62)	(260.96)
Total comprehensive income for the year attributable to:			
- Owners of the parent		10,968.58	24,361.38
- Non-controlling interest		-	-
		10,968.58	24,361.38
Earnings per Equity Shares of ₹ 10/- each			
33			
1) Basic (in ₹)		31.52	66.98
2) Diluted (in ₹)		31.52	66.98

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 & Company  
Chartered Accountants  
Firm Regn. No. 000756N

Gaurav Lodha  
Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

Vijay Kumar  
Partner  
M. No. 092671

For and on Behalf of Board of Directors

Riju Jhunjunwala  
Chairman & Managing Director and CEO  
DIN 00061060

Avinash Bhargava  
Chief Financial Officer  
M.No. FCA 076277

B. M. Sharma  
Joint Managing Director  
DIN 08195895

Surender Gupta  
Company Secretary  
M.No. FCS 2615



CIN L17115RJ1960PLC008216

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash Flow From Operating Activities				
Profit / (Loss) Before Tax		15,152.35		28,972.71
Adjustments for:				
Share in (Profit)/Loss of Associates	(1,324.40)		(624.29)	
Depreciation and Amortization Expenses	12,730.08		11,307.92	
Net Gain / Loss on Sale of Property, Plant & Equipment *	(3,736.54)		(661.46)	
Provisions Written Back	(694.60)		(310.84)	
Allowances for Impairment Loss Allowance	125.93		(190.80)	
Finance Costs	7,418.85		6,806.98	
Interest Income	(2,247.92)		(675.46)	
Dividend Income from Investments	(129.57)		(10.67)	
Forex Fluctuation on translation of Assets and Liabilities	(4.67)	12,137.16	(9.25)	15,632.13
Operating Profit/(Loss) before Working Capital Changes		27,289.51		44,604.84
(Increase)/Decrease in Trade Receivables	8,205.52		(15,753.98)	
(Increase)/Decrease in Current Financial Assets - Loans	(121.52)		(2.25)	
(Increase)/Decrease in Other Current Financial Assets	416.63		(315.95)	
(Increase)/Decrease in Other Non Current Financial Assets	461.65		(230.64)	
(Increase)/Decrease in Other Current Assets	(2,351.95)		(4,778.44)	
(Increase)/Decrease in Other Non Current Assets	(1,218.10)		51.73	
(Increase)/Decrease in Inventories	(16,818.29)		(6,008.60)	
Increase/(Decrease) in Trade Payables	(2,993.33)		2,748.32	
Increase/(Decrease) in Other Current Financial Liabilities	322.35		316.87	
Increase/(Decrease) in Other Non Current Financial Liabilities	(428.71)		203.59	
Increase/(Decrease) in Other Current Liabilities	(1,239.44)		3,149.15	
Increase/(Decrease) in Other Non Current Liabilities	182.27	(15,582.92)	(195.30)	(20,815.50)
Cash generated from/(used in) Operations before tax		11,706.59		23,789.34
Net Direct Taxes paid		(2814.87)		(2819.75)
Net Cash Flow from/(used in) Operating Activities		8,891.72		20,969.59
B. Cash Flow From Investing Activities				
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(33,373.33)		(35,580.66)	
Proceeds from sale of Property, Plant & Equipment	8,854.68		2,687.95	
Proceeds from/(Investment in) Term Deposit	100.88		138.75	
Interest Received	402.18		987.63	
Dividend Received	129.57		10.67	
Net Cash Flow from/(used in) Investing Activities		(23,886.02)		(31,755.66)
Net Cash from/(used in) Operating and Investing Activities		(14,994.30)		(10,786.07)

CIN L17115RJ1960PLC008216

Consolidated Statement of Cash Flow (Contd.)

for the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. Cash Flow From Financing Activities				
Repayment of Borrowings	(23,735.57)		(15,879.47)	
Proceeds from Borrowings	24,473.89		24,285.38	
Proceeds / (Repayment) of Short Term Borrowings	4,076.59		9,602.84	
Proceeds from Allotment of Right Equity Shares	23,550.86		-	
Transaction costs for Right Equity Shares issue	(322.25)		-	
Payment of Dividend	(5,887.71)		-	
Repayment of Lease Liabilities	(52.91)		(76.59)	
Finance Costs	(7,375.99)		(6,851.42)	
Net Cash from/(used in) Financing Activities		14,726.91		11,080.74
Net Cash from/(used in) Operating, Investing & Financing Activities		(267.39)		294.67
Opening balance of Cash and Cash Equivalent		588.35		293.68
Closing balance of Cash and Cash Equivalent		320.96		588.35
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)				
i) Cash on Hand	8.37		9.09	
ii) Balance with Banks :				
- On Current Accounts	312.59		579.26	
Total		320.96		588.35

\* Includes the gain of ₹ 1,992.57 Lakh on sale of Freight Terminal Business on Slump Sale basis.

Notes:

1. Changes in Liabilities arising from Financing Activities:

(₹ in Lakh)

Particulars	Balance as at March 31, 2022	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2023
Long Term Borrowings (Including Current Maturity)	57,729.95	738.32	-	58,468.27
Short Term Borrowings	52,522.23	4,081.24	(4.65)	56,598.82
	1,10,252.18	4,819.56	(4.65)	1,15,067.09

Particulars	Balance as at March 31, 2021	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2022
Long Term Borrowings (Including Current Maturity)	49,324.04	8,405.91	-	57,729.95
Short Term Borrowings	42,919.39	9,603.96	(1.12)	52,522.23
	92,243.43	18,009.87	(1.12)	1,10,252.18

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 & Company

Chartered Accountants

Firm Regn. No. 000756N

For and on Behalf of Board of Directors

Riju Jhunjhunwala

Chairman & Managing Director and CEO

DIN 00061060

B. M. Sharma

Joint Managing Director

DIN 08195895

Gaurav Lodha

Partner

M. No. 507462

Place: Noida, (U.P.)

Date: May 26, 2023

Vijay Kumar

Partner

M. No. 092671

Avinash Bhargava

Chief Financial Officer

M.No. FCA 076277

Surender Gupta

Company Secretary

M.No. FCS 2615

Consolidated Statement of Changes In Equity

for the year ended March 31, 2023

(₹ in Lakh)

a. Equity Share Capital

Particulars	Note No	Amount
Balance as at April 1, 2021		2,355.08
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2021		2,355.08
Changes in Equity Share Capital during 2021-22	12	-
Balance as at March 31, 2022		2,355.08
Balance as at April 1, 2022		2,355.08
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2022		2,355.08
Changes in Equity Share Capital during 2022-23	12	2,355.09
Balance as at March 31, 2023		4,710.17

b. Other Equity

Particulars	Note No.	Surplus				Other Comprehensive Income		Total	Non-Controll- ing Interest	Total
		Capital Reserve	Securities Premium	General Reserve	Pref. Share Capital Redemption Reserve	Share in Surplus of Associates	Equity Instruments through Other Comprehen sive Income	Effective portion of Cash Flow Hedges		
Balance at April 1, 2021		701.48	9,618.56	4,910.28	6,060.85	2,964.82	4,746.20	3.80	-	76,827.51
- Profit or Loss during the year		-	-	-	-	624.29	-	-	-	24,622.34
- Other Comprehensive Income for the year	32	-	-	-	-	(0.72)	(231.41)	30.97	-	(260.96)
Total Comprehensive Income		-	-	-	-	623.57	(231.41)	30.97	-	24,361.38
Balance at March 31, 2022		701.48	9,618.56	4,910.28	6,060.85	3,588.39	4,514.79	34.77	-	1,01,188.89
Balance at April 1, 2022		701.48	9,618.56	4,910.28	6,060.85	3,588.39	4,514.79	34.77	-	1,01,188.89
Share Premium on Right Shares Allotment		-	21,195.77	-	-	-	-	-	-	21,195.77
Right Shares Issue Expenses Adjustment		-	(322.25)	-	-	-	-	-	-	(322.25)
-Adjustment in associates due to additional amount given to IFC by MPCL		-	-	-	-	(153.73)	-	-	-	(153.73)
- Profit or Loss during the year	32	-	-	-	-	1,324.40	-	-	-	12,285.20
- Other Comprehensive Income for the year		-	-	-	-	(3.43)	(1,426.51)	(5.26)	-	(1,316.62)
Total Comprehensive Income		-	20,873.52	-	-	1,167.24	(1,426.51)	(5.26)	-	31,688.37
- Dividend paid during the year	13	-	-	-	-	(5,887.71)	-	-	-	(5,887.71)
Total Contribution by and distribution to owners		-	-	-	-	(5,887.71)	-	-	-	(5,887.71)
Balance at March 31, 2023		701.48	30,492.08	4,910.28	6,060.85	4,755.63	3,088.28	29.51	-	1,26,989.55

Accompanying notes form an integral part of financial statements.

As per our report of even date

For S S Kothari Mehta & Company

For Lodha & Co.

Chartered Accountants

Firm Regn. No. 301051E

Firm Regn. No. 000756N

Gaurav Lodha

Partner

M. No. 507462

Place: Noida, (U.P.)

Date: May 26, 2023

For and on Behalf of Board of Directors

Riju Jhunjhunwala

Chairman & Managing Director and CEO

DIN 00061060

B. M. Sharma

Joint Managing Director

DIN 08195895

Avinash Bhargava

Chief Financial Officer

M.No. FCA 076277

Surender Gupta

Company Secretary

M.No. FCS 2615

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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, 2022 to 31 March, 2023	Audited
Bhilwara Energy Limited	India	Associate	7.56%	01 April, 2022 to 31 March, 2023	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 31<sup>st</sup> March, 2023 is approved for issue by the Company's Board of Directors on May 26, 2023.

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 Rupee (₹) 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



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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 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

(For Note No. 2, Please refer Standalone Financial Statements)

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.

(₹ in Lakh)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

3a. Property, Plant & Equipment

Particulars	Land-Freehold	Buildings (including Roads) ***	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting ,Water Supply & Installations	Right to Use Assets	Total
								Building	Land-Leasehold
Gross Carrying Value									
Balance at April 1, 2021	3,910.73	44,291.94	85,929.60	3,566.65	1,306.64	1,016.91	6,159.87	476.85	335.04
Additions	5.03	5,402.70	12,033.66	173.26	223.81	121.95	1,040.50	-	-
Deductions/ disposals *	(100.12)	(26.23)	(6,775.32)	(227.89)	(212.00)	(114.38)	(152.65)	(362.33)	(0.15)
Assets classified as held for sale	(1,476.11)	(3,966.15)	(1,490.17)	(1.37)	-	(11.18)	(28.10)	-	-
Reclassification of assets to investment property	(231.40)	-	-	-	-	-	-	-	(231.40)
Balance at March 31, 2022	2,108.13	45,702.26	89,697.77	3,510.65	1,318.45	1,013.30	7,019.62	114.52	334.89
Balance at April 1, 2022	2,108.13	45,702.26	89,697.77	3,510.65	1,318.45	1,013.30	7,019.62	114.52	334.89
Additions	75.00	2,933.15	23,156.67	516.84	546.19	195.43	2,497.92	640.88	-
Deductions/ disposals *	-	(338.57)	(1,226.17)	(44.68)	(394.83)	(123.18)	(217.19)	(16.78)	-
Reclassification of assets	-	(758.20)	758.20	-	-	-	-	-	-
Reclassification of assets as investment property #	110.17	(2,536.02)	-	-	-	-	-	-	(2,425.85)
Balance at March 31, 2023	2,293.30	45,002.62	1,12,386.47	3,982.81	1,469.81	1,085.55	9,300.35	738.62	334.89
Accumulated Depreciation									
Balance at April 1, 2021	-	8,513.40	42,067.05	1,680.09	551.55	729.26	3,175.66	133.35	19.31
Depreciation for the year	-	1,390.62	8,278.80	224.10	161.10	82.89	541.33	82.52	5.57
Impairment Allowance	-	188.08	-	-	-	-	-	-	-
Deductions/ disposals **	-	(11.36)	(6,088.01)	(152.06)	(163.21)	(104.60)	(133.76)	(136.30)	-
Assets classified as held for sale	-	(1,839.23)	(817.57)	(0.95)	-	(10.40)	(13.77)	-	-
Balance at March 31, 2022	-	8,241.51	43,440.27	1,751.18	549.44	697.15	3,569.46	79.57	24.88
Balance at April 1, 2022	-	8,241.51	43,440.27	1,751.18	549.44	697.15	3,569.46	79.57	24.88
Depreciation for the year	-	1,741.70	9,568.86	192.26	178.36	117.13	607.31	56.80	5.29
Deductions/ disposals **	-	(338.57)	(1,139.60)	(26.86)	(283.95)	(127.97)	(206.30)	(16.78)	-
Reclassification of assets as investment property #	-	(243.40)	-	-	-	-	-	-	(243.40)
Balance at March 31, 2023	-	9,401.24	51,869.53	1,916.58	443.85	686.31	3,970.47	119.59	30.17
Net Carrying Value									
Balance at March 31, 2022	2,108.13	37,460.75	46,257.50	1,759.47	769.01	316.15	3,450.16	34.95	310.01
Balance at March 31, 2023	2,293.30	35,601.38	60,516.94	2,066.23	1,025.96	399.24	5,329.88	619.03	304.72

Notes:

- \*Deduction from Gross Carrying Value represents sale/transfer/discarding of Property, Plant & Equipment/Lease hold rights written off.
- \*\* Deduction in depreciation ₹ 21,40.03 Lakh (Previous Year ₹ 6,789.30 Lakh) 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 Lakh.
- Depreciation for the year 2022-23 includes ₹ 136.99 Lakh (Previous Year ₹ 57.93 Lakh) against amortisation of Government Capital Grants (refer Note 30)
- 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)
- # Other income during the year includes the sale of land admeasuring 341 59 square feet out of total 48661 square feet bought long time ago before 1983 and was lying with the Company as an investment Property, and Portion of land admeasuring 10752 square feet classified as Property, Plant and Equipment (PPE) from investment property and Remaining land 3750 square feet lying as part of Investment Property.
- # Pursuant to Lease Agreement dated 16<sup>th</sup> December 2022 building of mumbai office has been reclassified as Investment Property as per Ind AS-40 : Investment Property.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

3b Capital Work in Progress (₹ in Lakh)

Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
Balance at April 1, 2021	108.64	481.40	150.24	740.28
Additions	6,089.43	21,564.85	1,347.56	29,001.84
Less: Amount capitalized in Property, Plant & Equipment	5,232.31	9,505.14	673.30	15,410.75
Balance at March 31, 2022	965.76	12,541.11	824.50	14,331.37
Balance at April 1, 2022	965.76	12,541.11	824.50	14,331.37
Additions	6,458.55	22,417.29	1,004.07	29,879.91
Less: Amount capitalized in Property, Plant & Equipment	2,658.37	22,103.99	1,168.66	25,931.02
Balance at March 31, 2023	4,765.94	12,854.41	659.91	18,280.26

\*The detail of Pre-operative expenses is given below

(₹ in Lakh)		
Particulars	2022-23	2021-22
(A) Opening Balance	824.50	150.24
(B) Additions:		
Raw Material	109.03	153.61
Salaries & Wages	135.72	349.84
Professional & Consultancy Charges	43.62	48.67
Borrowing Costs	682.64	751.61
Power & Fuel	57.57	49.21
Other Expenses	39.06	129.12
Less : Sale of Stock	-	(64.29)
Less : Trial Run Stock	(63.57)	(70.21)
	1,004.07	1,347.56
(C) Deductions:		
Amount capitalized in Property, Plant & Equipment	1,168.66	673.30
	1,168.66	673.30
(A+B-C)	659.91	824.50

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.

Capital work-in-progress ageing schedule as at March 31, 2023 and March 31, 2022 is as follows: (₹ in Lakh)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18,200.27	79.99	-	-	18,280.26
	(13,867.77)	(463.60)	-	-	(14,331.37)
Total Capital work-in-progress	18,200.27	79.99	-	-	18,280.26
	(13,867.77)	(463.60)	-	-	(14,331.37)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

3c Investment Property (₹ in Lakh)

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2021	890.91
Additions	50.05
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	231.40
Balance at March 31, 2022	1,172.36
Balance at April 1, 2022	1,172.36
Additions	9.64
Deductions/disposals/written off	(253.24)
Reclassified from Property, Plant & Equipment	2,536.02
Reclassified to Property, Plant & Equipment	(110.17)
Balance at March 31, 2023	3,354.61
Accumulated Depreciation	
Balance at April 01, 2021	67.75
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2022	82.20
Balance at April 1, 2022	82.20
Depreciation for the year	14.44
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	243.40
Balance at March 31, 2023	340.04
Net Carrying Value	
Balance as at March 31, 2022	1,090.16
Balance as at March 31, 2023	3,014.57

(₹ in Lakh)	
Fair Value	Amount
At March 31, 2022	12,051.22
At March 31, 2023	13,715.43

3c(i) Measurement of Fair Value

The fair value of the investment property has been determined by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, 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, 2023

3c(ii) Information regarding Income and Expenditure on Investment Property (₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Lease Rental recognized during the year	35	254.38	278.94
Direct expenses		7.44	0.20
<b>Profit arising from investment properties before depreciation and indirect expenses</b>		<b>261.82</b>	<b>279.14</b>
Less : Depreciation for the year		14.44	14.45
Indirect Expenses		2.38	0.14
<b>Profit/(Loss) arising from Investment Properties after depreciation and expenses</b>		<b>245.00</b>	<b>264.55</b>

3c(iii) The Investment Property amounting ₹ 336.82 Lakh (Fair Value ₹ 5132.58 Lakh) is owned jointly with HEG Limited

3d Other Intangible Assets (₹ in Lakh)

Particulars	Amount
<b>Gross Carrying Value</b>	
<b>Balance at April 01, 2021</b>	<b>2,452.46</b>
Additions	11.20
Deductions/ disposals	(19.76)
Assets classified as held for sale	(3.15)
<b>Balance at March 31, 2022</b>	<b>2,440.75</b>
<b>Balance at April 1, 2022</b>	<b>2,440.75</b>
Additions	0.64
Deductions/ disposals	(10.61)
Assets classified as held for sale	-
<b>Balance at March 31, 2023</b>	<b>2,430.78</b>
<b>Accumulated Amortization</b>	
<b>Balance at April 01, 2021</b>	<b>1,309.14</b>
Amortization for the year	396.39
Deductions/disposals	(19.62)
Assets classified as held for sale	(0.55)
<b>Balance at March 31, 2022</b>	<b>1,685.36</b>
<b>Balance at April 1, 2022</b>	<b>1,685.36</b>
Amortization for the year	384.92
Deductions/ disposals	(10.61)
Assets classified as held for sale	-
<b>Balance at March 31, 2023</b>	<b>2,059.67</b>
<b>Net Carrying Value</b>	
<b>Balance at March 31, 2022</b>	<b>755.39</b>
<b>Balance at March 31, 2023</b>	<b>371.11</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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

3e Assets & Liabilities Classified as Held for Sale (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets	-	4,646.70
Liabilities	-	3.17

- (a) Due to closure of Bagalur and Pondy units since May 31, 2018, the Company was in process of disposing the Property, Plant and Equipment. During the previous year, the Company has entered into Agreement for sale with an Independent party for sale of Property, Plant and Equipments of Bagalur unit worth of ₹ 3500 Lakh and have been classified as held for sale as on March 31, 2022 in accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations". During the year, the sale agreement has been executed.
- (b) During the previous year, the Company has entered into an agreement with buyer for sale/transfer of Private Freight Terminal (PFT) (net book value of ₹ 1138.53 Lakh) of the company situated at Namli, Madhya Pradesh, for total consideration of ₹ 3300 Lakh (net ₹ 3066.99 Lakh). The transaction to be completed on fulfilment of certain regulatory and other necessary requirements. In accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations", assets and liabilities of PFT has been disclosed as Assets and Liabilities held for Sale in the Financial Statements as follows:

Assets & Liabilities of disposal group classifies as held for sale (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
Land and building	-	386.85
Property, plant and equipment other than Land and building	-	688.14
Intangible Assets	-	2.60
Other Current Assets	-	64.11
<b>Assets held for sale</b>	<b>-</b>	<b>1,141.70</b>
<b>Liabilities</b>		
Liabilities for Expenses	-	3.17
<b>Liabilities Held for Sale</b>	<b>-</b>	<b>3.17</b>
<b>Net assets directly associated with disposal group</b>	<b>-</b>	<b>1,138.53</b>

On receipt on full consideration and fulfilment of certain regulatory and other necessary requirements, the transactions have been concluded during the year and gain (other income) on the above transaction is ₹ 1992.57 Lakh has been accounted for (Refer Note 24).

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

4 Investments (Non-Current) (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments (Fully Paid up)				
(i) Quoted Equity Shares (At fair value through OCI)				
Equity shares of ₹ 10/- each (unless stated otherwise)				
BSL Limited	31,396	48.55	31,396	35.11
HEG Limited	3,18,391	2,931.43	3,18,391	4,374.85
State Bank of India (of ₹ 1 /- each)	24,080	126.11	24,080	118.81
Punjab National Bank (of ₹ 2 /- each)	4,715	2.20	4,715	1.65
Whirlpool (India) Limited	372	4.89	372	5.85
Vardhman Holdings Limited	30	0.77	30	1.10
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹ 2 /- each)	775	2.03	775	3.90
Vardhman Textiles Limited (of ₹ 2 /- each)*	900	2.64	900	3.92
Vardhman Special Steel Limited	36	0.14	36	0.08
		3,118.78		4,545.29
(ii) Un-quoted Equity Shares				
Investment in Associates (At Cost)				
Equity shares of ₹ 10/- each (unless stated otherwise)				
Bhilwara Energy Limited	1,25,24,960	2,343.97	1,25,24,960	2,343.97
LNJ Skills and Rozgar Private Limited (of ₹ 1 /- each)\$	11,80,000	1,180.00	11,80,000	1,180.00
		3,523.97		3,523.97
Add - Increase in Value of Investments in Associates				
Opening Balance		3,690.39		3,066.82
Adjustment in associates due to additional amount given to IFC by MPCL		(153.73)		-
Additions during the year		1,320.97		623.57
Closing Balance		4,857.63		3,690.39
		8,381.60		7,214.36
Investment in other than Associate (At fair value through OCI)				
LNJ Power Ventures Limited	2,60,000	26.00	2,60,000	26.00
		26.00		26.00
Investment in Debentures (Fully paid up)				
Un-Quoted Debentures				
Investment in Other than Associate (At fair value through Profit and Loss)				
LNJ Power Ventures Limited				
13.54% Compulsorily Convertible Debentures (of ₹ 1,00,000/- each)#	832	832.00	832	832.00
		832.00		832.00
		12,358.38		12,617.65
Market value of Quoted Investments		3,118.78		4,545.29
Carrying value of Un-quoted Investments		4,381.97		4,381.97

\* Vardhman Textiles Ltd. Shares split/sub-division of each Equity Share of the Company having face value of ₹ 10/- per share into Five Equity Shares having face value of ₹ 2/- per share as on 28.03.2022

# Pledged

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

\$ Company has issued Letter of Comfort to the borrower of not reducing its shareholding in LNJ Skills and Rozgar Private Limited nor it will sell, assign, transfer, pledge or encumber or dispose the same.

5 Loans (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered Good (unless otherwise stated)				
Unsecured				
Advances to Staff	-	-	199.80	86.36
(A)	-	-	199.80	86.36
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
(B)	-	-	-	-
(A+B)	-	-	199.80	86.36

Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment,

6 Trade Receivables (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Unsecured Trade Receivables - Considered Good	45,688.96	53,837.16
Trade Receivables which have significant increase in credit risk	259.36	210.06
Trade Receivables - credit impaired	-	-
Less: Impairment Loss Allowance	(507.72)	(401.10)
	45,440.60	53,646.12

Of the above, trade receivables from related parties are given below.

Particulars	Note No.	Current	
		As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good	39	1,777.61	1,636.86

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 9,815.64 Lakh (as at March 31, 2022 ₹ 15,561.07 Lakh ), 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)



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

Trade receivables ageing schedule as at March 31, 2023 and March 31, 2022: (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	31,693.75	11,709.83	1,378.91	751.41	111.26	43.80	45,688.96
	(17,246.64)	(35,715.57)	(409.31)	(355.90)	(55.08)	(54.66)	(53,837.16)
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	37.42	3.78	1.60	9.45	207.11	259.36
	-	-	(0.01)	-	(2.94)	(207.11)	(210.06)
Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	31,693.75	11,747.25	1,382.69	753.01	120.71	250.91	45,948.32
	(17,246.64)	(35,715.57)	(409.32)	(355.90)	(58.02)	(261.77)	(54,047.22)
Less : Impairment Loss Allowance							507.72
							(401.10)
Total Trade Receivables							45,440.60
							(53,646.12)

Figures in brackets in aforesaid note represent the figures of previous year

7 Cash and Cash Equivalents (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
- Balance with Banks		
In Current Accounts #	312.59	579.26
- Cash in hand	8.37	9.09
	320.96	588.35
Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits with remaining maturity of more than three months but less than 12 months	0.34	101.22
- Balance with Banks		
Unpaid Dividend *	189.73	178.88
	190.07	280.10

\* Earmarked against the corresponding provision (Refer Note 17)

# Refer Note No. 37A c.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

8 Other Financial Assets (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered Good (Unless otherwise stated)				
Claims and other Receivables	-	-	1,334.14	2,661.84
Employees' Benefit Fund	357.04	836.55	-	-
Forward Cover Receivable	-	-	54.85	67.60
Earnest Money Deposit	-	-	15.95	19.95
Interest Receivable	-	-	381.91	163.16
Less: Impairment Loss Allowance	-	-	(13.19)	(13.09)
Security Deposits	392.18	374.32	235.51	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	243.26	287.23
- Unrelated Parties	-	-	3,871.41	2,848.28
	749.22	1,210.87	6,123.84	6,034.97

\* Other receivables include debenture interest and rent receivable.

9 Inventories (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Raw materials :		
(a) In Godown	37,766.19	24,768.47
(b) In Transit	560.53	257.16
	38,326.72	25,025.63
Work-In-Progress	12,191.23	11,406.54
Finished Goods	15,733.48	11,924.37
Traded Goods	11.81	320.85
Stores and Spares :		
(a) In Godown	1,157.02	1,946.17
(b) In Transit	0.02	0.02
	1,157.04	1,946.19
Loose tools	67.53	138.85
Others-Waste	237.39	144.48
	67,725.20	50,906.91

(i) For basis of valuation of Inventories refer Inventory Valuation Note 1.05

(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15

(iii) The cost of Inventories recognised as expense amount to ₹ 2,42,888.47 Lakh during the year ended March 31, 2023 (₹ 2,26,205 Lakh for the year ended March 31, 2022)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

10 Current Tax Assets/(Liabilities) (Net) (₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
Tax Assets {Net of Provision for Income Tax of ₹ 7,910.41 Lakh (Previous Year ₹ 5,462.55 Lakh)}	2,025.58	(407.07)
	2,025.58	(407.07)

11 Other Assets (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered Good (unless otherwise stated)				
Capital Advances	4,877.01	4,328.45	-	-
Security Deposits	1,957.26	778.35	-	-
Advances to Vendors*	-	-	2,256.92	1,562.35
Advances to Employees	-	-	42.97	13.62
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	14,566.58	11,718.51
Prepaid Expenses	-	-	297.61	309.52
	6,834.27	5,106.80	17,164.08	13,604.00

\* Includes advances to related vendors ₹ 1.57 Lakh for 2022-23 (₹ NIL for 2021-22)

12 Equity Share Capital (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
25,00,000 (Previous Year 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 150 each	3,750.00	3,750.00
5,00,00,000 (Previous Year 5,00,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each	3,750.00	3,750.00
	13,500.00	13,500.00
Issued, Subscribed and Fully paid up		
47,101,684 (Previous Year 23,550,842) Equity Shares of ₹ 10 each	4,710.17	2,355.08
	4,710.17	2,355.08

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount in Lakh	Number of shares	Amount in Lakh
Opening	2,35,50,842	2,355.08	2,35,50,842	2,355.08
Add: Share allotment during the year*	2,35,50,842	2,355.09	-	-
Closing Balance	4,71,01,684	4,710.17	2,35,50,842	2,355.08

\*On January 13, 2023, the Company allotted 2,35,50,842 fully paid-up equity shares having a face value of ₹ 10/- each at a price of ₹ 100/- per Right equity share (including premium of ₹ 90/- per right equity share) aggregating to ₹ 23,550.84 Lakh on a rights basis to the existing equity

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

shareholders of the Company in the ratio of 1:1 right equity shares i.e. 1 (one) equity shares for every 1 (one) equity shares held by the eligible equity shareholders on the record date. The issue was fully subscribed. The basic and diluted earnings per share for the year ended March 31, 2023 March 31,2022 have been adjusted appropriately for the bonus element in respect of rights issue. The Rights Issue proceeds has been utilised in line with the objects of the issue as stated in the Offer Document.

Details of utilization of proceeds from Right issue is as follows: (₹ in Lakh)

Purpose of Utilization	Amount
Repayment of certain borrowings availed by the Company#	13,410.00
Funding working capital requirements	7,000.00
Issue Related Expenses in relation to the issue*	322.25
General corporate purposes*	2,818.59
Total	23,550.84

# Repayment of Loan of Bharat Investment Growth Limited of ₹12,690 Lakh and Bhilwara Infotechnology Limited of ₹ 720 Lakh.

\* The revision of general corporate purpose expense is on account of lower share issue expense by ₹52.38 Lakh as compared to estimated/ disclosed in Offer Document

(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, 2023		As at March 31, 2022	
	Number of Shares	% of shares held	Number of Shares	% of shares held
Microbase Limited	73,01,940	15.50	36,50,970	15.50
LNJ Financial Services Limited	51,25,370	10.88	23,83,370	10.12
Purvi Vanijya Niyojan Limited	31,57,077	6.70	14,68,077	6.23
	1,55,84,387	33.08	75,02,417	31.85

(iv) The Company does not have any holding/ultimate holding company.

(v) Shares held by promoters and change in shareholding of promoters

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Ravi Jhunjhunwala*	6,07,410	1.29	2,82,410	1.20	0.09
Riju Jhunjhunwala*	3,77,000	0.80	1,75,000	0.74	0.06
Rita Jhunjhunwala*	3,36,420	0.71	1,56,048	0.66	0.05
Rishabh Jhunjhunwala*	86,000	0.18	40,000	0.17	0.01
Arun Kumar Churiwal*	3,310	0.01	1,610	0.01	0.00
Shekhar Agarwal*	3,463	0.01	1,500	0.01	0.00
Shantanu Agarwal (HUF)*	3,463	0.01	1,500	0.01	0.00
LNJ Financial Services Limited*	51,25,370	10.88	23,83,370	10.12	0.76
Purvi Vanijya Niyojan Limited*	31,57,077	6.70	14,68,077	6.23	0.47
Nivedan Vanijya Niyojan Limited*	18,60,074	3.95	8,65,074	3.67	0.28



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(v) Shares held by promoters and change in shareholding of promoters (contd.)

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Investors India Limited*	11,39,955	2.42	5,29,955	2.25	0.17
N.R. Finvest Pvt Limited*	5,16,000	1.10	2,40,000	1.02	0.08
Bharat Investment Growth Limited*	18,15,300	3.85	8,44,300	3.59	0.27
Akunth Textile Processors Pvt Limited*	2,80,000	0.59	1,40,000	0.59	-
Raghav Commercial Limited*	7,47,800	1.59	3,47,800	1.48	0.11
Kalati Holding Pvt Limited*	2,29,573	0.49	1,06,573	0.45	0.03
India Tex Fab Marketing Limited*	5,287	0.01	2,289	0.01	0.00
Micro Base Limited*	73,01,940	15.50	36,50,970	15.50	-
Microlight Investments Limited*	21,70,000	4.61	10,85,000	4.61	-
Corn Hill Investments Limited*	3,97,600	0.84	1,98,800	0.84	-
RLJ Family Trusteeship Private Limited (Trustee Of Ravi Jhunjhunwala Family Trust)	500	0.00	-	-	0.00
Total	2,61,63,542	55.55	1,25,20,276	53.16	2.38

\* The Company allotted 1,36,42,766 fully paid-up equity shares at a price of ₹ 100/- per Right equity share aggregating to ₹ 13,642.77 Lakh on a rights basis to the Promoters or Promoter Group. Refer Note 12(i)

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of shares held	Number of shares	% of shares held	
Ravi Jhunjhunwala	2,82,410	1.20	14,32,410	6.08	(4.88)
Riju Jhunjhunwala	1,75,000	0.74	1,75,000	0.74	-
Rita Jhunjhunwala	1,56,048	0.66	1,56,048	0.66	-
Rishabh Jhunjhunwala	40,000	0.17	40,000	0.17	-
Arun Kumar Churiwal	1,610	0.01	1,610	0.01	-
Shekhar Agarwal	1,500	0.01	1,500	0.01	-
Shantanu Agarwal (HUF)	1,500	0.01	1,500	0.01	-
LNJ Financial Services Limited	23,83,370	10.12	19,33,370	8.21	1.91
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,68,077	6.23	-
Nivedan Vanijya Niyojan Limited	8,65,074	3.67	8,65,074	3.67	-
Investors India Limited	5,29,955	2.25	5,29,955	2.25	-
N.R. Finvest Pvt Limited	2,40,000	1.02	2,40,000	1.02	-
Bharat Investment Growth Limited	8,44,300	3.59	1,44,300	0.61	2.97
Akunth Textile Processors Pvt Limited	1,40,000	0.59	1,40,000	0.59	-
Raghav Commercial Limited	3,47,800	1.48	3,47,800	1.48	-
Kalati Holding Pvt Limited	1,06,573	0.45	1,06,573	0.45	-
India Tex Fab Marketing Limited	2,289	0.01	2,289	0.01	-
Micro Base Limited	36,50,970	15.50	36,50,970	15.50	-
Microlight Investments Limited	10,85,000	4.61	10,85,000	4.61	-
Corn Hill Investments Limited	1,98,800	0.84	1,98,800	0.84	-
Total	1,25,20,276	53.16	1,25,20,276	53.16	-

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

13 Other Equity

(₹ in Lakh)

	Particulars	As at March 31, 2023		As at March 31, 2022	
a.	Capital Reserve				
	Balance at the beginning of the year	701.48		701.48	
	Balance at the end of the year		701.48		701.48
	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.				
b.	Securities Premium				
	Balance at the beginning of the year	9,618.56		9,618.56	
	Add/ (Less):				
	Security Premium received on Right Issue Share Allotment	21,195.77			
	Right Share Issue Expenses Adjustment	(322.25)			
	Balance at the end of the year		30,492.08		9,618.56
	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..				
c.	Preference Share Capital Redemption Reserve				
	Balance at the beginning of the year	6,060.85		6,060.85	
	Balance at the end of the year		6,060.85		6,060.85
	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.				
d.	Effective Portion of Cash Flow Hedge				
	Balance at the beginning of the year	34.77		3.80	
	Change in fair value (net off tax)	(5.26)		30.97	
	Balance at the end of the year		29.51		34.77
	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.				
e.	General Reserve				
	Balance at the beginning of the year	4,910.28		4,910.28	
	Balance at the end of the year		4,910.28		4,910.28
	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 )				
	Balance at the beginning of the year	4,514.79		4,746.20	
	Additions/Deductions during the year	(1,426.51)		(231.41)	
	Balance at the end of the year		3,088.28		4,514.79
	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. .				

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

13 Other Equity (contd.)(₹ in Lakh)

Particulars		As at March 31, 2023		As at March 31, 2022	
g. Retained Earnings					
Balance at the beginning of the year	71,759.77		47,821.52		
Additions during the year	10,960.80		23,998.05		
Add/ (Less):					
Remeasurements of the defined benefit plans through OCI (refer Note 32)	118.58		(59.80)		
Gain/(Loss) on sale of equity instruments valued through OCI	-		-		
Dividend paid during the year	(5,887.71)		-		
Balance at the end of the year		76,951.44		71,759.77	
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.					
h. Share in Reserve and Surplus of Associates					
Balance at the beginning of the year	3,588.39		2,964.82		
Adjustment in associates due to additional amount given to IFC by MPCL	(153.73)		-		
Additions during the year					
- Share of Profit/ (Loss)	1,324.40		624.29		
- Share of Other Comprehensive Income	(3.43)		(0.72)		
Closing Balance at the end of the year		4,755.63		3,588.39	
Total (a to g)		126989.55		101188.89	

Details of Dividend Proposed and Paid

Dividend paid(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend paid ₹ 25 per share *(Previous year ₹ NIL per share)	5,887.71	-
	5,887.71	-

\* Final Dividend for the financial year ending 31<sup>st</sup> March 2022

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

14 Borrowings(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term Loans :				
- From Banks	46,923.63	32,213.38	8344.64	5354.00
- From Financial Institutions	3,050.00	2,000.00	150.00	-
Corporate Loans :				
- From Banks	-	-	-	2,571.43
- From Financial Institutions	-	-	-	1,363.64
Unsecured				
- From NBFCs	-	11,955.00	-	2272.50
	49,973.63	46,168.38	8,494.64	11,561.57
Less: Current Maturity of Long term Debt (Refer Note 15)	-	-	(8,494.64)	(11,561.57)
	49,973.63	46,168.38	-	-

Term Loans from Banks, Financial Institutions and NBFCs:

Current Year Figures

I Term loans - secured

Term loans secured by way of 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 6 Month MCLR to 1Y MCLR + 1.05% as on 31<sup>st</sup> March 2023

Date of Maturity	Outstanding March 31, 2023			Installments due after March 31, 2023
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
30/Sep/23	395.00	-	395.00	2
30/Dec/23	708.00	-	708.00	3
25/Apr/24	2,000.00	400.00	1,600.00	5
30/Jun/25	6,825.00	3,950.00	2,875.00	9
30/Jun/27	3,419.32	3,019.32	400.00	16
25/Nov/28	1,150.00	1,110.00	40.00	20
1/Jan/29	6,376.86	5,719.86	657.00	24
30/Jan/29	3,107.00	2,961.36	145.64	24
30/Mar/29	9,436.65	8,836.65	600.00	24
31/Mar/29	5,000.00	4,376.00	624.00	24
30/Jun/29	800.00	500.00	300.00	24
1/Jan/31	2,446.45	2,446.45	-	28
30/Mar/31	13,603.99	13,603.99	-	28
Sub Total	55,268.27	46,923.63	8,344.64	



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(B) Floating Rate - 1 Year MCLR + 1.60% as on 31<sup>st</sup> March 2023

Date of Maturity	Outstanding March 31, 2023			Installments due after March 31, 2023
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jan/29	3,200.00	3,050.00	150.00	24
Sub Total	3,200.00	3,050.00	150.00	
Total I	58,468.27	49,973.63	8,494.64	

Previous Year's Figures

I Term loans - secured

Term loans secured by way of 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 6 Month MCLR to 1Y MCLR + 1.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
30/Sep/23	1,197.00	395.00	802.00	6
30/Dec/23	1,660.00	708.00	952.00	7
25/Apr/24	3,300.00	2,000.00	1,300.00	9
30/Jun/25	9,125.00	6,825.00	2,300.00	13
30/Jun/27	2,569.32	2,569.32	-	16
1/Jan/29	4,907.07	4,907.07	-	24
30/Jan/29	2,000.00	2,000.00	-	24
30/Mar/29	8,618.80	8,618.80	-	24
31/Mar/29	4,190.19	4,190.19	-	24
Sub Total	37,567.38	32,213.38	5,354.00	

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% and 1 Year MCLR + 1.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jun/22	1,363.64	-	1,363.64	3
1/Jan/29	2,000.00	2,000.00	-	24
Sub Total	3,363.64	2,000.00	1,363.64	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31/Mar/23	2,571.43	-	2,571.43	12
Total I	43,502.45	34,213.38	9,289.07	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR and 1Y MCLR +2.30% as on 31<sup>st</sup> March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	832.50	675.00	157.50	13
20/Sep/26	13,395.00	11,280.00	2,115.00	18
Total II	14,227.50	11,955.00	2,272.50	
Total I+II	57,729.95	46,168.38	11,561.57	

15 Borrowings (Current)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
a. Loans Repayable on Demand		
From Banks	46,783.18	36,961.16
b. Bill Discounted from Banks (Refer Note 6)	2,112.29	7,211.01
c. Current Maturities Of Long Term Debts	8,494.64	11,561.57
	57,390.11	55,733.74
Unsecured		
Bill Discounted From Banks (Refer Note 6)	7,703.35	8,350.06
	7,703.35	8,350.06
	65,093.46	64,083.80

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 ranging from 7.20% to 10.05% per annum (Previous year 5.30% to 8.90%), computed monthly.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

15a Lease Liabilities (₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (Refer Note 47)	481.07	13.48	113.17	31.98
	481.07	13.48	113.17	31.98

16 Trade Payables (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	1,703.65	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,002.24	1,542.20
- Unrelated parties	10,772.28	12,394.84
	13,478.17	16,471.50

Trade payables ageing schedule as at March 31, 2023 and March 31, 2022: (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,573.43	130.22	-	-	-	1,703.65
	(1,820.77)	(713.69)	-	-	-	(2,534.46)
Others	7,956.79	2,906.77	374.88	534.28	1.80	11,774.52
	(8,608.95)	(4,828.53)	(433.92)	(0.05)	(65.59)	(13,937.04)
Disputed dues – MSME	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Payable	9,530.22	3,036.99	374.88	534.28	1.80	13,478.17
	(10,429.72)	(5,542.22)	(433.92)	(0.05)	(65.59)	(16,471.50)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

17 Other Financial Liabilities (₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	-	91.95	49.09
Unclaimed dividend*	-	-	189.73	178.88
Security deposits from outsiders	165.40	594.11	1,048.29	546.93
Liability towards staff and workers	-	-	3,267.78	3,685.94
Commission, incentives etc. payable on sale	-	-	1,712.58	2,006.72
Other liabilities for expenses	-	-	1,516.41	993.97
	165.40	594.11	7,826.74	7,461.53

Note:

\* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18 Provisions (₹ in Lakh)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Provision for Employees' Benefit		
-Superannuation (Refer Note 34)	24.17	30.06
	24.17	30.06

19 Income Tax

a) Income tax recognized in profit or loss (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense		
Current year	2,447.86	4,936.98
Tax of the Earlier Years Written off / (Written back)#	(2,065.64)	(1,178.06)
Deferred tax expense		
Origination and reversal of temporary differences	2,484.93	591.45
	2,867.15	4,350.37

b) Reconciliation of effective tax rate (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	13,827.95	28,348.42
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	4,832.04	9,906.07
Expenses further deductible/not deductible for tax purposes	(1,493.49)	658.75
Difference in Tax Rate due to Special Rate on LTCG	(494.49)	(159.22)
Dividend Income exempt from tax	-	-
Tax due to timing differences	2,484.93	591.45
MAT Credit Utilized	(396.20)	(5,468.62)
Tax of the Earlier Years Written off / (Written back)#	(2,065.64)	(1,178.06)
	2,867.15	4,350.37



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

# Reversal of tax provision of earlier years of ₹ 2,065.64 Lakh (Previous Year ₹ 1,178.06 Lakh), interest of ₹ 1,334.06 Lakh (Previous Year ₹ 242.02 Lakh) on refund receivable and MAT credit reversal of ₹ 697.58 Lakhs (Previous Year MAT Credit generated of ₹ 4,986.54 Lakhs) based on similar judgement held in favour of the Company by the Income Tax Authorities and also same has been endorsed by views of an expert on Income tax matters.

20 Deferred Tax Liabilities (Net) (₹ in Lakh)

Particulars	As at April 1, 2022	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2023
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-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	695.03	-	39.68	-	734.71
-Allowance for impairment loss allowances	144.74	-	37.29	-	182.03
	839.77	-	76.97	-	916.74
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	9,947.70	-	1,468.12	-	11,415.82
- Cash Flow Hedge	18.68	-	-	(2.82)	15.86
- Remeasurements of the defined benefit plans	67.05	-	-	63.69	130.74
	10,033.43	-	1,468.12	60.87	11,562.42
Less: MAT Credit Available #	(2,816.82)	-	1,093.78	-	(1,723.04)
Net Deferred Tax Liability	6,376.84	-	2,484.93	60.87	8,922.64

Particulars	As at April 1, 2021	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2022
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-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	765.01	-	(69.98)	-	695.03
-Allowance for impairment loss allowances	217.31	-	(72.57)	-	144.74
	982.32	-	(142.55)	-	839.77
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	9,980.87	-	(33.17)	-	9,947.70
- Cash Flow Hedge	2.04	-	-	16.64	18.68
- Remeasurements of the defined benefit plans	99.17	-	-	(32.12)	67.05
	10,082.08	-	(33.17)	(15.48)	10,033.43
Less: MAT Credit Available#	(3,298.89)	-	482.07	-	(2,816.82)
Net Deferred Tax Liability	5,800.87	-	591.45	(15.48)	6,376.84

Note:  
# The Company has accounted for MAT credit reversal of ₹ 697.58 Lakh (Previous Year MAT Credit generated of ₹ 4986.54 Lakh) in books of accounts based on income tax assessments of earlier years, available judgements and legal opinion obtained by the company. refer footnote to note no. 19

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

21 Deferred Government Grants (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	94.93	152.86
Grants during the year	1,069.88	-
Released to the statement of profit and loss	(151.27)	(57.93)
Closing Balance	1,013.54	94.93
Out of above:		
Current	62.50	53.29
Non- Current	951.04	41.64
	1,013.54	94.93

Government grants have been received for the purchase of certain items of property, plant and equipment.

22 Other Liabilities (₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advances from customers	-	-	1,169.12	1,402.25
Advances from others	-	-	231.09	1,367.99
Statutory dues payable				
-Tax deducted at source	-	-	389.77	419.60
-Other statutory dues	-	-	276.26	257.66
Other Payables *	-	-	8,096.67	8,643.56
	-	-	10,162.91	12,091.06

\* Include accrued liabilities and legal claims.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

23 Revenue From Operations (₹ in Lakh)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
<b>A</b>	<b>Revenue from Contracts with Customers disaggregated based on nature of Product or Services</b>		
<b>a)</b>	<b>Sale of Products :</b>		
	<b>Manufactured Goods</b>		
	Yarn	2,75,546.86	2,95,756.75
	Fabric	79,689.99	67,098.59
	Total Manufactured Goods	3,55,236.85	3,62,855.34
	<b>Traded Goods</b>		
	Yarn	9,782.28	4,922.22
	Fibre	237.71	79.82
	Fabric	4,845.65	4,704.71
	Garments	0.05	8.20
	Total Traded Goods	14,865.69	9,714.95
		<b>3,70,102.54</b>	<b>3,72,570.29</b>
<b>b)</b>	<b>Sale of Services :</b>		
	Services	3,164.13	3,011.80
		<b>3,164.13</b>	<b>3,011.80</b>
<b>c)</b>	<b>Other Operating Revenues :</b>		
	Sale of Waste	4,093.59	3,782.08
	Export Benefits/Incentives	1,529.36	2,378.13
		<b>5,622.95</b>	<b>6,160.21</b>
		<b>3,78,889.62</b>	<b>3,81,742.30</b>
<b>B</b>	<b>Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)</b>		
	India	2,85,175.62	2,39,801.30
	Outside India	93,714.00	1,41,941.00
		<b>3,78,889.62</b>	<b>3,81,742.30</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 Lakh)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External Customer	2,93,259.14	85,630.48	3,78,889.62	3,08,599.01	73,143.29	3,81,742.30
Inter-segment	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
	<b>3,31,373.82</b>	<b>85,697.51</b>	<b>4,17,071.33</b>	<b>3,33,464.50</b>	<b>73,174.01</b>	<b>4,06,638.51</b>
Less: Inter-segment adjustment and elimination	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
<b>Total Revenue from Contract with Customers</b>	<b>2,93,259.14</b>	<b>85,630.48</b>	<b>3,78,889.62</b>	<b>3,08,599.01</b>	<b>73,143.29</b>	<b>3,81,742.30</b>

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

The Company has recognized revenue of ₹ 1402.25 Lakh (Previous year ₹ 1979.49 Lakh) from the amounts included under advance received from customers at the beginning of the year.

C Reconciliation of Revenue from Contracts with Customers (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Contracts with Customers as per contract price	3,81,584.13	3,84,200.06
Less: Incentives, Discounts and Claims	2,694.51	2,457.76
<b>Revenue from Contracts with Customers as per Consolidated Statement of Profit and Loss</b>	<b>3,78,889.62</b>	<b>3,81,742.30</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 Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest income on Financial Assets at amortized cost</b>		
- Interest Income from Customers	513.43	115.18
- Interest Income Others *	1,618.01	443.80
<b>Interest income on Debentures</b>	<b>116.48</b>	<b>116.48</b>
<b>Dividend Income from Investments at FVTOCI</b>		
- From other than Subsidiary Companies	129.57	10.67
<b>Other Non-operating Income</b>		
Provisions written back	694.60	310.84
Insurance & Other Claims **	1,420.06	2.40
Net Gain on Foreign Currency Transaction	-	314.95
Miscellaneous receipts	644.14	785.04
Rent on Investment Properties and others	271.18	288.36
Allowances for Impairment Loss Allowance	-	190.80
Net Gain / Loss on sale of Property, Plant & Equipment #	3,736.54	633.39
	<b>9,144.01</b>	<b>3,211.91</b>

\* Includes interest income of ₹ 1,334.06 Lakh (Previous year ₹ 242.02 Lakh) on tax adjustment for earlier years. Refer Footnote to note no. 19

\*\* Includes claim of ₹ 1,360.41 Lakh against fire at Denim. Refer Note 44 (c) of the standalone financial statements.

# Includes the gain of ₹ 1,992.57 Lakh on sale of Freight Terminal Business on Slump Sale basis. Refer Note 3(e )



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

25 Cost of Raw Materials Consumed (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw Materials		
Opening Stock	25,025.63	25,369.90
Add:		
Purchases	2,35,784.78	2,10,454.99
	2,60,810.41	2,35,824.89
Less:		
Closing Stock	38,326.72	25,025.63
	2,22,483.69	2,10,799.26

26 Purchase of Traded Goods (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Yarn	8,916.97	4,735.27
Fibre	213.54	72.92
Fabric	4,044.75	4,049.47
Garments	-	14.79
	13,175.26	8,872.45

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	15,733.48	11,924.37
Traded Goods	11.81	320.85
Work In Progress	12,191.23	11,406.54
Waste	237.39	144.48
	28,173.91	23,796.24
Inventories at the beginning of the year		
Finished Goods	11,924.37	9,026.71
Traded Goods	320.85	9.03
Work In Progress	11,406.54	8,403.66
Waste	144.48	213.39
	23,796.24	17,652.79
Add : Trial Run Stock	63.57	70.21
(Increase)/ Decrease in Inventory	(4,314.10)	(6,073.24)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

28 Employee Benefit Expenses (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	36,680.37	35,377.96
Contribution to provident and other funds	3,729.18	3,273.66
Expenses related to post employment defined benefit plan (Refer Note 34)	763.23	749.70
Expenses related to earned leave (Refer Note 34)	137.08	129.11
Workmen and staff welfare expenses	537.94	609.03
	41,847.80	40,139.46

29 Finance Cost (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	3,341.23	2,789.36
On working capital	3,540.36	3,406.69
Other borrowing costs	512.92	564.43
	7,394.51	6,760.48
* Net of RIPS Subsidy received / receivable	615.78	450.27

30 Depreciation and Amortization Expenses (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Property, Plant & Equipment *		
Depreciation and Impairment	12,467.71	10,955.01
	12,467.71	10,955.01
Less:		
Amortization of Government Capital Grants	136.99	57.93
	136.99	57.93
Investment Property#		
Depreciation	14.44	14.45
	14.44	14.45
	12,345.16	10,911.53
Intangible Assets		
Amortization @	384.92	396.39
	384.92	396.39
	12,730.08	11,307.92

\* Refer Note 3a

# Refer Note 3c

@ Refer Note 3d

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

31 Other Expenses (₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and spares consumed	6,988.10	7,682.31
Power and fuel	42,478.41	38,783.12
Packing expenses	4,555.52	4,924.22
Processing and job charges	4,281.29	4,885.76
Research and development expenses	93.68	83.76
Repairs & maintenance - building	532.00	446.07
Repairs & maintenance - plant & machinery	1,241.07	1,533.04
Repair and maintenance - others	570.92	384.45
Rent	686.18	446.76
Insurance (Net)	1,000.86	863.34
Rates and taxes	108.87	78.87
Directors' fee	78.00	71.25
Corporate social responsibility (Refer Note 36)	121.74	62.82
Charity and donation	40.05	69.28
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services#	11.55	17.95
For reimbursement of expenses	2.94	4.83
Legal, professional & consultancy expenses	1,410.61	1,088.38
Other miscellaneous expenses	2,228.79	1,664.25
Commission and brokerage	2,251.35	3,074.86
Freight, forwarding and octroi charges	9,661.72	16,706.38
Advertisement expenses	75.20	125.54
Travelling expenses	1,031.11	703.33
Other selling expenses	1,117.08	1,048.89
Net Loss on Foreign Currency Transaction	145.47	-
Allowances for Impairment Loss Allowance	125.93	-
	80,888.44	84,799.46

#Professional services fee relating to issuance of shares on rights basis amounting to ₹ 40 Lakh has been netted off from equity during the year ended March 31, 2023. Hence, not included in above.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

32 Other Comprehensive Income (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Items that will not be reclassified to Profit or Loss		
Remeasurement of the defined benefit plans	182.27	(91.92)
Equity Instruments through Other Comprehensive Income (OCI)	(1,426.51)	(231.41)
	(1,244.24)	(323.33)
Share in OCI of Associates that will not be reclassified to Profit or Loss	(3.43)	(0.72)
	(1,247.67)	(324.05)
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurement of defined benefit plans	(63.69)	32.12
(ii) Items that will be reclassified to Profit or Loss		
Change in Fair value of Effective portion of Cash Flow Hedge Recognised during the year (Refer Note 42)	45.37	53.45
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	(53.45)	(5.84)
	(8.08)	47.61
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	15.86	18.68
- Tax on amount reclassified to Profit & Loss account during the year	(18.68)	(2.04)
	2.82	(16.64)

33 Earning Per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Net Profit for Basic EPS (₹ In Lakh)	12,285.20	24,622.34
Net Profit for Diluted EPS (₹ In Lakh)	12,285.20	24,622.34
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	4,71,01,684	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	3,89,70,813	3,67,61,029
Weighted Average number of Equity Shares outstanding during the year - Diluted	3,89,70,813	3,67,61,029
Earning Per Share - Basic (₹)*	31.52	66.98
Earning per share - Diluted (₹)*	31.52	66.98
Face value per share (₹)	10.00	10.00

\* The basic and diluted earnings per share for the year ended March 31,2023 and March 31,2022 have been adjusted appropriately for the bonus element in respect of rights issue (Refer Note no. 12(i)).

Note: For Notes 34 to 37 A, please refer Notes to the Standalone Financial Statement

37B The Company has exposure in LNJ Power Ventures Limited (LNJPV) amounting to ₹ 26 Lakh in Equity Share Capital and ₹ 832 Lakh in 13.54% Compulsory Convertible Debentures (CCDs). The interest on the above said CCDs is due from LNJPV since financial year 2016-17, ₹ 1785.76 Lakh remain unpaid on March 31, 2023. Also ₹ 1747.70 Lakh (net of debit notes) is payable against supply of power by LNJPV under a long term Power Purchase Agreement (PPA) supported by Bank Guarantee of ₹ 1,000 Lakh to LNJPV to secure such PPA.

To resolve it, LNJ Power Ventures Limited and RSWM Limited each has attended arbitration proceedings. Evidence from LNJPV side has already been completed whereas second evidence from RSWM side is yet to take place. After the evidence, arguments from both the side,The arbitral judges will pronounce their judgement.

The Company firmly believes that it has credible case in its favour and also been advised by an expert, accordingly the amount shown is good and fully recoverable.



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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.

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External customers	2,93,259.14	85,630.48	3,78,889.62	3,08,599.01	73,143.29	3,81,742.30
Inter-segment	38,114.68	67.03	38,181.71	24,865.49	30.72	24,896.21
Total Revenue	3,31,373.82	85,697.51	4,17,071.33	3,33,464.50	73,174.01	4,06,638.51
Segment Expenses*	3,17,680.63	86,366.55	4,04,047.18	2,97,521.31	75,412.60	3,72,933.91
Segment Results	13,693.19	(669.04)	13,024.15	35,943.19	(2,238.59)	33,704.60
Un-allocable Expenses	-	-	945.70	-	-	983.42
Other Income	-	-	9,144.01	-	-	2,387.72
Finance Costs (Refer Note 29)	-	-	7,394.51	-	-	6,760.48
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates	-	-	13,827.95	-	-	28,348.42
Share of Profit/(Loss) of Associates	-	-	1,324.40	-	-	624.29
Profit Before Tax	-	-	15,152.35	-	-	28,972.71
Tax Expenses (Refer Note 19)	-	-	2,867.15	-	-	4,350.37
Profit After Tax	-	-	12,285.20	-	-	24,622.34

\* Includes depreciation and amortization

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

Other Information:

(₹ in Lakh)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Depreciation and Amortization						
Allocable	9,514.83	2,306.51	11,821.34	9,261.04	1,425.70	10,686.74
Unallocable	-	-	908.74	-	-	621.18
	9,514.83	2,306.51	12,730.08	9,261.04	1,425.70	11,307.92
Capital Expenditure						
Allocable	30,363.61	3,165.64	33,529.25	26,658.99	8,794.53	35,453.52
Unallocable	-	-	899.67	-	-	127.13
	30,363.61	3,165.64	34,428.92	26,658.99	8,794.53	35,580.65
Segment Assets						
Allocable	2,16,587.62	44,912.82	2,61,500.44	1,89,208.57	43,497.56	2,32,706.13
Unallocable	-	-	27,453.69	-	-	24,665.75
	2,16,587.62	44,912.82	2,88,954.13	1,89,208.57	43,497.56	2,57,371.88
Segment Liabilities						
Allocable	1,27,065.85	17,250.84	1,44,316.69	1,17,163.74	22,216.99	1,39,380.73
Unallocable	-	-	12,938.21	-	-	14,447.18
	1,27,065.85	17,250.84	1,57,254.90	1,17,163.74	22,216.99	1,53,827.91

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 Lakh)

Revenue from external customers		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Based on location of the customers	For the year ended March 31, 2023	2,85,175.62	35,931.00	2,317.00	51,735.00	3,731.00	3,78,889.62
	For the year ended March 31, 2022	2,39,801.30	49,841.00	4,641.00	83,494.00	3,965.00	3,81,742.30

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, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

Revenue from products and services:

The detail of revenue from products and services are given below: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Yarn	2,90,429.39	3,06,013.72
Fabric	85,296.10	72,716.78
Services	3,164.13	3,011.80
	3,78,889.62	3,81,742.30

39A: Related Party Disclosure

List of Related Parties as per Ind AS 24

Sr No.	Name of Related Party	Nature of Relationship
A (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.
	Shri Ravi Jhunjhunwala	Promoters having voting control
	Shri Riju Jhunjhunwala	Promoters having voting control
(ii)	A person or a close member of that person's family of a reporting entity	has significant influence over the reporting entity.
	Shri Lakshmi Niwas Jhunjhunwala	
	Shri Ravi Jhunjhunwala	
	Smt. Mani Devi Jhunjhunwala	
	Shri Riju Jhunjhunwala	
	Smt. Rita Jhunjhunwala	
	Shri Rishabh Jhunjhunwala	
(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.
	Shri Ravi Jhunjhunwala	Directors of the Company
	Shri Shekhar Agarwal	
	Shri Riju Jhunjhunwala	
	Shri B M Sharma	
	Shri Arun Kumar Churiwal	
	Dr. Kamal Gupta	
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Capoor	
	Shri Avinash Bhargava	Chief Financial Officer
	Shri Surender Gupta	Company Secretary

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
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).	
	N.A.	
(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).	
	Bhilwara Energy Limited	Associate
	LNJ Skills & Rozgar Pvt. Ltd.	Associate
	AD Hydro Power Ltd.	Subsidiary of Associate
	Malana Power Company Ltd.	Subsidiary of Associate
	Chango Yangthang Hydro Power Ltd.	Subsidiary of Associate
	NJC Hydro Power Ltd.	Subsidiary of Associate
	Indo Canadian Consultancy Services Ltd.	Subsidiary of Associate
	BG Wind Power Ltd.	Subsidiary of Associate
	Balephi Jalbidhyut Company Limited, Nepal	Subsidiary of Associate
	LNJ Institute of Skills & Technology Pvt. Ltd.	Subsidiary of Associate
(iii)	Associated and other entities are joint ventures of the same third party.	
	N.A.	
(iv)	One Entity is a joint venture of a third party and the other entity is an associate of the third entity.	
	N.A.	
(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.	
	Rajspin Employees Contributory Provident Fund	Trust
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
(vi)	The entity is controlled or jointly controlled by a person identified in (A).	
	Aadi Marketing Company Pvt. Ltd.	Shareholding more than 50% along with relatives in the Company.
	Agarwal Finestate Private Ltd	
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Alankrit Vyapaar Pvt. Ltd.	
	Backcountry Estates Pvt. Ltd.	
	Bharat Investment Growth Limited	
	Bhilwara Technical Textiles Limited	
	Balkash Exim Pvt. Ltd.	
	BMD Private Limited	
	BMD Power Private Limited	
	BMD Renewable Energy Private Limited	
	BSL Limited	



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
	Captain Trade & Agencies Private Ltd.	Shareholding more than 50% along with relatives in the Company.
	Churiwala Properties and Investments Pvt. Ltd.	
	Deepak Pens and Plastics Pvt. Ltd.	
	Diplomat Leasing Private Limited	
	Dreamon Commercial Pvt. Ltd.	
	Elapara Investment Private Ltd.	
	Escape Vincom Private Ltd.	
	Glorious Commodeal Pvt. Ltd.	
	Giltedged Industrial Securities Ltd.	
	HEG Ltd.	
	Honour Dealers Private Ltd.	
	Emersec Holdings Pvt. Ltd.	
	India TexFab Marketing Ltd.	
	Indus Life Finance and Securities Private Ltd.	
	Investors India Limited	
	Jet (India) Pvt. Ltd.	
	Jemco Vanijya Pvt. Ltd.	
	Jawahar Foundation	
	Jivon Textile Pvt. Ltd.	
	Jawahar Textile Pvt. Ltd.	
	Kalati Holdings Pvt. Ltd.	
	Kotyark Distributors Pvt. Ltd	
	LNJ Financial Services Limited	
	LNJ Realty Pvt. Ltd.	
	Mandapam Vikash Pvt. Ltd.	
	Maral Overseas Ltd.	
	Minimal Access Smart Surgery Hospital Pvt. Ltd.	
	MG Marketing & Trding Pvt. Ltd.	
	Modify Distributors Private Limited	
	ML Finlease Pvt. Ltd.	
	N.R. Finvest Pvt. Ltd	
	Nikita Electrotrades Pvt. Ltd.	
	New Delhi Law Offices	
	Pacific Management Pvt. Ltd.	
	Prapti Apparels Co. Pvt. Ltd.	
	Promise Delers Pvt. Ltd.	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
	Purvi Vanijya Niyojan Limited	Shareholding more than 50% along with relatives in the Company.
	Nivedan Vanijya Niyojan Ltd.	
	Raghav Commercial Limited	
	RANDR Trustee Pvt. Ltd.	
	Ramarpan Educational Society	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Sarita Computers Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Shashi Commercial Co. Ltd.	
	SSSA Family Private Limited	
	Texnere India Pvt. Ltd.	
	Strength Fincap Markets Pvt. Ltd.	
	Tinsukia Estate Private Ltd.	
	TACC Limited	
	Vikram Properties and Merchandise Pvt. Ltd.	
	Veronia Tie Up Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd	
(vii)	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).	
1	Shri Ravi Jhunjhunwala	
	AKJ Apparels Pvt. Ltd.	Holding 20% or more Shareholding along with relatives in the Company.
	Akunth Textile Processors Pvt. Ltd.	
	Bhilwara Services Pvt. Ltd.	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Pvt. Ltd.	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Shashi Commercial Co. Ltd.	
	Shrasti Marketing Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd.	
	Veronia Tie up Pvt. Ltd.	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

List of Related Parties as per Ind AS 24 (contd.)

Sr No.	Name of Related Party	Nature of Relationship
2	Shri Riju Jhunjhunwala	
	AKJ Apparels Pvt. Ltd.	
	Bhilwara Services Pvt. Ltd	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Pvt. Ltd.	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Shrasti Marketing Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd.	
	Veronia Tie up Pvt. Ltd.	
(viii)	As per 2(ZB) of LODR any Person or Entity forming a part of the Promoter or Promoter Group.	
	Shri Ravi Jhunjhunwala	
	Shri Riju Jhunjhunwala	
	Shri Rishabh Jhunjhunwala	
	Shri Arun Kumar Churiwal	
	Smt. Rita Jhunjhunwala	
	Shri Shekhar Agarwal	
	Shantanu Agarwal (Huf)	
	LNJ Financial Services Ltd.	
	Purvi Vanijya Niyojan Ltd.	
	Nivedan Vanijya Niyojan Ltd.	
	Bharat Investments Growth Ltd.	
	Investors India Ltd.	
	Raghav Commercial Ltd.	
	N.R. Finvest Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Kalati Holding Pvt. Ltd.	
	India Tex Fab Marketing Ltd.	
	Micro Base Ltd.	
	Microlight Investments Ltd.	
	Corn Hill Investments Ltd.	
	RLJ Family Trusteeship Private Limited (Trustee Of Ravi Jhunjhunwala Family Trust)	

Holding 20% or more Shareholding along with relatives in the Company.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

39 B: Related Party Disclosure

(₹ in Lakh)

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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Finished Goods	-	-	-	4,829.89	6,297.83
Sale of Raw Material	-	-	-	87.87	55.73
Purchases of Raw Material & Finished Goods	-	-	-	838.98	1,405.84
Sale of Store Items	-	-	-	1.15	47.82
Purchase of Stores Items	-	-	-	49.73	42.97
Rent Received	60.72	60.72	-	140.26	140.55
Rent Paid	476.22	299.09	-	22.13	22.60
Reimbursement of revenue expenditure received	55.31	60.72	-	232.84	171.04
Reimbursement of revenue expenditure made	953.37	888.15	-	42.76	19.54
Job Charges Received	-	-	-	137.22	88.94
Job Charges paid	-	-	-	0.08	11.72
Sharing of AMC (DR Server)	-	-	-	7.05	3.52
Consultancy Charges	162.84	49.68	-	-	-
Dividend Received	-	-	-	127.73	9.55
Interest received	-	-	-	177.90	92.49
Roll back of Interest	-	-	-	17.39	227.77
Payment against Sharing of DR Server	-	-	-	37.93	18.96
Donation to Jawahar Foundation	-	-	-	-	10.00
Security Deposit	-	21.00	-	-	-
Interest on Loan taken	-	-	-	978.05	1,312.74
CSR to Ramarpan Education Society	-	-	-	66.53	-
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	300.91	355.82
Rajasthan Spinning Gratuity Fund Trust	-	-	-	177.11	389.21
Rajspin Employees Contributory Provident Fund	-	-	-	181.73	161.50
Remuneration and other perquisites	-	-	1,092.27	-	-
(a) Short-term employee benefits	-	-	45.00	-	-
(b) Post-employment benefits	-	-	71.25	-	-
Directors' Sitting Fees	-	-	-	-	-

The Company allotted 1,36,42,766 fully paid-up equity shares at a price of ₹ 100/- per Right equity share aggregating to ₹ 13,642.77 Lakh on a rights basis to the Promoters or Promoter Group. Refer Note 12(i)



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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 Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	1,777.61	1,636.86
<b>Other Receivables</b>		
From Subsidiaries of Associates	68.15	87.81
From Other than Subsidiaries/Associates	367.58	243.29
<b>Trade Payables</b>		
To Associates	1,000.16	1,538.14
To Other than Subsidiaries/Associates	2.08	4.06
<b>Advance to Vendors</b>		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	1.57	-
<b>Loan</b>		
Loan From Bharat Investment Growth Limited*	-	13,395.00
Loan From Bhilwara Infotechnology Limited*	-	832.50

\* The Loan has been repaid back during the year

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, 2023 and for the year ended March 31, 2022, 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 Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
RSWM has provided Letter of Comfort on behalf of its reporting entity:-		
<b>Name of Reporting Entity</b>		
LNJ Skills & Rozgar Private Limited - India*	800	800

\* 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, 2023

The Company does not expect any outflow of resources in respect of above Letter of Comfort.

Guarantee given of 600 Lakhs (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 had been terminated on satisfaction of charge of loan of A D Hydro Power Limited, during the previous year.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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 Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	1,703.65	2,534.46
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.	-	-

41 Net Dividend Remitted in Foreign Exchange

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Period to which dividend relates to	2021-22	-
Number of non-resident shareholders (Nos.)	5	-
Number of equity shares held on which dividend was due (Nos.)	53,53,270	-
Amount remitted (in Lakh)	1,071.88	-
Amount remitted USD (in Lakh)	13.07	-

42A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2023 were as under: (₹ in Lakh)

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
<b>Assets:</b>					
Cash and cash equivalents (Refer Note 7)	320.96	-	-	320.96	320.96
Bank Balances other than above (Refer Note 7)	190.07	-	-	190.07	190.07
Investments (Refer Note 4)					
- Equity	3,523.97	-	3,144.78	6,668.75	6,668.75
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	45,440.60	-	-	45,440.60	45,440.60
Loans (Refer Note 5)	199.80	-	-	199.80	199.80
Other financial assets (Refer Note 8)	6,818.21	-	54.85	6,873.06	6,873.06
	<b>56,493.61</b>	<b>832.00</b>	<b>3,199.63</b>	<b>60,525.24</b>	<b>60,525.24</b>

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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
Liabilities:					
Borrowings (Refer Note 14 & 15)	1,15,067.09	-	-	1,15,067.09	1,15,067.09
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	-	-	1,703.65	1,703.65
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	-	-	11,774.52	11,774.52
Other financial liabilities (Refer Note 15a & 17)	8,586.38	-	-	8,586.38	8,586.38
	1,37,131.64	-	-	1,37,131.64	1,37,131.64

\* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2023 ₹ 1785.76 Lakh.

The carrying value and fair value of financial instruments by category as of March 31, 2022 were as under:

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
Assets:					
Cash and cash equivalents (Refer Note 7)	588.35	-	-	588.35	588.35
Bank Balances other than above (Refer Note 7)	280.10	-	-	280.10	280.10
Investments (Refer Note 4)					
-Equity	3,523.97	-	4,571.29	8,095.26	8,095.26
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	53,646.12	-	-	53,646.12	53,646.12
Loans (Refer Note 5)	86.36	-	-	86.36	86.36
Other financial assets (Refer Note 8)	7,178.24	-	67.60	7,245.84	7,245.84
	65,303.14	832.00	4,638.89	70,774.03	70,774.03
Liabilities:					
Borrowings (Refer Note 14 & 15)	1,10,252.18	-	-	1,10,252.18	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	2,534.46	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	13,937.04	13,937.04
Other financial liabilities (Refer Note 15a & 17)	8,101.10	-	-	8,101.10	8,101.10
	1,34,824.78	-	-	1,34,824.78	1,34,824.78

\*Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2022 ₹ 1492.86 Lakh.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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, 2023:

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments (Refer Note 4)	3,144.78	3,118.78	-	26.00
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8 )	54.85	-	54.85	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments (Refer Note 4)	4,571.29	4,545.29	-	26.00
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8 )	67.60	-	67.60	-

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.
- 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.



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

- 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, 2023 is given below.

(Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
Non Derivative				
Trade receivables	100.33	2.72	0.12	8,492.15
Trade payables	(0.01)	(2.64)	-	(220.78)
Other assets	1.04	0.87	45.27	186.27
Other liabilities	(17.38)	(13.46)	(3.66)	(3,056.82)
Net assets / (liabilities)	83.98	(12.51)	41.73	5,400.82

\*Other currency includes currency such as Japanese Yen, Swiss franc etc.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2022 is given below.

(Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
Non Derivative				
Trade receivables	148.61	3.82	0.06	11,615.52
Trade payables	(1.28)	(3.55)	(8.85)	(260.35)
Other assets	1.85	1.38	1.47	246.82
Other liabilities	(33.20)	(13.27)	(1.78)	(3,986.85)
Net assets / (liabilities)	115.98	(11.61)	(9.11)	7,615.14

\* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The following significant exchange rates have been applied during the year

Spot Rate (in ₹)	Year ended March 31, 2023	Year ended March 31, 2022
USD	80.17	75.04
EURO	84.35	86.59
GBP	98.60	101.23

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.

(₹ in Lakh)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 7% (Previous year 1%)	306.60	(306.60)	56.62	(56.62)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 3% (Previous year 0.25%)	(20.59)	20.59	(1.64)	1.64

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2023 and March 31, 2022

(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.

## Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

### - Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Fixed rate instruments</b>		
Financial Assets		
- Fixed Deposits with Banks (Refer Note 7)	0.34	101.22
<b>Variable rate instruments</b>		
Financial Liabilities		
- Borrowings (Refer Note 14 & 15)	1,15,067.09	1,10,252.18

### 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

A decrease of 18 basis points (previous year 125 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, 2023 and March 31, 2022 (₹ in Lakh)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 18 basis points (Previous year 125 basis points)	134.74	(134.74)	896.57	(896.57)

### (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 ₹ 311.88 Lakh (₹ 454.53 Lakh 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.

## Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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 : (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	-	199.80	-	86.36
Trade Receivables (Refer Note 6)	-	45,440.60	-	53,646.12
Cash and cash equivalents (Refer Note 7)	-	320.96	-	588.35
Bank Balances (Refer Note 7)	-	190.07	-	280.10
Other financials assets (Refer Note 8)	749.22	6,123.84	1,210.87	6,034.97
	<b>749.22</b>	<b>52,275.27</b>	<b>1,210.87</b>	<b>60,635.90</b>

Expected credit loss for trade receivables using simplified approach are given below: (₹ in Lakh)

Age Bracket	As at March 31, 2023	As at March 31, 2022
0-180	43,441.00	52,962.21
181-365	1,382.69	409.32
Above 365	1,124.63	675.69
<b>Total</b>	<b>45,948.32</b>	<b>54,047.22</b>
Allowance for Impairment Loss	507.72	401.10
<b>Closing Balance (Refer Note 6)</b>	<b>45,440.60</b>	<b>53,646.12</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 (₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance of provision for expected credit loss at the beginning	401.10	572.13
Impairment loss recognised/ (reversed)	106.62	(171.03)
<b>Balance at the end</b>	<b>507.72</b>	<b>401.10</b>



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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, 2023:

(₹ in Lakh)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	65,093.46	19,793.20	19,713.53	10,466.90	1,15,067.09
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	-	-	-	1,703.65
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	-	-	-	11,774.52
Other financial liabilities (Refer Note 15a & 17)	7,939.91	646.47	-	-	8,586.38
	86,511.54	20,439.67	19,713.53	10,466.90	1,37,131.64

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(₹ in Lakh)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	64,083.80	22,653.00	17,549.32	5,966.06	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	-	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	-	13,937.04
Other financial liabilities (Refer Note 15a & 17)	7,493.51	607.59	-	-	8,101.10
	88,048.81	23,260.59	17,549.32	5,966.06	1,34,824.78

(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

(₹ in Lakh)		
Particulars	As at March 31, 2023	As at March 31, 2022
Secured Bank Cash credit Facility		
Amount Unused	35,216.82	45,038.84
Secured Non Fund Based Facility		
Amount Unused	5,693.31	6,789.19
Secured Term Loan Facility		
Amount Unused	16,340.74	8,614.62
Unsecured Term Loan Facility		
Amount Unused	-	-

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

42B: 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, 2023:

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	27	121.31	4	4.00	10,406.28	April 2023 -September 2023	0.49:1	82.81	90.15

As at March 31, 2022:

Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	27	147.58	3	2.96	11,560.80	April 2022 -September 2022	0.52:1	76.65	84.05

(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, 2023	45.37	-	(53.45)	Revenue
March 31, 2022	53.45	-	(5.84)	Revenue

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(iv) c The movement in hedging reserve during the year ended March 31, 2023 for derivatives designated as cash flow hedge (Refer Note 32) is as follows: (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	34.77	3.80
Change in fair value of effective portion of cash flow hedge recognised during the year	45.37	53.45
Amount reclassified to the Statement of Profit & Loss during the period	(53.45)	(5.84)
Tax Impact on above	2.82	(16.64)
Balance at the end of the year	29.51	34.77

It is anticipated that sales will take place during the first six months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to statement of 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, 2023 and March 31, 2022.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 7% (previous year 1%)	459.02	(459.02)	65.55	(65.55)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 3% (previous year 0.25%)	8.10	(8.10)	0.44	(0.44)
GBP Sensitivity				
INR/GBP-Increase/(Decrease) by 3% (previous year 6%)	2.93	(2.93)	17.03	(17.03)



Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

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 includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings including current maturities (Refer Note 14 & 15)	1,15,067.09	1,10,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,703.65	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	11,774.52	13,937.04
Other payables other than current maturities (Refer Note 15a & 17)	8,586.38	8,101.10
Less: cash and cash equivalents (Refer Note 7)	320.96	588.35
Net debt	1,36,810.68	1,34,236.43
Equity (Refer Note 12 & 13)	1,31,699.72	1,03,543.97
Capital and Net debt	2,68,510.40	2,37,780.40
Gearing Ratio	51%	56%

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, 2023 and March 31, 2022.

Note: For Notes 44 to 45, please refer Notes to the Standalone Financial Statement

46 The associates has the contingent liabilities (to the extent of share in associates) amounting to ₹ 595.11 Lakh (Previous year ₹ 650.64 Lakh).

Note: For Notes 47, please refer Notes to the Standalone Financial Statement

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

48 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, 2023	As at March 31, 2022
Bhilwara Energy Limited	Associate	Power	Equity Method	Pathankot	Bhilwara Bhawan, New Delhi	7.56%	7.56%
LNJ Skills & Rozgar Private Limited	Associate	Skill Services	Equity Method	Noida	Bhilwara Bhawan, New Delhi	47.30%	47.30%

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 (₹ in Lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Current assets	2,830.08	2,503.17	28,186.95	21,026.31
Non-current assets	553.44	671.95	1,54,945.37	1,57,845.31
Current liabilities	1,560.32	1,535.84	5,607.06	6,944.81
Non-current liabilities	476.65	573.75	9,448.27	17,361.74
Net Assets (including non controlling interest)	1,346.55	1,065.53	1,68,076.99	1,54,565.07
Less: Non controlling Interest	-	-	73,468.55	73,638.14
Net Assets (Net off non controlling Interest)	1,346.55	1,065.53	94,608.44	80,926.93
Share of RSWM Limited	1,229.20	1,096.27	7,152.40	6,118.08

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 Lakh (indirect share of Company ₹286.48 Lakh) and security deposit paid ₹180.00 Lakh (indirect share of Company is ₹13.61 Lakh) 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 Lakh (indirect share of Company ₹205.12 Lakh) 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.

Notes to the Consolidated Financial Statement

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c) In NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), The project of NHPL is on hold for quite some time due to suspension of environment clearance by Hon'ble National Green Tribunal and thereafter Wildlife Institute of India (WII) in its report has mentioned that project could not be undertaken at the project site. As per directions of Hon'ble Supreme Court, arbitration notice was sent to GoAP and have also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations. As the project is not doable any more, NHPL has decided not to implement the project and sought the refund of upfront premium of ₹2546.80 Lakh (indirect share of Company ₹192.54 Lakh) from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP. Accordingly, the Board of Directors of NHPL on dated 15<sup>th</sup> June 2022 decided to write-off Capital Work-in-Progress (CWIP) including pre-operative expenses net of waiver of loan from its Holding Company (Bhilwara Energy Limited (BEL)) and charged to the statement of profit & loss (shown under exceptional items in the books of NHPL) during the year except the upfront premium paid.

d) On April 27, 2019 Malana Power Company Limited (MPCL), which is the subsidiary of BEL, has received provisional net demand of ₹8,069 Lakh (indirect share of Company ₹311.11 Lakh) in relation to wheeling charges for the period April 1, 2008 to March 31, 2019 from Himachal Pradesh State Electricity Board Limited (HPSEBL) based on an order passed by the Himachal Pradesh Electricity Regulatory Commission (HPERC), which in the opinion of management of MPCL is not in accordance with the agreement entered between the MPCL and HPSEB (now HPSEBL) in August 1999. In this regard the MPCL has paid under protest an amount of ₹2,817 Lakh (indirect share of Company ₹108.61 Lakh). Based on the legal opinion obtained, the MPCL is of the view that demand is not legally tenable and would not result in any material liability on the MPCL for the period on or before March, 2019 and accordingly has filed an appeal before Appellate tribunal (APTEL), Electricity at New Delhi, which is pending adjudication with APTEL.

During the current year, HPERC vide Order dated 30<sup>th</sup> November 2022 determined the voltage wise wheeling charges for the period July 01, 2019 to October 31, 2022. Based on the legal opinion obtained, the MPCL is of the view that APTEL will adopt the same analogy for determination of wheeling charges for the period April 1, 2008 to March 31, 2019, considering the same, there might be high likelihood of final orders with wheeling charges at least in the range of tariff rates announced for the period July 01, 2019 to October 31, 2022, the MPCL has created additional provision amounting ₹377 Lakh (indirect share of Company ₹14.54 Lakh) during the year related to wheeling charges on or before June 30, 2019.

Based upon the legal opinion, the MPCL is of the view that the demand for the period April 01, 2008 to March 31, 2019 is not legally tenable and would not result in any further material liability on the MPCL.

e) BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL), Pending execution of the renewal of PPA expired on March 31, 2019, till previous year the BGWPL has recognised revenue@₹3.14/kwh (previous PPA@₹3.69/kwh) based on the order issued by RERC vide its third amendment regulation dated 5<sup>th</sup> March 2019 for execution of the PPA to DISCOM for entire balance project life. GBI also taken at applicable rate@50 Paise/kwh. In the meantime, BGWPL has filed writ petition with Rajasthan High Court at Jaipur in this regard.

During the year, effective 1<sup>st</sup> April'2022 the BGWPL has recognised revenue @2.44/- kwh based on the change of mode of project from REC Mechanism to captive use vide letter no. Rajkaj Ref no. 3270407. Also refer to the decision taken by the Co-ordination committee in its meeting held on 31 December 2021 vide Ref No. RREC/REC/2021-22/D4818 dated 08 February 2022.

Due to change of mode from REC Mechanism to captive us, the differential of revenue from ₹3.14/kwh to ₹2.44/kwh recognise from 01 April 2019 to 31 March 2022 and GBI recognised for the above period has also been reversed during the financial year and charged to the statement of Profit and loss in the books of BGWPL.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

f) Summarized statement of Profit & Loss (₹ in Lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	3,016.47	1,369.03	50,607.60	43,700.08
Profit/(Loss) after Tax	283.23	22.60	15,746.38	8,116.44
Other comprehensive income for the year	(2.21)	(0.56)	(31.42)	(6.07)
Total comprehensive income for the year (Excluding Non Controlling Interest)	281.02	22.04	15,714.96	8,110.37

g) Reconciliation of Net Assets: (₹ in Lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening Net Assets	1,065.53	1,043.49	1,54,565.07	1,37,279.08
Less: Non Controlling Interest	-	-	73,638.14	64,462.52
Net Assets after Non Controlling Interest	1,065.53	1,043.49	80,926.93	72,816.56
Adjustment in associates due to additional amount given to IFC by MPCL	-	-	(2,033.45)	-
Profit for the year (Excluding Non Controlling Interest)	283.23	22.60	15,746.38	8,116.44
Other Comprehensive Income (Excluding Non Controlling Interest)	(2.21)	(0.56)	(31.42)	(6.07)
Closing Net Assets (Excluding Non Controlling Interest)	1,346.55	1,065.53	94,608.44	80,926.93
Share of RSWM Limited	1,229.20	1,096.27	7,152.40	6,118.08



## Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

**49 Additional Information as required under Schedule III of the Companies Act, 2013** (₹ in Lakh)

Name of the Entities	2022-23							
	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	93.64	1,23,318.12	89.22	10,960.80	99.74	(1,313.19)	87.96	9,647.61
<b>Subsidiary/Associates (Investment as per Equity method):</b>								
<b>Indian</b>								
<b>Associate</b>								
LNJ Skills & Rozgar Private Limited	0.93	1,229.20	1.09	133.97	0.08	(1.05)	1.21	132.92
Bhilwara Energy Limited	5.43	7,152.40	9.69	1,190.43	0.18	(2.38)	10.83	1,188.05
<b>Total</b>	<b>100.00</b>	<b>1,31,699.72</b>	<b>100.00</b>	<b>12,285.20</b>	<b>100.00</b>	<b>(1,316.62)</b>	<b>100.00</b>	<b>10,968.58</b>

(₹ in Lakh)

Name of the Entities	2021-22							
	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	93.03	96,329.61	97.47	23,998.05	99.72	(260.24)	97.44	23,737.81
<b>Subsidiary/Associates (Investment as per Equity method):</b>								
<b>Indian</b>								
<b>Associate</b>								
LNJ Skills & Rozgar Private Limited	1.06	1,096.27	0.04	10.69	0.10	(0.26)	0.04	10.43
Bhilwara Energy Limited	5.91	6,118.08	2.49	613.60	0.18	(0.46)	2.52	613.14
<b>Total</b>	<b>100.00</b>	<b>1,03,543.96</b>	<b>100.00</b>	<b>24,622.34</b>	<b>100.00</b>	<b>(260.96)</b>	<b>100.00</b>	<b>24,361.38</b>

50 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date

**For Lodha & Co.**  
*Chartered Accountants*  
Firm Regn. No. 301051E

For S S Kothari Mehta & Company

Chartered Accountants  
Firm Regn. No. 000756N

**Gaurav Lodha**

Partner  
M. No. 507462  
Place: Noida, (U.P.)  
Date: May 26, 2023

# Vijay Kumar

Partner  
M. No. 092671

For and on Behalf of Board of Directors

**Riju Jhunjhunwala**  
Chairman & Managing Director and CEO  
DIN 00061060

Avinash Bhargava

Chief Financial Officer  
M.No. FCA 076277

**B. M. Sharma**  
Joint Managing Director  
DIN 08195895

## Surender Gupta

Company Secretary  
M.No. FCS 2615

Notes:

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across the entire width of the page, providing a guide for handwriting or typing. The background is a solid off-white color.

Notes:

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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

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 Sixty Second Annual General Meeting of the members of the Company will be held on Friday, the 15<sup>th</sup> day of September, 2023 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 31<sup>st</sup> March, 2023 and the Report of Directors and Auditors thereon.
2. To declare a dividend of ₹ 5/- (50%) per equity share of the face value of ₹ 10/- each of the Company for the financial year ended 31<sup>st</sup> March, 2023.
3. To appoint a Director in place of Shri Shekhar Agarwal (DIN:00066113), who retires by rotation and being eligible, offers himself for reappointment.
4. 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

5. **To consider and if thought fit, to pass, with or without modifications, the following Resolution as SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time and pursuant to the provisions of Regulation 17(1A) and other applicable

provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time Shri Surya Kant Gupta (DIN: 00323759), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors w.e.f. 10<sup>th</sup> August, 2023 upon commendation of Nomination and Remuneration Committee and holds office upto the date of this Annual General meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment and will be attaining the age of seventy five years in the year 2026 and in respect of whom the Company has received a notice in writing from a member of the Company proposing his candidature for the office of Director and whose term shall not be subject to retirement by rotation be and is hereby appointed as an Independent Director of the Company to hold office for first term of five consecutive years up to 9<sup>th</sup> August, 2028.

6. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) 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, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and subject to such approvals, as may be necessary, approval of the members be and is hereby accorded for payment of remuneration to Shri Riju Jhunjhunwala (DIN:00061060), Managing Director of the Company with effect from 1<sup>st</sup> May, 2023 for his remaining tenure upto 30<sup>th</sup> April, 2026 as set out in the Explanatory Statement annexed hereto



**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, Shri Riju Jhunjunwala shall be entitled to receive remuneration upto the limit as approved by the members herein above, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are 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 based on the recommendation of Nomination and Remuneration Committee and acceptable to Shri Riju Jhunjunwala, subject to the same not exceeding the limits specified under 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."

**7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 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 and for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to such approvals as may be necessary, approval of the members be and is hereby accorded for payment of revised remuneration to Shri Brij Mohan Sharma (DIN:08195895), Joint Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2023 for his remaining tenure upto 6<sup>th</sup> August, 2024 as set out in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, Shri Brij Mohan Sharma shall be entitled to receive remuneration upto the limit as approved by the members herein above, as minimum remuneration.

**RESOLVED FURTHER THAT** 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 based on the recommendation of Nomination and Remuneration Committee and acceptable to Shri Brij Mohan Sharma, subject to the same not exceeding the limits specified under 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."

**8. 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 and the Companies(Cost Records and Audit) 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 31<sup>st</sup> March, 2024, 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**

Sd/-

**Surender Gupta**

Vice President-Legal &  
Company Secretary  
M. No. FCS - 2615

Place: Noida (U.P.)  
Date: 16<sup>th</sup> August, 2023

**NOTES**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("**Act**"), setting out of material facts relating to Special Business under item Nos. 5 to 8 to be transacted at the 62<sup>nd</sup> Annual General Meeting ("**AGM**") is annexed.

**GENERAL INSTRUCTIONS FOR PARTICIPATION AT 62<sup>nd</sup> AGM AND E-VOTING:**

2. The Ministry of Corporate Affairs ("**MCA**") has vide its circular No. 10/2022 dated December 28, 2022 in furtherance of its earlier circulars (Circular No. 14/2020, 17/2020 and 20/2020 dated April 8<sup>th</sup>, 2020, April 13<sup>th</sup>, 2020, May 5<sup>th</sup>, 2020 respectively and subsequent circulars 02/2021, 21/2021 and 02/2022 dated January 13<sup>th</sup>, 2021, December 14<sup>th</sup>, 2021 and May 5<sup>th</sup>, 2022 as also the various circulars issued by Securities Exchange Board of India ("**SEBI**") viz. its Circular dated 5<sup>th</sup> January, 2023, (read together with Circulars dated 13<sup>th</sup> May, 2022, dated 15<sup>th</sup> January, 2021 and dated 12<sup>th</sup> May, 2020) (collectively referred as "**Applicable Circulars**") permitted the holding of AGM by the Companies through Video Conferencing/Other Audio Visual Means ("**VC/OAVM**"), without the physical presence of the members. Accordingly, 62<sup>nd</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 – 311021, 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). 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. 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 62<sup>nd</sup> AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act read with Applicable Circulars. However in case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names will be entitled to vote at the AGM through e-voting.
  4. Since the physical attendance of Members has been dispensed with in terms of Applicable Circulars, 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 62<sup>nd</sup> AGM and hence the **Proxy Form and Attendance Slip are not annexed hereto**. Since the AGM will be held through VC/OAVM, the **route map of the venue of the Meeting is not annexed hereto**.
  5. Institutional Investors and Corporate Members (i.e. other than individuals, HUF, NRI etc.) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a 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) and [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on “**Upload Board Resolution/Authority Letter**” displayed under “**e-Voting**” tab in their login.
  6. Details under Regulation 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 appointment/re-appointment at the 62<sup>nd</sup> Annual General Meeting are annexed hereto as **Annexure-I**.
  7. Non-Resident Indian members are requested to inform RTA/ respective DPs immediately about:
    - 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.
  8. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 9<sup>th</sup> September, 2023 to Friday, the 15<sup>th</sup> September, 2023 (both days inclusive) for annual closing and for determining the entitlement of the shareholders to the dividend for the financial year 2022-23 as recommended by the Board of Directors of the Company, if declared by the members at the AGM.
  9. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent i.e. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020 and/or send the documents at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [helpdeskreply@mcsregistrars.com](mailto:helpdeskreply@mcsregistrars.com). Members are requested to mention their folio number/client ID in all communications with the Company.
  10. To support the ‘Green Initiative’, and also to receive the copies of AGM notice in case of AGM through VC/OAVM and other communication from the Company, members, who have not yet registered their email addresses, are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent in case the shares are held by them in physical form through Form ISR-1 which is available on the website of the company.
  11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail 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. in the prescribed Form ISR-1.
    - a. For shares held in electronic form: to their Depository Participants (DPs)
    - b. For shares held in physical form: to the Company/ Registrar and Share Transfer Agent.



12. The facility of Nomination in terms of Section 72 of the Act is available for members in respect of their shareholding in the Company. Members who have yet not registered their Nominations are requested to register the same by submitting Form No. SH-13. If any member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members who are either not desiring to register for nomination or wish to opt-out may submit Form No. ISR-3. The above mentioned forms are available on the website of the company/RTA and can be downloaded from there. Members desiring to avail this facility may send their nomination in the prescribed form 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). Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
13. SEBI vide its Circular dated March 16, 2023, in furtherance of its earlier circulars November 03, 2021 and 14<sup>th</sup> December, 2021 has mandated to shareholders holding securities in physical mode for furnishing of the following documents to the Registrar and Share Transfer Agent (RTA) of the Company as an on-going measure to enhance the ease of doing business for investors in the securities market pertaining to Common and simplified norms for processing any service request from the shareholder/investor.
  01. PAN
  02. Nomination details/ Declaration to Opt-out of Nomination
  03. Contact details (postal address with PIN, Mobile Number and E-mail address)
  04. Bank Account details (Bank and branch name, bank account number, MICR, IFSC Code)
  05. Specimen Signature through Form ISR-2

In case any or all of the above details are not furnished, then the respective folio shall be frozen by the Registrars on and after 1<sup>st</sup> October, 2023. Such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if it continues to remain frozen as on December 31, 2025. A communication/intimation in this regard had been sent to all shareholders holding shares in physical form by Registered Post on 19<sup>th</sup> May, 2023. The said communication is available on the website of the Company. The relevant Forms are available on the website of the Company and RTA. Members are requested to submit the details mentioned above in the prescribed Form(s) duly filled in to the RTA of the Company, if not already submitted/updated. The members holding shares in dematerialized form may update these details with their Depository Participant (DP). The Register of Members as per the Act is also required to be updated with all the above details. Hence, the members are requested to provide the same at the earliest.
14. In accordance with the provision of Regulation 40 of the Listing Regulations, effective from April 1, 2019 and SEBI notification dated January 24, 2022, transfers of securities of the Company, transmission and transposition requests shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them, eliminate all risks associated with physical holding and participate in corporate actions. Members can contact the Company or Company's Registrar and Share Transfer Agent i.e. MCS Share Transfer Agent Limited, for assistance in this regard.
15. Members may please note that SEBI vide its Circular dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled in and signed Form ISR – 4, to MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi-110020 E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com).
16. The recorded transcript of the 62<sup>nd</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.
17. **Electronic dispatch of Annual Report and process for registration of email address for obtaining copy of Annual Report:**
  - a) 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). The Notice calling the 62<sup>nd</sup> AGM of the Company and Annual Report for the year 2022-23 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).

- b) Members are requested to provide their email addresses and bank account details to Registrar and Share Transfer Agent i.e. MCS Share Transfer Agent Limited of the Company or Depository Participants (DP). The process of registering the same is mentioned below:

<b>In case of Physical shareholding</b>	<p>Send a duly signed request letter in <b>Form ISR-1</b> along with supporting documents to the RTA of the Company i.e. <b>MCS Share Transfer Agent Limited (Unit : RSWM Limited)</b>, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 or scanned copy on email at <a href="mailto:helpdeskdelhi@mcsregistrars.com">helpdeskdelhi@mcsregistrars.com</a> and provide the following details/documents for registering email address:</p> <p><b>a)</b> Folio No., <b>b)</b> Name of shareholder, <b>c)</b> Email ID, <b>d)</b> Copy of PAN card (self-attested), <b>e)</b> Copy of Aadhaar (self-attested) <b>f)</b> Copy of share certificate (front and back) <b>g)</b> Contact Number.</p> <p>Following additional details/documents need to be provided in case of updating Bank Account details: <b>a)</b> Name and Branch of the Bank in which you wish to receive the dividend, <b>b)</b> the Bank Account type, <b>c)</b> Bank Account Number, <b>d)</b> MICR Code Number, <b>e)</b> IFSC Code, and <b>f)</b> Copy of the cancelled cheque bearing the name of the first shareholder.</p>
<b>In case of Demat shareholding</b>	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

In case of any queries /difficulties in registering the email address, members may write to [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com).

#### 18. Procedure for inspection of documents :-

- The relevant documents referred to in the AGM Notice are open for inspection to the Members of the Company at the Registered Office and Corporate Office of the Company during the normal business hours of the Company upto the date of AGM except the Sundays

and Holidays. Further the above said document referred to in the Notice will also be available on the website of the Company for inspection up to the date of the AGM.

- 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, shall be available electronically for inspection by the members during the AGM upon login at NSDL e-voting system.

#### 19. Procedure for members for remote e-voting and joining Annual General Meeting through VC/OAVM are as under:-

- The remote e-voting period begins on **Tuesday, the 12<sup>th</sup> September, 2023 at 9:00 A.M.** and ends on **Thursday, the 14<sup>th</sup> September, 2023 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the **Cut-Off date i.e. Friday, the 8<sup>th</sup> September, 2023** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **Cut-Off date, being i.e. Friday, the 8<sup>th</sup> September, 2023.**
- 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 and Disclosure Requirements) Regulations, 2015 (as amended), Secretarial Standard 2 on General Meetings and in accordance with the Applicable Circulars referred to in Note No.2, the Company is providing facility of remote e-voting as well as e-voting during the AGM to its Members in respect of the business to be transacted at the 62<sup>nd</sup> AGM through NSDL.
- Members, who acquire shares of the Company after dispatch of the notice and hold shares as on the **Cut-Off Date i.e. 8<sup>th</sup> September, 2023** 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 [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com). Individual Demat Account Holder may follow the process mentioned in **Step 1: Access to NSDL e-Voting system.**
- 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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual Annual General Meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
	<ol style="list-style-type: none"> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for CDSL Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System My easi Tab and then use your existing my easi username &amp; password.</li> </ol>

	<p>2. After successful login the Easi / Easiest, user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

#### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

##### 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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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.



4. Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID <b>For example</b> if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID <b>For example</b> if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company <b>For example</b> if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.

- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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).
  - Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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 etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.
- 20. 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:**
- i. Those Members, who hold shares in physical form and who have not registered their email address with the Company and who wish to participate in the 62<sup>nd</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:
    - a. a signed request letter mentioning your name, folio number and complete address, scanned copy of the share certificate (front and back),; and
    - b. 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).
  - ii. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of:
    - a. a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID);
    - b. Name, self-attested scanned copy of client master or Consolidated Demat Account statement; and
    - c. Self-attested scanned copy of the PAN Card and AADHAR (self-attested scanned copy of Aadhaar Card) to the email address of the Company [rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com).
  - iii. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
  - iv. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- 21. The instructions for members for e-voting on the day of the AGM are as under:-**
- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - b) 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.
  - c) 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 again at the AGM.
  - d) 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.
- 22. General guidelines for shareholders with regard to e-voting:**
- i. 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.
  - ii. 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 at 022- 4886 7000 and 022- 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 23. Procedure for joining the AGM through VC/OAVM**
- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting



system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member 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.

- 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. Facility of joining the AGM through VC/OAVM shall remain open 15 minutes before and after the schedule time of commencement of the meeting.

#### **24. Procedure for raising questions/seek clarifications with respect to Annual Report**

- a. 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) at least 7 days in advance before the start of the meeting i.e. Friday, the 8<sup>th</sup> September, 2023 by 02:00 p.m. 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.
- b. Members, who would like to express their views/ ask questions during the 62<sup>nd</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) at least 7 days in advance before the start of the 62<sup>nd</sup> AGM i.e. by Friday, the 8<sup>th</sup> September, 2023 by 02:00 p.m. Those Members who have registered

themselves as a speaker shall be allowed to ask questions during the 62<sup>nd</sup> AGM, depending upon the availability of time.

- c. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- d. 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.

#### **25. Announcement of voting result of AGM**

- i. Shri Mahesh Kumar Gupta, Practicing Company Secretary (Membership No. FCS 2870) of M/s Mahesh Gupta & Company, Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall immediately 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, and submit to the Chairman or a person authorized by him, 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. 15<sup>th</sup> September, 2023.
- iii. 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 <https://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.

#### **26. Dividend information**

1. The Dividend on equity shares for the financial year 2022-23, as recommended by the Board of Directors, if declared at the AGM, would be paid/credited within thirty days of this AGM subject to deduction of tax at source, directly in electronic mode through National Automated Clearing House (NACH) to the members whose name appear on the Company's Register of Members as on the closing business hours on **Friday, the 8<sup>th</sup> September, 2023** and whose bank mandate are

registered in the records of the Depository Participants/ RTA. For members whose bank mandate are not updated with the Depository Participants / RTA as on the book closure date, demand draft or warrants or cheque shall be sent through post.

2. Members holding shares in physical form and desirous of availing the facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFSC Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent - M/s. MCS Share Transfer Agent Limited. Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
3. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
5. i) 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, 2015 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 2015-16 declared by the Company on 27<sup>th</sup> September, 2016 is due to be transferred to the IEPF on 2<sup>nd</sup> November, 2023 and will be transferred on or before 02<sup>nd</sup> December, 2023. The same can however be claimed by the members by 02<sup>nd</sup> November, 2023. The details of unclaimed dividend to be transferred to IEPF on 2<sup>nd</sup> November, 2023

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.

- ii) It is hereby also informed that the preference dividend remaining unpaid on the preference shares for the Financial Year 2015-16 is also due to be transferred to the IEPF on 02<sup>nd</sup> November, 2023. The preference shares were already redeemed by the Company on 06<sup>th</sup> March, 2017. The Company has informed individually to all such persons whose amounts of dividend on such preference shares were unpaid/unclaimed. The details of such unclaimed preference dividend to be transferred to IEPF on 02<sup>nd</sup> November, 2023 is available on the website of the company.
6. Members may further note that in accordance with Section 124 and 125 of the Companies Act, 2013 and rules made thereunder, all equity 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.

#### **TDS on Dividend**

Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall, therefore, be required to deduct Tax at Source (TDS) at the time of making payment of Dividend, if declared by the Shareholders at the AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961. Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their DPs or in case shares are held in physical mode, with the Company by sending email to our RTA at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a declaration in Form No. 15G/15H, to avail the benefit



of non-deduction of tax at source by sending an email to [tds.rswm23@lnjbhilwara.com](mailto:tds.rswm23@lnjbhilwara.com) latest by **31<sup>st</sup> August, 2023**.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [tds.rswm23@lnjbhilwara.com](mailto:tds.rswm23@lnjbhilwara.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by **31<sup>st</sup> August, 2023**.

A separate email communication informing the shareholders regarding this change in the Income-Tax Act, 1961 as well as the relevant procedure to be adopted for submission of necessary declarations / documents by them to avail the applicable tax rate has been sent by the Company to all shareholders on 21<sup>st</sup> July, 2023 and copy of the said communication is also available on the website of the Company at the following link <https://www.rswm.in/Intimation-Communication-of-TDS-on-Dividend>

By Order of the Board  
for **RSWM LIMITED**

Sd/-

**Surender Gupta**  
**Vice President-Legal &**  
**Company Secretary**  
**M. No. FCS - 2615**

Place: Noida (U.P.)

Date: 16<sup>th</sup> August, 2023

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 5**

Shri Surya Kant Gupta (DIN:00323759) was co-opted as an Additional Director(Independent) on the Board of the Company upon recommendation of Nomination and Remuneration Committee with effect from 10<sup>th</sup> August, 2023 and he ceases to hold office from the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013.

Shri Surya Kant Gupta holds degree in B.Sc. and also M.B.A. from Faculty of Management Studies (FMS) Delhi University. Shri Surya Kant Gupta possesses experience of more than 5 decades in Textile Industry. He had served as Director on the Board of Directors in the various leading and reputed textile Companies. He is presently acting as Independent Management Consultant. The Board of Directors upon commendation of Nomination and Remuneration Committee and considering his vast exposure and experience felt it is in the best interest of the

Company to co-opt him on the Board of Directors of the Company as an Independent Director for the first term of five consecutive years with effect from 10<sup>th</sup> August, 2023 subject to shareholders' approval. Shri Surya Kant Gupta shall not be liable to retire by rotation.

The Company has received consent in writing from Shri Surya Kant Gupta to act as Director and intimation to the effect that he is not disqualified from being a Director under Section 164 of the Companies Act, 2013. Further Shri Surya Kant Gupta is not debarred from holding the office of the Director pursuant to any order of the SEBI or any other such Authority. The Company has received a notice in writing from a member proposing the candidature of Shri Surya Kant Gupta for the office of the Director of the Company.

The Company has also received a declaration from Shri Surya Kant Gupta that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Shri Surya Kant Gupta fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the Management. A copy of draft letter of Appointment of Shri Surya Kant Gupta as an Independent Director setting out the terms and conditions is available for inspection by members during normal business hours at the Registered Office of the Company.

The resolution seeks the approval of members for appointment of Shri Surya Kant Gupta as an Independent Director pursuant to Section 149 and 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to hold office for first term of 5 (five) consecutive years from 10<sup>th</sup> August, 2023 up to 9<sup>th</sup> August, 2028. The relevant details pertaining to Shri Surya Kant Gupta are provided in Annexure-I in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2"). Shri Surya Kant Gupta, born on 11<sup>th</sup> February, 1951 is presently aged 72 years and would be completing the age of 75 years during his tenure on 11<sup>th</sup> February, 2026 and hence the approval of the members is sought by Special Resolution in accordance with the Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to enable the continuation of appointment of Shri Surya Kant Gupta after completing the age of seventy five years in the year 2026.

Your Directors recommend the Special Resolution under item No. 5 of the Notice for approval by the members.

Except Shri Surya Kant Gupta and his relatives, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are interested or concerned either financially or otherwise in the proposed Special Resolution under item no.5 of this notice.

#### ITEM NO. 6

As the Members are aware that Shri Riju Jhunjunwala (DIN:00061060) was initially appointed as Joint Managing Director for a period of three years w.e.f. 1<sup>st</sup> May, 2013 and re-designated as Managing Director w.e.f. 10<sup>th</sup> February, 2015 and was further reappointed as Managing Director for a period of five years w.e.f. 1<sup>st</sup> May, 2016. Thereafter, he was again re-appointed as Managing Director of the Company w.e.f. 1<sup>st</sup> May, 2021 for a period of five years and the remuneration payable to Sh. Riju Jhunjunwala was fixed for first two years of his tenure upto 30<sup>th</sup> April, 2023. The aforesaid remuneration payable to Shri Riju Jhunjunwala was revised with effect from 1<sup>st</sup> May, 2022 upto 30<sup>th</sup> April, 2023. The same was approved by the members by Special Resolution at the previous Annual General Meeting held on 6<sup>th</sup> September, 2022.

The Board of Directors of the Company, upon recommendation of Nomination and Remuneration Committee, approved the terms and conditions of the remuneration to be paid to Shri Riju Jhunjunwala for his remaining tenure i.e. from 1<sup>st</sup> May, 2023 upto 30<sup>th</sup> April, 2026 considering an annual increase of fifteen percent in his remuneration. Accordingly, the terms and conditions of remuneration payable to Shri Riju Jhunjunwala for the period 1<sup>st</sup> May, 2023 upto 30<sup>th</sup> April, 2026 are set out as under:

Salary : w.e.f. 1<sup>st</sup> May, 2023 - ₹14,79,585/- per month  
: w.e.f. 1<sup>st</sup> May, 2024 - ₹17,02,495/- per month  
: w.e.f. 1<sup>st</sup> May, 2025 - ₹19,58,840/- per month

Commission : Not more than 4% 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 Riju Jhunjunwala 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 Managing Director and his family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

- iii) Leave Travel Concession:

For 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 herein above contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or has inadequate profits, the Company will pay to the Managing Director the above remuneration with effect from 1<sup>st</sup> May, 2023 for the period up to 30<sup>th</sup> April, 2026 notwithstanding that it may exceed the sum specified in Para 1(A) of Section II of Part II of the Schedule V to the Companies Act, 2013 subject to the provisions of Section V of Part II of the Schedule V to the Companies Act, 2013.

Accordingly, the 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**.

The payment of remuneration to Shri. Riju Jhunjunwala as Managing Director of the Company requires the approval by the Company in General Meeting by Special Resolution in accordance with Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act and the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors believe that the remuneration proposed to be paid to Shri Riju Jhunjunwala, subject to Shareholders' approval, is commensurate with the remuneration paid to similar managerial position in other companies.

Shri Riju Jhunjunwala is also a Managing Director in M/s. Bhilwara Energy Limited (BEL) and accordingly, the total remuneration drawn by Shri Riju Jhunjunwala from the Company and BEL will not exceed the higher maximum limit admissible from any one of the above companies.

Your Directors recommend the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Except Shri Riju Jhunjunwala himself and Shri Ravi Jhunjunwala, Director being his father and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

## ITEM NO. 7

As the Members are aware that Shri Brij Mohan Sharma (DIN: 08195895) was initially appointed as Joint Managing Director for a period of two years w.e.f. 7<sup>th</sup> August, 2018 and was further reappointed as Joint Managing Director for a period of two years w.e.f. 7<sup>th</sup> August, 2020. He was further re-appointed as Joint Managing Director of the Company w.e.f. 7<sup>th</sup> August, 2022 for a period of two years at the 61<sup>st</sup> Annual General Meeting of the Company held on 6<sup>th</sup> September, 2022 by Special Resolution and the remuneration payable to him during his tenure was also approved at the said Annual General Meeting.

The Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee, approved the revision

in the remuneration payable to Shri Brij Mohan Sharma with effect from 1<sup>st</sup> April, 2023 upto 6<sup>th</sup> August, 2024 considering an annual increase of fifteen percent in his remuneration. Accordingly, the terms and conditions of remuneration payable to Shri Brij Mohan Sharma for the period 1<sup>st</sup> April, 2023 upto 6<sup>th</sup> August, 2024 are set out as under:

Salary : w.e.f. 1<sup>st</sup> April, 2023 - ₹12,31,910/- per month  
: w.e.f. 1<sup>st</sup> April, 2024 - ₹14,17,665/- 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:

- 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
- In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
- 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 herein above contained, where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Joint Managing Director by way of salary, perquisites and allowances notwithstanding that it may exceed the sum specified in Para 1(A) of Section II of Part II of the Schedule V of the Companies Act, 2013.

Accordingly, the 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 believe that the remuneration proposed to be paid to Shri Brij Mohan Sharma, subject to Shareholders' approval is

commensurate with the remuneration paid to similar managerial position in other companies.

Your Directors recommend the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Except Shri Brij Mohan Sharma and his relatives, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the proposed Resolution.

**ITEM NO. 8**

The Board of Directors of the Company had approved the appointment and remuneration of M/s N. D. Birla & Co., Cost Accountants (Firm Registration No.000028) 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, 2024, 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 and the Companies(Cost Records and Audit) 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.8 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**

Sd/-

**Surender Gupta**  
**Vice President-Legal &**  
**Company Secretary**  
**M. No. FCS - 2615**

Place: Noida (U.P.)

Date: 16<sup>th</sup> August, 2023



## ANNEXURE I TO NOTICE

**(In pursuance to Secretarial Standard on General Meeting (SS-2) and Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of Director	Shri Shekhar Agarwal	Shri Arun Churiwal	Shri Surya Kant Gupta
DIN	00066113	00001718	00323759
Category	Promoter - Non-Executive	Promoter-Non-Executive	Independent-Non Executive
Date of Birth	9 <sup>th</sup> October, 1952	15 <sup>th</sup> May, 1950	11 <sup>th</sup> February, 1951
Age	70 Years	73 Years	72 Years
Date of Appointment on the Board	13 <sup>th</sup> February, 1984	23 <sup>rd</sup> October, 2003	10 <sup>th</sup> August, 2023
Qualification	B.Tech (M.E), M.Sc (Chicago)	B.A. (Hons)	B.SC., M.B.A. from Faculty of Management Studies (FMS), Delhi University
Experience & Expertise in specific functional areas	Industrialist with rich experience of Textile Industry	Industrialist with rich experience of Textile Industry	Experience of 5 decades in textile Industry
No. of Other Directorships in Public Limited Companies #	1. Bhilwara Technical Textiles Limited	1. BSL Limited	Nil
	2. BSL Limited	2. La Opala R G Limited	
	3. HEG Limited	3. LNJ Financial Services Limited	
	4. Maral Overseas Limited		
Chairman/Member of the Committees of the Board of Directors of the Company.##			
a) Audit Committee	Nil	Nil	Nil
b) Stakeholders' Relationship Committee	RSWM Limited-Member	RSWM Limited-Member	
Chairman/Member of the Committees of the Board of Directors of other Company.##			
a) Audit Committee	1. BSL Limited -Member	1. La Opala R G Limited-Member	Nil
	2. HEG Limited- Member		
b) Stakeholders' Relationship Committee	1. Maral Overseas Limited-Member	1. La Opala R G Limited - Chairman	N A
		2. BSL Limited-Member	
Listed Entities from which the Director has resigned in the past three years	Nil	Nil	1. Raymond Limited
Relationship with Other Directors, Managers & Key Managerial Personnel	N.A.	N.A.	N A
No. of Equity Shares held in the Company	3,463	3,310	

<b>No. of meeting of Board attended during the year</b>	5	6	
<b>Terms and Condition of Appointment/Re-appointment</b>	Non-Executive Director laible to retire by rotation	Non-Executive Director laible to retire by rotation	As mentioned in draft letter of appointment which is available on website of the Company <a href="http://www.rswm.in">www.rswm.in</a> till the conclusion of the AGM
<b>Remuneration sought to be paid</b>	See Note No. 1 given below	See Note No. 1 given below	See Note No. 1 given below
<b>Remuneration last drawn</b>	See Note No. 1 given below	See Note No. 1 given below	See Note No. 1 given below
<b>Justification for choosing the Independent Director</b>	N.A	N.A	As per Explanatory Statement Resolution No. 5 of the Notice
<b>Skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	Refer Corporate Governance Report	Refer Corporate Governance Report	As per Explanatory Statement Resolution No.5 of the Notice

# Excludes Directorships in Private Limited Companies, Foreign Companies, membership of Management Committee of various chambers/Bodies and Section 8 Companies.

# # Audit Committee and Stakeholders Relationship Committee have been considered.

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

### 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 and Fabric.
<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)

Particulars	2022-23	2021-22	2020-21
Revenue from Operations (gross)	3788.90	3817.42	2326.02
Profit / (loss) Before Tax	138.28	283.48	4.26
Profit / (loss) after Tax	109.61	239.98	21.61
Paid-up Capital	47.10	23.55	23.55
EPS(₹)	28.13	65.28	9.18

**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(s) to whom the remuneration is payable (s):

Particulars	Shri Riju Jhunjunwala	Shri Brij Mohan Sharma
<b>Background details</b>	Mr. Riju Jhunjunwala aged 44 years holds a degree in Business Management Studies. He is an industrialist with diversified business experience. He was re-appointed as Managing Director of the Company w.e.f 1 <sup>st</sup> May, 2021.	Shri Brij Mohan Sharma aged 65 years hold a degree in B.Com (Hons) and is a Chartered Accountant. He has an experience of more than 40 years across various industries. He was reappointed as Joint Managing Director w.e.f. 7 <sup>th</sup> August, 2022
<b>Past Remuneration for the Financial Year ended 31<sup>st</sup> March, 2023</b>	₹ 494.81 Lakhs	₹ 342.61 Lakhs
<b>Recognition or Awards</b>	Mr. Riju Jhunjunwala has represented Company in various Business Associations. He has also been active member of Young Business Committee at the Confederation of Indian industry.	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 Riju Jhunjunwala is the Chairman & Managing Director and CEO of the Company looking after overall affairs of the Company. Shri Riju Jhunjunwala had been involved in the restructuring of the Company's business apart from implementation of various expansion, modernization and diversification programmes over the years. Under his leadership the Company has become one of the leading player in the industry.	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 twelve years.

Remuneration proposed	As mentioned in Resolution No.6	As mentioned in Resolution No.7
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into account Mr. Riju Jhunjunwala's qualifications and prior experience, an industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Managing Director of the Company, and in view of his contribution to the Company since his appointment, the Board considers it to be in the best interests of the Company. The Board is confident that Mr. Riju Jhunjunwala's management capabilities will enable the Company to progress further.	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 Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Mr. Riju Jhunjunwala himself and Mr. Ravi Jhunjunwala being relative of Mr. Riju Jhunjunwala are interested.	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 himself are interested in the Resolution.

### III. Other Information:

#### 1. Reasons for loss or inadequate profits

The glooms of inflationary and recessionary trends in the international arena had been reflecting on the operations of the Company. Though there had been some recovery in the intermittent period(s) but the overall trend remained sluggish. The Company had utilized these challenging times to reorganize and restructure itself and made all efforts to continue its operations with full efficiency and optimum capacity.

#### 2. Steps taken or proposed to be taken for improvement:

The Company took various steps to overcome the above situation. The Company during the year successfully completed its ongoing expansion programmes to prepare itself ready to take advantage when the business cycle turns favorable. Further during the year the Company raised funds by way of rights issue to deleverage itself by lowering its high cost debt obligations substantially and getting ready for future

expansion and diversification as and when normalcy return. The Company is also focusing on improving its operating efficiency apart from other efforts to improve its margins.

#### 3. Expected increase in productivity and profits in measurable terms:

The Company's initiatives to improve its operating efficiency are expected to result in better performance of the Company. Although certain constraints viz. market conditions and improvement in international sentiments may take some time but Company has geared itself to reap the benefits as and when the market conditions and sentiments improve.

### IV. Disclosure:

The remuneration package proposed to be given to Shri Riju Jhunjunwala and Shri Brij Mohan Sharma are 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.



