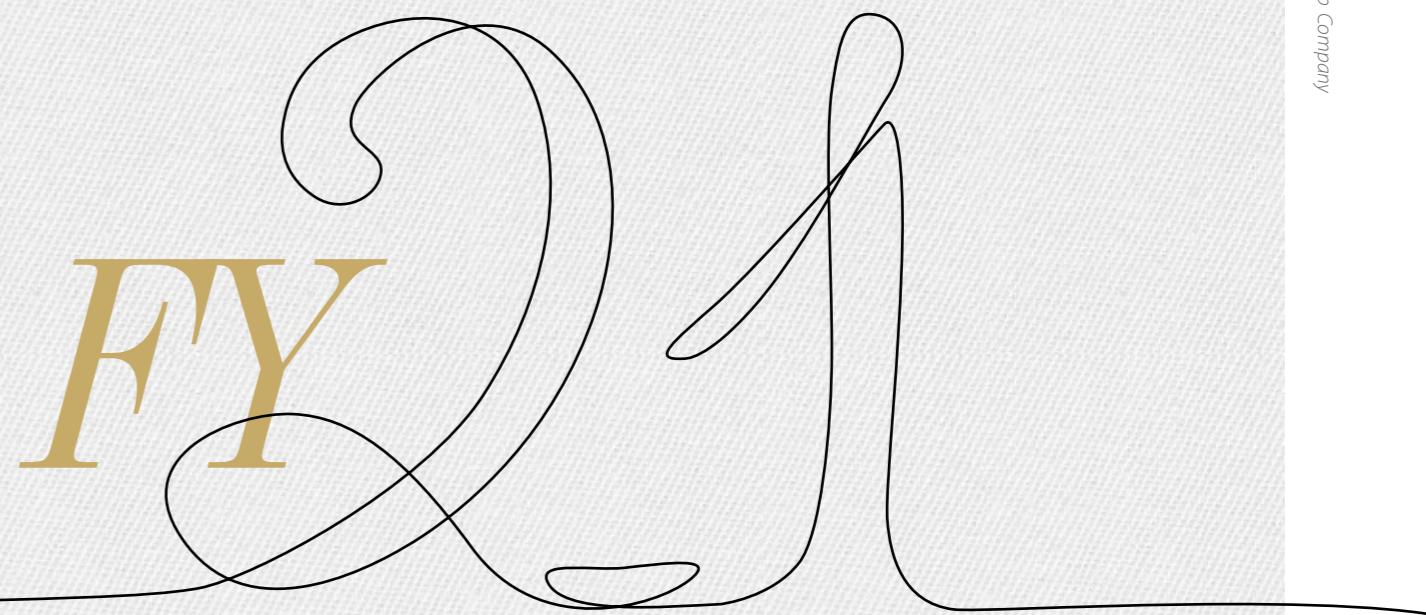


Business as *Un*usual



was a **defining** year.

In this period, inconceivable by all, a virus with intense speed wreaked havoc on the whole globe without warning, leaving all scampering for cover.

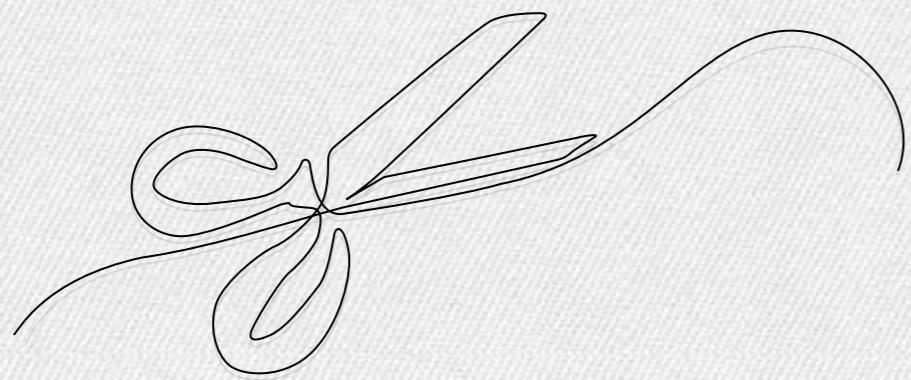
In this fiscal, words like 'unprecedented change' became a highlight.

Changes in work had to be radical and rapid during this period; we saw the term 'business as usual' become re-defined.

In FY21, business was anything but usual.

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At RSWM, FY21 was surely

Business as

It started alarmingly, forcing almost all of us into confinement.

Midway, almost unnoticed, demand spiked.

It ended as one of the most challenging and satisfying financial years in the past decade.

2,326.02
Revenue
(₹ crore)

214.97
EBITDA
(₹ crore)

21.61
Net Profit
(₹ crore)

319.93
Net Cash from Operations
(₹ crore)

Unusual

Whoever came up with the adage "**Life must go on**" probably wasn't imagining FY21.

But FY21 happened, and life (read business) went on...

It was definitely *Unusual*.



From the **Chairman & Managing Director's** table

“As a team, we are persistently exploring ways to further improve our top line growth and business profitability.”

Dear Shareholders

I write this message with a sense of hope and optimism for the future.

Having flattened the deadly and more aggressive second wave of the pandemic which gripped the length and breadth of the nation with speed, I believe that India is firmly positioned on the recovery path.

The unusual year

Another eventful year has passed by and I am happy to share my thoughts yet again.

The world history has been marked by defining periods that bring about path-breaking shifts in the industrial, geo-political and socio-economic landscape. In FY21, we experienced one such period that left behind a trail of losses – personal, professional and economic.

Under the prevailing circumstances, even if RSWM reported a poor performance it would be acceptable considering the level of turmoil and uncertainty which even the most mature companies globally had never encountered before.

Despite an uncertain start, we reported healthy profits. This vindicates the relevance of our strategy and its accurate execution. Moreover, I feel optimistic about opportunities of increased profitability that appear over the horizon.

FY21 was satisfying because we made structural changes which I believe were critical for sharper focus on business growth. We designated functional heads with complete authority and responsibility of their functions.

Unit heads under those functions would report to them. This created our second level of leadership. This structural clarity helped in creating cohesive teams to execute business strategy across all units seamlessly.

From an operational perspective, we strategised to enhance the proportion of value-added products in our sales mix. While we made healthy progress in this regard in FY21, we committed important investments that will accelerate our journey towards this goal. They include 1) augmenting our mélange yarn capacity and 2) increasing our denim yarn and fabric infrastructure. These investments should come on stream towards the close of FY22.

Going forward

The momentum gained towards the close of FY21 has been thwarted by the second wave of the Covid-19 pandemic. But a resilient India, recognised worldwide for its ability to overcome challenges, will resurge out of this health crisis. For now, this roadblock could impact our performance in FY22.

I remain excited about our future. For we will persistently explore ways to sustain our growth momentum and business profitability.

In closing, I thank my colleagues on the Board, for their guidance in drawing our Company's blueprint. I thank all our stakeholders for their continued support in our journey. I sincerely thank the entire RSWM team for going above and beyond for the exceptional performance in such trying times. I also take this opportunity to thank our shareholders for believing in us.

We stand firm in our commitment to build a sustainable business and deliver value to all our stakeholders.

Warm regards

Riju Jhunjhunwala

Chairman and Managing Director & CEO

Paltry to *Plenty*

A swing that transpired in our yarn vertical in less than six months.



We course corrected.

Being only an apparel-focused spinner, we were not working as apparel was not moving. Consumer confidence was at an all-time low. We needed to course correct. With disciplined determination, we established a meaningful presence in the home textile space. We worked on growing our yarn range for Technical Textiles.

In the initial months

When we commenced our spinning operations after a month of closure owing to the lockdown, we hardly had any business. Export opportunities kept our assets utilised at just about 40%. (May 2020). Our melange unit spun commodity products only to keep the machines running. Our flagship growth driver, profit earner and cash spinner was bleeding; it was not good start to FY21.

We determined to turn the tide.

We focused on getting our customers back. We connected far and wide. We data-mined our records for unearthing probable opportunities. We built bridges with lost customers. We added close to 200 customers. Some new, but mostly ex-customers.

And, the flood gates opened.

Come August and the order flow graduated from a trickle to a flow and then a gush. From the apparel segment and home textile segment alike. From domestic and international customers. Our capacities were completely booked for the current month and the following one – a trend which continued till the end of FY21. And beyond!

We are readying for FY22.

We will enhance capacity of our Melange yarn to enhance the proportion of revenue from value-added products. We are talking with leading apparel and home textile brands for securing their nomination; we received one already. We are widening our melange range to include yarns suited for weaving application (hitherto used primarily by the knitting segment).

Bottoms & Tops

FY21 was a period when we experienced it all.



In the first six months we stressed about staying afloat.

Demand remained subdued. Asset utilisation was abysmal. Costs hurt. Losses built up.

Still we used this time well.

- We cleared our old inventory to the lowest level ever
- We worked fervently on product development
- We established a high-end digital studio to facilitate showcasing our product innovation

In the following six months, we stretched to match upto demand.

Demand spiked. Asset utilisation peaked beyond 100%. Sales volumes exceeded plant output. The division generated profits – a first time after five years.

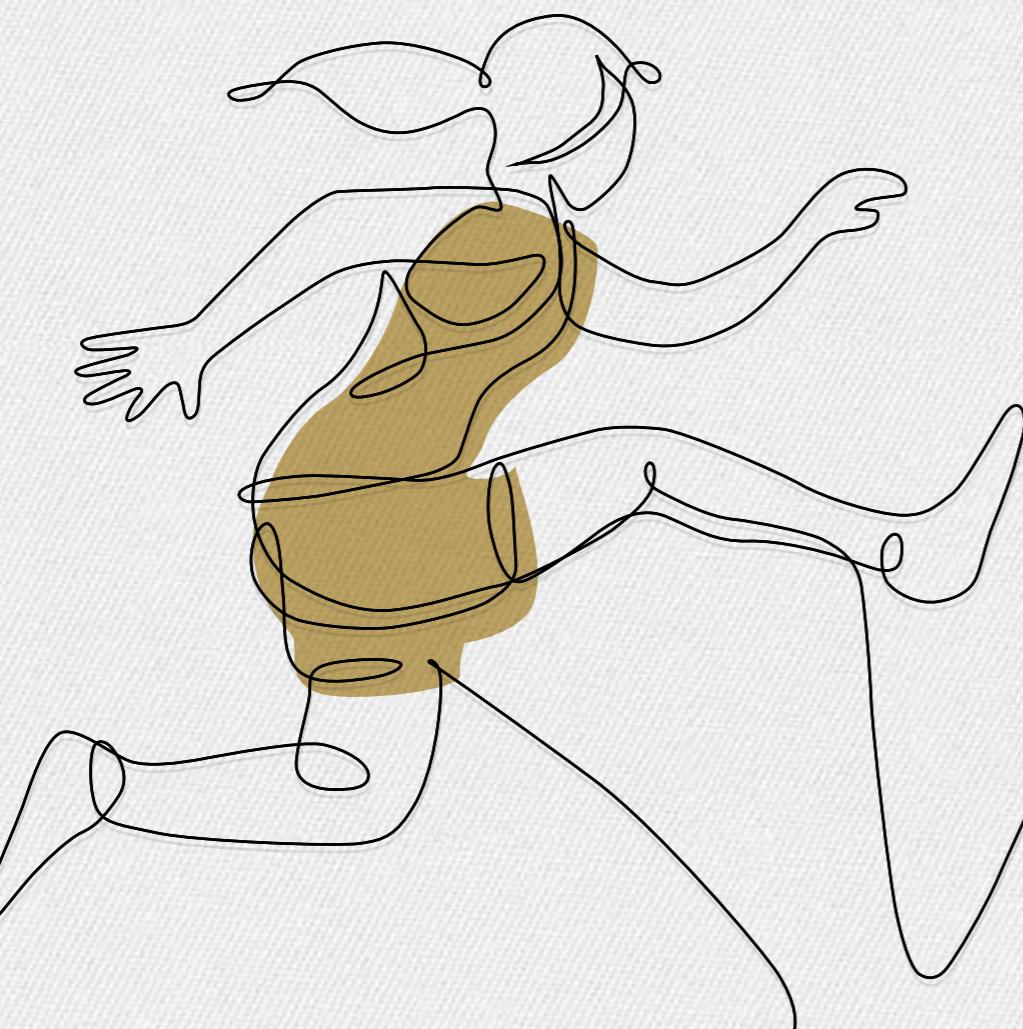
In the next 12 months (FY22), we hope to change the colour of our business performance from red to black.

We will add a 7 lakh mtr/month weaving line. We will augment spinning capacity by about 460 tonnes of yarn/month. We hope to add new global brands to our customer base. We aim to gain wallet share with existing customers. We aim to contribute to overall business profitability.

Next is *New*

FY21 was a period when the operating model of our fabric vertical changed.

Our fabric business needed a facelift. We needed to go from a single lever to multiple gears, from commodity to the value added and from back stage to center stage. In FY21, we made it all happen.



Moved to the Center of activity

We shifted our marketing office and warehouse from Banswara to Bhiwandi (proximate to Mumbai), the commercial and fashion hub of India, making it easier for our team to connect with customers. In doing so, we became more visible and lightweight

- We sold almost our entire old inventory of finished goods and realised old receivables
- We optimised our team size – retaining people with the 'must-do' attitude

Graduated to the Next

We moved out of weaving to focus only on fabric processing. We sold out 36 looms which were technologically conventional and plan to transfer 31 looms to our denim unit in FY22. We outsourced our fabric requirement to quality-respecting weavers and sharpened our focus on knowledge-driven fabric processing segment which is higher in the textile value chain. This promises to make our business more profitable.

Infused diversity in our processing capability

Hitherto, our fabric processing operations were largely focused on Polyester Viscose fabrics. We widened our capability-basket to maximise volumes with considerable success.

- Undertook minor tweaks in existing infrastructure to process knitted fabrics.
- Initiated bleaching of grey cotton fabric in a single process.
- Entered the hospital hygiene space by creating anti-microbial fabric, leveraging our processing expertise.

In a nutshell

The DNA of the fabric division has changed - from weaving and processing, to operating an expert and efficient processing house. The results of this transformation are heartening. The fabric division moved up - from a negative bottom-line in H1/21 to being Neutral in H2/21; we are all geared up to move into the positive zone in FY22.

One of the largest manufacturers and exporters of synthetic and blended spun yarns from India.

Established in 1960, RSWM is the Flagship company of LNJ Bhilwara Group. In addition to being one of the largest manufacturers of yarns in India, the Company also has a meaningful presence in fabrics and denims. With exports to more than 70 nations globally, RSWM enjoys the Golden Trading House status.



10

Manufacturing facilities

15,344

Team

1,39,500

Yarn capacity
(TPA)

275

Fabric capacity
(Lakh Mtrs)

85

Male
(%)

15

Female
(%)

67%



33%



21% Africa, South East & Far East Asia
10% Europe
1% Middle East
1% Americas

Value *creation*

21.61

Net Profit (₹ crore)

9.18

Earnings per share (₹)

323.20

Book value share (₹)

439

Market Capitalisation
(₹ crore)

270

240

210

180

150

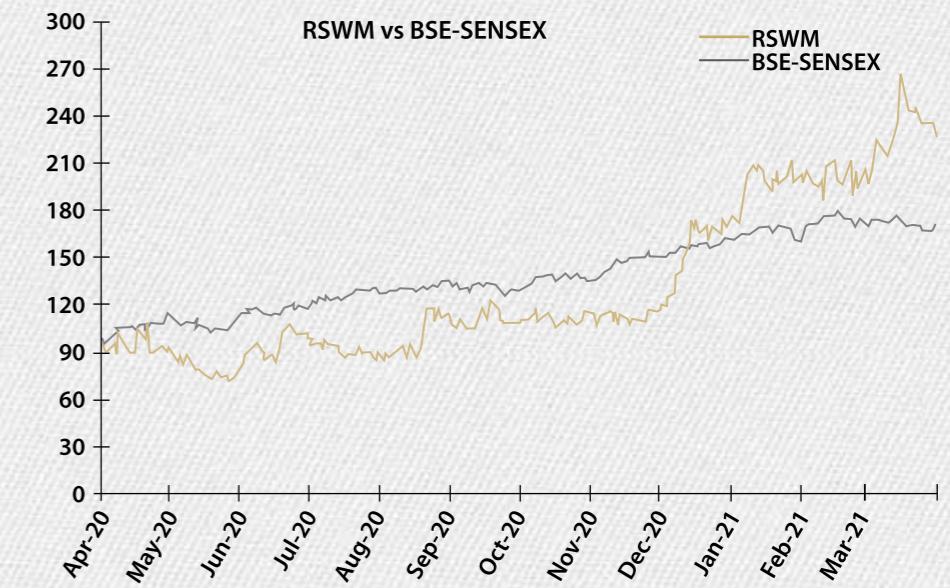
120

90

60

30

0

RSWM vs BSE-SENSEX

Goal

Sustain profitable business growth

Focus on value-addition

Enhance liquidity

Business Approach

Yarn Business

Increase the proportion of value-added products in the sales mix
Widen the product basket to cater to an increased number of user segments
Optimise operational costs

Fabric Business

Optimise working capital requirement
Focus on the operational niche to enhance profitability
Increase business volumes

The *Yarn* vertical

Spindles	Capacity (TPA)	Output in FY21 (Tonnes)	Revenue (₹ crore)	Contribution to total revenue (%)
4,23,824	1,39,500	1,08,774	1,881	81



RSWM is one of India's leading players in the polyester viscose blended yarn segment with a keen focus on value-added blends that cater to the demanding aspiration of global brands. As such the Company has one of the largest range of fibre blends, counts and shades that reaches out to more than 70 nations globally.

Mélange yarn, a high-value yarn, is RSWM's strength. Manufactured at its Mandpam and Kanyakheri units, this yarn sub-segment is widely accepted by leading global brands operating in India. Used in casual wear, sportswear, shirts, socks, inner wear as well as towels, and other home linen, this product contributes about 22% to the revenue earned by the yarn vertical.

FY21: the year that was

In the first half of the year, RSWM was among the very few to commence operations earlier than peers.

While the marketing team worked on securing business volumes, to capitalise on the head-start, the operations team worked relentlessly on cost optimisation measures. The team launched the 'Kifayat' program. Under this drive, cross-functional teams identified projects for cost optimisation, quality improvement and productivity enhancement.

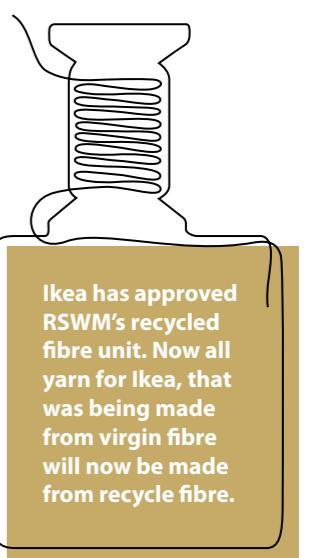
Also, the team introduced the Kaizen practice under the 'Abhivyakti' banner – a tool that made every person own his space of operation and express for improvements. These drives yielded large cost saving for the yarn business.

The marketing successfully liquidated finished goods inventory by seeking our customers in international locations for those specific products. This helped in easing the pressure on the Company's working capital.

From a product development perspective, the Company had interesting successes. RSWM tied up with Eastman Chemical for the supply of certain chemicals which when used with the yarns will make the fabric softer. These special yarns are being developed for high-end knitting, weaving and home textile applications. Also, the Company successfully developed the herbal dyed yarn in an array of pastel colours and shades. This has generated significant interest among global brands.

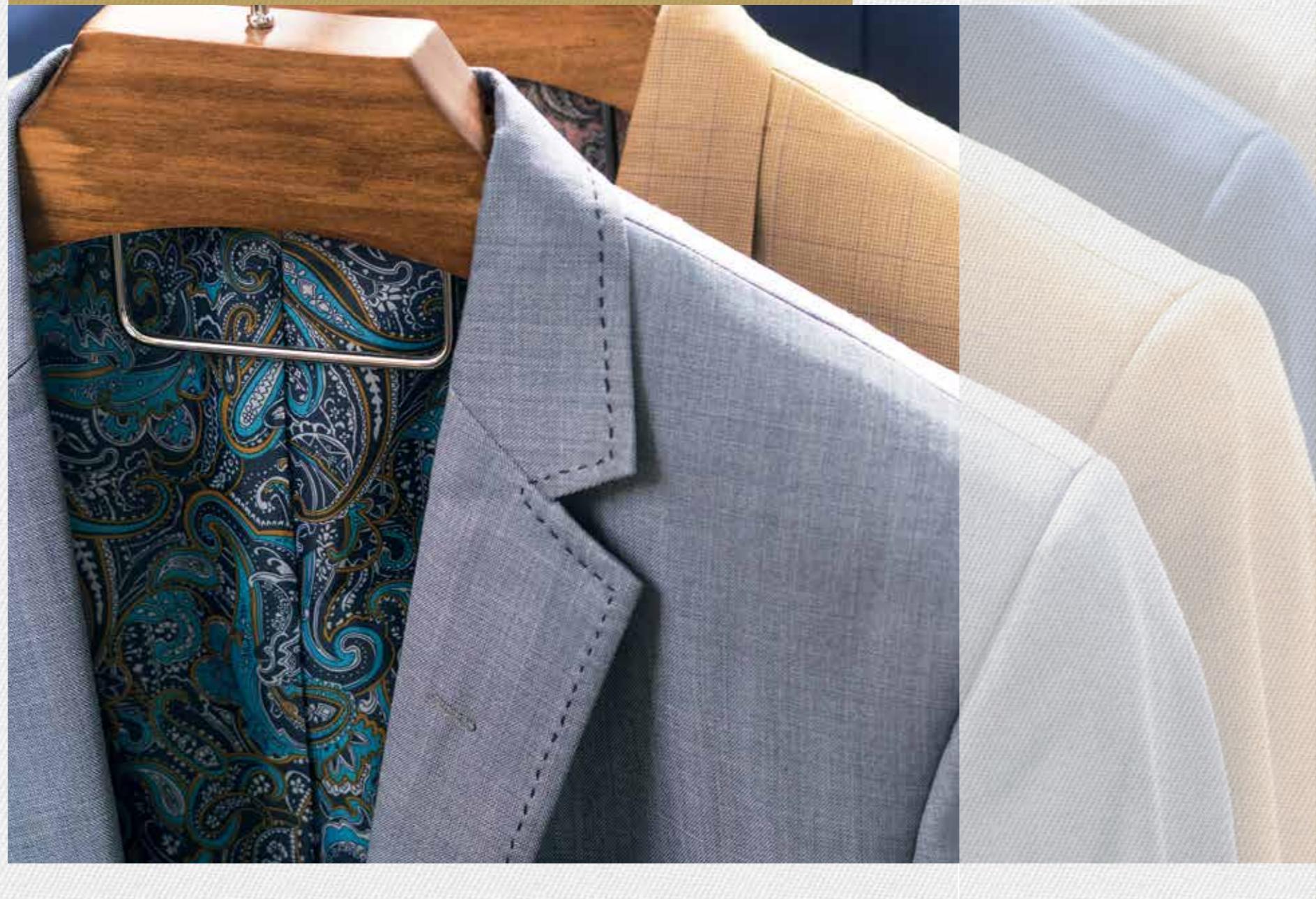
In the second half, as the order flow increased, the Company focused on maximising output to make up for the business loss in the first half. The team successfully enhanced its presence in the home textile segment.

Going forward, the Company will enhance the capacity of its mélange yarn to enhance the proportion of revenue from value-added products.



The *fabric* vertical

172	275	110.58	445	19
Looms	Capacity (Lakh mtrs)	Output in FY21 (Lakh mtrs)	Revenue (₹ crore)	Contribution to total revenue (%)



This business comprises of woven fabrics for formal and semi-formal wear and denim fabric manufactured at its ISO 9001: 2000-certified integrated plant in Mordi (Rajasthan) which also houses the entire range of fabric processing and finishing equipment. The denim business caters to leading global brands and customises fabrics around diverse applications.

FY21: the year that was

The fabric unit was off the block later than yarn operations owing to a dulled environment and lack of the demand. During this time, the Company drew up the strategy to streamline business operations to ensure that they made up for lost business opportunities.

Even as the Company moved its marketing team to Mumbai, it wound up its weaving operations to focus only on fabric processing. Within the processing space, the Company widened its processing capability to maximise asset utilisation. The team successfully liquidated old inventory to its lowest level in the Company's history – it enhanced organisational liquidity.

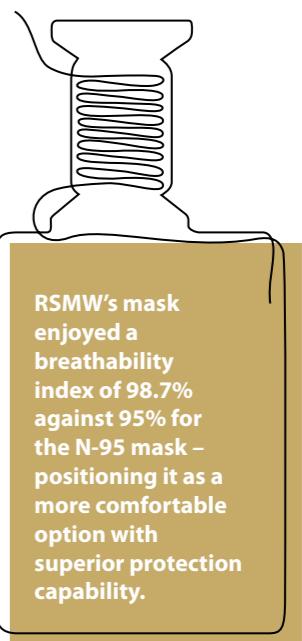
The common saying 'Adversity presents new opportunities' was relevant for the fabrics unit as it entered the Hospital hygiene products segment. Also the Company made 3-layer fabric masks which were well accepted by the market.

The business development team enjoyed many successes. After considerable effort, the Company received a large order for manufacturing and delivering fabric to Afghanistan. A small part was delivered in FY21, the larger part is scheduled for FY22. The team also secured healthy orders from its traditional export destinations.

Having established its product quality, the team focused on securing product approval from leading global brands operating in India. For this, the Company adopted the digital route to showcase its samples and capabilities to prospective customers with considerable success.

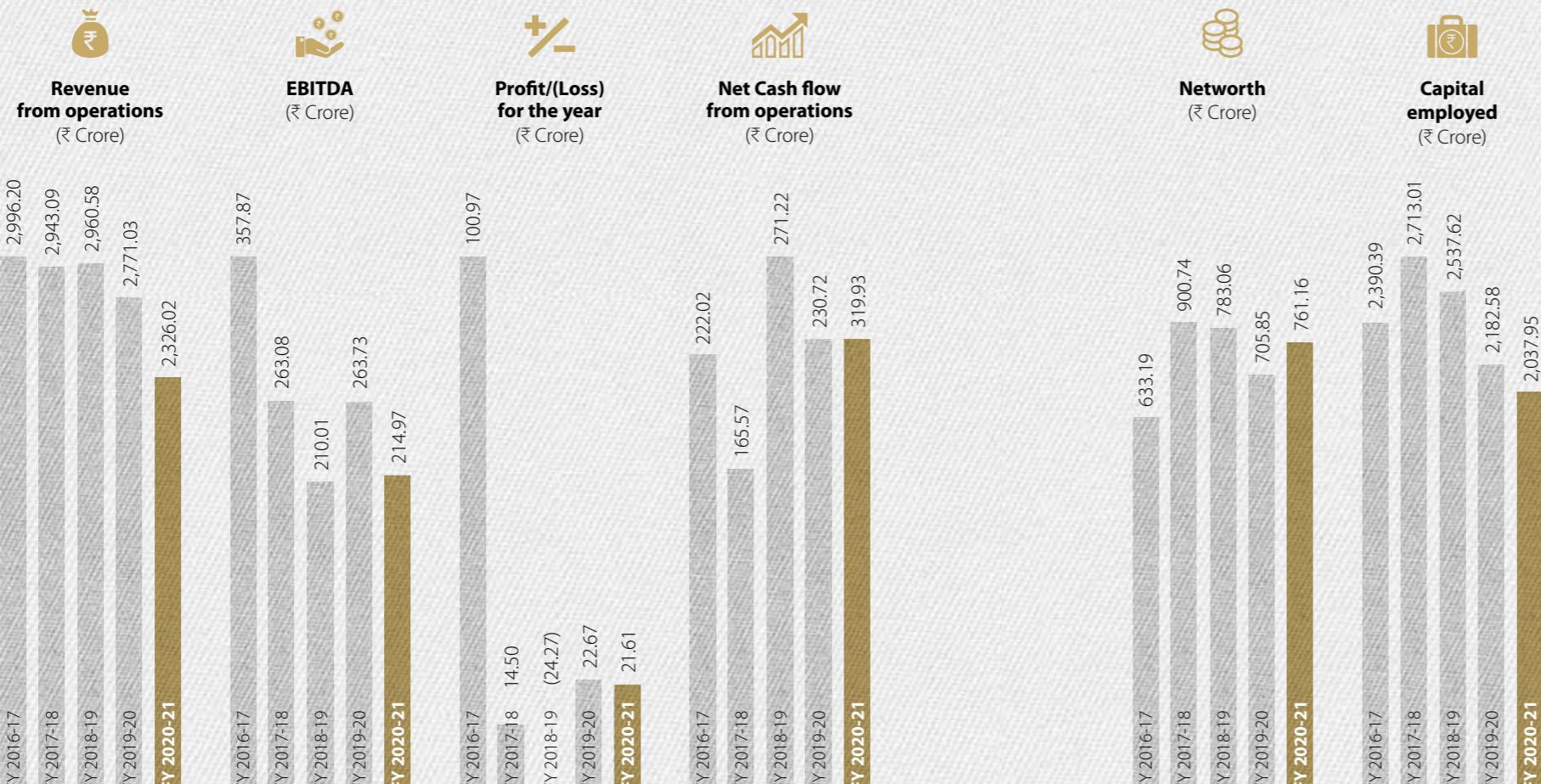
In keeping with the growing demand for its products, the division worked on expanding its capacities in spinning and weaving.

These transformations should transform the Fabric division into a profit contributing unit in FY22.



RSMW's mask enjoyed a breathability index of 98.7% against 95% for the N-95 mask – positioning it as a more comfortable option with superior protection capability.

Key Performance Indicators



What it showcases:
Increasing traction for the Company's products.

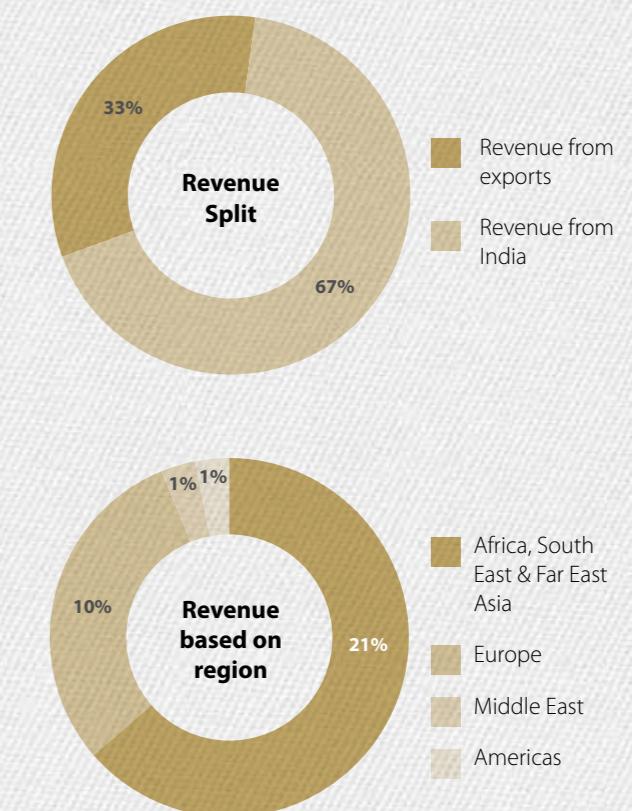
What it showcases:
Increasing operating profit arising out of growing value-addition and improving shop floor efficiencies.

What it showcases:
A profitable business that allows the organisation to reward shareholders.

What it showcases:
Business operations are generating sizeable cash which enhances organisational liquidity.

What it showcases:
Increasing relevance of the business model in creating value for shareholders.

What it showcases:
Amount invested in the business.



An informal discussion with the **Joint Managing Director**

FY21 was the most unusual year. Our first quarter results were the worst in our journey and Q4/FY21 was the best for the Company.



Shri B M Sharma

Jt. Managing Director, RSWM rolls back into what made FY21 such a defining milestone in RSWM's corporate journey.

Q How would you rate the Company's performance in FY21?

It was totally unusual to say the least. In April, we were working out a survival plan for the Company. Come September, our capacities were full. Our first quarter results were the worst in our journey and Q3/FY21 was an excellent resurgence. The last quarter of FY21 was the best for the Company.

The speed of this trend reversal took us by surprise, hence it was difficult to envision and prepare for the same. Thanks to our team, we were able to capitalise on emerging opportunities with rapidity. Being able to, report our best overall quarterly performance in a decade.

Q What was the mood within the Management Team as you walked into FY21?

When the lockdown was instituted (last week of March 2020), we had only about 300-plus Corona virus positive cases in India. We felt that this was a temporary phase which would be opened soon. But our hopes were

dashed as the contagion spread rapidly in just a couple of weeks. It is then we realised that we were in for the long haul. We worked out a threadbare survival plan based on multiple scenarios. Towards, the latter part of April, our hopes perked up as India announced its first phase of unlocking.

Q How did you start business operations?

We initiated plant operations since May 2020 one after another with local resources. But business operations remained subdued. The first quarter was a complete wash out for the Company.

Q When did you experience the first green shoots of recovery?

With the opening up of malls and high-street retail stores in July 2020 demand trickled in. As we entered August, demand surged, both from domestic and international markets. All our spinning units were operating at maximum utilisation. Our team was back at work. We soon realised that the dark night had given way to a bright morning. In the second quarter, we reported a positive bottom-line.



designs. We will process fabric. We will market our fabrics. But, we will outsource our weaving operations to the large quality-respecting weavers in Bhilwadi. We sold some of the conventional looms while we will move our contemporary looms to our denim unit.

Q You are increasing your denim capacity?

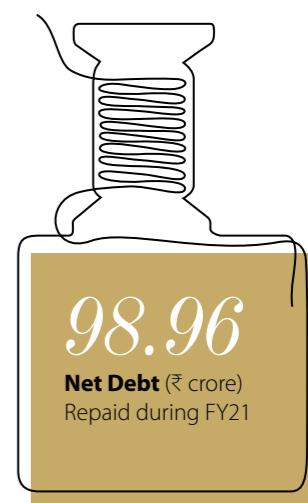
We have a denim capacity of manufacturing 20 lakh meter every month. Interestingly, we had orders for a higher volumes which we needed to outsource. Moreover, we have added some marquee global clients to our customer base in FY21. This promises to increase volumes going forward. To cater to the growing volumes, we need to increase our denim fabric capacity.

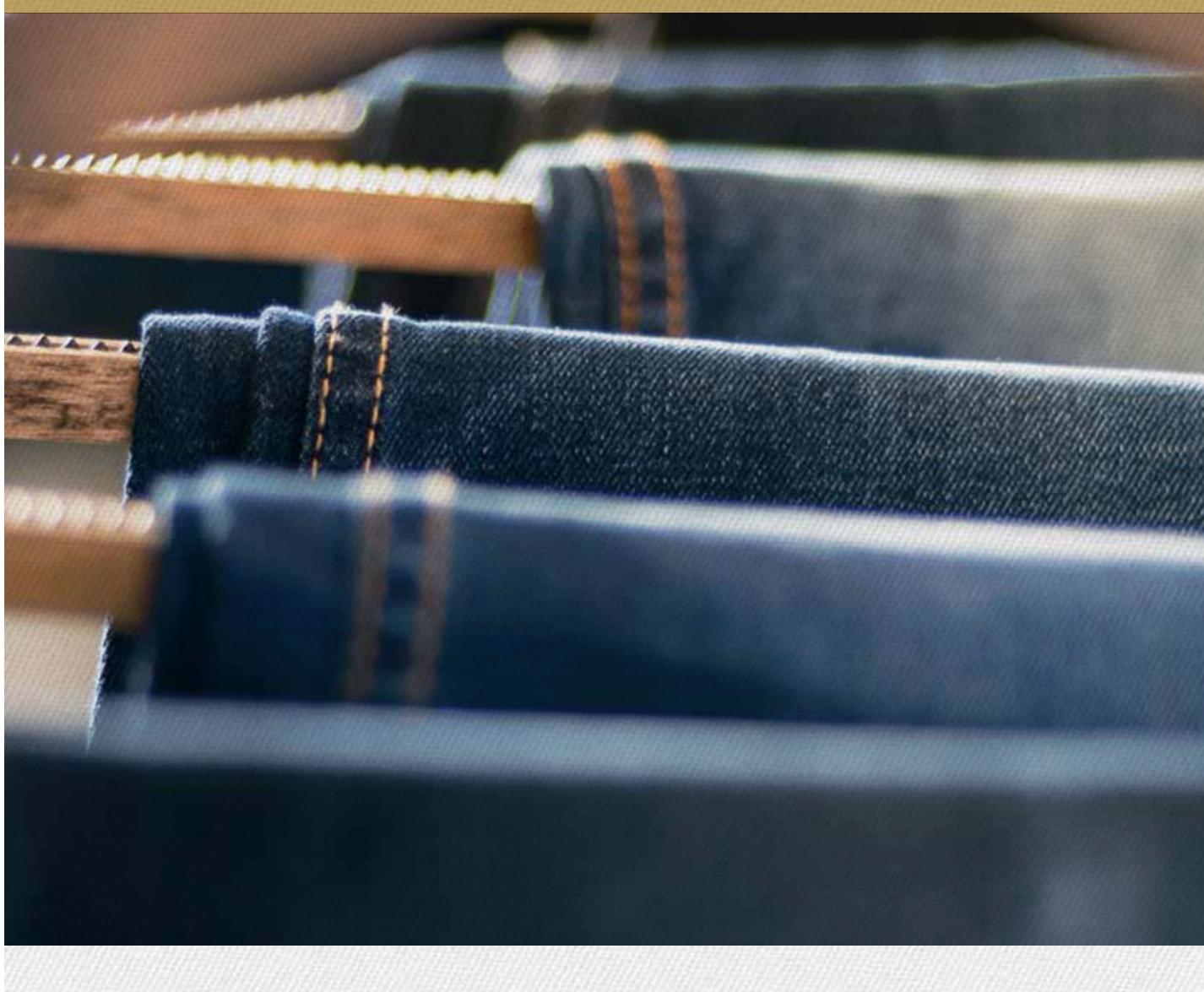
Q What about the backend for denim?

We are also augmenting our spinning capacity by adding about 19,500 spindles which should produce yarn aggregating to about 460 tonnes/month. This should take care of part of the additional yarn requirement.

Q Which means all your verticals are doing well?

Yes, this, for me, is the highlight of FY21. Both our verticals – Yarn and Fabric (denim & Mayur) – have reported an improved performance. Hopefully, both verticals should contribute to business profits in FY22.





Risk Management

RSWM realises the importance of the changing business environment and framing the blueprint with growth, profitability and delivery at its center piece. To fight the challenging environment and counter the risks associated with it, RSWM has devised an efficient risk management framework. The framework implements a comprehensive and systematic approach to identify, monitor, evaluate and review the existing and new risks on a continuous basis.



Key risks which could impact the Company's prospects going forward are mentioned below along with their mitigation measures.

1) Risks owing to the pandemic

The second wave of the pandemic and lockdowns to contain its spread could impact demand.

Mitigation measure

Domestic demand is likely to get impacted owing to the pandemic and its aftermath. This will impact the entire textile industry. But the spread of this wave appears to have been arrested in India. The unlocking of commercial establishments and the retail sector has been initiated. This suggests that demand should return soon. What also works in its favour is that a good part of the Company's revenue comes from exports to geographies that have not been severely impacted by the pandemic waves. Demand from these geographies should remain robust.

2) Risk of rising costs

With assets operating at less than their optimum utilisation, unabsorbed costs could eat into business profitability.

Mitigation measure

The second wave of the pandemic has obstructed more than two months of operations. This could dent business profitability. Its severity would be limited because the Company implemented important cost optimisation measure in FY21 which has reduced its fixed costs. Besides, the Company's focus on the value-added segment within each vertical should help in arresting a slide in business profitability, if it happens.

3) Risk of working capital blockade

An inventory pile could block working capital impeding business health.

Mitigation measure

The Management has institutionalised a policy of manufacturing products only for confirmed order – it minimises the incidence of piling inventory. Besides, business heads have worked aggressively on liquidating old inventory and encashing overdue receivables. The liquidity unlocked has been deployed in debt reduction and business investment.

4) Risk of remaining relevant

Inability to develop new products in line with prevailing trends could impact business fortunes.

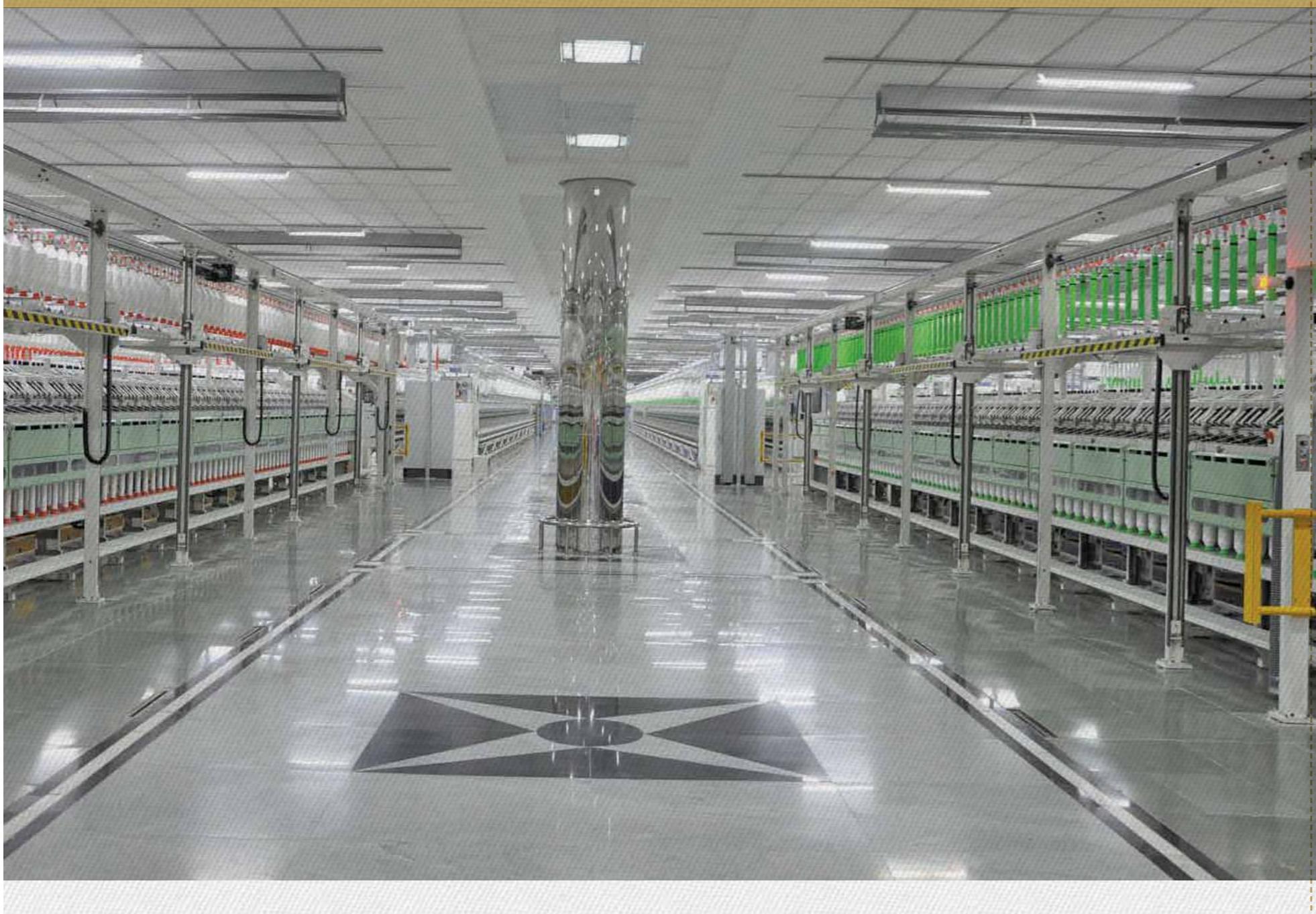
Mitigation measure

The Company is recognised for its ability to develop blended yarn that are aligned to global and domestic fashion trends. This innovation capability has enabled it to nurture lasting relations with existing customers even as it adds new customers. In the fabric space, the Company is widening its processing capability to include the processing of cotton fabrics and knitted fabrics; it has also established a foothold in the Hospital fabrics space. Creating these capabilities have only widened its opportunity matrix. In the denim space, RSWM's innovation prowess has allowed it to on-board global brands to its customer base. These factors point to a promising journey in coming years.



RSWM has received a large order for manufacturing and delivering fabric to Afghanistan. A small part was delivered in FY21, the larger part is scheduled for FY22.

Management discussion & analysis



India's economic overview

After a contraction in GDP for the first half of FY21, India recovered smartly to emerge as one of the select few economies that have witnessed positive year-on-year growth in the three month period October-December'20.

The Indian economy emerged from recession and returned to growth in the quarter of October-December'20 – it grew by 0.4% in the third quarter of FY21, which is a sharp improvement from the negative growth of 24.4% and 7.3% in the preceding two quarters.

According to the second estimate by the Government, growth in India's real GDP during 2020-21 is estimated at -7.3% as compared to the growth rate of 4% in 2019-20.

Interestingly, economic activity in India gathered considerable momentum and 2020-21 could end better than projected in the second advance estimates of GDP. The mild rise in Covid cases did not dent the steady uptick in consumer sentiment, which was further bolstered by the inoculation drive.

This optimism is based on the robust GST collections in the second half of FY21. GST revenues crossed above ₹1 lakh crore mark at a stretch for the last six months – it was ₹1.23 Lakh crore in March 2021, the highest collection ever since the launch of GST.

Also, the net indirect tax collection in 2020-21 grew 12.3% annually to ₹10.71 lakh crore, thereby exceeding the previous year benchmark at ₹9.54 lakh crore and the target set in revised estimates at ₹9.89 lakh crore.

Output in six infrastructure sectors posted 6.8% growth in March—a 32-month high—driven by a base effect after contracting for nine out of the last 12 months; overall, core sector contracted 7% in FY21 against 0.4% growth in the preceding year.

The agriculture sector on the other hand is estimated to see a growth of 3% in 2020-21. However, it will be lower than 4.3% growth recorded in 2019-20.

While most economic experts had predicted a sharp recovery in India's economy, the recent second wave of Covid which has run riot across the Indian landmass, has emerged a significant challenge to India's economic progress.

Rating agency Standard & Poor's stated that a drawn-out Covid-19 outbreak with daily cases setting new records will impede India's economic recovery.

Indian textile industry

India's textile industry is the example of a success story that never really got around to getting its happily ever after. Somewhere along the way, growth flattened out in the face of nimble new competitors and domestic conundrums. Now, the industry is gearing for another big push.

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industry and has a formidable presence in the national economy in as much as it contributes to about 14% of manufacturing value-addition, accounts for around one-third of our gross export earnings.



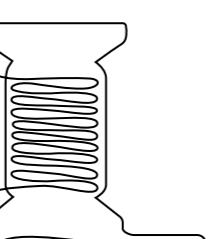
The Spinning Industry

FY21 will go down in history as a year where the most unexpected transpired. What was estimated to be a blood bath for the spinning sector turned out to be a boon for the industry players – most of them registering their best performance.

The spinning sector entered FY21, bracing for a disaster. As per estimates by ICRA at the start of FY21, the Indian cotton spinning sector would have logged a 25-30% y-o-y decline in revenue and a 300-400 bps contraction in operating margins in FY21 amid COVID-19-led disruptions in manufacturing activities, and an all-encompassing weakness in demand from the downstream segments, within as well as outside the country.

These estimates were not unfounded because April and May were largely a washout, forcing the larger players to focus on intense cost optimisation strategies; the smaller players were pushed with their back to the wall.

Come June-July 2020, there was a sudden surge in demand for yarn from the garment and cloth sectors



The CAI Crop Committee has estimated the total cotton supply till end of the cotton season 2020-21, at 496 lakh bales (consisting of the opening stock, production and imports).

resulting in the non-availability of stocks. While most of the fabric weaving units commenced operation in May and June, a number of spinning mills remained shut upto September. This delay in resumption of operations led to a mismatch of demand and supply.

Moreover, following the US sanctions on Xinjiang cotton — which accounts for almost 80% of China's cotton production — India's cotton exports gained traction. As such, India received sizeable orders from Cambodia, Bangladesh and Vietnam among other nations. Hence, while the first quarter of FY21 was a clear washout, the third and fourth quarter ensured that the spinning sector more than made up for the initial losses.

As per leading industry experts, the demand for yarn is expected to remain healthy in the current year subject to the impact on business owing to the second wave of Covid-19.

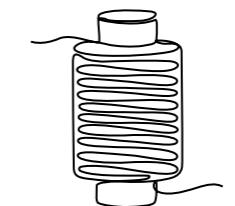
The cotton year 2020-21: Cotton Association of India (CAI) has increased its cotton crop estimate for the 2020-21 season to 360 lakh bales due to higher production in the north zone.

The CAI Crop Committee has estimated the total cotton supply till end of the cotton season 2020-21, that is up to September 30, at 496 lakh bales (consisting of the opening stock, production and imports).

The CAI has retained domestic consumption at the pre-lock down level of 330 lakh bales. Although it expects export to be higher at 60 lakh bales owing to higher international prices.

The carry-over stock at the end of the cotton season 2020-21 is estimated at 106 lakh bales. This compares against 107.50 lakh bales estimated for the 2019-20 season.

Man-Made Fibre & Fabric



The domestic Man Made Fibre industry mainly comprises of two components i.e., polyester and viscose, which together accounts for about 94% (in volume terms). Under this, polyester accounts for about 77.5% while viscose accounts for the remaining share. MMF is primarily used to produce 100% non-cotton fabrics and blended fabrics, which are in turn used in readymade garments, home textiles and other industrial textiles.

Factors such as increasing use in non-wovens and technical textiles, changing consumer trends including increasing emphasis on fitness and hygiene, rising brand consciousness, fast changing fashion trends, increasing women participation in workforce will further boost the demand of manmade fibres.

India's use of man-made fibre in fabric blends has increased to 45 per cent over the last few years from 40 per cent earlier. However, India is far below the global average of man-made fibre use of 70 per cent in blended fabrics.

The nation is gradually catching up with the global trend of a bigger share of man-made fibres than natural fibres in textile blends. The preference of consumers is moving from cotton to man-made fibres like polyester, given the increasing demand for casual-wear and sports-wear.

Man-made fibre textile segment was one of the worst-hit in this epidemic. The sector incurred significant losses and a funds crunch owing to cancellation and deferred orders.

To assist the industrial sector the government rolled out a production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. This 'focussed product scheme' will incentivise the production of about

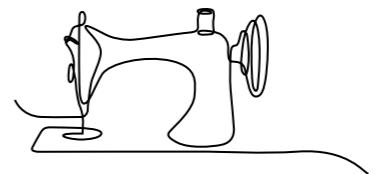
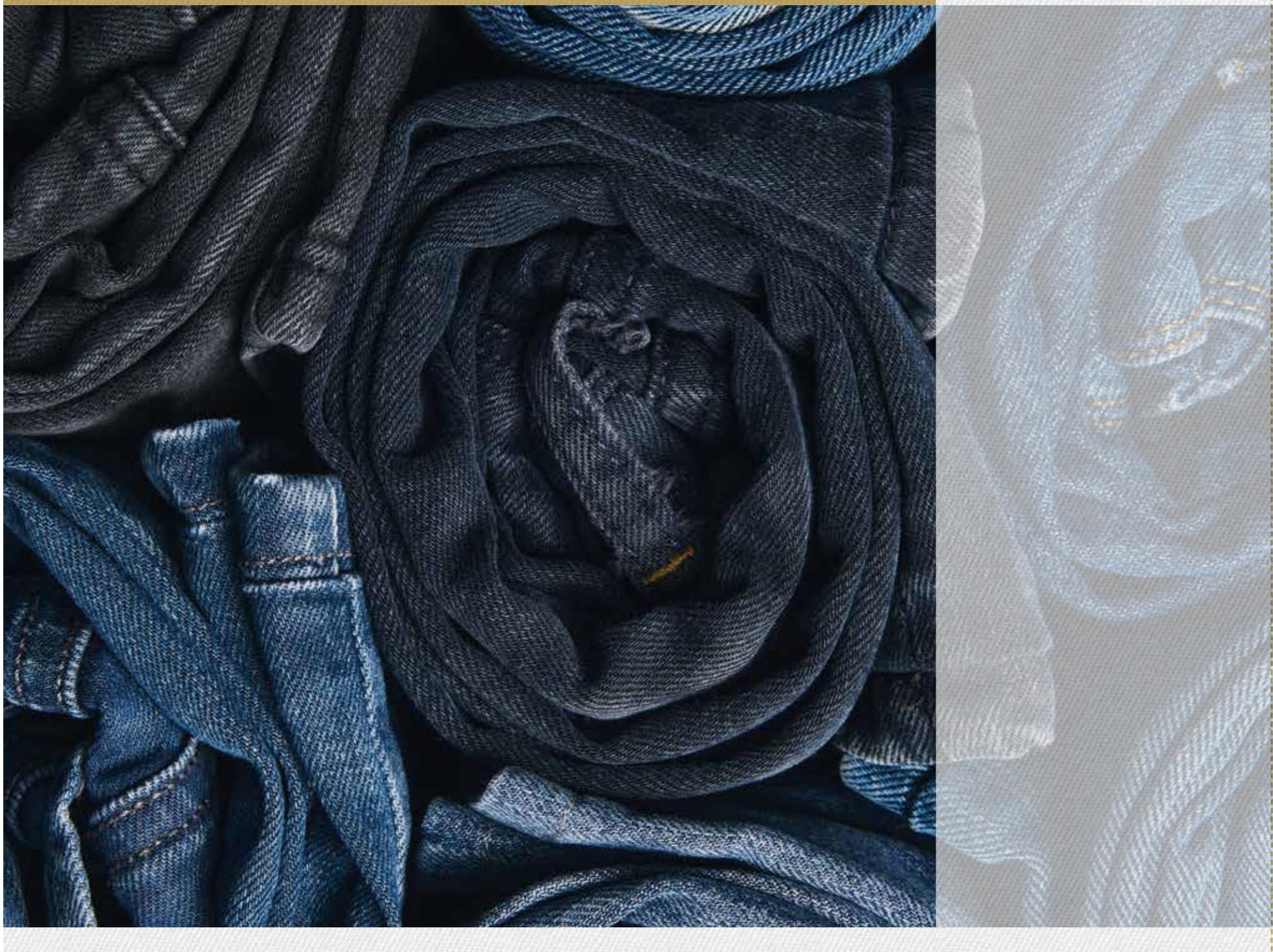
40 items with high export potential. This will go a long way in repositioning India as a major producer of synthetic fibre-based apparel.

While the pandemic dealt a body-blow to the man-made fabric sector, it also opened new business opportunities. Owing to the pandemic, businesses and supply chains witnessed a drastic shift from traditional products to new ones such as PPEs, N-95 masks, technical textiles, synthetic material, etc. Before the outbreak of the pandemic, the PPE requirement in India was approximately 50,000 units per year. However, since the outbreak, India has become self-reliant in these segments with production capacity of PPE reaching 4,50,000 units per day, from zero production capacity.

Going forward: The Indian textiles sector primarily operates in the cotton segment, where primarily low-value products are manufactured. Going forward, the focus will be on new emerging sector of technical textiles and man-made fibres. The idea is to promote the manufacture of high-value and functional fibres, such as those used in winter wear and technical textiles, which are currently imported. The MMF players are also advised to focus on the production of defence and medical textiles, geo textiles, agri textiles and special performance fibres, etc.

Towards this end, the Government has removed the anti-dumping duty of PTA (purified terephthalic acid) as a means to open up the MMF (man-made fibre) sector. To reverse the trend of India importing significant quantities of technical textiles—worth US\$16 billion every year—and to position India as a global leader for this product category, a National Technical Textiles Mission was announced with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of ₹ 1,480 crore. These initiatives are expected to put Indian firms on a level playing field with international players in the man-made fibre and technical textiles sectors.

The *Denim* Industry



Denim has usually been an integral part of the style, from workwear to casual wear – denim has transformed the style world.

India's consumer market may have the blues, but denim wear is seeing a sharp resurgence driven by new, more comfortable fabrics, low pricing and inclusive sizes. Denim makers attribute it to a host of factors from innovation in design to increasing trend to party during weekends and embracing street wear as part of their work attire in favour of jeans instead of formal wear or chinos.

Denim never went out of fashion. It's just that people are more aware now and prefer authentic denim brands instead of fast fashion brands that also sell jeans. E-commerce and value retail has also played a seminal role in the migration from the unorganised segment to the branded segment.

The numbers bear witness. According to Euromonitor, over the past decade, India's jeans market trebled to ₹ 21,993 crore (2019).

But the pandemic has challenged the fashion sector in the nation. In 2020, global brands continued to hold on to their spring collection with the hope of repurposing the same; they did not buy new fabric. This impacted business operations for a number of organised players.

However, demand in rural areas, where denim is being purchased as a workwear essential, continued to increase. This was owing to two reasons

1. Rural India were able to sell their goods
2. Rural India received Government support.

Cities and urban India, on the other hand, took longer to bounce back and make denim purchases since majority of the offices remain shut and urban India witnessed significant loss of jobs. As such commoditized denim rebounded faster than fashion denim.

While this was the reality in the first half of FY21, the next six months saw demand resurge in urban India too as metros, urban and Tier I cities returned to normalcy. Also, the festive season towards the close of the CY2020 contributed to the spike in demand.

Global trend: As per a new Denim Market report, global denim market will grow at 6.20% during the forecast period of 2020 to 2027. Growing demand for recycled denims manufactured using plastics and other materials will create new opportunities in this market.

Rising urbanization and growing disposable income will enhance the growth of the denim market by 2027 supported by the growing popularity of denim shirts, increasing trend of stretchable denim jeans by blending cotton with synthetic material, easy availability of raw material, rising government initiative to enhance the product manufacturing and increasing promotion of denim wear.

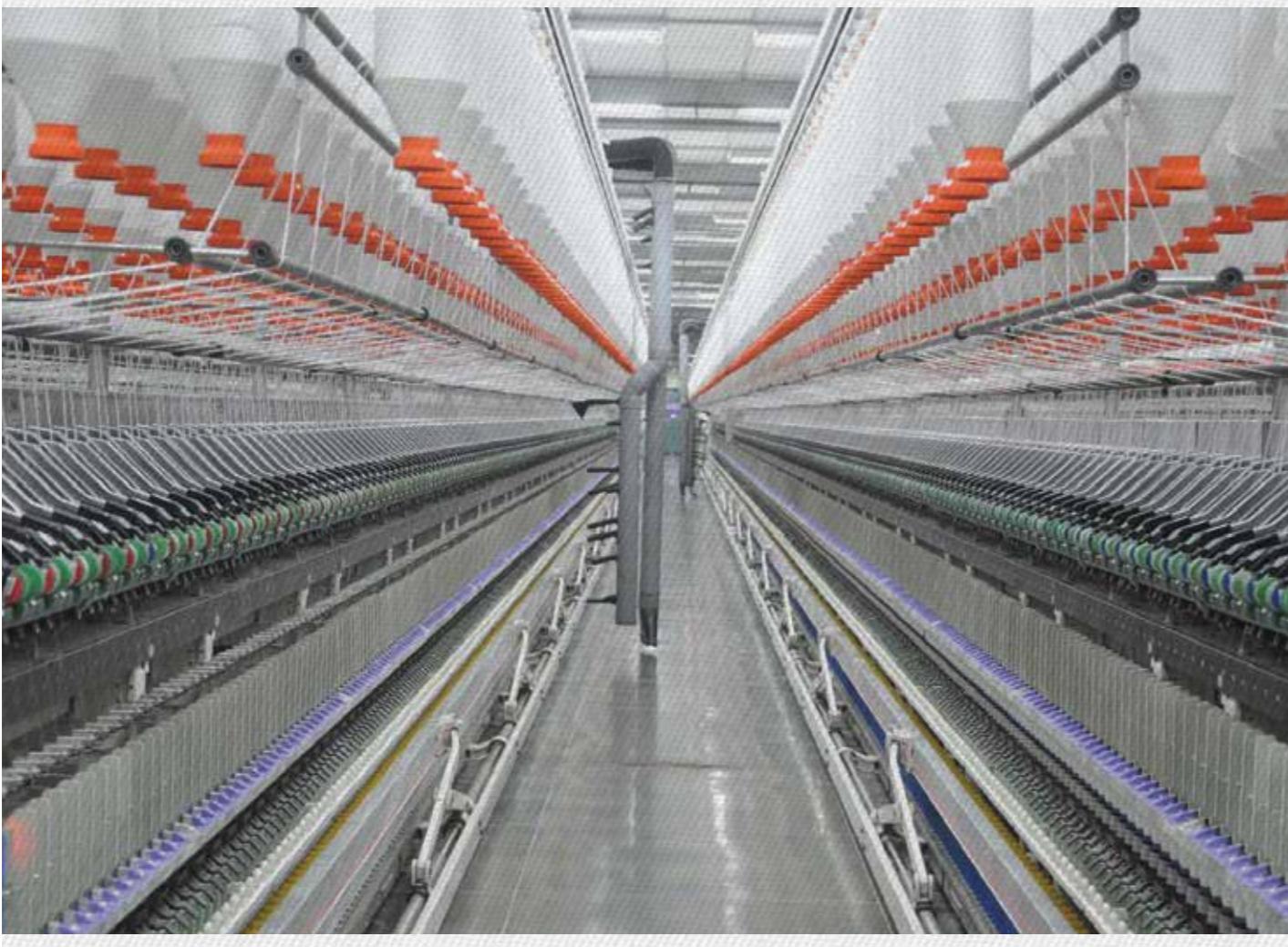
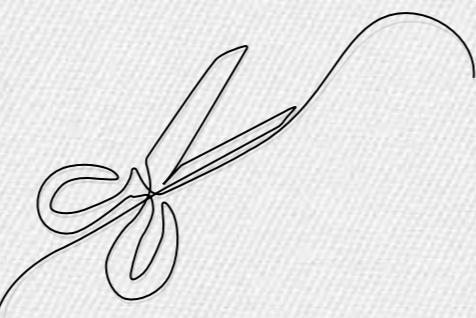
However, this growth is likely to be hampered by the rising prevalence for inexpensive woollen wear, availability of alternatives in the market, fluctuation in the cost of raw material and changing fashion and consumer preference.

Domestic trend: India was well on its way to a sharp economic resurgence, this journey has been thwarted by the second wave of Covid-19 that has swept across the nation with greater speed and intensity. Experts are convinced that the resurfacing of the virus, in its current form, will impact the sectoral momentum in FY22.

Operational *Performance*

FY21 was a catalyst for change. The trying circumstances that unfolded with every passing month mandated unprecedented change in business strategies and operations. More importantly the sectoral trend transformed from the abyss of gloom in the first few months to a sharp spike in fortunes in less than six months. Players with a sharp mind to envision this change and agility to prepare for it were the ones who reported a healthy financial numbers despite the highly unpredictable ecosystem.

RSWM happens to be one among them. Its yarn business was ready on the uptick as the demand for yarn suddenly surged in the second half of FY21. The Fabric business focused on inventory management and optimised manufacturing operations to what was absolutely necessary. The denim business, after a dismal start (owing to the lockdowns) performed better with increasing demand from existing customers; the Company added important global brands to its portfolio which lends optimism for improved volumes over the coming years.



Financial *Performance*

For a year, that started with a nationwide lockdown owing to a global healthcare emergency, the financial outcome at its end was extremely satisfying.

Owing to loss of business operations for the first two months of the fiscal, the Company's turnover declined from ₹2,771.03 crore in FY20 to ₹2,326.02 crore in FY21. The slide in numbers in the first half of FY21 was arrested by a sudden spike in demand for yarn accompanied by an increase in realisation. The fabric and denim divisions also made healthy contributions to the Company's topline.

Despite the trend reversal, overall business profits and profitability was impacted. EBITDA stood at ₹214.97 crore in FY21 against ₹263.73 crore in FY20. EBITDA margin dipped from 9.52% to 9.24% over the same period.

The Company prudently utilised business funds to reduce external debt – interest liability for the year declined by 23.48% over the previous year. Net Profit stood at ₹21.61 crore against ₹22.67 crore in 2019-20.

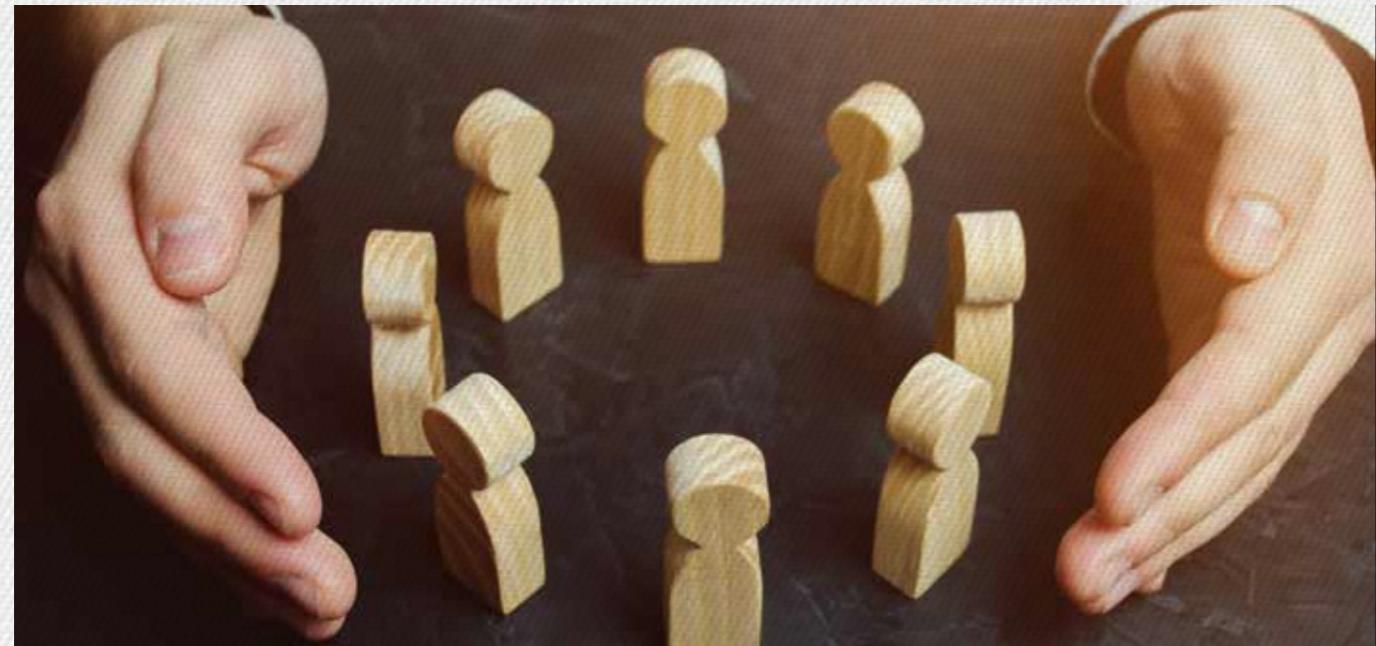
Networth increased from ₹705.85 crore as on March 31, 2020 to ₹761.16 crore as on March 31, 2021.

Also disciplined working capital management helped in growing the Net Cash Flow from Operations – it increased from ₹230.72 crore in 2019-20 to ₹319.93 crore in 2020-21.

	FY21	FY20	% change
Stability Ratios			
Debt equity Ratio	1.11	1.51	(26.49)
Debt Service Coverage Ratio	1.15	0.85	35.29
Interest Coverage Ratio	2.59	2.43	6.58
Liquidity Ratios			
Current Ratio (incl. CPTL)	1.13	1.15	(1.74)
Current Ratio (excl. CPTL)	1.38	1.30	6.15
Debtor Turnover Ratio (days)	47	33	42.42
Inventory Turnover Ratio (days)	73	67	8.96
Profitability Ratios			
Operating Profit Margin (%)	9.24	9.52	(2.94)
Net Profit Margin (%)	0.93	0.82	13.41

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 Resources

FY21 was one of the most challenging year in living history from a people perspective because humans, essentially social beings, were forced to remain confined within their homes owing to a fatal and contagious pandemic that threatened lives. Fear and uncertainty loomed large as India Inc. went into an unprecedented lockdown. This held true even for RSWM.

The Company took this crisis as an opportunity to connect with its team. It leveraged technology to connect virtually with the RSWM family of more than 15,344 members. The senior leadership spoke at length with the team to allay apprehensions.

The HR team also connected with the entire team at regular intervals to explain the Do's and Don'ts during the pandemic, about the need to wear masks and undertake sanitisation measures for the health of the individual and his family.

The HR team worked zealously to keep the team engaged and motivated. Knowledge sharing sessions and regular training sessions were organised virtually to enhance skill sets and for personality development. Town Hall sessions were created where business leaders addressed the team members on the pandemic situation unfolding, business realities, business prospects and strategies going forward.

The Company also developed a roadmap for aligning to the 'new normal', drew up an action plan, reinforced the review mechanism for safety of business operations and its people. This helped in becoming business ready with the phased unlocking of the nation.

The HR team worked on organisational restructuring, aligning it with business strategies. New HR manuals were created and launched. Existing policies were looked into and analysed for their relevance in the prevailing operating ecosystem – suitable changes were made where required.

Even as work resumed, the HR team remained extremely vigilant to ensure that the Covid protocols announced by the Government from time-to-time were strictly adhered to. The team continued on its Project UDAAN, a tool to strengthen the leadership pipeline. More than 12 executives were fast-tracked into taking leadership roles with the organisation.

Going forward, the HR team will sharpen its focus on Training and Development – working out customised training sessions for specific requirements. Also, the team is working on developing Smart KRA solutions for the entire organisation with an accurate monitoring and review mechanism which will help achieve organisational goals in a more structured manner.



Information Technology

In today's dynamic world, business happens only on the IT platform, its criticality came into the spotlight during the Covid phase as enterprises in India and across the globe could operate only by leveraging IT solutions.

RWSM continues to strengthening its IT Infrastructure by adopting best practices, ITIL framework, latest technologies with updated version/fix packs with the objective of streamlining business operations and enhancing people productivity. The Company has adopted HCI technology to achieve software defined storage, agility, scalability, data protection & cost efficiency.

The effectiveness of its IT investments were reflected in the seamless manner in which the Company executives transitioned from the 'Work-from Office' to 'Work-from-Home'. The secured VPN environment allowed users to 'Work-From-Anywhere' during the pandemic.

Despite the challenges owing to the pandemic, the IT team achieved 100% uptime of Data Center services by digital transformation of Data Center Management & Monitoring. The team undertook round-the-clock Data Center monitoring to meet Application & Network up-time SLAs.

Further, the IT team conducted extensive users training on the nuances of using the digital platforms for the meetings. All Quarterly, Annual board meetings, AGM as well as other internal meetings were conducted successfully by using digital platform.

The Company refurbished the existing Gateway Email Antispam to achieve the timely email delivery with advanced Anti-Malware/Virus/Trojan protection, Smart Spam Prevention Solution, IntelliTrap. This also protected the IT infrastructure against Command & Control (C&C), DoS attacks, Social Engineering Attack etc.

The IT team implemented numerous initiatives to strengthen the Company's IT and Data security. They include:

1. Reviewed USB access rights to avoid unknown threat through Pen Drives and removable storage devices etc.
2. Equipped all systems with the updated version of antivirus solutions to proactively scan and remove all threats from the system.
3. Enabled URL filtering to restrict web/Internet users against inappropriate and virus infected websites.
4. Mandated IT Authorisation for any new device e.g Desktop, Laptop and Mobile etc. to access the Company's network.
5. Implemented a centralized patch management mechanism to protect the Company's systems from OS vulnerability.
6. Implemented Visitor Management Solution & Meeting Room Management solution for better visitor management.
7. Implemented email archive for better email response & old email reference from local system.
8. Enforced all marketing offices and Manufacturing locations to comply with centralised IT policies for better security & management.
9. Organized training on new technology & implemented Self learning tools on intranet, to keep the team updated on innovative and relevant solutions.
10. Launched a mobile app for business users for better Help Desk services – this is expected to ensure better response & resolution time.



Internal Control Systems & Their Adequacy

RSWM maintains a system of well-established policies and procedures for internal control of operations and activities. The Company continuously strives to integrate the entire organisation – from strategic support functions like finance, human resource and regulatory affairs to core operations like research, manufacturing and supply chain management.

The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has 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 attention of the audit committee for periodical review.

Risk Management

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

Statutory Reports & Financial Statements



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, 2021.

Company's Performance

Your Company's performance during the year 2020-21 is summarized below:

Financial Results

Particulars	2020-21	2019-20
Turnover	756.09	827.23
Export	1,569.93	1,943.80
Domestic		
TOTAL	2,326.02	2,771.03
Profit before Interest & Depreciation	214.97	263.74
Less: Interest/Finance Cost	83.03	108.51
Profit before Depreciation & Amortisation	131.94	155.23
Less: Depreciation & Amortization	127.68	131.67
Profit/(Loss) before Tax	4.26	23.56
Less: Current Tax	0.71	17.09
Tax of earlier years provided (written back)	(10.22)	Nil
Deferred Tax Liability/(Asset)	(7.84)	(16.20)
Profit/(Loss) after Tax	21.61	22.67
Add: Opening Balance	454.40	352.40
Add: Profit on Sale of Equity shares held in HEG Limited	-	78.58
Dividends & Others	1.19	0.75
Profit available for appropriation	477.20	454.40

Number of Meetings of the Board

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

The composition of the Board and its committees is in the report on Corporate Governance.

Dividend and other Appropriations

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

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

Your Directors have adopted the Dividend Distribution Policy in line with the recent amendment notified by Securities and Exchange Board of India in 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 inform the members that during the year under review, the entire world including our Nation faced the unprecedented lifetime challenge thrown by the world over pandemic in the form of COVID – 19. The Nationwide Lockdown was announced by the Government and your Company also began the financial year under lockdown conditions with all the operations remaining shut. The Company gradually started its operations at its various facilities with the commencement of unlocking with the permission of the local authorities as per the Government guidelines. The gradual uplift of operations could stabilise in third quarter.

Your Company took various steps and decisions to counter the challenges thrown by the unprecedented conditions. These included rationalisation of costs, optimized use of its capacities, availment of moratorium period for loan repayments as per RBI guidelines and availment of financial assistance in the form of working capital facilities under COVID – 19 financial assistance scheme by the Consortium Banks for necessary payments including salary and wages. Due to all these measures your Company could sustain its operations and started returning towards normalcy from the third quarter onwards.

With the help of all these measures, your Company recorded a turnover of ₹2,326.02 Crore as against a turnover of ₹2,771.03 Crore (which itself was lower due to the lockdown towards the end of the financial 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 2018-19 to 2020-21 are given in Annexure – I and form part of this report.

Expansion and Modernization

Your Directors inform the members that in view of difficult conditions prevailing in the first half of the year under review your Company did not incur any capital expenditure except

the normal capex for smooth running of the operations of the Company. However in the second half of the year, the normalcy in the operations returned due to the buoyancy in all business segments of the Company.

Your Directors inform the members that encouraged with the business conditions that prevailed in second half of year under review, the Company planned a capital expenditure programme at an outlay of ₹304.00 Crore 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 8.4 Million Mtrs. of Denim capacity for sheet dyeing and finishing facility at Mordi at an outlay of ₹29.71 Crores and setting up of 30,000 Spindles of Melange yarn at Kharigram at a capital outlay of ₹157.12 Crores and Modernisation and Balancing Equipments across all locations during FY21-22 at capital outlay of ₹38.82 Crore.

Your Directors inform the members that these capacities are being created at the existing facilities by making use of surplus land and civil structure available at the respective locations and therefore is cost effective to that extent. Your Directors are pleased to inform the members that the implementation of above expansions has started and likely to be completed during the current financial year. Your Directors are hopeful that the above expansions will lead to significant growth in the turnover and profitability of the Company.

Subsidiary Companies, Joint Ventures & Associates

Your Directors in their previous report had informed the members 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 continuing as Associate of your Company. Your Directors are hopeful that with this investment, your Company would continue to contribute its bit in enhancing the skill levels of our country men.

Further as reported in the previous report, your Company is holding significant investment in Bhilwara Energy Limited and is represented by Shri Riju Jhunjhunwala, Chairman and Managing Director of your Company on their Board, where also he is holding the position of Managing Director. Your Company continues to hold 1,25,24,960 Equity Shares constituting 7.56% of paid up capital in M/s. Bhilwara Energy Limited. Your Directors are of the view that your Company continues to exercise its significant influence on BEL by

the representation of Shri Riju Jhunjhunwala, Chairman and Managing Director on the Board of BEL and accordingly continue to treat M/s. Bhilwara Energy Limited as its Associate.

A statement containing the salient features of the financial statements of M/s. LNJ Skills & Rozgar Private Limited and M/s. Bhilwara Energy Limited in the prescribed format AOC1 is annexed as Annexure - II.

Contribution to the Exchequer

Your Company has contributed an amount of ₹200.88 crores in terms of taxes and duties to the Exchequer.

Corporate Social Responsibility

Your Directors feel pleasure to inform the members that your Company has been on the forefront to fulfil its obligation towards the society at large and accordingly made its contribution in whole gamut of activities such as sanitation and safe drinking water, eradicating hunger, poverty and malnutrition, promoting education, skills development, empowering women, ensuring environmental sustainability, ecological balance, protection of national heritage, help to armed forces veterans and promotion of rural sports etc. During the financial year 2020-21, your Company has incurred ₹0.64 crore on account of CSR activities which includes health care, sanitation & safe drinking water ₹0.16 crore; promoting education, skills development ₹0.26 crore; ensuring environment sustainability, ecology balance ₹0.02 crore, protection of national heritage, culture ₹0.15 crore and towards empowering women, help to armed forces veterans & training to promote rural sports ₹0.05 crore.

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

The 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 continuously looks out for energy conservation measures in all areas of operation across its various Units. Similarly your Company endeavors to lookout for up-gradation and absorption of technology. Your Company also spends

continuously on Research and Development. Your Directors are glad to inform the members that your Company is a net foreign exchange earner. The relevant detail as required to be disclosed with respect to Energy Conservation, Technology absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Annexure – IV forming part of this report.

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://www.rswm.in/Annual-Return-2020-21>

Directors & Key Managerial Personnel

Shri Shekhar Agarwal and Shri B M Sharma 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 7th August, 2020 and his reappointment was approved by the members at the previous Annual General Meeting held on 24th September, 2020 by Special Resolution.

Your Directors also inform the members that during the year under review, Shri Riju Jhunjhunwala whose term as Managing Director was due to expire on 30th April, 2021 was also reappointed as Managing Director for a further period of five years with effect from 1st May, 2021 and his reappointment was approved by the members on 18th April, 2021 through Postal Ballot conducted by the Company in this regard. Your Directors in their previous report had informed the members that during the year under review Shri Riju Jhunjhunwala was elected as the Chairman of the Board subsequent to request by Shri Ravi Jhunjhunwala to relinquish his responsibility as Chairman keeping in view the natural progression and succession planning.

Your Directors further inform the members that Shri Deepak Jain, Independent Director whose term was due to expire on 10th May, 2021 was proposed to be reappointed for second term of five years with effect from 11th May, 2021 by your Directors upon commendation of Nomination and Remuneration Committee. The reappointment of Shri Deepak Jain as Independent Director for second term of five years with effect from 11th May, 2021 was also approved by Special Resolution by the members on 18th April, 2021 by Postal Ballot conducted by the Company in this regard.

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 Jhunjhunwala, Chairman and Managing Director & Chief Executive Officer, Shri B M Sharma, Joint Managing Director, Shri Avinash Bhargava, Chief Financial Officer and Shri Surender Gupta, Company Secretary acted as Key Managerial Personnel.

Directors' Appointment and Remuneration Policy

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

Annual Evaluation by the Board

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

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 are given in the Notes to the Financial Statements at appropriate places.

Particulars of Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are on arm's length basis and in the ordinary course of business. During the financial year, there were no material contracts or arrangements entered into by the Company with any of the related party. Your Directors draw attention of the members to Note No.39 to the financial statement, which contain particulars with respect to transactions with related parties. The policy on dealing with the related party transactions as approved by the Board of Directors is disclosed on the website of the Company under the following link

<https://www.rswm.in/Related-Party-Transaction-Policy>

Significant and Material Orders Passed by the Regulators or Courts

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

Risk Management Policy

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

Internal Control Systems

Your Directors feel that adequate control system are the backbone of any Company. Your Directors endeavor to place adequate control systems commensurate with the size of the Company to ensure that all assets are properly safeguarded and that all the information provided to the management is reliable and also the obligations of the Company are properly adhered to.

Your Directors 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.

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 58th Annual General Meeting of the Company held on 11th September, 2019 till the conclusion of 63rd Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act, 2013.

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

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

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

Internal Auditors

Your Directors, during the year under review, appointed M/s. P.K. Deora & Co., Chartered Accountants (Firm Registration No.004167N), M/s. BGJC & Associates LLP, Chartered Accountants (Firm Registration No.003304N) and M/s. S. Bhargava Associates, Chartered Accountants (Firm Registration No.003191C) to act as the Internal Auditors of the Company for the financial year 2020-21 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 2020-21 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 recommendation 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, 2021.

Corporate Governance

Report on Corporate Governance along with the Certificate of Auditors M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No 000756N), Plot No-68, Okhla Industrial Area, Phase III, New Delhi -110020 and M/s. Lodha & Co., Chartered Accountants (Firm Registration No.301051E), 12, Bhagat Singh Marg, New Delhi – 110001 confirming compliance to conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

Whistle Blower Policy

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

<https://www.rswm.in/Whistle-Blower-Policy>

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 Report

In terms of the Regulation 34 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Business Responsibility 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 and Managing Director
& CEO
DIN – 00061060

Place: Noida (U.P)

Date: May 28, 2021

Annexure I to Directors' Report

Working Results

Particulars	UOM	2020-21	2019-20	2018-19
I PRODUCTION				
YARN				
Own	In Tonnes	1,08,774	1,26,047	1,28,509
Job Spinning from outside (Domestic)	In Tonnes	-	18	-
TOTAL		1,08,774	1,26,065	1,28,509
FIBRE				
Own	In Tonnes	33,837	40,967	22,015
TOTAL		33,837	40,967	22,015
FABRIC & DENIM				
Own	(In ,000 meters)	9,839	11,928	28,846
Job Weaving from outside (Domestic)	(In ,000 meters)	1,219	1,117	-
TOTAL		11,058	13,045	28,846
II TURNOVER (₹ in lakh)				
YARN				
Domestic				
Grey Yarn		77,804	87,072	84,722
Dyed Yarn		61,837	71,705	79,808
Job Spinning		488	988	926
Total of A		1,40,129	1,59,765	1,65,456
Export				
Grey Yarn		42,462	43,718	56,521
Dyed Yarn		23,187	26,760	32,593
Total of B		65,649	70,478	89,114
Total		2,05,778	2,30,243	2,54,570
Less: Inter Unit/ Division Transfer/ Job Receipt/ Incentives, Discounts & Rebate Claims as per Ind AS		15,348	11,435	7,115
		1,90,430	2,18,808	2,47,455
FIBRE				
Domestic		22,459	27,142	17,991
Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		20,340	23,142	17,455
		2,119	4,000	536
FABRIC & DENIM				
Domestic		25,781	36,193	32,107
Export		10,088	12,393	13,085
		35,869	48,586	45,192
Less: Inter Unit/ Division Transfer/ Discounts & Rebate Claims as per Ind AS		442	991	1,038
		35,427	47,595	44,154
PROCESSING CHARGES & SERVICES				
Weaving Charges		53	7	1,086
Processing Charges		1,973	3,449	2,641
		2,026	3,456	3,727
Less: Inter Unit/ Division Transfer		711	1,952	2,337
		1,315	1,504	1,390
SKILL SERVICES				
Skill Services		732	2,585	-
WASTE				
Domestic				
Yarn		3,033	3,176	3,520
Fabric & Denim		300	323	222
		3,333	3,499	3,742
Less: Inter Unit/ Division Transfer		754	888	1,219
		2,579	2,611	2,523
TOTAL		2,32,602	2,77,103	2,96,058

Annexure II to Directors' Report

Form AOC 1

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

ASSOCIATES

Name of Associates	Bhilwara Energy Limited	LNJ Skills & Rozgar Private Limited
Latest Audited Balance Sheet Date	March 31, 2021	March 31, 2021
Shares of Associates held by the Company on the year end		
Nos	1,25,24,960	11,80,000
Amount of Investment in Associates	2,343.97	1,180.00
Extent of holding %	7.56%	47.30%
Description of how there is significant influence		
Reason why the associates is not consolidated		
Net Worth attributable to shareholding as per latest Balance Sheet	5,504.94	1,085.85
Profit / (Loss) for the year	1,323.97	(370.68)
i- Considered in Consolidation	100.09	(175.34)
ii- Not Considered in Consolidation	1,223.88	(195.34)

- Names of Associates or Joint Ventures which are yet to commence operations - NA
- Names of Associates or Joint ventures which have been liquidated or sold during the year - NA

For and on behalf of Board of Directors

Riju Jhunjhunwala

Chairman and Managing Director & 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

Annexure III to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

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 Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meeting 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 / Non-Executive	3	3
2	Shri Riju Jhunjhunwala	Member/Executive	3	1
3	Shri Amar Nath Choudhary	Member/Non-Executive	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. <https://www.rswm.in/CSR-Policy>

4. The details 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 (attach the report). **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakh)	Amount required to be setoff for the financial year, if any (₹ in lakh)
		Not Applicable	

6. Average net profit of the company as per section 135(5): ₹ (1,557.30) lakh

7. (a) Two percent of average net profit of the company as per section 135(5): **Nil**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹16.23 lakh

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year : **Nil**

8. (a) 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 section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
63.81	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency Name CSR regn. No.
				State District						

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹ in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency Name CSR regn. No.
				State District			
1.		Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Yes	Rajasthan Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	15.61	Yes (Direct)	Not Applicable
2.		Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Yes	Rajasthan Banswara, Bhilwara, Udaipur & Sikar	26.38	Yes (Direct)	Not Applicable
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;	Yes	Rajasthan Bhilwara, Udaipur & Sikar (Rajasthan)	0.86	Yes (Direct)	Not Applicable

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹ in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency
				State	District	Name	CSR regn. No.
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	Yes	Rajasthan	Bhilwara, Udaipur & Sikar (Rajasthan)	2.25	Yes (Direct)	Not Applicable
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;	Yes	Rajasthan	Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	14.66	Yes (Direct)	Not Applicable
6.	Measures for the benefit of armed forces veterans, war widows and their dependents;	Yes	Rajasthan	Banswara (Rajasthan)	3.80	Yes (Direct)	Not Applicable
7.	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports;	Yes	Rajasthan	Banswara, Bhilwara (Rajasthan)	0.25	Yes (Direct)	Not Applicable
TOTAL					63.81		

(d) Amount spent in administrative overheads. **NIL**(e) Amount spent on impact assessment, if applicable. **NA**(f) Total amount spent for the financial Year (8b+8c+8d+8e); ₹ **63.81 lakh**(g) Excess amount for set off, if any-₹ **16.23 lakh**

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	63.81
(iii)	Excess amount spent for the financial year *	16.23
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years	-

*During the year the Company was not required to spend any amount in relation to identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. However, the Company fully spent ₹ 47.58 lakh which remain unspent in the previous year.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakh)
				Name of the Fund	Amount (₹ in lakh)	Date of transfer	
1	2017-18	No	Nil	No	No	No	Nil
2	2018-19	No	Nil	No	No	No	Nil
3	2019-20	No	47.58	No	No	No	Nil
TOTAL			47.58				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
							Amount spent on the project in the reporting Financial Year (₹ in lakh)	
							Not Applicable	

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

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset (s). - **Not Applicable**(b) Amount of CSR Spent for creation or acquisition of capital asset. - **Not Applicable**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**(d) Provide details of the capital asset (s) created or acquired (including completed address and location of the capital asset). - **Not Applicable**

11. 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**

During the year the Company was not required to spend any amount in relation to identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. However, the Company fully spent ₹ 47.58 lakh which remain unspent in the previous year.

Arun Churiwal

Director and Chairman CSR Committee

DIN 00001718

Riju Jhunjhunwala

Chairman and Managing Director & CEO

DIN 00061060

Annexure IV to Directors' Report

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

(A) Energy conservation measures taken during FY 2020-21 :-

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations with respect to Company's commitment towards conservation of energy.

The Company continues with its efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction are as under:

- a) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- b) Various on-going measures for conservation of energy include
 - (i) use of energy efficient lighting and better use of natural lighting,
 - (ii) reduction of energy loss, and
 - (iii) replacement of outdated energy intensive equipment.

I. YARN BUSINESS :-

1. Variable frequency Drive (VFD) :-

Variable frequency Drive (VFD) installed in Material transport fans, H-plants, Do/6 D/Fs etc. where most potential area identified & saved the energy.

2. High pressure water pump :-

Mist Nozzle replacement with High Pressure Water Pump fog system in KGM Unit & saved approx. 975 Units /day.

3. Replacement of 2-Blade Fan with 6-Blade Fan & 8 Blade Fan :-

Replacement of 2-Blade Fan with energy saving 6-Blade Fan & 8 Blade Fan at KGM Unit & saved energy by 1697 units/day.

- 4. Optimized the travelling time of Overhead of the Ring frame.

- 5. Replaced old & rewind motors with energy efficient motors in C1/3 cards doffer motors.

- 6. Installed CDS system in elitwist Ring Frames & saved energy.

- 7. Replaced Old inefficient air blower pumps with new efficient blower.

8. Compressors:-

Saved energy by continuous monitoring of air leakages and same has been attended with immediate action in air compressor line in various machines i.e. Blow room, Carding, Draw-frame, Speed frame, Ring-frame & Autoconers machines and same has been attended immediately, resulting saving of compressed air power consumption.

9. Utilities and others :-

- Replacement of conventional high wattage street light (400 watt) with low wattage 100 watt LED lights.
- Old inefficient water pump of Autoconer h-plant replaced with new energy efficient pump of 7.5 KW, KSB make.
- Motor size reduction in Humidification Plant, SAF 30 HP Motor replaced with 20 HP Energy efficient Motor.
- Maintained the power factor from 0.996 to 0.999 and reduced the cable & transmission losses as well as rebate taken from Electricity bill.

10. Conservation of Water :-

- Use of STP water for plantation, through drip irrigation.
- Water harvesting system.
- Use of rejected R.O. water for plantation.

11. Steps taken to utilize alternative source of energy :-

Solar power plant of 6.75 MW and 11.00 MW capacity respectively at Kharigram and Mordi with generation of 90,000 units per day

II MELANGE YARN BUSINESS :-

1. Ring frame over head cleaner running optimize :-

- Mandpam unit having short ring frame machines and one overhead cleaner per machine. As per working of overhead cleaner, It is optimized by the parking at both end of machine with time delay. Resulting working time reduced by 40 %. Saved 1000 units per day without effecting quality and working of machine.

2. Humidification plants fully automation:-

- Earlier our humidification plant of M/s Luwa India on semi auto working (Only pump and dampers in auto control). Now as per, OEM advise converted the plant in fully auto mode.
- Converted all 12 plants from semi auto mode to fully auto mode by the installation of VFD and PLC control for all Return air fan & Supply air fan. Resulting saving of 1200 units per day.

III DENIM BUSINESS :-

- Replacing of aluminium fan blade to FRP fan blade in humidification plant in spinning-2 section -**Saving 406 Units/Day.**

- AC Drive- Installation & commissioning of the variable speed AC drive on Supply/ Return air fan of humidification-plant at spinning 1& spinning 2 section - **Energy Saving 950 units/day**

- Installation of AC Drive for hood fan motor of process machine - **Energy Saving 150 Units/Day.**

- Installing high pressure motor operated fogging system against air operated fogging system in blow room phase 1 and 2 & Use of motor operated fogging system in the AWT of H-plant - **Energy Saving 735 units/ day**

- AC drive for ETP & RO Pump 6 nos - **Total Energy Saving 30 Units/ day**

- Ceramic insulation coating at VDR Drum (side facing) of IFR-1 machine & Pad steam machine-- to reduce

the steam consumption. - **Energy Saving in 4.0 ton per day**

- VFD installed in Humidification plants Supply Air Fan & Return Air Fan & saved the energy by 898 units/day .
- Use of motor operated fogging system in place of compressed air system in the blow room-1 & blow room - 2 **and saved 600 units/day.**
- Ceramic insulation coating at VDR Drum (side facing) of all IFR-1 machine (1450 Kg/Hr.) & Pad Steam machine (2000 Kg/Hr.) - **to reduce the steam consumption steam Saving by 4.5 MT/day –**
- ETP area :- Self priming mud pump (Softening Plant) 7.5 KW/10 HP, H-15 MTR,Q- 75 M3/Hr KSB make by replacement with LUBI /MDH make submersible pump 5.5KW/7.5HPH-15.2 M,Q-108M3.

IV FABRIC BUSINESS :-

- Ceramic insulation coating at VDR Drum (side facing) of VDR process machine 16 No- to reduce the steam consumption.-10 % reduction consumption in steam on per day basis. 2.0 MT per day saving.
- Ceramic insulation coating at VDR Drum (side facing) of VDR process machine 20 No-- to reduce the steam consumption.- 10 % reduction consumption in steam on per day basis. 2.2 MT per day saving
- Replacement of pump at ETP area with energy saving pump.

V THERMAL POWER PLANT MORDI :-

- Installation of package air conditioner inside VFD room to reduce duct losses.
- Replacement of cooling tower fins with new fins.
- To provide separate Auxiliary supply for Oil pump feeders.

Utilities and others :-

- Replacement of LED lights 70 W to 32 W.
- Replacement of Normal lights 72 W to 18 W.
- Operation of BFP by closing the recirculation line
- Stand by BFP auto start.
- Guard Pond pump automation

Summary of Energy Saved in the year 2020-21

Sr. No.	Name of Unit	Capital Investment on Energy Saving equipment's (₹ in lakh)	Energy Saved (Lakh units)	Amount of Energy saving (₹ In Lakh)
1	Thermal Power Plant	5.32	1.46	10.30
2	Kharigram	47.00	3.99	31.00
3	Lodha	0.00	1.71	13.28
4	Rishabhdev	0.65	0.74	5.71
5	Ringas (SPG)	5.25	0.95	7.37
6	Ringas (RCPF)	4.90	1.12	8.69
7	Mandpam	29.80	6.02	46.74
8	Kanyakheri	7.80	6.21	48.23
9	Denim	65.47	2.10	16.35
10	Fabric	16.45	1.44	11.17
Net Total		182.64	25.73	198.84

B) Energy Conservation Plan for 2021-22 to save Energy:-**Yarn Business**

- VFD to be installed at speed frame machines as well as at Ventilator fan of B/R lines.
- Replacement of multiple rewind motor of 400 KG machine in Dye House
- Replaced old re wounded 22 KW motors of Murata TFO machine by 22 KW IE3 energy efficient motors.
- Low pressure dryer for spinning Pet Flakes dryer Line no.1, 2 & 3 in place of High pressure Air Dehumidifier.
- Fitting of AC Drive- Planned to fit the variable speed AC drive on Supply/ Return air fan of H-plant of weaving department. Total saving with changing all with AC drive 10 nos- 650 units per day in weaving department. ₹ 15.21 lakh
- Replacement of screw compressor with new technology Centrifugal compressor + dryer for denim plant of 4,500 cfm with silencing canopy--- Total energy saving 4,838 units/day
- Ceramic insulation on dry can cylinders of sizing machine & dhall mercerize machine which save steam and pay back is less than one year-- ₹ 3 lakh

1. Compressors:-

- Air leakage arresting by outside agency in Ring Frame & Auto Coner/Link coner

2. Utilities and others :-

- To Condensate, heat recovery from steam header & lines.
- Converted Fully Automation from semi automation in Luwa Plant.
- Installing VFD in Humidification Tower.
- To replace old efficient mono block pump by new energy efficient pump with IE3 motor.
- To install the PLC to control the S/Air & R/Air fan VFD as per 24 hours clock.
- To replace Street light of 56 Watt to 30 Watt LED lights.
- To install Inverter drive at bale press filter fan.
- Replacement of existing ETP blower with high efficiency blowers.
- Replacement of old mono block pumps
- Replacement of CEP motor to energy efficient type.
- Conversion of CT fan to turbine type.
- Retrofitting of FD Fan VFD.
- Replacement of 250 W SV lights to 90 W Led lights

Fabric and Denim Business

- Installation of LED Lighting luminaries of 100 W in place of 250W HPSV street LIGHT- 15 nos - Saving 27 units/day - Investment of ₹ 0.75 lakh
- At ETP Blower operation on basis of dissolved oxygen (DO) - Saving 98 units/day - Investment of ₹ 3.2 lakh
- Automation of NEW VDR -20 NO Yamuma make by Forbes marshall-17% reduction consumption in steam in per day basis. 3.7 MT per day saving- Investment of ₹ 11.7 lakh

C) New Products developed during the FY 2020-21**I. Yarn Business****a. PV Yarn Business****1 New Product Development**

- First time we launch the Catalogue of pom pom for Carpet yarn.
- Develop the BOBE Quality with 90% of Mix Synthetic waste and 10% 15 D X 18 mm for knitting Segment.

- Develop new range of fancy doubling in 1/2.36 Poly-100% for home furnishing with 50/- Kg Doubling profit and get continuous order in this.
- Develop the Karishma Quality with using TBL & Twinkle star quality with using Metallic fiber and get continuous order in this.
- Develop knitted and woven yarn with using herbal dyes but cost effective.
- Launch the catalogue of Melange range in Ecovero Viscose 100% for sweater knitting.
- Develop RG3 Roving grindle quality with using 3 Roving.
- Introduce the New yarn with Anti Bacterial viscose up to 40%
- Develop 2/18 Poly/Tex slab yarn with 1/12 slab double with 150 d Tex
- Develop new yarn range with using Soyabean fiber.
- Develop the BDFG Quality with D/F Grindle which give the Dual tone effect,
- Increasing more shades in PV Injection slab quality vide brand name Royal King, Magic Silky and Magic King for Mumbai Market

2. New Process, Process Optimization, Quality Upgradation, Waste Reduction, Cost or Manpower Reduction

- Overall basic yarn quality is improved thus cuts level are reduced
- Created flexibility to process PV yarns as per market.
- Yarn recovery is increased

b. Melange Yarn Business**1 New Product Development**

- Launched a complete range of melange yarn with using herbal dyes for Knits & woven in 100% Cotton.
- Developed BIOMEL in 100% Cotton melange for Anti-Microbial property.
- BARBOS quality yarn with using two different color yarns
- Novelty Yarn in Modal/Eri Silk blended.
- Anti-Viral melange yarn in 100% Cotton.

- Multi Floodesa-- giving different cross colour effect.
- Shadow Effect with suing coarser denier fiber
- Silver Rays - New effect generate during production in 100% Cotton melange yarn
- Snow Htr - Standardize the Snow quality & effect and launch new range in 100% Cotton & CVC blend.
- Cotton/Kapok Blended melange yarn
- Romeo Slub yarn - Generate special effect of Positive & Negative effect
- Baza Slub - Marbal effect create in Injection slub yarn
- Cotton/Sorona blended melange yarn for Knitting & woven in single & double yarn which give comfort stretch in final fabric
- Joy Htr - Special effect create in blended yarn with minimize the Neps size. (20 Times less)
- Launch a new range in sustainable yarn with using Recycle cotton upto 30%
- Snow Htr - Optimize & standardize the Snow Htr quality process which gives equal effect which make consistency in lot to lot and also improve the recovery %.

II Denim and Fabric Business**1 New Product Development**

- LNJ Denim has developed Laser friendly technology in dyeing and is working on 85 to 90% water saving at dyeing stage.
- LNJ Denim is manufacturing Natural Blend Denim based on challenging natural fibers like Hemp/linen with stretch., including Sustainable approach by invista like Eco Lycra , Ecomade T-400 etc.
- LNJ Denim has introduced Easy stretch concept with comfort and power stretches and soft feel.
- LNJ Denim has developed new colour casts with combination of different dyes stuffs and coatings on ECERU fabric.
- LNJ Denim has developed fabric with differential shrinkage concept in front and back panel of garment.
- LNJ Denim has developed natural salt and pepper effect in power stretch also.

D. Technology absorption and up gradation during the FY 2020-21

I Yarn Business

Kharigram Unit

- Replacement of 22 old machines of PINTER with New Optifil PINTER in SJ11 unit as Electronic component failure is higher to maintain sustainability in term of quality and productivity.
- Humidity ducts of SJ-11 and in Mill no.9 were replaced.
- Cyclones were installed in mixing bins of dyed unit Mill no.1-6 for better mix up of fibre, to improve working environment inside bin, saving in loss of fibre and hands : Saving also achieved 18 hands/day (₹2.88 lacs/month).
- By process modification - new capacity create of Polyester /Cotton (52/48,65/35 blends) melange in synthetic dyed set up and taken out put maximum 250 tons /month.
- Increased Twisted Lycra yarn capacity from 40 MT to 88 MT / month by installation of new Lycra Assembly winder (make Leewah) - 40 drums

Rishabhdev Unit

- 15 set of New splicers are introduced in cheese winding & TFO resulted reduced the complaints reference to knots presence.
- SSM - Precision winder, yarn package pegs, separators and tension assembly is re designed to meet the customer's satisfactions.
- Mill No.1: In extension shed, used machines are installed and commissioned. Machines detail as under:-

Name of Machine	Nos.
a) Carding	4
b) Draw frame (Do/6)	1
c) Finisher Draw frame RSB 851	1
d) Speed frame LF 1400A	1
• In Mill No.1 -Used 21C autoconer is installed & commissioned and achieving more than 70% efficiency on this machine	

Banswara Unit

- One Slub attachment shifted from Kharigram to meet out Slub requirement.
- 5- Set PLC conversion in place of old Spin Max. Reduce losses in R/F.
- Replaced H- Plant Duct in Cotton & Open End Unit to improve RH condition

Ringas Unit

- Two Simplex Drafting conversion to improve quality
- 3- Set Uni-Spray install at Mixing Blender for Uniform spray for better working & less manual intervention.
- Installed Sprinkler system at Mixing Bin & B/R area for Safety.

II Mélange Yarn Business:

- Replaced old spindles with new auto doffer type Ring Frame spindles for improving ring efficiency by around 1.25%
- Installed one new Autoconer of 42 Drums with latest technology with sort link. It will increase production capacity from 14 MT to 15.5 MT Per day.

III Fabric and Denim Business

- Defence bag fabric in polyester/ cotton 52/48 blend to make bags for army soldiers.
- Water proof fabric with blend 90/10 polyester/ viscose for use in military tent.
- PPE fabric using anti-microbial and water repellent finish for medical staff in this pandemic.
- Triple layer Polyester/viscose face mask fabric (MAYUR) with anti-microbial and water repellent finishes to protect from COVID-19
- Antiviral fabric using HEIQ viro block finish on all suiting of MAYUR.
- New Polyester/viscose TR fabric with soft touch and bounce for all seasons suiting.
- Polyester /viscose all seasons TWEEED fabric to use in formal and casual jacketing and blazers.
- Fancy jacketing polyester/viscose fabric to use in casual blazers and jackets.

- Polyester/wool/lycra fabric for comfort premium suiting.
- Polyester/wool 55/45 blends fabric with superfine 18.5 micron to use premium suiting.
- Using new fibre NAIA blends with polyester/wool for Angola fabric.
- Knit look denim like fabric in polyester/cotton/Lycra blend for trouser and bottom wear.
- Knit look denim like fabric in polyester/viscose/Lycra blend for bottom wear.
- Knit fabric with blend in polyester Lycra to use in sportswear.
- Holland knit fabric with 100% polyester blend to use in sports wear fabric.
- Various Medical fabric like doctor's gown (OT drape), hospital nursing staff uniform (scrub suits) and hospital bed sheets.
- Hospital carton fabric with fire retardant and antimicrobial treatment.

E. Expenditure on Research and Development during the FY 2020-21

Sr. No.	Unit	Capital Expenditure	Revenue	Total
1	Kharigram	245.54	245.54	
2	Banswara	0.04	212.02	212.06
3	Mandpam		156.69	156.69
4	Kanyakheri		49.73	49.73
5	Rishabhdev		89.17	89.17
6	Ringas (SPG)	10.93	117.89	218.82
7	Ringas (RCPF)		52.89	52.89
8	Denim		189.34	189.34

Sr. No.	Unit	Capital Expenditure	Revenue	Total
9	Fabric	1.67	87.61	89.28
		12.64	1200.88	1213.52

F. Details of major machines installed during the FY 2020-21

No.	Unit	Name of Machine	Model/Make
1	Banswara	Canon Scanner For Development	CANON LIDE300/ CANON
2	Ringas	Minature Carding Machine (Trytex Sku 270001)	T4 Texultants Pvt. Ltd /2020
		Hot Air Oven	RICO Scientific 2020
		Circular Knitting Machine Dia 22" Gauge22 Feeder 12	ELEX 2020
		Zig Zag Fabric Cutting Machine	TECHNOCRAFT TEXMACH 2020
3	Fabric	Infra Colour Dyeing Machine	12 x N-500ml /R.B. ELECTRONIC

G. Foreign Exchange Earnings and Outgo

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

The Company has continued to maintain focus and avail export opportunities based on economic consideration. During the year, the Company has made exports worth ₹718.56 Crores (\$99.59 million) on FOB Basis.

2 Total Foreign Exchange Earned and Used

Particulars	₹ In crore
Foreign exchange earned in terms of actual inflows	718.56
Foreign exchange used in terms of actual outflows	39.60

Annexure V to Directors' Report

Nomination and Remuneration Policy

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

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

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

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

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

Role and Objective of Committee:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
 2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
- Chairman:**
1. Chairman of the Committee shall be an Independent Director.
 2. Chairperson of the Company may be appointed as

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

Membership:

1. The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half of them shall be independent.
2. Minimum two (2) members shall constitute a Quorum for a Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

1. Chairman of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as

a member of the Committee but shall not Chair the Committee.

3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings:

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

Committee Members' Interests:

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

Voting :

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

Appointment of Directors/KMP/Senior Management Officials:

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

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

including directorship and such other relationship and the impact of the same on the Company's welfare.

Letter of Appointment:

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

Policy on Board Diversity:

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

Remuneration of Directors, Key Managerial Personnel and Senior Management:

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

1. Fixed Pay :

The Key Management Personnel (KMP) and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of Section 197 of the Companies Act, 2013, read with the rules made thereunder & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis.

2. Minimum Remuneration :

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

3. Provision for excess remuneration:

If any Managerial Personnel draws or receives, directly or

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

4. Increment :

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

Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

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

2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof, provided that the amount of such fees per meeting of the Board or Committee shall not exceed the maximum amount as provided in the Companies Act, 2013, as amended from time to time.

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

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

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

- Leadership & stewardship abilities

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

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

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

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

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

DEVIATIONS FROM THIS POLICY:

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

Annexure VI to Directors' Report

Disclosure as per Sections 197 of Companies Act, 2013 read with Rule 5(1) OF Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014

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

Median Salary for the Financial Year 2020-21 ₹1.55 Lakh

S. No.	Name of the Director	Remuneration FY 2020-21 (₹ In Lakh)	Ratio
1	Shri Riju Jhunjhunwala (Chairman and Managing Director & CEO)	104.84	67.64
2	Shri B M Sharma (Joint Managing Director)	155.85	100.55

- (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 and Managing Director & Chief Executive Officer)	No Increase
2	Shri B M Sharma (Joint Managing Director)	No Increase
3	Shri Avinash Bhargava (Chief Financial Officer)	No Increase
4	Shri Surender Gupta (Company Secretary)	No Increase

- (iii) The percentage increase in the median remuneration of employees in the financial year
% increase in the Median remuneration of employees in the FY. 0.11
- (iv) The number of permanent employee on the rolls of Company
No. of Permanent Employees as on 31st March, 2021 15,344
- (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 percentile 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 remuneration 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	Remuneration (₹ In Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed	Duration (Years)
1	Shri Riju Jhunjhunwala	Chairman and Managing Director & CEO	104.84	MBA	20	1 st May, 2013	1,75,000	Contractual	42	HEG Limited	Executive Director
2	Shri B M Sharma	Joint Managing Director	155.85	FCA	38	15 th January, 2011	-	Contractual	63	Kesar Enterprises Ltd	A/P
3	Shri Prakash Maheshwari	Chief Executive-Corporate Affairs & Power	125.38	BSC, FCA	44	1 st April, 2003	-	Permanent	66	HEG Limited	President
4	Shri Rajeev Jain	Chief Executive -Yarn Business	124.12	B.Text,MBA	39	27 th May, 2017	-	Permanent	60	Sutlej Textile & Industries Ltd	Joint President Corp. Office
5	Shri Virmal Banka	President - Corporate Office	153.67	CA	41	1 st April, 1990	6,500	Permanent	70	Commercial Ltd	Shashi Manager
6	Shri Suketu N Shah	Chief Executive - Denim Business	103.03	BSC, DTC	37	3 rd December, 2018	-	Permanent	58	Mafatlal Industries Ltd.	BH & President
7	Shri Sukesh Sharma	Chief Operating Officer	67.47	B.Text.	38	8 th February, 2003	-	Permanent	62	Parasampuria DGM	2
8	Shri Arvind Gupta	President & Chief Marketing Officer	61.30	BE (Chemical), MBA (USA), EPSCM(IIMC)	30	17 th February, 2020	-	Permanent	55	Tolaram Group	President Director
9	Shri Naresh Kumar Bahedia	Chief Operating Officer	57.10	ICMAI (ICVVA)	31	3 rd December, 1990	-	Permanent	53	-	-
10	Shri Ashutosh Sharma	Vice President	56.17	MBA	29	24 th August, 1991	-	Permanent	51	-	-

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

S. No.	Name of Employee	Designation	Remuneration (₹ In Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed	Duration (Years)
1	Shri Riju Jhunjhunwala	Chairman Managing Director & CEO	104.84	MBA	20	1 st May, 2013	1,75,000	Contractual	42	HEG Limited	Executive Director
2	Shri B M Sharma	Joint Managing Director	155.85	CA	38	15 th January, 2011	-	Contractual	63	Kesar Enterprises Ltd	A/P
3	Shri Prakash Maheshwari	Chief Executive-Corporate Affairs & Power	125.38	BSC, FCA	44	1 st April, 2003	-	Permanent	66	HEG Limited	President
4	Shri Rajeev Jain	Chief Executive -Yarn Business	124.12	B.Text,MBA	39	27 th May, 2017	-	Permanent	60	Sutlej Textile & Industries Ltd	Joint President Corp. Office
5	Shri Virmal Banka	President - Corporate Office	153.67	CA	41	1 st April, 1990	6,500	Permanent	70	Commercial Ltd	Shashi Manager
6	Shri Suketu N Shah	Chief Executive - Denim Business	103.03	BSC, DTC	37	3 rd December, 2018	-	Permanent	58	Mafatlal Industries Ltd.	BH & President

C. Persons employed part of the financial year & paid ₹ Eight lakh fifty thousand P.M. or more.

Nil

Notes:

1 None of the employee is holding more than 2% of the paid - up capital of the Company.

2 Shri Riju Jhunjhunwala, Chairman and Managing Director is relative of Shri Ravi Jhunjhunwala, Director.

Annexure VIII to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable as the Company has not got delisted its equity shares from any stock exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- vi) The management has identified and informed the following laws as being specifically applicable to the Company:
 - 1. Textile Committee Act, 1963
 - 2. Cotton Textile Order, 1986
 - 3. Textile (Development and Regulation) order, 2001 under Bureau of Indian Standard Act, 1986

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

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

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

During the year the Company was not required to spend any amount in relation to identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. However, the Company fully spent ₹47.58 lakh which remain unspent in the previous year.

We further report that

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

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

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

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

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

Place: Delhi
Date: 28.05.2021

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999
UDIN:F002870C000384086

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.

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

Place: Delhi
Date: 28.05.2021

For Mahesh Gupta and Company
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No.: 2870
C P No.: 1999
UDIN:F002870C000384086

Dividend Distribution Policy

1. Introduction and Background

The Securities and Exchange Board of India (SEBI) vide its Notification dated 5th 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:

- a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital
- b. Significantly higher working capital requirements adversely impacting free cash flow
- c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- d. 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 Report

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

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

If you would like to send us feedback about this report, please email to padma.latha@lnjbhilwara.com

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

PRINCIPLE 1

ETHICS, TRANSPARENCY & ACCOUNTABILITY

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

PRINCIPLE 2

PRODUCT LIFE CYCLE SUSTAINABILITY

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

SECTION A

General information about the Company

1 Corporate Identity Number (CIN) of the Company	L17115RJ1960PLC008216
2 Name of the Company	RSWM Limited
3 Registered address	Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan
4 Website	www.rswm.in
5 E-mail id	rswm.investor@lnjbhilwara.com
6 Financial Year reported	April 2020 to March 2021
7 Sector(s) that the Company is engaged in (industrial activity code-wise)	Textile
8 List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Yarn / Fabrics / Denim
9 Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	Nil
b) Number of National Locations	9
10 Markets served by the Company – Local / State / National / International	India, Turkey, Egypt, Bangladesh, Brazil, USA, Korea, Italy, Spain, UK, Sri Lanka, Thailand, China and some other important global textile hubs.

PRINCIPLE 3

EMPLOYEE WELL-BEING

Businesses should promote the well-being of all employees.

PRINCIPLE 4

STAKEHOLDER ENGAGEMENT

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

PRINCIPLE 5

HUMAN RIGHTS

Businesses should respect and promote human rights.

PRINCIPLE 6

ENVIRONMENT

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

PRINCIPLE 7

RESPONSIBLE ADVOCACY

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

PRINCIPLE 8

INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Businesses should support inclusive growth and equitable development.

PRINCIPLE 9

CUSTOMER VALUE

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

SECTION B

Financial details of the Company

1. Paid up Capital (₹ in Crore)	23.55
2. Total Turnover (₹ in Crore)	2,326.02
3. Total profit after taxes (₹ in Crore)	21.61
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to Annexure III of the Board's Report.
5. List of activities in which expenditure in 4 above has been incurred	As per Annexure III of the Board's Report

SECTION C

Other details

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

SECTION D

BR Information

1. Details of Director/Directors responsible for BR

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

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

(b) Details of BR head

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

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

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

	Corporate Governance for Ethics, Transparency and Accountability	Sustainability throughout the life-cycle of the product	Employee well-being	Responsive towards stakeholders	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth & equitable development	Customer value
1 Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2 Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Does the policy conform to any national / international standards? If yes, specify?	NA	Y	Y	NA	Y	Y	Y	Y	NA
4 Is it a board approved policy? If yes, has it been signed by MD / owner/CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5 Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	-	Y
6 Indicate the link for the policy to be viewed online	https://www.rswm.in/Code-of-Conduct	https://www.rswm.in/Whistle-Blower-Policy	https://www.rswm.in/Code-of-Conduct-for-Insider-Trading	https://www.rswm.in/Related-Party-Transaction-Policy	https://www.rswm.in/Determination-Materiality-Information	https://www.rswm.in/Events			
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8 Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9 Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10 Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	N

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

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

NOT APPLICABLE

3. Governance related to Business Responsibility

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We have constituted a Corporate Social Responsibility (CSR) Committee of the Board which oversees our CSR Activities. The Committee meets quarterly to assess the BR performance and align strategies in line with external realities.

This is the Second Business Responsibility Report and published annually as part of the Annual Report. Previous report can be accessed at https://www.rswm.in/Business_Responsibility_Report-2019-20

SECTION E Principle-Wise Performance

Principle 1

Corporate Governance for Ethics, Transparency and Accountability

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.

The composition of the Board of Directors of the Company is governed by the Companies Act, 2013 and SEBI Regulations 2015. As on March 31, 2021, the Company has 10 Directors on its Board (including the Chairman), of which 5 are independent, 5 are executive/non-executive, non-independent directors.

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

Code of Conduct: RSWM's Code of Conduct aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. 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 Code of Conduct is available at the Company's website link <https://www.rswm.in/Code-of-Conduct>

Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safe guards against victimization of employees and Directors and provides for direct access to the Chairman/Chairman of the Audit Committee in exceptional cases.

The vigil Mechanism/ whistle blower policy is available at the company's website link: <https://www.rswm.in/Whistle-Blower-Policy>

Principle 2**Sustainability of Products & Services across Life-cycle**

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

People

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. This was very clearly reflected during FY21 when the Company went all out to secure the safety and well-being of its people and their families. Rajasthan, where the Company's facilities are located, was one of the worst hit states by the pandemic. The leadership team and the middle management ensured that its people remained physically fit and mentally healthy through multiple initiatives. This ensured that RSWM was among the first textile organisations to commence operations as the lockdown was opened.

RSWM continued to invest in growing its people – their skills and capabilities – through knowledge-enhancing initiatives. This was particularly relevant during the lockdown, as it kept its team engaged and enhanced their skill sets – critical for mental well-being of the individual. For this the Company has institutionalized a training calendar to upgrade technical know-how and behavioural qualities.

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 knowledge for operational improvements by encouraging members to suggest and implement ideas. Team bonding happened through cultural events and festival celebrations.

RSWM does not lose sight of the people surrounding its operating facilities. The Company continued to focus on fund development initiatives in neighbouring villages with the objective of growing and sustaining the livelihood.

As the Covid pandemic ran riot in Rajasthan, the Company implemented multiple strategies to contribute to the well-being of communities by providing basic necessities, sanitisation kits, masks and other household needs. It also undertook a number of awareness campaigns to educate communities about the pandemic, and important self-protection measures.

Planet

- 1) **Responsible sourcing:** The Company sources its raw materials from environment respecting vendors for its man-made and natural fibre requirements. Man-made fibre are 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 grower to enhance their farm output.
- 2) **Recycling fibre and fabric:** The Company has made significant investment in a unit for recycling plastic bottles into polyester fibre. This unit supplied 12.45% of the total raw materials consumed in FY21. RSWM has also invested in equipment that converts post-consumer waste fabrics into new usable fibres.
- 3) **Renewable energy:** 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.
- 4) **Resource utilisation:** Value maximization from available resources has, over the years, transformed into an organisation culture. Aligning with this ethos, optimising resource utilisation has always been on top of the Company's agenda. The Company, every year, implements numerous initiatives to reduce its energy and utilities consumption.
- 5) **Pollution management:** RSWM endeavours to improve operational efficiencies which helps in reducing waste generation.

Profits

Profits and profitability is the ultimate motive of every business enterprise. This is true for RSWM too for it enables the Company to reward its shareholders for their trust reposed in the Company's management.

The Company continues to seek and capitalise on opportunities to enhance business profitability. On the one hand, the team continues to move up the product value chain, on the other the team perseveres to optimise costs. The combination of these factors helps in increasing business margins and profits.

Business surplus is prudently deployed in repaying its debt, investing in business to capitalise on opportunities and

rewarding shareholders. Ever since its inception, the Company has not defaulted in repaying its debts.

Principle 3**Employee Well-being**

Today, where machines, technology and products are largely similar, the only factor that retains customers is how you service them. This means that every customer relation is successful because of the people involved in nurturing that relation.

In keeping with this reality, RSWM considers its team as an invaluable asset. The Company has a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. The individual is made to feel like he owns the jobs 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.

RSWM has institutionalised 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.

As part of the training curriculum, the Company organises seminars at regular intervals for promoting environmental awareness among its people. It also promotes other activities such as gardening and folk activities for boosting employee morale. As part of its people-centric initiatives, the Company provides subsidized lunch to its people, free accommodation to workers and free of cost education to the worker's children.

1. Total number of employees – 19,699 (including contractual manpower)
2. Total number of employees hired on temporary/ contractual/casual basis. – 1,746
3. Number of permanent women employees. – 2,181 (including contractor female employees)
4. Number of permanent employees with disabilities - NIL
5. Do you have an employee association that is recognized by management – Yes
6. What percentage of your permanent employees is members of this recognized employee association? –100%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. – None

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees –100%

(b) Permanent Women Employees –100%

(c) Casual/Temporary/Contractual Employees –100%

(d) Employees with Disabilities – Nil

The policies on the principle of Employee well-being are available on the Company's website at the following link:- <http://115.241.144.10/rswm/PDF/Cert1/>

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

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

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

RSMW's Covid Support Policy

To extend interim support to the deceased employee's family who have lost their life due to dreadful COVID-19. In the sad event of this unfortunate demise, the management has decided that the employee's family will receive the following support from the Company:

- 1) Half of the monthly salary or minimum of ₹25000/- per month, whichever is higher, for two years to the family of deceased employee.
- 2) Education expenses ₹5000/- per month for school/ college going children, if any, for three years.
- 3) Extend the Mediclaim policy benefit to the family for three years.
- 4) Employment to the dependent as per the qualification/ skills

Principle 4 Stakeholder Engagement

Every business has multiple stakeholders who provide vital inputs, essential to the functioning of business operations. Hence, it becomes pertinent to maintain seamless communication with them at periodic intervals.

RSWM being a large organisation has a sizeable number of stakeholder groups each with distinct priorities and diverse interests. We therefore developed a structured method for identification of stakeholder groups, understanding their

concerns and incorporating their views in our sustainability strategy.

The senior and middle management teams actively engage with all stakeholder groups throughout the year. Material matters arising from stakeholder engagements are managed as part of the risk management process.

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.

Stakeholder engagement matrix

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

Principle 5 Human Rights

RSWM strictly adheres to the basic principles of human rights as defined in the Indian Constitution. The human rights principle (of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of an individual) is enshrined in its people policies and practices.

The Company, through its redressal mechanism instituted at every unit, ensures a healthy and safe work environment. 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.

Further, the senior officials of the plant and the senior management of the Company regularly interact with the workers to address their grievances with the objective of maintaining a harmonious working environment.

RSWM is certified under OHSAS 18001 by BSI since 2013. During the year, no complaints were received pertaining to human rights violation.

Principle 6 Protection and Restoration of the Environment

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

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

used initially. The Company has also set up Sewage Water Treatment Plants at its operating facilities. The treated water is used for plantation activities. Over the years, the Company has successfully implemented numerous initiatives to reduce the consumption of fresh water. In 2020-21, the Company has implemented important measures which also reduced water consumption – a detailed review of which is mentioned in Annexure IV of the Director's Report.

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 analysed and steps to optimise 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. For detailed information on the Company's energy conservation measures in 2020-21, kindly refer to Annexure IV of the Director's Report.

Clean energy: The Company's clean energy initiative comprises of 22.7 MW solar installation and tie-ups for sourcing 20 MW of wind power.

Recycle & waste management

RSWM is one of the few textile players in India who can claim to be converting waste into wealth.

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

2) Plastic to fabric: 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. In FY21, this plant has received approval from global brands with regard to the fibre quality and its usage for their products.

Principle 7 Responsible Advocacy

RSWM's long-standing commitment to being a responsible organization is pivoted in its ability to embrace and align with global sustainability best practices. The Company's operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.

RSWM's emphasis on improvement in health and safety of its workers continues to remain strong. All hazards and its associated risks have been identified across its facilities – mitigation measures have been suitably implemented. Any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) are prioritized and completely taken care of in the management plan.

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

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

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

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

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

Principle 8 Supporting Inclusive Growth and Equitable Development

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

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

Areas of intervention	Initiatives and programs
Poverty eradication	The Company implemented numerous initiatives for eradicating hunger, poverty and malnutrition. It also organised camps and programs for creating awareness and promoting preventive health care and sanitation. The team funded and installed solutions to provide safe drinking water. These activities were organised in villages proximate to its manufacturing facilities at Banswara, Bhilwara, Udaipur & Sikar (Rajasthan).
Education & skill development	The Company implemented carefully created programs for promoting education, including special education and employment enhancing vocation skills especially for children, women, elderly, and the specially-abled to help them become self-dependent. It also undertook livelihood enhancement projects. These interventions were organised at Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)
Gender inequality	The Company focused its efforts on promoting gender equality by empowering women. Towards this end, the Company funded numerous projects such as setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens. The Company also undertook measures for reducing inequalities faced by socially and economically backwards groups. These projects were undertaken at Bhilwara, Udaipur & Sikar (Rajasthan)
Culture & Heritage	The Company worked on the restoration of buildings and sites of historical importance and works of art; it facilitated in setting up public libraries and in promoting the development of traditional arts and handicrafts.

Principle 9 Providing Value to Customer

Aspirations know no bounds. As such, customer requirements continue to remain dynamic and evolve over a period of time. As such adding value to a customer emerges as key to a sustainably business relation. Adding value would encompass delivering on commitments (quality and delivery) sustainably. It also includes raising the bar of the customers business through new products and knowledge sharing.

At RSWM, we try to understand what drives value for our customers and offer best quality products with a prime focus on developing memorable customer experience.

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

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

Corporate Governance Report

Corporate Governance Philosophy

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve the goal of maximizing value for all its stakeholders. The Company works with the strategies and plans to optimize shareholder value and that proper systems and checks are in place without inhibiting the efficient running of the Company. The Company recognises Corporate Governance not as a set of rules but as a framework supporting the core values. Good Governance helps us to maintain trust with the shareholders, stakeholders, employees and society at large. Your Company believes that good governance is the key to do the business in a sustainable manner and which creates value for the society. 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 31st March, 2021, RSWM's Board comprises of ten Directors. Eight Directors are Non-Executive. Among the Non-Executive, five Directors are Independent Directors.

During the year, Shri Riju Jhunjhunwala, Managing Director & CEO has been appointed as Chairman with effect from 15th June, 2020. Shri Riju Jhunjhunwala, Chairman and Managing Director & CEO and Shri B M Sharma, Joint Managing Director conducted the day to day management of the Company subject to the supervision and control of the Board of Directors. During the year the reappointment of Shri B M Sharma as Joint Managing Director was approved by the members at the previous Annual General Meeting of the Company held on 24th September, 2020. Further, during the year the Board of Directors recommended the reappointment of Shri Deepak Jain as an Independent Director for a second consecutive term of 5 years w.e.f. 11th May, 2021 upto 10th May, 2026. The reappointment of Shri Riju Jhunjhunwala as Managing Director was also recommended by the Board for a term of 5 years w.e.f. 1st May, 2021. The shareholders approved the above reappointments by Postal Ballot on 18th April, 2021.

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	✓		✓	✓	✓	✓	✓
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	✓	✓	✓				✓
7	Shri Amar Nath Choudhary, Director	✓		✓	✓	✓	✓	✓
8	Shri Priya Shankar Dasgupta, Director	✓	✓					✓
9	Shri Deepak Jain, Director	✓		✓	✓	✓	✓	✓
10	Smt. Archana Kapoor, Director	✓		✓	✓	✓	✓	✓

Number of Board Meetings

During 2020-21, the Board of RSWM met five times on 15th June, 2020, 11th August, 2020, 11th November, 2020, 15th December, 2020 and 11th February, 2021. 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.

Directors' Attendance Record and Directorship Held

Name Designation & Category of Directorship	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship	No. of other Directorship held in Listed Companies	
	Held	Attended		Directorships*	Name of the Company
Shri Riju Jhunjhunwala, Chairman and Managing Director, Promoter - Executive	5	4	6	3 (including 1 as Chairman)	Bhilwara Technical Textiles Limited HEG Limited BSL Ltd. HEG Ltd. India Glycols Ltd JK Lakshmi Cement Ltd. Maral Overseas Limited Bhilwara Technical Textiles Ltd. BSL Ltd. HEG Ltd. Maral Overseas Limited
Shri Ravi Jhunjhunwala, Director, Promoter - Non-Executive	5	5	8	6 (including 2 as Chairman)	Director Director Director Chairman and Managing Director Director Director Director Chairman and Managing Director Director Chairman and Managing Director Chairman
Shri Shekhar Agarwal, Director, Promoter - Non-Executive	5	5	4	3	
Shri B M Sharma, Joint Managing Director, Non-Promoter – Executive	5	5	-	NIL	-
Shri Arun Churiwal, Director, Promoter – Non-Executive	5	5	3	3 (including 1 as Chairman)	BSL Ltd LA Opala R G Limited HEG Ltd. Maral Overseas Limited
Dr. Kamal Gupta, Director, Independent - Non-Executive	5	5	5	7 (including 2 as Chairman)	Chairman and Managing Director Director Director Director

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 Jhunjhunwala, 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.

Name Designation & Category of Directorship	No. of Meetings		No. of other Directorships and Committee Membership/Chairmanship	No. of other Directorship held in Listed Companies		
	Held	Attended		Directorships*	No. of Membership (S) / Chairmanship (S) of Board Committees in other Companies as on 31.03.2021#	Name of the Company
Shri Amar Nath Choudhary, Director, Independent - Non-Executive	5	5	2	2 (including 2 as Chairman)	BSL Ltd	Director
Shri Priya Shankar Dasgupta, Director, Independent - Non-Executive	5	5	7	7 (including 3 as Chairman)	Bhilwara Technical Textiles Ltd. Cummins India Ltd. Ester Industries Ltd. Maral Overseas Limited Timken India Ltd.	Director Director Director Director Director
Shri Deepak Jain, Director, Independent - Non-Executive	5	4	4	3 (including 1 as Chairman)	Lumax Auto Technologies Limited Lumax Industries Limited	Director Chairman and Managing Director
Smt. Archana Kapoor, Director, Independent - Non-Executive	5	5	5	2 (including 1 as Chairman)	Birla Cable Ltd. Maral Overseas Limited S Chand and Company Ltd. Sandhar Technologies Ltd.	Director Director Director 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 related to him.

The last Annual General Meeting held on 24th September, 2020 through Video Conferencing/Other Audio-Visual Means was attended by Dr. Kamal Gupta, Director and Chairman of the Audit, Nomination & Remuneration and Stakeholders Relationship Committee, Shri B M Sharma, Joint Managing Director, Shri Shekhar Agarwal, Director and member of Nomination & Remuneration Committee and Stakeholders Relationship Committee, Shri Priya Shankar Dasgupta, Director, Shri Amar Nath Choudhary, Director and Member of Audit Committee and Nomination & Remuneration Committee and Smt. Archana Kapoor, Director and Member of Audit Committee of the Company. The other Directors 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 means 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 and Managing Director giving an overview of Annual Operating Plans and budgets of the Company. The Presentations were also made by the external experts on developments in the industry. All Independent Directors met periodically with other Key Managerial Personnel, functional heads of the units, head of HR, IT department etc. to help them understand the impediments in their functioning and any guidance needed by them for effective and smooth functioning as well as to gauge the service and product management, risk management and other areas related to the Company.

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

https://www.rswm.in/Details_of_Familiarization_Programme-2020-21

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.

Shareholding of Non-Executive Directors

Equity Shares and Convertible Instruments held by Non-Executive Directors as on 31st March, 2021

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	14,32,410	Nil
Shri Shekhar Agarwal	Promoter - Non-Executive	1,500	Nil
Shri Arun Churiwal	Promoter – Non-Executive	1,610	Nil
Dr. Kamal Gupta	Independent - Non-Executive	Nil	Nil
Shri Amar Nath Choudhary	Independent - Non-Executive	Nil	Nil
Shri Priya Shankar Dasgupta	Independent - Non-Executive	Nil	Nil
Shri Deepak Jain	Independent – Non-Executive	Nil	Nil
Smt. Archana Kapoor	Independent - Non-Executive	Nil	Nil

- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movements, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer etc.
- Quarterly compliance reports and investors' grievances reports.

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

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

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

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

Board-Level Committees

I) Audit Committee

As on 31st March, 2021, RSWM's Audit Committee comprised three members — all of them, including the Chairman of the Committee, are Independent Directors. The terms of reference of the Audit Committee are in conformity with those mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. In 2020-21, the Audit Committee met five times on – 15th June, 2020, 11th August, 2020, 11th November, 2020, 5th January, 2021 and 11th February, 2021.

Details of the Audit Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta (Chairman)	Independent – Non-Executive	5	5	3,75,000
Shri Amar Nath Choudhary	Independent – Non-Executive	5	5	3,75,000
Smt. Archana Kapoor	Independent – Non-Executive	5	5	3,75,000

Shri Surender Gupta, the Company Secretary, is also the Secretary to the Committee. Invitees to the Audit Committee include the Chairman and Managing Director & 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 Annual General Meeting held on 24th September, 2020 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

- Review and monitor the auditors' independence and performance, and effectiveness of audit process.

- Approval or any subsequent modification of transactions of the Company with related parties

- Scrutiny of inter-corporate loans and investments.

- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.

- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- Management Discussion and Analysis of the financial condition and results of operations of the Company.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
- Internal audit reports relating to internal control weaknesses.
- Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Review of various policies of the Company.

- Review with the management the quarterly financial statements before submission to the Board.
- The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital among others), as part of the quarterly declaration of financial results whenever applicable
- Statement certified by the Statutory Auditors, on an annual basis detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice, if applicable.

The Audit Committee is empowered to:

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

Internal Financial Control and its adequacy

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

II) Nomination and Remuneration Committee

a) Terms of Reference

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

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of Directors performance

- Formulate the criteria for determining qualification, positive attributes and independence of a Director.
- Recommend to the Board a policy relating to the remuneration for the Directors, KMP and other Employees.
- Carry out such other functions as are required or appropriate in discharging their duties.
- Devising a policy on diversity of Board of Directors.
- To determine whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

b) Composition of Nomination and Remuneration Committee

As on 31st March, 2021, 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 2020-21, the Nomination and Remuneration Committee met three times on 15th June, 2020, 11th August, 2020 and 11th February, 2021. The details of attendance of the Nomination and Remuneration Committee were as under:

Name of the Member	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	3	3	2,25,000
Shri Shekhar Agarwal	3	3	2,25,000
Shri Amar Nath Choudhary	3	3	2,25,000

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

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.

During the year, the Committee has commended the re-appointment of Shri Riju Jhunjhunwala, as Managing Director and Shri B M Sharma as Joint Managing Director to the Board. Further, Committee also recommended the appointment of Shri Avinash Bhargava as Chief Financial Officer in place of Shri B M Sharma w.e.f.11.08.2020. The Committee has also commended the re-appointment of Shri Deepak Jain as Independent Director to the Board for his second term of 5 consecutive years. He was appointed as Independent Director of the Company for first term of 5 consecutive years at the 55th Annual General Meeting of the Company held on 27th September, 2016.

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 2020-21

Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total	(₹)
Shri Riju Jhunjhunwala	Promoter - Executive	-	1,04,84,332	-	1,04,84,332	
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	3,75,000	-	-	3,75,000	
Shri Shekhar Agarwal	Promoter - Non-Executive	10,50,000	-	-	10,50,000	
Shri B M Sharma	Non-Promoter - Executive	-	1,55,84,954	-	1,55,84,954	
Shri Arun Churiwal	Promoter – Non-Executive	6,75,000	-	-	6,75,000	
Dr. Kamal Gupta	Independent - Non-Executive	15,00,000	-	-	15,00,000	
Shri Amar Nath Choudhary	Independent - Non-Executive	10,50,000	-	-	10,50,000	
Shri Priya Shankar Dasgupta	Independent - Non-Executive	4,50,000	-	-	4,50,000	
Shri Deepak Jain	Independent - Non-Executive	3,75,000	-	-	3,75,000	
Smt. Archana Kapoor	Independent - Non-Executive	8,25,000	-	-	8,25,000	

* Includes sitting fees for all Committee meetings.

includes retirement benefits

During the year ended 31st March, 2021, 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 31st March, 2021, 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 2020-21, the Committee met four times on 15th June, 2020, 11th August, 2020, 11th November, 2020 and 11th February, 2021.

The terms of reference of the Committee are as follows:

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

the Company for reducing the quantum of unclaimed dividends.

g) Review of adherence to the service standards adopted by the Company.

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

a) Details of Stakeholders' Relationship Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta (Chairman)	Independent – Non-Executive	4	4	3,00,000
Shri Shekhar Agarwal	Promoter – Non-Executive	4	4	3,00,000
Shri Arun Churiwal	Promoter – Non-Executive	4	4	3,00,000

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

The Committee received 9 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 for disposal as on the 31st March, 2021. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2021.

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

Sl. No.	Nature of Query/Complaint	Pending as on 1 st April, 2020	Received during the year	Addressed during the year	Pending as on 31 st March, 2021
1.	Transfer / Transmission / Issue of Duplicate Share Certificate(s)/ Sticker for Name Change	0	3	3	0
2.	Non-receipt of OCRPS, Option Letter for Conversion, Redemption Amount of OCRPS and Converted Equity Shares	0	0	0	0
3.	Non-receipt of Dividend	0	6	6	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 - Stock Exchanges - Registrar of Companies/Ministry of Corporate Affairs	0	0	0	0
	Total	0	9	9	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

The Share Transfer Committee of the Company meets as often as required under the chairmanship of Shri Shekhar Agarwal, Director.

To expeditiously approve transfer of shares, Shri Shekhar Agarwal, Director and Shri B M Sharma, Joint Managing Director also attends and approves the share transfer requests on fortnightly basis under the delegated authorization of the Board of Directors.

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transmission/Name deletion/Name correction	9	1,715
Duplicate Share Certificates	3	79
Consolidated/Torn Certificates	0	0

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

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

Reconciliation of Share Capital Audit:

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

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

IV. Corporate Social Responsibility Committee.

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

During the year 2020-21, the Committee met three times on 11th August, 2020, 11th November, 2020 and 11th February, 2021.

The Corporate Social Responsibility Committee functions as under:

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

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

<https://www.rswm.in/CSR-Policy>

Details of Corporate Social Responsibility Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended
Shri Riju Jhunjhunwala	Promoter – Executive	3	1
Shri Arun Churiwal	Promoter- Non-Executive	3	3
Shri Amar Nath Choudhary	Independent - Non- Executive	3	3

V. Independent Directors' Meeting.

Pursuant to the Code of Independent Directors and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on 11th February, 2021, without the attendance of

Non-Independent Directors and members of management to inter-alia:

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

Letter of Appointment:

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

Board Evaluation Mechanism

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

Performance evaluation of Independent Directors

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

General Body Meetings

ANNUAL GENERAL MEETINGS

The details of the Last Three Annual General Meetings:

Financial Year	Date	Time	Location	Special resolution(s) passed
2017-18	13 th September, 2018	11:30 A.M.	Kharigram, P.O. Gulabpura – 311 021 District Bhilwara, Rajasthan	6
2018-19	11 th September, 2019	11:30 A.M.	Kharigram, P.O. Gulabpura – 311 021 District Bhilwara, Rajasthan	2
2019-20	24 th September, 2020	2:00 P.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Deemed Venue -Kharigram, P.O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1

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

2017-2018:

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

2018-2019:

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

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 7th August, 2020.

Postal Ballot

During the year under review, three Resolutions were proposed to be passed through Postal Ballot and e-voting by Special Resolution pertaining to the approval of members to the re-appointment of Shri Riju Jhunjhunwala (DIN:00061060) as Managing Director of the Company for a period of five years w.e.f. 1st May, 2021, payment of revised remuneration w.e.f. 1st January, 2021 to Shri B M Sharma (DIN:08195895), Joint Managing Director of the Company for his remaining tenure upto 6th August, 2022 and reappointment of Shri Deepak Jain (DIN:00004972), as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from 11th May, 2021 upto 10th May, 2026. The said resolutions were passed by the members on 18th April, 2021.

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 Party Transactions is made to Stock Exchanges on half yearly basis with in 30 days from the date of publication of standalone and consolidated financial Results. The same is also updated on the website of the Company.

The Related Party policy of the Company is uploaded on the website of the Company link of which is given below:
<https://www.rswm.in/Related-Party-Transaction-Policy>

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.

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

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

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

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

In compliance with the SEBI Regulation on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders, the Company has instituted a comprehensive

Code of Conduct for its management staff. The Code lays down guidelines which advises them on procedures to be followed and disclosures to be made, while dealing with shares of RSPM, 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.

During the year under review, the Company implemented the mechanism for maintaining the structural digital data base in line with the requirement of SEBI under PIT Regulation.

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

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

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

g) Discretionary Requirements

The Company has 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:-

1. Company's financial statements are unmodified and Company continues to adopt best practices to ensure the regime of unmodified opinion.
2. 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://www.rspm.in/Material-Subsidiary>

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, 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://www.rspm.in/Whistle-Blower-Policy>

CEO/ CFO Certification

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

Code of Conduct

RSPM'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.rspm.in. Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year. It is further affirmed that access to the Audit Committee of the Company has not been denied to any personnel. A declaration to this effect forms part of this Annual Report.

Means of Communication

The effective communication of information is considered very essential component of Corporate Governance. The Company interact with their shareholders through various means of communication i.e. Print Media, Company's website, Annual Report etc.

Quarterly/ Annual Results

The quarterly and annual audited results are forthwith sent to the Stock Exchanges where the Company's shares are listed after they are approved by the Board of Directors. The results of the Company are published in accordance with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website www.rspm.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 from part of this Annual Report.

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

Shareholders

Appointment or Reappointment of Non Independent Directors

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

Their brief resumes are given below:

Shri Shekhar Agarwal (67)

Shri Shekhar Agarwal is a Non-Executive Promoter Director of the Company. Shri Agarwal is a 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 13th February, 1984. He has an experience of three decades in the Textile Industry.

Shri B M Sharma (63)

Shri B M Sharma is Joint Managing Director of the Company looking after the day to day operations 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 39 years across various industries. He joined the Board of the Company on 7th August, 2018 as Joint Managing Director for two years and was reappointed w.e.f 7th August, 2020 for further two years. He has been responsible for closure of various expansions, modernization and diversification programme of the Company.

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 B M Sharma	None	None	None

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

Disclosure on Website

The Company's website www.rswm.in has separate section "Investor" where the information for the shareholders is available. Annual Report, financial result, shareholding pattern, Corporate Governance Report etc. are also available on the website of the Company in user friendly manner. The Company ensures that the relevant provision of Regulation 46 of the Listing Regulation, 2015 are complied with. The Company has dedicated investor email-id rswm.investor@Injbhilwara.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.

ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 15th September, 2021

Day : Wednesday

Time : 2.00 P.M.

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

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

Financial Results

Financial year: 1st April, 2020 to 31st March, 2021

For the year ended 31st March, 2021 results were announced on:

- 11th August, 2020 : First quarter
- 11th November, 2020 : Second quarter and Half year
- 11th February, 2021 : Third quarter and Nine months
- 28th May, 2021 : Fourth quarter and Annual.

Stock Data

Share Prices of RSWM at BSE/NSE in 2020-21

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-20	90.50	65.10	26,046	81.70	67.80	1,87,839
May-20	72.75	58.00	35,891	72.75	56.95	2,36,444
Jun-20	89.50	63.25	2,09,676	89.65	61.20	7,72,510
Jul-20	80.90	68.25	47,938	83.55	69.00	3,12,832
Aug-20	98.45	69.00	2,08,393	99.00	69.00	10,05,116
Sep-20	101.40	81.20	29,056	101.90	80.95	1,81,290
Oct-20	97.00	85.35	28,211	98.00	83.60	1,50,314
Nov-20	97.00	88.00	11,95,371	96.90	87.15	2,02,924
Dec-20	144.15	92.40	1,86,780	145.25	91.95	10,04,414
Jan-21	174.90	134.10	87,588	173.85	136.10	5,95,075
Feb-21	175.30	149.70	88,334	175.10	148.00	7,30,396
Mar-21	222.00	158.90	1,07,780	224.80	158.10	9,77,035

For the year ending 31st March, 2022, 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 9th September, 2021 (Thursday), to 15th September, 2021 (Wednesday) (both days inclusive).

Dividend Dates

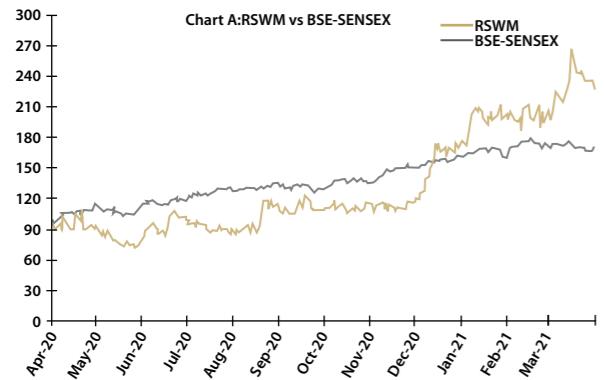
Not Applicable

Listing and Stock Codes

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31st March, 2022.

Stock Code of the Company

Equity Shares	
Stock Exchanges	Stock Codes
BSE	500350
NSE	RSWM

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2020-21

Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2020-21 i.e. 1st April, 2020.

Shareholding Pattern

Shareholding Pattern by Equity Shareholders as on 31st March, 2021

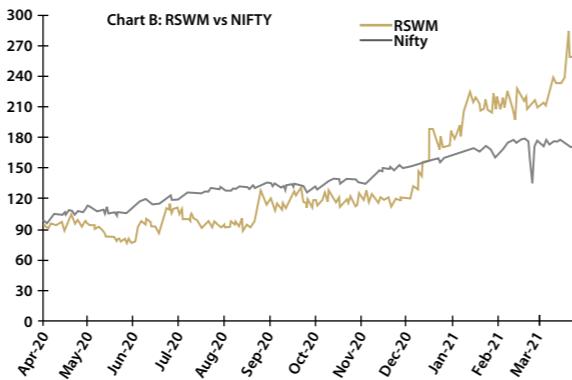
Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	1,25,20,276	53.16
Foreign Institutional Investors/Mutual Funds	75,000	0.32
Public Financial Institutions/State Financial Corporation	1,99,817	0.85
Mutual Funds (Indian)	2,355	0.01
Nationalized and other banks	41,674	0.18
NRIs/ Foreign Companies (Other than Promoters)	6,12,091	2.60
Public	1,00,99,629	42.88
Total	2,35,50,842	100.00

Shareholding Pattern by Size-Class as on 31st March, 2021

Categories	No. of Shareholders	No. of shares held	Percentage
1-1000	12,903	19,68,096	8.36
1001-5000	689	14,95,750	6.35
5001-10000	109	7,77,759	3.30
10001 and above	138	1,93,09,237	81.99
Total	13,839	2,35,50,842	100.00

Dematerialization of Shares

As on 31st March, 2021, 2,28,89,235 Equity Shares representing 97.19 % 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

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2020-21

Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2020-21 i.e. 1st April, 2020

shareholders holding shares in physical form on a regular basis to get shares dematerialized in their own benefit.

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

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

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

Commodity price risk or foreign exchange risk and hedging activities

• Foreign Exchange Risk And Hedging Activities

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

• Commodity Price Risk and Commodity Hedging Activities

The Company does not have any exposure hedged through commodity derivatives except the foreign currency 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
			NIL			

Registrar and Transfer Agents

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

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

Share Transfer System

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 15 days from the date of receipt, if the documents are in order in all respects. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities. However, it may be noted that as per SEBI stipulation the transfer of physical shares is not permitted with effect from 1st April, 2019 except in cases where the claims are lodged for transmission or transposition of shares or where the transfer deed(s) lodged prior to above date were returned due to deficiency in the documents.

Details of Public Funding Obtained in the Last Three Years

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

Outstanding Warrants and their Implications on Equity

The Company has no outstanding warrants/convertible instruments.

Plant Locations

1 Kharigram, P.O. Gulabpura – 311021, Distt. Bhilwara, Rajasthan

2 Mayur Nagar, Lodha, P.O. Banswara – 327001, Distt. Banswara, Rajasthan

3 LNJ Nagar, Mordi, P.O. Banswara – 327001, Distt. Banswara, Rajasthan (Denim, Fabric and TPP).

4 Mandpam, Distt. Bhilwara-311025, Rajasthan

5 Kanyakheri, Distt. Bhilwara- 311025, Rajasthan

6 Rishabhdev, Distt. Udaipur– 313802, Rajasthan

7 Ringas, Distt. Sikar – 332404, Rajasthan

Investor Correspondence

Investor correspondence should be addressed to:

Registrar & Share Transfer Agent:

MCS Share Transfer Agent Limited
F-65, 1st Floor,

Okhla Industrial Area Phase I,
New Delhi – 110 020

Phone Nos : 011-4140 6149-52

Fax No. : 011-4170 9881

E-mail : helpdeskdelhi@mcsregistrars.com

Company Secretary

RSWM Limited
Bhilwara Towers
A-12, Sector 1, Noida
Uttar Pradesh - 201301
Phone Nos. : 0120-4390000/4390300
Fax Nos. : 0120-4277841
E-mail : rswm.investor@lnjbihilwara.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 9th of December, 2013, the Company has formulated an Internal Complaints Committee which ensure protection of women employees at the work place and redressal of complaints.

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

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

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

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

The Company transferred 26,538 equity shares in respect of 406 shareholders in the name of "RSWM Limited – Unclaimed Suspense Account" on 9th August, 2012 and these shares were subsequently dematerialized. Thereafter, the Company received claim from 10 shareholders up-till now comprising of 216 shares, which were duly transferred in their respective names. During the year, the Company didn't receive any

claim from shareholders. 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, 45,460 equity shares of 567 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 2012-13. Out of total 1,04,279 Equity Shares transferred to IEPF, 414 Equity Shares were claimed by the Shareholders from the IEPF Authority. As on 31st March, 2021, total 1,03,865 Equity Shares of 1,230 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 2020-21, the Company did not raise any funds through preferential allotment or qualified institutions placement.

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

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

Riju Jhunjhunwala

Chairman and Managing Director & CEO
DIN: 00061060

Place: Noida (U.P)
Dated: 28th May, 2021

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

We, Riju Jhunjhunwala, Chairman and Managing Director & Chief Executive Officer 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 Jhunjhunwala

Place: Noida
Dated: 28th May, 2021
Chairman and Managing Director & Chief Executive Officer
DIN : 00061060

Avinash Bhargava

Chief Financial Officer
Membership No. FCA076277

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 31st March, 2021, 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 31st March, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Restriction on Use

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

For Lodha & Co.

Chartered Accountants
Firm Registration No: 301051E

N. K. Lodha

Partner
Membership No. 085155
Place : New Delhi
Date : May 28, 2021
UDIN : 21085155AAAACX1567

For S S Kothari Mehta & Company

Chartered Accountants
Firm Registration No: 000756N

Yogesh K. Gupta

Partner
Membership No. 093214
Place : Faridabad
Date : May 28, 2021
UDIN : 21093214AAAACZ9561

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members
RSWM LIMITED
(CIN: L17115RJ1960PLC008216)
Kharigram, P.O. Gulabpura,
Distt. Bhilwara,
Rajasthan – 311021

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Arun Kumar Churiwal	00001718	23-10-2003
2	Mr. Deepak Jain	00004972	11-05-2016
3	Mr. Priya Shankar Dasgupta	00012552	24-07-2013
4	Mr. Kamal Gupta	00038490	26-12-1987
5	Mr. Ravi 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 Kapoor	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 and Company**
Company Secretaries

Mahesh Kumar Gupta
Proprietor
FCS No: 2870:C P No: 1999
UDIN:F002870C000384064

Place: Delhi
Date: 28-05-2021

Financial Highlights

S. No.	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Turnover	2,884.32	3,014.31	2,944.79	2,996.20	2,943.09	2,960.58	2,771.03	2,326.02
1	PBIT	388.78	377.45	422.70	357.87	263.08	210.01	263.74	214.97
2	Interest	121.76	125.22	125.90	110.36	117.29	119.52	108.51	83.03
3	PBDT	267.02	252.23	296.80	247.51	145.79	90.49	155.23	131.94
4	Depreciation (Net)	110.69	135.27	149.27	132.17	124.48	123.28	131.67	127.68
5	PBT	156.33	116.96	147.53	115.34	21.32	(32.79)	23.56	4.26
6	TAX	57.53	32.05	40.58	14.37	6.82	(8.52)	0.89	(17.35)
7	PAT	98.80	84.91	106.95	100.97	14.50	(24.27)	22.67	21.61
1	EPS (IN ₹)	42.68	36.68	46.20	43.33	6.16	(10.30)	9.62	9.18
2	Equity	23.15	23.15	23.15	23.55	23.55	23.55	23.55	23.55
1	Total Capital Employed	1,854.66	2,038.20	2,212.58	2,390.39	2,713.01	2,537.62	2,182.58	2,037.96
2	Net Worth	395.37	445.00	552.05	633.19	900.74	783.06	705.85	761.16
3	Deferred Tax Liability (DTL)	72.03	82.78	96.58	86.52	88.76	80.29	64.77	58.01
4	Net Worth and DTL	467.40	527.78	648.63	719.71	989.50	863.35	770.62	819.17
5	Long Term Loans	605.94	669.18	563.93	496.94	570.90	572.62	484.24	334.45
6	Working Capital Loans	458.97	447.35	529.44	632.36	680.02	584.61	474.31	349.47
7	Unsecured Loans	0.36	-	96.07	90.98	140.15	80.19	93.62	79.72
8	Total Borrowings(5+6+7)	1,065.27	1,116.53	1,189.44	1,220.28	1,391.07	1,237.42	1,052.17	763.64
9	Fixed Assets (Net)	946.71	1,160.75	1,142.69	1,190.21	1,138.30	1,144.15	1,034.34	928.31
10	Investments	127.36	90.67	101.75	110.27	383.35	270.05	59.90	91.59
1	Operating Profit Margin %	13.55	12.57	14.41	11.98	8.94	7.09	9.52	9.24
2	Return on Capital Employed % (PBIT/ Capital Emp.)	14.99	11.88	12.36	9.44	5.11	3.42	6.05	4.28
3	Return on Sales % (PAT/ Turnover)	3.44	2.83	3.65	3.38	0.49	(0.82)	0.82	0.93
4	Return on Net Worth %	24.99	19.08	19.37	15.95	1.61	(3.10)	3.21	2.84
5	Debt Equity Ratio (Non Current Loans/ Equity)	1.53	1.50	1.02	0.78	0.63	0.73	0.69	0.44
6	Interest Cover Ratio	3.19	3.01	3.36	3.24	2.24	1.76	2.43	2.59
7	Fixed Assets Cover Ratio	1.56	1.73	2.03	2.40	1.99	2.00	2.14	2.78

(₹ in Crores)

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, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), 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, 2021, and the profit (including other comprehensive income/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 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 income, changes in equity and cash flows of the Company in

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31,2021 taken on record by the Board of Directors, none of the directors is disqualified as

on March 31,2021 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 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.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 45 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; 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, 2021.

For Lodha & Co.

Chartered Accountants
FRN : 301051E

N. K. Lodha

Partner
M. No. 085155
UDIN: 21085155AAAACU1981
Place : New Delhi
Date : 28th May, 2021

For S S Kothari Mehta & Company

Chartered Accountants
FRN : 000756N

Yogesh K. Gupta

Partner
M. No. 093214
UDIN: 21093214AAAACX8241
Place : Faridabad
Date : 28th May, 2021

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

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

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

(₹ in lakh)

Nature of Statute	Nature of dues	Amount*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	322.72	2005-2006	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	4.95	1999-2000	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	20.87	2004-2005	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	8.45	2003-2004	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	521.33	2004-2005	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	25.42	2007-2008 2008-2009	Honorable High Court, Jodhpur Rajasthan
Income Tax Act, 1961	Income Tax Demands	685.66	2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demands	1054.96	2013-2014	ITAT, Delhi

Nature of Statute	Nature of dues	Amount*	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	8.48	1998-1999	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.69	1995-1996	Dy. Commissioner (A), Tripur
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.36	1996-1997	Dy. Commissioner (A), Tripur
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	0.65	1983-1984	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	3.47	1983-1984	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	3.44	2006-2007	Honorable High Court, Jodhpur Rajasthan
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	64.5	2013-2014	Appellate Authority, Ajmer
Central Sales Tax Act and Local Sales Tax	Sales Tax Demand	33.83	2013-2014	Appellate Authority, Ajmer
Custom Act	Custom Duty Demand in Coal	58.55	2013-2014	CESTAT, Ahmedabad
Central Excise Act,1944	Modvat Credit	149.86	1998-2000	CESTAT, New Delhi

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

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

where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of para 3 of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Lodha & Co.

Chartered Accountants
FRN : 301051E

For S S Kothari Mehta & Company

Chartered Accountants
FRN : 000756N

N. K. Lodha

Partner
M. No. 085155
UDIN: 21085155AAAACU1981

Yogesh K. Gupta

Partner
M. No. 093214
UDIN: 21093214AAACX8241

Place : New Delhi
Date : 28th May, 2021

Place : Faridabad
Date : 28th May, 2021

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, 2021 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 reference to Standalone financial statement and such internal financial controls with reference to Standalone financial

statement were operating effectively as at March 31, 2021, 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 Lodha & Co.

Chartered Accountants
FRN : 301051E

N. K. Lodha

Partner
M. No. 085155
UDIN: 21085155AAAACU1981

Place : New Delhi
Date : 28th May, 2021

For S S Kothari Mehta & Company

Chartered Accountants
FRN : 000756N

Yogesh K. Gupta

Partner
M. No. 093214
UDIN: 21093214AAAACX8241

Place : Faridabad
Date : 28th May, 2021

Standalone Balance Sheet

AS AT MARCH 31, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
ASSETS				
1 Non-current Assets				
a Property, Plant and Equipment	3a	90,124.56	99,662.53	
b Capital Work-in-Progress	3b	740.28	720.54	
c Investment Property	3c	823.16	1,494.51	
d Other Intangible Assets	3d	1,143.32	1,556.11	
e Intangible Assets under Development	3e	-	-	
f Financial Assets				
i) Investments	4	9,158.67	5,989.79	
ii) Loans	5	143.63	176.86	
iii) Other financial assets	8	836.60	10,138.90	1,059.81
g Other Non-current Assets	11		2,231.13	2,173.85
2 Current Assets				
a Inventories	9	45,041.07	50,670.91	
b Financial Assets				
i) Trade receivables	6	37,805.20	34,172.38	
ii) Cash and cash equivalents	7	293.68	198.62	
iii) Bank balances other than (ii) above	7	448.96	478.87	
iv) Loans	5	36.50	103.27	
v) Other financial assets	8	4,257.44	4,292.14	39,245.28
c Current Tax Assets (Net)	10		532.10	1,982.13
d Other Current Assets	11		8,634.76	11,947.26
3 Assets Classified as Held for Sale	3f		1,544.72	1,578.49
TOTAL ASSETS		2,03,795.78	2,18,258.07	
EQUITY AND LIABILITIES				
Equity				
a Equity Share Capital	12	2,355.08	2,355.08	
b Other Equity	13	73,760.69	68,229.88	
Liabilities				
1 Non-current Liabilities				
a Financial Liabilities				
i) Borrowings	14	33,444.57	48,424.04	
ii) Other financial liabilities	17	666.72	34,111.29	511.26
b Deferred Tax Liabilities (Net)	20		5,800.87	6,476.71
c Deferred Government Grants	21		97.00	151.87
d Other Non-current Liabilities	22		103.38	103.38
2 Current Liabilities				
a Financial Liabilities				
i) Borrowings	15	42,919.39		56,792.90
ii) Trade payables				
- Total outstanding dues of micro, small and medium enterprises	16	1,620.64		221.17
- Total outstanding dues of creditors other than micro, small and medium enterprises	16	12,102.54		10,715.62
iii) Other financial liabilities	17	23,168.52	79,811.09	18,452.19
b Provisions	18		401.94	389.05
c Deferred Government Grants	21		55.86	59.28
d Other Current Liabilities	22		7,298.58	5,375.64
TOTAL EQUITY AND LIABILITIES		2,03,795.78	2,18,258.07	

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

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Faridabad

B M Sharma
Joint Managing Director
DIN 08195895

Surender Gupta
Company Secretary
M.No. FCS 2615

Standalone Statement of Profit & Loss

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020	(₹ in lakh)
Revenue From Operations	23	2,32,601.67	2,77,103.00	
Other Income	24	3,940.95	2,618.90	
Total Income				
		2,36,542.62	2,79,721.90	
Expenses				
Cost of Materials Consumed	25	1,21,247.15	1,56,570.77	
Purchase of Traded Goods	26	552.28	111.12	
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	8,224.84	(2,063.71)	
Employee Benefit Expenses	28	31,233.20	37,008.53	
Finance Cost	29	8,303.17	10,851.16	
Depreciation and Amortization Expenses	30	12,767.94	13,166.53	
Other Expenses	31	53,787.78	67,035.40	
Total Expenses				
		2,36,116.36	2,82,679.80	
Profit/(Loss) Before exceptional items and tax				
Exceptional items				-
Profit/(Loss) Before Tax		426.26	(2,957.90)	
Tax Expense				
Current Tax	19	70.63	1,709.18	
Tax of earlier year provided/(written back)	19	(1,022.21)	-	
Deferred Tax	19	(783.55)	(1,619.85)	
Profit/(Loss) for the Period				
		2,161.39	2,266.41	
Other Comprehensive Income				
a) (i) Items that will not be reclassified to Profit or Loss		3,350.83	(9,760.61)	
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(63.58)	(123.20)	
b) (i) Items that will be reclassified to Profit or Loss		126.31	(150.58)	
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(44.14)	52.62	
Other Comprehensive Income/(Loss) for the year				
Total Comprehensive Income/(Loss) for the year		3,369.42	(9,981.77)	
Earnings per Equity Shares of ₹ 10/- each				
1) Basic (in ₹)			9.18	9.62
2) Diluted (in ₹)			9.18	9.62

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

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

Standalone Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow From Operating Activities		
Profit / (Loss) Before Tax	426.26	(2,957.90)
Adjustments for:		
Depreciation and Amortization Expenses	12,767.94	13,166.53
Net Gain / Loss on Sale of Property, Plant & Equipment	(1,614.31)	(272.98)
Provisions Written Back	(113.79)	(132.33)
Allowances for Impairment Loss Allowance	(69.36)	417.18
Finance Costs	8,373.41	10,879.74
Interest Income	(1,170.12)	(978.23)
Dividend Income from Investments	(0.02)	(541.82)
Forex Fluctuation on translation of Assets and Liabilities	237.95	18,411.70
Operating Profit/(Loss) before Working Capital Changes	18,837.96	19,276.47
(Increase)/Decrease in Trade Receivables	(3,632.82)	11,091.81
(Increase)/Decrease in Current Financial Assets - Loans	193.08	(157.49)
(Increase)/Decrease in Non Current Financial Assets - Loans	33.23	(41.08)
(Increase)/Decrease in Other Current Financial Assets	(240.21)	(833.76)
(Increase)/Decrease in Other Non Current Financial Assets	223.21	(662.84)
(Increase)/Decrease in Other Current Assets	3,633.72	1,690.62
(Increase)/Decrease in Other Non Current Assets	99.05	(273.80)
(Increase)/Decrease in Inventories	5,629.84	(7,465.14)
Increase/(Decrease) in Trade Payables	2,786.39	615.30
Increase/(Decrease) in Other Current Financial Liabilities	(118.41)	491.13
Increase/(Decrease) in Other Non Current Financial Liabilities	(74.54)	54.58
Increase/(Decrease) in Other Current Liabilities	2,039.11	803.61
Increase/(Decrease) in Other Non Current Liabilities	181.95	10,753.60
Cash generated from/(used in) Operations before tax	29,591.56	24,888.58
Net Direct Taxes paid	2401.61	(1816.96)
Net Cash Flow from/(used in) Operating Activities	31,993.17	23,071.62
B. Cash Flow From Investing Activities		
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(3,187.45)	(3,291.90)
Proceeds from sale of Property, Plant & Equipment	2,615.01	753.63
Sale of Investments	-	16,363.79
Movement of Fixed Deposit	(9.26)	(94.63)
Interest Received	1,246.25	791.63
Dividend Received	0.02	541.82
Net Cash Flow from/(used in) Investing Activities	664.57	15,064.34
Net Cash from/(used in) Operating and Investing Activities	32,657.74	38,135.96

Standalone Statement of Cash Flow (Contd....)

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash Flow From Financing Activities		
Repayment of Borrowings	(10,796.27)	(34,715.74)
Proceeds from Borrowings	900.00	16,358.91
Proceeds / (Repayment) of Short Term Borrowings	(13,873.51)	(9,687.07)
Repayment of Lease Liabilities	(99.55)	(43.94)
Finance Costs	(8,693.35)	(10,879.74)
Net Cash from/(used in) Financing Activities	(32,562.68)	(38,967.58)
Net Cash from/(used in) Operating, Investing & Financing Activities	95.06	(831.62)
Opening balance of Cash and Cash Equivalent	198.62	1,030.24
Closing balance of Cash and Cash Equivalent	293.68	198.62
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)		
i) Cash on Hand	22.89	68.75
ii) Balance with Banks :		
- On Current Accounts	270.79	126.40
- Cheques, Drafts on Hand	-	3.47
Total	293.68	198.62

Notes:**1. Changes in Liabilities arising from Financing Activities:**

Particulars	Balance as at March 31, 2020	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2021
Long Term Borrowings	59,220.31	(9,896.27)	-	49,324.04
Short Term Borrowings	56,792.90	(13,875.20)	1.69	42,919.39
	1,16,013.21	(23,771.47)	1.69	92,243.43

Particulars	Balance as at March 31, 2019	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2020
Long Term Borrowings	77,577.15	(18,356.84)	-	59,220.31
Short Term Borrowings	66,479.97	(9,621.57)	(65.50)	56,792.90
	1,44,057.12	(27,978.41)	(65.50)	1,16,013.21

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

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

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, 2021

a. Equity Share Capital

Particulars	Note No.	Amount ₹ in lakh)
Balance as at April 1, 2019	12	2,355.08
Changes in Equity Share Capital during 2019-20	-	-
Balance as at March 31, 2020	2,355.08	2,355.08
Changes in Equity Share Capital during 2020-21	12	-
Balance as at March 31, 2021	2,355.08	2,355.08

b. Other Equity

Particulars	Note No.	Capital Reserve	Securities Premium	General Reserve	Pref. Share Capital Redemption Reserve	Surplus	Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
Balance at April 1, 2019	701.48	9,618.56	4,910.28		6,060.85	35,239.84	19,400.35	19.59	75,950.95	(5.71)
Adjustment due to first time adoption of INDAS 16	-	-	-	-	-	(5.71)	-	-	-	(5.71)
- Profit or Loss during the year	-	-	-	-	-	2,266.41	-	-	-	2,266.41
- Other Comprehensive Income for the year	32	-	-	-	-	81.61	(9,965.42)	(9.965.42)	(9.965.42)	(9.981.77)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI	-	-	-	-	-	7,857.61	(7,857.61)	(7,857.61)	(7,857.61)	-
Total Comprehensive Income	-	-	-	-	-	10,199.92	(17,823.03)	(97.96)	(7,721.07)	-
Balance at March 31, 2020	701.48	9,618.56	4,910.28		6,060.85	45,439.76	1,577.32	(78.37)	68,229.88	-
Adjustment due to first time adoption of INDAS 16	-	-	-	-	-	-	-	-	-	-
- Profit or Loss during the year	32	-	-	-	-	118.37	3,168.88	3,168.88	3,168.88	82.17
- Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	3,369.42
- Gain/(Loss) on Sale of Equity Instruments valued through OCI	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	2,279.76	3,168.88	82.17	5,530.81	-
Balance at March 31, 2021	701.48	9,618.56	4,910.28		6,060.85	47,719.52	4,746.20	3.80	73,760.69	-

Accompanying notes form an integral part of the financial statements

As per our report of even date

For Lodha & Co. Chartered Accountants Firm Regn. No. 301051E	For S.S. Kothari Mehta & Co. Chartered Accountants Firm Regn. No. 000756N	B M Sharma Chairman & Managing Director DIN 08195895
N. K. Lodha Partner M. No. 085155 Place: New Delhi Date: May 28, 2021	Yogesh K. Gupta Partner M. No. 093214 Fardabadi	Riju Jhunjhunwala Chairman & Managing Director DIN 00061060
		Avinash Bhargava Chief Financial Officer M.No. FCA 076277

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

1. Company Overview and Accounting Policies

1.01 Company Overview

RSWM Limited (the "Company") is a public limited company incorporated and domiciled in India and has its registered office at Kharigram, Gulabpura, district Bhilwara (Rajasthan, India). The Company has its primary listings on the BSE and NSE.

The Company is one of the largest textile manufacturing companies having multiple facilities to produce green fibre, yarn and fabric. The Company is primarily producing the best quality of yarns like synthetic, blended, mélange, cotton, speciality and value added yarns suitable for suitings, shirtings, hosiery, carpet, denim, technical textiles and industrial applications and denim fabric, synthetic fabric for renowned brands.

The financial statements of the Company for the year ended 31st March, 2021 are approved for issue by the Company's Board of Directors on May 28, 2021.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 ('Act') (to the extent notified) read with the Rules 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans-plan assets measured at fair value.
- Assets classified as held for sale measured at fair value less cost to sell.
- Certain financial assets and liabilities measured at fair value (including derivative financial instruments) (Refer Accounting policy para 1.10 regarding financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest ₹ in lakh, 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, 2021

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

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Depreciation

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis over the estimated useful life of Property, Plant and Equipment which coincide with Schedule II to the Companies Act, 2013. Estimated useful life of the assets is given below:

Building	5 to 60 years
Plant and Equipment	3 to 30 years
Furniture and Fixtures	10 years
Office Equipment	3 to 6 years
Vehicles	8 to 10 years
Electrical Fittings	10 years

The Company has estimated the useful life different from life prescribed in Schedule II in the following cases:-

S. No.	Nature of Property, Plant and Equipment	Effective Useful Lives
1	Property, Plant and Equipment of Textile Division and Water Supply	9 years 2 months
2	Property, Plant and Equipment used in Power Generation	18 years

The Company, based on technical assessment/management estimate, depreciates all items of Property, Plant and Equipment over estimated useful lives which may be different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

De-recognition

An item of Property, Plant and Equipment and any of their significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the Property, Plant and Equipment) is included in the statement of profit and loss, when the Property, Plant and Equipment is derecognised. Depreciation on additions to or on disposal of Property, Plant and Equipment is calculated on pro-rata basis i.e. from (up to) the date on which the Property, Plant and Equipment is available for use (disposed of).

The Property, Plant and Equipment's residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives and residual values are determined by the management at the time the Property, Plant and Equipment is acquired and reviewed periodically, including at each financial year end. These lives are based on historical experience with similar Property, Plant and Equipment as well as anticipation of future events.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life of 5 to 60 years, where the lease period of land is beyond the life of the building.

1.07 Investment Properties

Investment Property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administration purposes.

Recognition and measurement

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation

Depreciation is provided over the estimated useful life of the investment property lives which may be different from the useful life prescribed in Schedule II to the Companies Act, 2013.

De-recognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

Though, the Company measures investment property

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

1.08 Intangible Assets

Recognition and measurement

An Intangible Assets is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The cost of a separately acquired intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Goodwill acquired and/or arising upon business combinations, initially recognized at cost and at subsequent period at cost less accumulated impairment loss, if any.

Amortization

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is

an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The estimated useful life of the finite intangible assets is given below:

Sr. No.	Nature of Assets	Effective Useful Lives	Amortization method used
1.	Intangible Assets acquired	6 years	Amortized on a Straight Line Basis over the useful life
2.	Intangible Assets being right to use	18 years 4 months	

An intangible asset is derecognised on disposal or when no future economic benefit is expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over

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the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

1.09 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Ind AS 116 – Leases provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value.

Under the modified retrospective approach, at inception, the right-of-use asset is measured at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease; if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating

and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets carried at amortised cost-debt
- Financial assets at fair value through other comprehensive income –equity
- Financial assets at fair value through other comprehensive income –debt
- Financial assets at fair value through the statement of profit and loss

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(i) Financial assets carried at amortised cost-debt

A financial asset is subsequently measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income –equity

The Company measures all its equity investments except for investment in subsidiaries and associates, at fair value. Where the Company's management has opted to present fair value gains 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 fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

De-recognition

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in the statement of profit and loss.

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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

(b) Trade and other payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Company, are those contracts that require a payment to be made to reimburse the holder for a loss if incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. If material, financial guarantee

contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

De-recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other income or finance costs.

Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through the statement of profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit and loss, unless designated as effective hedging instruments.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition,

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For the year ended March 31, 2021

no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.11 Impairment of Non-Financial Assets

Intangible assets, property, plant and equipment and associate measured at cost and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would

have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.12 Foreign Exchange Transactions/Translations

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

Monetary items that are designated as part of the cash flow hedge instrument are recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

Derivative Financial Instruments and Hedge Accounting

The Company uses derivative instruments i.e. Forward contracts to hedge its foreign currency risks. The Company designates these forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The Company has designated forward instruments on spot to spot basis. The Company recognises the forward points in the statement of profit and loss accounts.

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When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

1.13 Employee Benefits

(a) Short Term Employee Benefit

Short-term employee benefit obligations are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined Contribution Plan

The Company makes defined contribution to Employees Provident Fund Organisation (EPFO), Pension Fund, Superannuation Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

Prepaid contribution are recognised as an assets to the extent that a cash refund or reduction in future payments is available.

(c) Defined Benefit Plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in

the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement 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

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employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and fair value of any related assets is deducted. The liability for other long term employee benefits are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

(e) Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company recognises a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

If the benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted to present value.

1.14 Taxes on Income

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that

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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.

- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- 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.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- Segment result includes margin on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- 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.

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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.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1.21 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

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.

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An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in associates are carried at cost less impairments. The cost comprises, price paid to acquire investment and directly attributable cost.

2. Use of Critical Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial years are described below. The Company based its assumptions and estimates or parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Property, Plant and Equipment and Intangible assets

Internal technical or user team assesses the remaining useful life of the Property, Plant and Equipment and Intangible assets. Management believes that assigned useful lives are reasonable.

(b) Embedded Lease

In assessing the applicability to arrangement entered into by the Company, the management has exercised the judgment to evaluate the right to use the asset or assets on substance of the transaction including legally enforced arrangement and other significant terms of the contract to conclude whether the arrangement meets the criteria under the Ind AS 116.

(c) Impairment of Non-Financial Assets

In assessing value in use, the estimated future cash flows are

discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(d) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

(e) Investment in Subsidiary/Associates

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one half of its total share capital.

As per Ind AS 28, an entity is considered as an associate when the investing Company has significant influence over the entity. The existence of significant influence by an investor is determined based on factors such as, representation on the board of directors or equivalent governing body of investee, participation in policy-making processes, including participation in decisions about dividends or other distributions, material transactions between the entity and its investee, interchange of managerial personnel or provision of essential technical information. The Company holds 47.30% and 7.56% of the equity shares of LNJ Skills & Rozgar Private Limited and Bhilwara Energy Limited (BEL) respectively. As the amount invested in BEL is not that much significant (which is less than 20 %), but the board of directors regularly reviews the progress of the BEL and suggestion/comments/concerns of the board of Company are conveyed to the board of directors of BEL by common directors. In order to monitor the progress of BEL, the board of directors has decided to nominate at least one director on the board of BEL. In Light of above, the board of directors have concluded that, the Company has a significant influence on BEL.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(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.

(h) Contingencies

Management's judgment is required for estimating the possible outflow of resources, if any, in respect of

contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(i) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(j) Insurance claims

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

3a Property, Plant & Equipment

Particulars	Land-Freehold	Land-Leasehold	Buildings (including Roads)***	Right to Use Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting, Water Supply & Installations	Total	(₹ in lakh)
Gross Carrying Value											
Balance at April 1, 2019	4,441.89	264.10	43,559.73	-	87,354.72	3,429.55	1,549.11	1,045.56	6,082.87	1,47,727.53	
Additions	8.95	-	418.22	10984	1,122.17	129.81	139.37	63.87	26.15	2,018.38	
Deductions/disposals*	(0.14)	-	(298.57)	-	(1,232.26)	(123.08)	(211.05)	(77.02)	(23.8)	(1965.30)	
Assets classified as held for sale	-	-	-	-	(897.66)	-	-	-	-	(897.66)	
Reclassification of assets from investment property	(703.40)	-	-	-	-	-	-	-	-	(703.40)	
Balance at March 31, 2020	3,747.30	264.10	43,679.38	109.84	86,346.97	3,436.28	1,477.43	1,032.41	6,085.84	1,46,179.55	
Balance at April 1, 2020	3,747.30	264.10	43,679.38	109.84	86,346.97	3,436.28	1,477.43	1,032.41	6,085.84	1,46,179.55	
Additions	21.32	70.94	1,253.77	398.98	1,041.79	156.88	88.43	69.41	113.00	3,214.52	
Deductions/disposals*	-	-	(96.11)	(31.97)	(1459.16)	(265.1)	(259.22)	(84.91)	(38.97)	(2096.85)	
Assets classified as held for sale	(164.35)	-	(445.10)	-	-	-	-	-	-	(604.45)	
Reclassification of assets from investment property #	306.46	-	-	-	-	-	-	-	-	306.46	
Balance at March 31, 2021	3,910.73	335.04	44,291.94	476.85	85,929.60	3,566.65	1,306.64	1,016.91	6,159.87	1,46,994.23	
Accumulated Depreciation											
Balance at April 1, 2019	11.19	6,026.62	-	25,383.77	1,182.42	508.21	673.38	2,120.00	35,905.59		
Depreciation for the year	3.99	1,406.37	45.22	10,283.67	311.82	189.80	122.80	55.744	12,921.11		
Deductions/disposals**	(0.02)	(41.13)	-	(1,127.43)	(90.05)	(135.42)	(77.67)	(13.40)	(1,485.12)		
Assets classified as held for sale	-	-	-	-	(824.56)	-	-	-	(824.56)		
Balance at March 31, 2020	15.16	7,391.86	45.22	33,715.45	1,404.19	562.59	718.51	2,664.04	46,517.02		
Balance at April 1, 2020	15.16	7,391.86	45.22	33,715.45	1,404.19	562.59	718.51	2,664.04	46,517.02		
Depreciation for the year	4.15	1,401.71	97.25	9,741.36	288.99	176.65	91.85	54.860	12,372.56		
Deductions/disposals**	-	-	(827.79)	(31.12)	(1,389.76)	(13.09)	(187.69)	(81.10)	(36.98)	(1,822.53)	
Assets classified as held for sale	-	-	(97.38)	-	-	-	-	-	-	(197.38)	
Balance at March 31, 2021	19.31	8,513.40	133.35	42,067.05	1,680.09	551.55	729.26	3,175.66	56,869.67		
Net Carrying Value											
Balance at March 31, 2020	3,747.30	248.94	36,287.52	64.62	52,631.52	2,032.09	914.84	313.90	3,421.80	99,662.53	
Balance at March 31, 2021	3,910.73	315.73	35,778.54	343.50	43,862.55	1,886.56	755.09	287.65	2,984.21	90,124.56	

Notes:

1. *Deduction from Gross Carrying Value represents sale/transfer/discard of Property, Plant & Equipment/Lease hold rights written off.
2. ** Deduction in depreciation ₹ 1822.53 lakh (Previous Year ₹ 1485.12 lakh) represents adjustment on account of sale/transfer/discard of Property, Plant & Equipment.
3. *** Includes value of irrevocable licencing Rights to use of a flat in New Delhi ₹ 10.00 lakh.
4. Depreciation for the year 2020-21 includes ₹ 61.63 (Previous Year ₹ 1266.66 lakh) against amortisation of Government Capital Grants (refer Note 30).
5. During the previous year, The Ministry of Road and Transport and Highway has acquired 0.9145 hectare of land of the Company situated on NH-79. The competent authority has awarded the compensation of ₹ 223.21 lakh and the same has been received by the Company.
6. On transition date, the Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.
7. Assets pledged as security (refer Note 44).
8. # (i) Other income includes the Sale of Land measuring 105990 square feet out of 126207 square feet before 1983 and was lying with the Company as Investment Property. Land measuring 10752 square feet is transferred to Plant, Property & Equipment (PPE) from Investment Property during the ensuing year at its cost as the same is to be used for local Sales Office in Bhilwara.
- (ii) The Investment Property represents the cost of 9465 Square feet amounting to ₹97.1 lakh the fair value following the Para 79 of INDAS 40 of which is ₹ 394.44 lakh.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

3b Capital Work in Progress

Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
Balance at April 1, 2019	23.76	254.01	-	277.77
Additions	789.65	524.27	-	1,313.92
Less: Amount capitalized in Property, Plant & Equipment	213.91	657.24	-	871.15
Balance at March 31, 2020	599.50	121.04	-	720.54
Balance at April 1, 2020	599.50	121.04	-	720.54
Additions	523.57	883.87	150.24	1,557.68
Less: Amount capitalized in Property, Plant & Equipment	1,014.43	523.51	-	1,537.94
Balance at March 31, 2021	108.64	481.40	150.24	740.28

*The detail of Pre-operative expenses is given below

Particulars	2020-21	2019-20
(A) Opening Balance	-	-
(B) Additions:		
Salaries & Wages	-	-
Professional & Consultancy Charges	150.24	-
Borrowing Costs	-	-
Other Expenses	-	-
	150.24	-
(C) Deductions:		
Plant & Equipment	-	-
Building	-	-
Electrical Installation	-	-
	-	-
(A+B-C)	150.24	-

On transition date, the Company has opted to continue with carrying value of all of its capital work in progress as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

3c Investment Property

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2019	790.06
Additions	54.35
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	703.40
Balance at March 31, 2020	1,547.81
Balance at April 1, 2020	1,547.81
Additions	196.03
Deductions/disposals/written off	546.47
Reclassified to Property, Plant & Equipment	(306.46)
Balance at March 31, 2021	890.91
Accumulated Depreciation	
Balance at April 01, 2019	37.16
Depreciation for the year	16.14
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	-
Balance at March 31, 2020	53.30
Balance at April 1, 2020	53.30
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2021	67.75
Net Carrying Value	
Balance as at March 31, 2020	1,494.51
Balance as at March 31, 2021	823.16
(₹ in lakh)	
Fair Value	Amount
At March 31, 2020	18,096.15
At March 31, 2021	9,330.48

3c(i) Measurement of Fair Value

The fair value of the investment property has been determined by external, independent property valuer, having appropriate qualifications and recent experience in the valuation of properties in the relevant locations and category of the properties being valued. The fair value has been determined based upon the market comparable approach that reflects recent transaction prices for similar properties.

The fair value measurement is categorised in Level 3 fair value based on the inputs to the valuation technique used. (Refer Note 1.20 for definition of Level 3 fair value measurement)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The investment properties consist of commercial properties in India. The Management has determined the investment properties as commercial properties based on the nature of their usage.

There has been no change to the valuation technique during the year.

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Notes to the Standalone Financial Statement

For the year ended March 31, 2021

3c(ii) Information regarding Income and Expenditure on Investment Property

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
Lease Rental recognized during the year	35	360.41	406.13	
Direct expenses		27.52	39.29	
Profit arising from investment properties before depreciation and indirect expenses		387.93	445.42	
Depreciation for the year		14.44	16.14	
Indirect Expenses		-	1.32	
Profit/(Loss) arising from Investment Properties after depreciation and direct expenses		373.49	427.96	

3c(iii) The Investment Property amounting ₹ 348.96 lakh (Fair Value ₹ 4,997.72 lakh) is owned jointly with HEG Limited

3d Other Intangible Assets

Particulars	Amount	(₹ in lakh)
Gross Carrying Value		
Balance at April 01, 2019	2,094.61	
Additions	534.88	
Deductions/ disposals	14.81	
Balance at March 31, 2020	2,614.68	
Balance at April 1, 2020	2,614.68	
Additions	3.15	
Deductions/ disposals	(165.37)	
Balance at March 31, 2021	2,452.46	
Accumulated Amortization		
Balance at April 01, 2019	716.97	
Amortization for the year	355.94	
Deductions/disposals	14.34	
Balance at March 31, 2020	1,058.57	
Balance at April 1, 2020	1,058.57	
Amortization for the year	411.02	
Deductions/ disposals	(160.45)	
Balance at March 31, 2021	1,309.14	
Net Carrying Value		
Balance at March 31, 2020	1,556.11	
Balance at March 31, 2021	1,143.32	

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, 2021

3e Intangible Assets under Development

Particulars	Amount	(₹ in lakh)
As at April 01, 2019		
Additions	185.23	
Less: Amount capitalized in Intangible Assets	27.90	
Balance at March 31, 2020	213.13	
As at April 01, 2020		
Additions	-	
Less: Amount capitalized in Intangible Assets	-	
Balance at March 31, 2021	-	
Net Carrying Value		
Balance at March 31, 2020	-	
Balance at March 31 2021	-	

3f Assets Classified as Held for Sale

Particulars	(₹ in lakh)
Balance at March 31, 2020	1,578.49
Balance at March 31, 2021	1,544.72

Due to closure of Bagalur and Pondy units since May 31, 2018, most of the machines and equipments of these units have been sold and only the machines and equipments worth ₹ 314.72 lakh remain to be sold and have been classified as assets held for sale. Likewise out of total land of around 45 acre, a land of around 18 acres, worth ₹ 765 lakh have been classified as held for sale. And similarly Land and Building of Pondy unit worth of ₹ 465 lakh have been classified as held for sale. The Company has also sought for necessary approval for closure from the authorities which is in process. The efforts of sale of this land and machines etc are already being made and the same will be sold once the effect of the Pandemic gets over.

4 Investments (Non-Current)

Particulars	As at March 31, 2021	As at March 31, 2020		
	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	10.31	31,396	6.18
HEG Limited @	3,18,391	4,661.72	3,18,391	1,543.56
State Bank of India (of ₹ 1 /- each)	24,080	87.74	24,080	47.43
Punjab National Bank (of ₹ 2 /- each)	4,715	1.73	4,715	1.52
Whirlpool (India) Limited	372	8.29	372	6.72
Vardhaman Holdings Limited	30	0.53	30	0.26
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹ 2 /- each)	775	3.97	775	0.99
Vardhaman Textiles Limited	180	2.34	180	1.13
Vardhaman Special Steel Limited	36	0.05	36	0.01
	4,776.70			1,607.82
(ii) Un-quoted Equity Shares				
Investment in Subsidiary (At Cost)				
Equity shares of ₹ 10/- each (unless stated otherwise)				
LNJ Skills and Rozgar Private Limited (of ₹ 1 /- each)	-	-	-	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

4. Investments (Non-Current) Contd...

Particulars	(₹ in lakh)			
	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
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
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
		9,158.67		5,989.79
Market value of Quoted Investments		4,776.70		1,607.82
Carrying value of Un-quoted Investments		4,381.97		4,381.97

- # The Company with due approval of its Board of Directors in its meeting held on April 10, 2019 has sold on April 23, 2019, 1,69,38,599 equity shares (out of 2,94,63,559 equity shares) held in its Associate, Bhilwara Energy Limited at an arm's length price of ₹ 50.09 per share. During the previous year, the gain of sale of such shares is shown as exceptional item in the Statement of Profit and Loss.
- @ The Company had sold NIL (Previous year 6,05,386) no. of equity shares of HEG Limited and the cumulative realised gain of NIL (Previous year ₹ 7,857.61 lakh) has been reported in other equity through OCI.

5. Loans

Particulars	(₹ in lakh)			
	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered Good (unless otherwise stated)				
Unsecured				
Security Deposits	143.63	175.06	-	-
(A)	143.63	175.06		
Unsecured				
Loans and Advances to Staff	-	1.80	36.50	103.27
(B)	-	1.80	36.50	103.27
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
(C)	-	-	-	-
(A+B+C)	143.63	176.86	36.50	103.27

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

6. Trade Receivables

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Unsecured Trade Receivables	38,427.06	35,149.47
Less: Allowance for Impairment Loss Allowance	(621.86)	(977.09)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	37,805.20	34,172.38

Of the above, trade receivables from related parties are given below.

Particulars	Note No.	(₹ in lakh)	
		As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	39	411.49	1,839.06

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 7,972.24 lakh (as at March 31, 2020 ₹ 9,361.75 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)

7. Cash and Cash Equivalents

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
- Balance with Banks		
On Current Accounts #	270.79	126.40
Cheque, Draft on Hand	-	3.47
- Cash on hand	22.89	68.75
	293.68	198.62
Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits	239.81	230.55
- Balance with Banks		
Unpaid Dividend *	208.99	248.16
Balance with Banks held as Margin Money **	0.16	0.16
	448.96	478.87

* Earmarked against the corresponding provision (Refer Note 17)

** Margin Money Against Bill Discounting

Refer Note No. 37 F

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

8. Other Financial Assets

Particulars	(₹ in lakh)			
	Non- Current As at March 31, 2021	As at March 31, 2020	Current As at March 31, 2021	As at March 31, 2020
Considered Good (Unless otherwise stated)				
Claims and other Receivables	-	-	233.99	14.44
Employees' Benefit Fund	836.60	1,059.81	-	-
Forward Cover Receivable	-	-	29.23	-
Earnest Money Deposit	-	-	49.36	52.33
Interest Receivable	-	-	512.54	588.67
Security Deposits	-	-	-	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	448.54	771.40
- Unrelated Parties	-	-	2,983.78	2,865.30
	836.60	1,059.81	4,257.44	4,292.14

* Other receivables include debenture interest and rent receivable.

9. Inventories

Particulars	(₹ in lakh)	
	Current As at March 31, 2021	As at March 31, 2020
Raw materials :		
(a) In Godown	25,024.03	19,601.20
(b) In Transit	345.87	475.18
	25,369.90	20,076.38
Work-In-Progress	8,403.66	10,154.95
Finished Goods	9,026.71	15,370.85
Traded Goods	9.03	10.33
Stores and Spares :		
(a) In Godown	1,861.66	2,876.36
(b) In Transit	6.62	1,513.14
	1,868.28	4,389.50
Loose tools	150.10	327.40
Others-Waste	213.39	341.50
	45,041.07	50,670.91

(i) For basis of valuation of Inventories refer Note 1.05

(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15

(iii) The cost of Inventories recognised as expense amount to ₹ 1,39,110.09 lakh during the year ended March 31, 2021
(₹ 1,65,301.29 lakh for the year ended March 31, 2020)

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

10. Current Tax Assets (Net)

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Tax Assets {Net of Provision for Income Tax of ₹ 2,234.75 lakh (Previous Year ₹ 2,164.12 lakh)}	532.10	1,982.13
	532.10	1,982.13

11. Other Assets

Particulars	(₹ in lakh)	
	Non- Current As at March 31, 2021	Current As at March 31, 2021
Considered Good (unless otherwise stated)		
Capital Advances	1,401.05	1,244.72
Security Deposits	830.08	929.13
Advances to Vendors*	-	-
Advances to Employees	-	-
Claims, Incentives & Other Receivables from Govt. Authorities	-	7,234.05
Prepaid Expenses	-	239.82
	2,231.13	2,173.85
	8,634.76	11,947.26

* Includes advances to related vendors ₹ NIL for 2020-21 (₹ 15.09 lakh for 2019-20)

12. Equity Share Capital

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
Issued, Subscribed and Fully paid up		
23,550,842 (Previous Year 23,550,842) Equity Shares of ₹ 10 each	2,355.08	2,355.08
	2,355.08	2,355.08

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Number of shares	2,35,50,842	2,35,50,842
Amount	2,355.08	2,355.08

(ii) Terms and rights attached with equity shares:

The Company has only one class of equity shares, having at par value of ₹ 10 each. Each holder of the equity shares is entitled to one vote per share. There is no restriction attached to any equity share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. The repayment of equity share capital in the event of liquidation and buy-back of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(iii) Shares in the Company held by each shareholder holding more than 5% :

Names	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Shares held	Number of shares	% of Shares held
Microbase Limited	36,50,970	15.50	36,50,970	15.50
LNJ Financial Services Limited	19,33,370	8.21	19,33,370	8.21
JHP Securities Private Limited	-	-	19,03,000	8.08
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,68,077	6.23
Ravi Jhunjhunwala	14,32,410	6.08	-	-
	84,84,827	36.02	89,55,417	38.02

(iv) The Company does not have any holding/ultimate holding company.

13. Other Equity

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
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.		
Particulars	As at March 31, 2021	As at March 31, 2020
b. Securities Premium		
Balance at the beginning of the year	9,618.56	9,618.56
Balance at the end of the year	9,618.56	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.		
Particulars	As at March 31, 2021	As at March 31, 2020
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.		
Particulars	As at March 31, 2021	As at March 31, 2020
d. Hedge Reserve		
Balance at the beginning of the year	(78.37)	19.59
Change in fair value (net off tax)	82.17	(97.96)
Balance at the end of the year	3.80	(78.37)

The Cash Flow Hedge Reserve represents the cumulative effective portion of gain /(loss) arising on changes in fair value of undesignated portion of hedging instruments entered into for Cash Flow Hedge. The cumulative gain/(loss) arising on changes in fair value of undesignated portion of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to the Statement of Profit and Loss only when the hedge transaction affects the Profit or Loss.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
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.		
Particulars	As at March 31, 2021	As at March 31, 2020
f. Fair Value Change in Equity Instruments Through Other Comprehensive Income (OCI)		
Balance at the beginning of the year	1,577.32	19,400.35
Additions/Deductions during the year	3,168.88	(9,965.42)
Reclassified to Retained Earnings @	-	(7,857.61)
Balance at the end of the year	4,746.20	1,577.32
This reserve represents the cumulative gain/(loss) arising on fair valuation of equity instruments and the amount is reclassified to retained earnings at the time of disposal of equity shares.		
@ The Company had sold NIL (Previous year 6,05,386) no. of equity shares of HEG Limited and the cumulative gain of NIL (Previous year ₹ 7,857.61 lakh) have been transferred (within equity) from Other Comprehensive Income to Retained Earnings.		
Particulars	As at March 31, 2021	As at March 31, 2020
g. Retained Earnings		
Balance at the beginning of the year	45,439.76	35,239.84
Adjustment due to first time adoption of INDAS116	-	(5.71)
Additions during the year	2,161.39	2,266.41
Add/(Less):		
Remeasurements of the defined benefit plans through OCI (refer Note 32)"	118.37	81.61
Gain/(Loss) on sale of equity instruments valued through OCI @	-	7,857.61
Dividend paid including Taxes on dividend	-	-
Balance at the end of the year	47,719.52	45,439.76
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)	73760.69	68229.88

Details of Dividend Proposed and Paid

Dividend paid	(₹ in lakh)	
Particulars	As at March 31, 2021	As at March 31, 2020
Dividend paid ₹ NIL per share (Previous year ₹ NIL per share)	-	-
Taxes on dividend on equity shares	-	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

14. Borrowings

Particulars	(₹ in lakh)			
	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured *				
Term Loans :				
- From Banks	15,282.00	20,135.00	4877.14	5602.79
- From Financial Institutions	-	2,228.00	2245.22	1346.38
Corporate Loans :				
- From Banks	2,571.43	5,142.86	2,572.64	1,500.00
- From Financial Institutions	1,363.64	6,818.18	5,505.50	2,727.27
Unsecured				
- From NBFCs	14,227.50	14,100.00	772.50	33.30
	33,444.57	48,424.04	15,973.00	11,209.74
Less: Current Maturity of Long term Debt (Refer Note 17)	-	-	(15,879.47)	(10,796.27)
Less: Interest Accrued but not due on Borrowings (Refer Note 17)	-	-	(93.53)	(413.47)
	33,444.57	48,424.04	-	-

The Reserve Bank of India vide its Circular No DOR.No.BPBC.47/21.04.048/2019-20 dated March 27, 2020 provided moratorium to the borrowers in payment of principal and interest in respect of all term loan and working capital facilities during the period from March 1, 2020 upto May 31, 2020 ("deferment"). Subsequently, The Reserve Bank of India vide its Circular No DOR.No.BPBC.71/21.04.048/2019-20 dated May 23, 2020, extended the moratorium for another period of 3 months i.e. from June 1, 2020 to August 31, 2020.

Amid lockdown, The Company has also been impacted from pandemic and accordingly availed the benefit of the moratorium in terms of aforesaid RBI circulars. Accordingly, the repayment schedule and all subsequent due dates, as also the tenure for term loans, has been shifted across the board by six months.

(i) Term Loans from Banks & Financial Institutions:

CURRENT YEAR FIGURES

- I Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 2.40% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
20/Aug/21	900.00	-	900.00	2
30/Sep/23	1,849.00	1,197.00	652.00	10
30/Dec/23	2,386.00	1,660.00	726.00	11
25/Apr/24	4,400.00	3,300.00	1,100.00	13
30/Jun/25	10,600.00	9,125.00	1,475.00	17
Sub Total	20,135.00	15,282.00	4,853.00	

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Financial Institutions:				
1/Jan/22	2,228.00	-	2,228.00	4
1/Jun/22	6,818.18	1,363.64	5,454.54	15
Sub Total	9,046.18	1,363.64	7,682.54	

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
31/Mar/23	5,142.86	2,571.43	2,571.43	24
Total I	34,324.04	19,217.07	15,106.97	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR +2.30% and 1 Years MCLR as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	900.00	832.50	67.50	16
30/Sep/26	14,100.00	13,395.00	705.00	20
Total II	15,000.00	14,227.50	772.50	
Total I+II	49,324.04	33,444.57	15,879.47	

Previous Year's Figures

- I Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.40% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
20/Nov/20	2,550.00	-	2,550.00	2
20/May/21	1,800.00	900.00	900.00	4
30/Jun/23	2,213.00	1,849.00	364.00	13
30/Sep/23	2,795.00	2,386.00	409.00	14
25/Oct/23	4,900.00	4,400.00	500.00	15
31/Mar/25	11,200.00	10,600.00	600.00	20
Sub Total	25,458.00	20,135.00	5,323.00	

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
1/Sep/20	500.00	-	500.00	1
1/Oct/21	2,974.00	2,228.00	746.00	6
1/Mar/22	9,545.45	6,818.18	2,727.27	21
Sub Total	13,019.45	9,046.18	3,973.27	

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
30/Sep/22	6,642.86	5,142.86	1,500.00	31
Total I	45,120.31	34,324.04	10,796.27	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3Months MCLR + 2.30% as on 31st March 2020

(a) From NBFC:

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
20/Sep/26	14,100.00	14,100.00	-	17
Total II	14,100.00	14,100.00	-	
Total (I+II)	59,220.31	48,424.04	10,796.27	

15. Borrowings (Current)

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Secured		
a. Loans Repayable on Demand		
From Banks	34,947.15	47,431.15
From Financial Institutions	-	-
b. Bill Discounted from Banks (Refer Note 6)	4,705.78	1,759.81
	39,652.93	49,190.96
Unsecured		
Bill Discounted From Banks (Refer Note 6)	3,266.46	7,601.94
	3,266.46	7,601.94
	42,919.39	56,792.90

Cash credit and other working capital facilities from banks and financial institutions are secured by way of hypothecation of stocks of raw materials, work-in progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company on pari-passu basis, as well as pari-passu second charge on all the fixed assets of the Company, present and future.

All loans repayable on demand carry floating interest rate from 6.40% to 9.55% per annum (Previous year 7.90% to 10.00%), computed monthly.

16. Trade Payables

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	1,620.64	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,344.35	1,128.93
- Unrelated parties	10,758.19	9,586.69
	13,723.18	10,936.79

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

17. Other Financial Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (Refer Note 14)	-	-	15,879.47	10,796.27
Interest accrued but not due on borrowings (Refer Note 14)	-	-	93.53	413.47
Unclaimed dividend*	-	-	208.99	248.16
Security deposits from outsiders	390.52	465.06	423.12	405.85
Liability towards staff and workers	-	-	3,319.32	3,187.69
Liability towards leases	276.20	46.20	99.95	28.47
Commission, incentives etc. payable on sale	-	-	1,857.43	2,066.87
Other liabilities for expenses	-	-	1,286.71	970.38
Forward cover payable	-	-	-	335.03
	666.72	511.26	23,168.52	18,452.19

Note:

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18. Provisions

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Provision for Employees' Benefit		
-Superannuation (Refer Note 34)	401.94	389.05
	401.94	389.05

19. Income Tax

a) Income tax recognized in profit or loss

Particulars	Current	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax expense		
Current year	70.63	1,709.18
Tax of the Earlier Years Written off / (Written back)	(1,022.21)	-
Deferred tax expense		
Origination and reversal of temporary differences	(783.55)	(1,619.85)
	(1,735.13)	89.33

b) Reconciliation of effective tax rate

Particulars	Current	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	426.26	2,355.74
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	148.95	823.19
Expenses further deductible/not deductible for tax purposes	232.82	1,071.84
Difference in Tax Rate due to Special Rate on LTCG	(127.25)	-
Dividend Income exempt from tax	(0.01)	(185.84)
Tax due to timing differences	(783.55)	(1,619.86)
MAT Credit Utilized	(183.88)	-
Tax of the Earlier Years Written off / (Written back)	(1,022.21)	-
	(1,735.13)	89.33

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

20 Deferred Tax Liabilities (Net)

Particulars	(₹ in lakh)				
	As at April 1, 2020	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2021
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	974.86	-	(209.85)	-	765.01
-Unabsorbed depreciation including depreciation	-	-	-	-	-
-Allowance for impairment loss allowances	341.44	-	(124.13)	-	217.31
	1,316.30	-	(333.98)	-	982.32
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	11,282.29	-	(1,301.42)	-	9,980.87
- Cash Flow Hedge	(42.10)	-	-	44.14	2.04
- Remeasurements of the defined benefit plans	35.59	-	-	63.58	99.17
	11,275.78	-	(1,301.42)	107.72	10,082.08
Less: MAT Credit Available	(3,482.77)	-	183.88	-	(3,298.89)
Net Deferred Tax Liability	6,476.71	-	(783.56)	107.72	5,800.87
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	848.52	-	126.34	-	974.86
-Unabsorbed depreciation including depreciation	726.27	-	(726.27)	-	-
-Allowance for impairment loss allowances	195.67	-	145.77	-	341.44
	1,770.46	-	(454.16)	-	1,316.30
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	11,667.39	(3.07)	(382.03)	-	11,282.29
- Cash Flow Hedge	10.52	-	-	(52.62)	(42.10)
- Remeasurements of the defined benefit plans	(87.61)	-	-	123.20	35.59
	11,590.30	(3.07)	(382.03)	70.58	11,275.78
Less: MAT Credit Available	(1,790.78)	-	(1,691.99)	-	(3,482.77)
Net Deferred Tax Liability	8,029.06	(3.07)	(1,619.86)	70.58	6,476.71

21. Deferred Government Grants

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	211.15	332.45
Grants during the year	3.34	5.36
Released to the statement of profit and loss	(61.63)	(126.66)
Closing Balance	152.86	211.15

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

21. Deferred Government Grants (Contd..)

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Out of above:		
Current	55.86	59.28
Non- Current	97.00	151.87
	152.86	211.15

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

22. Other Liabilities

Particulars	(₹ in lakh)	
	Non- Current	Current
	As at March 31, 2021	As at March 31, 2020
Security Deposits	-	-
Advances from customers	-	-
Statutory dues payable	-	-
-Tax deducted at source	-	-
-Other statutory dues	-	-
Other Payables *	103.38	103.38
	103.38	103.38
* Include accrued liabilities and legal claims.		

23. Revenue From Operations

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
A Revenue from Contracts with Customers disaggregated based on nature of Product or Services		
a) Sale of Products (including Excise Duty):		
Manufactured Goods		
Yarn	1,91,864.69	2,21,648.51
Fabric	34,712.81	47,056.92
Total Manufactured Goods	2,26,577.50	2,68,705.43
Traded Goods		
Fabric	597.74	308.25
Total Traded Goods	597.74	308.25
	2,27,175.24	2,69,013.68
b) Sale of Services		
Services	2,507.20	4,731.01
	2,507.20	4,731.01
c) Other Operating Revenues;		
Sale of Waste	2,578.49	2,714.55
Export Benefits/Incentives	340.74	643.76
	2,919.23	3,358.31
B Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)		
India	2,32,601.67	2,77,103.00
Outside India	1,56,992.67	1,94,380.00
	2,32,601.67	2,77,103.00

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Setout below, is the reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information (Refer Note 38):

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External Customer	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00
Inter-segment	14,133.88	19.12	14,153.00	12,573.97	2.99	12,576.96
	2,09,789.94	36,964.73	2,46,754.67	2,40,275.25	49,404.71	2,89,679.96
Less: Inter-segment adjustment and elimination	(14,133.88)	(19.12)	(14,153.00)	(12,573.97)	(2.99)	(12,576.96)
Total Revenue from Contract with Customers	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00

The Company has recognized revenue of ₹ 1400.82 lakh (Previous year ₹ 650.17 lakh) from the amounts included under advance received from customers at the beginning of the year.

C Reconciliation of Revenue from Contracts with Customers

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Revenue from Contracts with Customers as per contract price	2,34,396.23		2,79,071.85	
Less: Incentives, Discounts and Claims		(1,794.56)		(1,968.85)
Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss	2,32,601.67		2,77,103.00	

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

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Interest income on Financial Assets at amortized cost				
- Interest Income from Customers	459.97		686.42	
- Interest Income Others *	454.23		64.53	
Interest received on Debentures	255.92		227.28	
Dividend Income from Investments at FVTOCI				
- From other than Subsidiary Companies	0.02		541.82	
Other Non-operating Income				
Provisions written back	113.79		132.33	
Insurance & Other Claims Received	11.38		12.73	
Net Gain on Foreign Currency Transaction	194.47		-	
Miscellaneous receipts	389.41		259.11	
Rent on Investment Properties and others	378.09		421.70	
Allowances for Impairment Loss Allowance	69.36		-	
Net Gain / Loss on sale of Property, Plant & Equipment #	1,614.31		272.98	
	3,940.95		2,618.90	

* Interest income others includes interest on Income Tax refund of ₹ 399.41 lakh

Includes NIL (Previous year ₹ 330.94 lakh) compensation on compulsory acquisition of land

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

25. Cost of Raw Materials Consumed

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw Materials		
Opening Stock	20,076.38	16,575.66
Add:		
Purchases	1,26,540.67	1,60,071.49
	1,46,617.05	1,76,647.15
Less:		
Closing Stock	25,369.90	20,076.38
	1,21,247.15	1,56,570.77

26. Purchase of Traded Goods

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fabric	552.28	111.12

27. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished Goods	9,026.71	15,370.85
Traded Goods	9.03	10.33
Work In Progress	8,403.66	10,154.95
Waste	213.39	341.50
	17,652.79	25,877.63
Inventories at the beginning of the year		
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Work In Progress	10,154.95	10,574.31
Waste	341.50	135.51
	25,877.63	23,813.92
(Increase)/ Decrease in Inventory	8,224.84	(2,063.71)

28. Employee Benefit Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus		
Contribution to provident and other funds	27,356.22	32,570.52
Expenses related to post employment defined benefit plan (Refer Note 34)	2,720.02	3,207.84
Expenses related to earned leave (Refer Note 34)	649.09	613.58
Workmen and staff welfare expenses	99.53	119.31
	408.34	497.28
	31,233.20	37,008.53

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

29. Finance Cost

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	4,484.81	5,683.73
On working capital	3,301.85	4,408.63
Other borrowing costs	516.51	758.80
	8,303.17	10,851.16
* Net of TUFS / RIPS Subsidy received / receivable	501.86	789.89

30. Depreciation and Amortization Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Property, Plant & Equipment *		
Depreciation	12,385.97	12,921.11
	12,385.97	12,921.11
Less:		
Amortization of Government Capital Grants	61.63	126.66
	61.63	126.66
Investment Property#		
Depreciation	14.44	16.14
	14.44	16.14
	12,338.78	12,810.59
Intangible Assets		
Amortization @	429.16	355.94
	429.16	355.94
	12,767.94	13,166.53

* Refer Note 3a

Refer Note 3c

@ Refer Note 3d

31. Other Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	6,024.89	7,048.71
Power and fuel	25,804.33	33,869.71
Packing expenses	3,060.95	3,634.43
Processing and job charges	1,787.49	2,764.54
Research and development expenses	80.74	138.22
Repairs & maintenance - building	411.12	401.08
Repairs & maintenance - plant & machinery	1,339.98	1,551.35
Repair and maintenance - others	366.05	356.36
Rent	197.46	834.84
Insurance (Net)	832.12	823.56
Rates and taxes	99.87	66.12
Directors' remuneration and fees @	63.00	68.25
Charity and donation	1.26	204.43

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

31. Other Expenses (Contd...)

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services	33.62	11.96
For reimbursement of expenses	2.99	4.01
Legal, professional & consultancy expenses #	610.27	1,227.18
Other miscellaneous expenses	1,774.09	2,058.60
Commission and brokerage	2,171.88	2,371.02
Freight, forwarding and octroi charges	7,583.82	6,370.66
Advertisement expenses	197.47	218.27
Travelling expenses	430.86	1,175.11
Other selling expenses	863.52	1,281.64
Net Loss on Foreign Currency Transaction	-	88.17
Allowances for Impairment Loss Allowance	-	417.18
	53,787.78	67,035.40

includes amount ₹12.73 lakh (previous year ₹11.53 lakh) paid to auditors as GST Audit fee.

32. Other Comprehensive Income

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Items that will not be reclassified to Profit or Loss		
Remeasurements of the defined benefit plans	181.95	204.81
Equity Instruments through Other Comprehensive Income (OCI)	3,168.88	(9,965.42)
	3,350.83	(9,760.61)
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurements of defined benefit plans	(63.58)	(123.20)
(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)	5.84	(120.47)
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	120.47	(30.11)
	126.31	(150.58)
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	2.04	(42.10)
- Tax on amount reclassified to Profit & Loss account during the year	42.10	(10.52)
	(44.14)	52.62

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

33. Earning Per Share

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
a) Net Profit for Basic EPS (₹ In lakh)	2,161.39	2,266.41
Net Profit for Diluted EPS (₹ In lakh)	2,161.39	2,266.41
b) Number of Equity Shares at the beginning of the year	2,35,50,842	2,35,50,842
Add: Total Number of Shares outstanding at the end of the year	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Diluted	2,35,50,842	2,35,50,842
Earning Per Share - Basic (₹)	9.18	9.62
Earning per share - Diluted (₹)	9.18	9.62
Face value per share (₹)	10.00	10.00

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 2020-21) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Employees Provident Fund Organisation (EPFO) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the EPFO beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company. Provident fund set up by the employer, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Company set up Provident Fund does not have existing deficit of interest shortfall.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. RSWM Limited holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

Gratuity Plan

In accordance with the provisions of Payment of Gratuity Act 1972, for its eligible employees, the Company contributes to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

a) Defined Contribution Plans

The Company has recognised an expense of ₹ 2,042.77 lakh (Previous Year ₹ 2,306.51 lakh) towards the defined contribution plan. (₹ in lakh)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1) Employer's Contribution to Provident Fund	1,488.89	1,745.46
2) Employer's Contribution to Superannuation Fund	401.94	389.05

b) Defined Benefit Plans : Provident Fund

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Employer's Contribution to Provident Fund Trust (Managed by PF Trust)	151.94	172.00

The Company has charged ₹100 lakh, being the change in remeasurement of the defined benefit plans, in Other Comprehensive income during the year ended March 31, 2021 due to impairment in the value of investments made in securities of IL&FS Limited by the trusts' managing the defined plans of the Company.

c) Defined benefits plans - as per actuarial valuation

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020	
I Change in present value of obligation during the year			
Present value of obligation at the beginning of the year	5,092.29	1,190.42	5,289.85
- Current Service Cost	649.09	206.61	613.58
- Interest Cost	344.24	80.47	408.51
- Acquisition cost	1.51	-	-
Actuarial loss/(gains) on Obligation	11.44	(122.87)	(272.58)
Benefits Paid	(549.33)	(174.63)	(947.07)
Present Value of obligation as at year-end	5,549.24	1,180.00	5,092.29

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
II Change in Fair Value of Plan Assets during the year		
Plan assets at the beginning of the year	6,264.54	1,077.98
Expected Return on Plan Assets	423.48	71.46
Employer's contribution	-	133.26
Amount Recovered from trust	(520.87)	-
Benefits paid	(13.82)	(47.80)
Actuarial Gain/(Loss) on Assets	193.40	(15.78)
Plan assets at the end of the year	6,346.73	1,219.12

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets		
Present Value of obligation as at year-end	5,549.24	1,180.00
Fair value of plan assets at year-end	6,346.73	1,219.12
Funded status {Surplus/(Deficit)}	797.49	39.12

(₹ in lakh)

(₹ in lakh)

(₹ in lakh)

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

					(₹ in lakh)
Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020		
	Gratuity	Earned Leave	Gratuity	Earned Leave	
IV Expenses recognised in the Statement of Profit and Loss					
Current Service Cost	649.09	206.61	613.58	217.88	
Interest Cost	(79.24)	9.01	(40.66)	12.07	
Actuarial (Gain) / Loss	-	(107.08)	-	(98.57)	
	569.85	108.54	572.92	131.38	
(₹ in lakh)					
Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020		
	Gratuity	Earned Leave	Gratuity	Earned Leave	
V Expenses recognised in the Statement of Other Comprehensive Income					
Net Actuarial (Gain)/Loss	(181.96)	-	(304.81)	-	
(₹ in lakh)					
Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020		
	Gratuity	Earned Leave	Gratuity	Earned Leave	
VI Bifurcation of PBO at the end of the year					
Current Liability	765.61	167.35	575.48	171.41	
Non-Current Liability	4,783.63	1,012.65	4,516.81	1,019.01	
(₹ in lakh)					
Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020		
	Gratuity	Earned Leave	Gratuity	Earned Leave	
VII Actuarial Assumptions					
Discount Rate	6.75%	6.75%	6.76%	6.76%	
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	
Salary Escalation	5.00%	5.00%	0% for first year and thereafter 5%	0% for first year and thereafter 5%	

VIII Expected Contribution for Next Financial Year

The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 971.76 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		
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020	
Gratuity	616.88	481.40	743.05	661.74	
Earned Leave	55.68	60.74	228.71	233.61	

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

		(₹ in lakh)
	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity		
Present Value of obligation	5,549.24	5,092.29
Fair value of Plan assets	6,346.73	6,264.54
Net Asset/(Liability)	797.49	1,172.25
Actuarial (Gain)/Loss on plan obligation	11.44	(272.58)
Actuarial Gain/(Loss) on plan assets	193.40	32.23
Earned Leave		
Present Value of obligation	1,180.00	1,190.42
Fair value of Plan assets	1,219.12	1,077.98
Net Asset/(Liability)	39.12	(112.44)
Actuarial (Gain)/Loss on plan obligation	(122.87)	(116.12)
Actuarial Gain/(Loss) on plan assets	(15.78)	(17.55)

X Sensitivity Analysis

		(₹ in lakh)
	Year Ended March 31, 2021	Year Ended March 31, 2020
a) Gratuity		
Discount rate (0.50 % movement)	(252.97)	290.88
Future salary growth (0.50 % movement)	294.41	(258.32)
b) Earned Leave		
Discount rate (0.50 % movement)	(58.50)	62.95
Future salary growth (0.50 % movement)	64.13	(59.08)

XI Maturity Profile of Defined Benefit Obligation

		(₹ in lakh)
	Year ended March 31, 2021	Year ended March 31, 2020
Particulars		
Gratuity	765.61	167.35
April 2021 - March 2022		
April 2022 - March 2023		
April 2023 - March 2024		
April 2024 - March 2025		
April 2025 - March 2026		
April 2026 Onwards		

XII Description of Risk Exposures:

- Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows -
- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
 - Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
 - Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

- 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	Investment with	Sharing of Investment		
		Year Ended March 31, 2021	Year Ended March 31, 2020	
Gratuity	ICICI Prudential Life Insurance Co. Ltd.	55.92%	65.21%	
	Bajaj Allianz Life Insurance Company Ltd.	14.75%	13.19%	
	Birla Sun Life Insurance Company Ltd.	1.56%	1.37%	
	Kotak Mahindra Mutual Life Insurance Limited	24.70%	17.65%	
	HDFC Life Insurance Company Limited	1.75%	1.51%	
	Aviva Life Insurance Company Limited	0.88%	0.77%	
	India First	0.13%	0.12%	
	Others	0.31%	0.18%	
Earned Leave	LIC of India	100.00%	100.00%	

35 Leases

The Company has given office spaces on lease. The lease arrangements, are renewable on a periodic basis and for most of the leases extend up to a maximum of 9 years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses and all other leases are cancellable.

Obligations on long-term, non-cancellable operating leases:

The lease rentals received during the year is as under:

Particulars	(₹ in lakh)		
	Year ended March 31, 2021	Year ended March 31, 2020	
Lease rentals recognized during the year	360.41	406.13	

The obligations on long-term, non-cancellable operating leases receivable as per the rentals stated in the respective agreements are as follows:

Future minimum lease receivable	(₹ in lakh)		
	As at March 31, 2021	As at March 31, 2020	
- Not later than one year	208.21	171.32	
- Later than one year and not later than five years	476.47	150.53	
- Later than five years	134.56	-	

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

36. CSR Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	47.58	130.00
b) Amount spent during the year in :		
- Preventive healthcare and safe drinking water	15.61	20.98
- Promotion of education	26.38	25.78
- Women empowerment	0.86	0.17
- Environment sustainability and ecological balance	2.25	9.77
- National heritage, art and culture	14.66	18.65
- Benefit of armed forces veterans and war widows	3.80	1.10
- Training to promote rural sports	0.25	5.15
	63.81	81.60

37 A Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	Carrying amount as at March 31, 2020	Additional provisions during the year	Amount used during the year	Unused & reverted during the year	Carrying amount as at March 31, 2021
A. Contingent Liability not provided for:					
(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	2,311.07	1,813.63	455.13	-	3,669.57
 (b) Other money for which the company is contingently liable.					
(i) Excise & Customs Duties, Sales tax, Income Tax and Other demands disputed by the Company.	140.33	1,054.96	8.99	-	1,186.30
(c) Financial Guarantee *					
(i) Guarantee in favour of International Finance Corporation with M/s HEG Ltd and M/s Bhilwara Energy Ltd on joint and several basis on behalf of M/s A. D. Hydro Power Ltd.	600.00	-	-	-	600.00
(d) Letter of Comfort					
Given to HDFC Bank Limited on behalf of LNJ Institute of Skills & Technology Private Limited	800.00	-	-	-	800.00

* The Company does not expect any outflow of resources in respect of financial guarantee given to A.D. Hydro Power Ltd.

B. Commitments Outstanding:

(i) Estimated value of contracts remaining to be executed on Capital Accounts and not provided for	687.24	2,985.39	703.42	488.80	2,480.41
(ii) Commitment in 2012-13 to buy wind power @ ₹5.75 per unit for 20 years (balance 13 years)					
(a) Current Commitment (for next 12 Months)	2,013.00	-	-	-	2,013.00
(b) Non-current commitment (for next 13 years)	24,147.00	-	2,013.00	-	22,134.00

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

- C.** The Appellate Tribunal for Electricity ("the Tribunal") vide its order dated April 16, 2019 under Appeal No. 146 of 2017 has dismissed the appeal preferred by Rajasthan Renewable Energy Corporation Limited ("the RREC") in favour of the Company and other Respondents stating that as per Section 86(1)(e) of the Electricity Act, 2003 ("the Act"), both the categories of generators of energy i.e., co-generators and generators of electricity through renewable sources of energy are entitled to be treated at par and both of them must be promoted by the State Electricity Commission. The intention of the legislature is to clearly promote co-generation of electricity irrespective of the nature of fuel used for co-generation. The Tribunal further observed that the fastening of the obligation on the co-generator to procure electricity from renewable energy producers would defeat the object of the said Section. It also observed that as long as captive consumers consume electricity from co-generating unit beyond the RPO, there is no obligation to purchase RE Certificates or consume renewable energy separately. It was also opined that once the entities comply with the obligations under section 86(1)(e) of the Act, in terms of the above observations, they cannot be asked to comply with the obligations by purchasing Renewable Energy Certificates (RECs). In view of the above judgement, there is no Renewable Purchase Obligation on the Company. The Company has also made a power purchase agreement of 20 MW with LNJ Power Ventures Limited to purchase wind power and have also commissioned 22.93 MW solar power generating units at its various business locations.
- D.** TNEB limited the electricity supply to all their HT consumers based on their previous three years consumption and introduced cross subsidy surcharge for the unutilized portion of "units quota" so fixed, whenever power was purchased by a consumer from 3rd party or from Energy Exchange. On being legally challenged, Supreme Court by its order dated 20.07.2015 directed that the status quo has to be maintained i.e. no cross subsidy charges to be collected. Therefore, management does not foresee any possible liability in this regards.
- E.** Under the powers conferred by Sections 6 and 25 of the Environment (Protection) Act, 1986 (29 of 1986), the Ministry of Environment, Forest and Climate Change vide its Notification No. S. O. 3305(E) dated December 7, 2015 had revised certain emission norms for Thermal Power Plants (TPPs) to control the level of pollution in the country, which were to be complied with by December 31, 2018. The Company has been in compliance with revised norms of Particulate Matter (PM) 50 mg/Nm³ and Oxides of Nitrogen (NOx) 300mg/Nm³. However, for compliance of Sulphur Dioxide (SO₂) 600 mg/Nm³ norms, the requisite quality of coal which emits the sulphur within the limits, as notified, is not available. In order to keep the sulphur emission norms under control, the Company has, in the meantime, adopted secondary measures, besides assessing adoption of available technologies. However, the Ministry of Power, Government of India vide its letter No. 23/22/2018-R&R dated May 30, 2018 has said that as per the implementation plan prepared by the Central Electricity Authority (CEA), the existing TPPs are required to comply with the new emission standards by the year 2022.
- F.** During the Year, the Company has received notice from ED regarding freezing a Bank Account of the Company having balance of ₹ 45.29 lakh in respect of inquiry of another Company. The Company has suitably replied to the notice and said amount is included in the bank balances.
- G.** 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. (Please refer note 45 on litigation).
- 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 has not been paid by LNJPV since the Financial Year 2016-17 and ₹ 1,232.69 lakh remain unpaid to the Company as on March 31, 2021. Including other charges, the total amount receivable from LNJPV as on March 31, 2021, comes to ₹ 1,257.92 lakh. The Company also has to pay an amount of ₹ 1,277.37 lakh against supply of power by LNJPV under a long term power purchase agreement. Company has also provided bank guarantee of ₹ 1,000 lakh to LNJPV to secure such dues under Power Purchase Agreement. Presently, the Company is in discussion with LNJPV for realization of the accrued interest amount and in the opinion of the Management this is fully recoverable and hence considered good. The Company doesn't have any significant influence on LNJPV, hence, it has ceased to be the associate of the Company.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

38. Segment Information

For management purposes, the Company is organised into business units based on its products and services and has following reportable segments:

- Yarn
- Fabric

No operating segments have been aggregated to form the above reportable operating segments.

Identification of Segments

The Board of Directors of the Company has been identified as Chief Operating Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

Accounting policy in respect of segments is in conformity with the accounting policy of the company as a whole.

Inter-segment Transfer

Segment revenue resulting from transactions with other business segments is accounted for on the basis of transfer price agreed between the segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These transfers are eliminated in consolidation.

Segment Revenue and Results

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other revenue and expenditure non allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the total income of the Company.

Segment Assets and Liabilities

Segment assets include all operating assets used by the operating segment and mainly consisting of property, plant & equipment, trade receivables, cash and cash equivalents and inventory etc. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to specific segments are shown as a part of unallocable assets/liabilities.

(₹ in lakh)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External customers	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00
Inter-segment	14,133.88	19.12	14,153.00	12,573.97	2.99	12,576.96
Total Revenue	2,09,789.94	36,964.73	2,46,754.67	2,40,275.25	49,404.71	2,89,679.96
Segment Expenses*	2,01,189.27	40,272.37	2,41,461.64	2,30,840.35	51,660.67	2,82,501.02
Segment Results	8,600.67	(3,307.64)	5,293.03	9,434.90	(2,255.96)	7,178.94
Un-allocable Expenses	-	-	435.19	-	-	1,904.58
Other Income (Refer Note 24)	-	-	3,871.59	-	-	7,932.54
Finance Costs (Refer Note 29)	-	-	8,303.17	-	-	10,851.16
Profit Before Tax	-	-	426.26	-	-	2,355.74
Tax Expenses	-	-	(1,735.13)	-	-	89.33
Profit After Tax	-	-	2,161.39	-	-	2,266.41

* Includes depreciation and amortization

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Other Information :

Particulars	Year ended March 31, 2021			Year ended March 31, 2020			(₹ in lakh)
	Yarn	Fabric	Total	Yarn	Fabric	Total	
Depreciation and Amortization							
Allocable	10610.27	1518.07	12,128.34	10974.89	1581.60	12,556.49	
Unallocable	-	-	639.60	-	-	610.04	
	10,610.27	1,518.07	12,767.94	10,974.89	1,581.60	13,166.53	
Capital Expenditure							
Allocable	2326.03	689.67	3,015.70	2529.37	200.31	2,729.68	
Unallocable	-	-	175.09	-	-	423.77	
	2,326.03	689.67	3,190.79	2,529.37	200.31	3,153.45	
Segment Assets							
Allocable	1,52,092.95	30,007.04	1,82,099.99	1,62,767.25	35,282.37	1,98,049.62	
Unallocable	-	-	21,695.79	-	-	20,208.45	
	1,52,092.95	30,007.04	2,03,795.78	1,62,767.25	35,282.37	2,18,258.07	
Segment Liabilities							
Allocable	96,443.78	14,640.25	1,11,084.03	1,01,963.10	12,884.86	1,14,847.96	
Unallocable	-	-	16,595.98	-	-	32,825.15	
	96,443.78	14,640.25	1,27,680.01	1,01,963.10	12,884.86	1,47,673.11	

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:-

Revenue from external customers		(₹ in lakh)					
		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Based on location of the customers	For the year ended March 31, 2021	1,56,992.67	22,729.00	3,301.00	48,136.00	1,443.00	2,32,601.67
	For the year ended March 31, 2020	1,94,380.00	27,860.00	5,101.00	45,059.00	4,703.00	2,77,103.00

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, 2021 and March 31, 2020.

Revenue from products and services:

The detail of revenue from products and services are given below:

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Yarn	1,94,462.13	2,24,482.59
Fabric	35,632.34	47,889.40
Services	2,507.20	4,731.01
	2,32,601.67	2,77,103.00

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

39 A: 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	
	Lakshmi Niwas Jhunjhunwala	
	Ravi Jhunjhunwala	
	Mani Devi Jhunjhunwala	
	Riju Jhunjhunwala	
	Rita Jhunjhunwala	
	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	
	Shri Shekhar Agarwal	
	Shri Riju Jhunjhunwala	
	Shri B M Sharma	
	Shri Arun Kumar Churiwal	
	Dr. Kamal Gupta	Directors of the Company
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Kapoor	
	Shri Avinash Bhargava (with effect from 11.08.2020)	Chief Financial Officer
	Shri Surender Gupta	Company Secretary
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 Corporation Ltd.	Subsidiary of Associate
	Chango Yang Thang Hydro Power Ltd.	Subsidiary of Associate
	NJC Hydro Power Ltd.	Subsidiary of Associate
	Indo Canadian Consultancy Services Pvt. 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.	

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Sr No.	Name of Related Party	Nature of Relationship
(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	
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
	Rajspin Employees Contributory Provident Fund	Trust
(vi)	The entity is controlled or jointly controlled by a person identified in (A).	
	Aadi Marketing Company Pvt. Ltd.	
	Agarwal Finestate Private Ltd	
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Alankrit Vyapaar Pvt. Ltd.	
	Backcountry Estates Pvt. Ltd.	
	Bharat Investments Growth Limited	
	Bhilwara Technical Textiles Limited	
	Balkash Exim Pvt. Ltd.	
	BSL Limited	
	Captain Trade & Agencies Pvt. Ltd.	
	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 Commedal 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.	
	Kalati Holdings Pvt. Ltd.	
	Kotyark Distributors Pvt. Ltd	
	LNJ Financial Services Limited	
	LNJ Realty Pvt. Ltd.	
	Mandapam Vikash Pvt. Ltd.	
	Mandawa Niyojan Pvt. Ltd.	
	Maral Overseas Ltd.	
	MG Marketing & Trding Pvt. Ltd.	
	Modify Distributors Private Limited	
	ML Finlease Pvt. Ltd.	
	NR Finvest Pvt. Ltd	
	Nikita Electrotrades Pvt. Ltd.	
	New Delhi Law Offices	
	Pacific Management Pvt. Ltd.	

Shareholding more than 50% along with relatives in the Company.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Sr No.	Name of Related Party	Nature of Relationship
	Prapti Apparels Co. Pvt. Ltd.	
	PRC Niyojan Pvt. Ltd	
	Promise Dealers Pvt. Ltd.	
	Purvi Vanijya Niyojan Limited	
	Nivedan Vanijya Niyojan Ltd.	
	Raghav Commercial Limited	
	RANDR Trustee Pvt. Ltd.	
	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	
	Strength Fincap Markets Pvt. Ltd.	
	Tinsukia Estate Private Ltd.	
	Vikram Properties and Merchandise Pvt. Ltd.	
	Veronia Tie Up Pvt. Ltd.	
	Zongoo Commercial Co. Private Limited	
(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 Private Limited	
	Akunth Textile Processors Private Limited	
	Bhilwara Services Private Limited	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shashi Commercial Co. Limited.	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	
2	Shri Riju Jhunjhunwala	
	AKJ Apparels Private Limited	
	Bhilwara Services Private Limited	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	

Shareholding more than 50% along with relatives in the Company.

Holding 20% or more Shareholding along with relatives in the Company.

Holding 20% or more Shareholding along with relatives in the Company.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

39 B: Related Party Disclosure

Transaction	Subsidiaries (Including their Subsidiaries)		Associates (Including Subsidiaries of Associates)		Key Managerial Personnel	A person and enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020		Year ended March 31, 2021	Year ended March 31, 2020
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020		Year ended March 31, 2021	Year ended March 31, 2020
Sale of Finished Goods	-	-	-	-	-	4,808.78	6,065.85
Sale of Raw Material	-	-	-	-	-	66.69	117.24
Purchases of Raw Material & Finished Goods	-	-	-	-	-	1,304.79	1,539.47
Sale of Store Items	-	-	-	-	-	0.96	-
Purchase of Stores Items	-	-	-	-	-	6.71	10.21
Rent Received	-	-	65.65	65.65	-	109.97	110.00
Rent Paid	-	-	-	733.75	-	48.51	47.24
Reimbursement of revenue expenditure received	-	-	39.94	72.24	-	101.60	99.38
Reimbursement of revenue expenditure made	-	-	602.65	1,130.35	-	17.30	11.68
Job Charges Received	-	-	-	-	-	88.21	186.37
Job Charges paid	-	-	-	-	-	1.77	3.36
Interest received	-	-	-	-	-	223.71	128.42
Security Deposit	-	-	18.30	-	-	-	-
Loan Taken	-	-	-	-	-	900.00	14,100.00
Interest on Loan taken	-	-	-	-	-	1,343.82	269.83
Investment in LNJ Skills & Rozgar Private Limited	-	-	-	-	-	-	-
Sales of Equity Shares	-	-	8,484.54	-	-	-	7,912.70
Dividend Received	-	-	-	-	-	-	541.82
Dividend Paid	-	-	-	-	-	-	-
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	-	-	401.94	389.05
Rajasthan Spinning Gratuity Fund Trust	-	-	-	-	-	-	-
Rajspin Employees Contributory Provident Fund	-	-	-	-	-	82.19	426.39
Remuneration and other perquisites						151.94	172.00
(a) Short-term employee benefits	-	-	-	308.30	404.23	-	-
(b) Post-employment benefits	-	-	22.98	37.19	-	-	-
Directors' Sitting Fees	-	-	63.00	68.25	-	-	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

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, 2021	As at March 31, 2020
Trade Receivables		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	411.08	1,839.06
Other Receivables		
From Subsidiaries & Subsidiaries of Subsidiaries	-	-
From Associates	-	99.77
From Subsidiaries of Associates	425.23	368.66
From Other than Subsidiaries/Associates	289.49	302.97
Trade Payables		
To Subsidiaries & Subsidiaries of Subsidiaries	-	-
To Associates	1,329.71	1,128.33
To Other than Subsidiaries/Associates	14.64	0.60
Advance to Vendors		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	-	15.09
Loan		
Loan From Bharat Investment Growth Limited	14,100.00	14,100.00
Loan From Bhilwara Infotechnology Limited	900.00	-

Terms & Conditions of transactions with related Parties:

"The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2021 and for the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties.

This assessment is undertaken throughout 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, 2021	As at March 31, 2020
RSWM has provided guarantees on behalf of its reporting entity:-		
Name of Reporting Entity		
A D Hydro Power Limited - India*	600.00	600.00
LNJ Skills & Rozgar Private Limited - India**	800.00	800.00

* Guarantee given (jointly by the Company, Bhilwara Energy Limited and HEG Limited) to International Financial Corporation in terms of Guarantee agreement related to A D Hydro Power Limited.

** The Company has given a letter of comfort to HDFC Bank Limited, Gurgaon against loan extended by the bank to LNJ Skills & Rozgar Private Limited as at March 31, 2021.

The Company does not expect any outflow of resources in respect of above financial guarantee / Letter of Comfort

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

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:

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	1,620.64	221.17
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

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Period to which dividend relates to	-	-
Number of non-resident shareholders (Nos.)	-	-
Number of equity shares held on which dividend was due (Nos.)	-	-
Amount remitted (in lakh)	-	-
Amount remitted USD (in lakh)	-	-

42. A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2021 were as under:

Particulars	Cost/ amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Financial assets/ liabilities at fair value through profit or loss	Total carrying value		
Assets:					
Cash and cash equivalents (Refer Note 7)	293.68	-	-	293.68	293.68
Bank Balances other than above (Refer Note 7)	448.96	-	-	448.96	448.96
Investments (Refer Note 4)					
- Equity	3,549.97	-	4,776.70	8,326.67	8,326.67
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	37,805.20	-	-	37,805.20	37,805.20
Loans (Refer Note 5)	180.13	-	-	180.13	180.13
Other financial assets (Refer Note 8)	5,064.81	-	29.23	5,094.04	5,094.04
	47,342.75	832.00	4,805.93	52,980.68	52,980.68
Liabilities:					
Borrowings (Refer Note 14 & 15)	76,363.96	-	-	76,363.96	76,363.96
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	1,620.64	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	12,102.54	12,102.54
Other financial liabilities (Refer Note 17)	23,835.24	-	-	23,835.24	23,835.24
	1,13,922.38	-	- 1,13,922.38	1,13,922.38	

* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2021 ₹ 1232.69 lakh.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

The carrying value and fair value of financial instruments by category as of March 31, 2020 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
Assets:					
Cash and cash equivalents (Refer Note 7)	198.62	-	-	198.62	198.62
Bank Balances other than above (Refer Note 7)	478.87	-	-	478.87	478.87
Investments (Refer Note 4)					
-Equity	3,549.97	-	1,607.82	5,157.79	5,157.79
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	34,172.38	-	-	34,172.38	34,172.38
Loans (Refer Note 5)	280.13	-	-	280.13	280.13
Other financial assets (Refer Note 8)	5,351.95	-	-	5,351.95	5,351.95
	44,031.92	832.00	1,607.82	46,471.74	46,471.74

b. Liabilities:

Borrowings (Refer Note 14 & 15)	1,05,216.94	-	-	1,05,216.94	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	221.17	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	10,715.62	10,715.62
Other financial liabilities (Refer Note 17)	18,628.42	-	335.03	18,963.45	18,963.45
	1,34,782.15	-	335.03	1,35,117.18	1,35,117.18

*Excluding accrued interest on debentures shown separately under other financial assets as at March 31, 2020 ₹ 995.96 lakh

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, 2021:

(₹ in lakh)

Particulars	As at March 31, 2021	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)	4,776.70	4,776.70	-	-
Investment in Debentures (Refer Note 4)	-	832.00	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	29.23	-	29.23	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

(₹ in lakh)

Particulars	As at March 31, 2020	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)	1,607.82	1,607.82	-	-
Investment in Debentures (Refer Note 4)	-	832.00	-	832.00
Liabilities				
Derivative financial instruments - foreign currency forward (Refer Note 17)	335.03	-	335.03	-

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

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.
- 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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(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, 2021 is given below.

(₹ in lakh)

Particulars	USD	Euro	Other currencies *	INR
Non Derivative				
Trade receivables	135.19	1.20	0.48	9,988.73
Trade payables	(0.27)	(1.21)	-	(286.94)
Other assets	1.80	0.55	17.81	188.74
Other liabilities	(24.61)	(0.48)	(0.05)	(1,838.72)
Net assets / (liabilities)	112.11	0.06	18.24	8,051.81

* 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, 2020 is given below.

(₹ in lakh)

Particulars	USD	Euro	Other currencies *	INR
Non Derivative				
Trade Receivables	69.12	0.34	0.05	5,311.87
Trade payables	(8.23)	(0.09)	-	(607.81)
Other assets	1.65	1.89	8.03	5.47
Other liabilities	(20.54)	(0.51)	(0.04)	(1,549.71)
Net assets / (liabilities)	42.00	1.63	8.04	3,159.82

* 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, 2021	Year ended March 31, 2020
USD	74.24	71.30
EURO	86.39	79.15
GBP	95.87	89.40

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

Particulars	(₹ in lakh)			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 4% (Previous year 4%)	216.58	(216.58)	79.83	(79.83)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 9% (Previous year 4%)	0.31	(0.31)	3.36	(3.36)

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2021 and March 31, 2020.

(i) b. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company. Based on market intelligence, study of research analysis reports, company reviews its short/long position to avail working capital loans and minimise interest rate risk.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest risk, the Company performs comprehensive corporate interest risk management by balancing the proportion of fix rate and floating rate financial instruments.

- Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below:

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fixed rate instruments		
Financial Assets		
- Fixed Deposits with Banks (Refer Note 7)	239.81	230.55
Variable rate instruments		
Financial Liabilities		
- Borrowings (Refer Note 14 & 15)	92,243.43	1,16,013.21

Sensitivity Analysis

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss, therefore change in interest rate at the reporting date would not affect profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

An increase of 59 basis points (previous year 50 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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

The sensitivity analysis is computed by comparing weighted average interest rate for the period ended March 31, 2021 and March 31, 2020.

(₹ in lakh)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 59 basis points (Previous year 50 basis points)	354.06	(354.06)	377.37	(377.37)

(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 ₹ 477.67 lakh (₹ 160.78 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.

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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(ii) a. Credit risk exposure

The following table shows the exposure to the credit risk at the reporting date :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	143.63	36.50	176.86	103.27
Trade Receivables (Refer Note 6)	-	37,805.20	-	34,172.38
Cash and cash equivalents (Refer Note 7)	-	293.68	-	198.62
Bank Balances (Refer Note 7)	-	448.96	-	478.87
Other financials assets (Refer Note 8)	836.60	4,257.44	1,059.81	4,292.14
	980.23	42,841.78	1,236.67	39,245.28

(₹ in lakh)

Expected credit loss for trade receivables using simplified approach are given below:

Age Bracket	As at March 31, 2021		As at March 31, 2020	
	20180	181-365	Above 365	Total
0-180	36,939.56	33,834.21		
181-365	938.93	690.56		
Above 365	548.57	624.70		
Total	38,427.06	35,149.47		
Allowance for Impairment Loss	621.86	977.09		
Closing Balance (Refer Note 6)	37,805.20	34,172.38		

(₹ in lakh)

The movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is given below

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Balance of provision for expected credit loss at the beginning	977.09	559.94		
Impairment loss recognised/ (reversed)	(355.23)	417.15		
Balance at the end	621.86	977.09		

(₹ in lakh)

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.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

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, 2021:
(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	42,919.39	20,207.07	11,122.50	2,115.00	76,363.96
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	-	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	-	12,102.54
Other financial liabilities (Refer Note 17)	23,168.52	666.72	-	-	23,835.24
	79,811.09	20,873.79	11,122.50	2,115.00	1,13,922.38

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:
(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	56,792.90	27,216.04	14,768.00	6,440.00	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	-	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	-	10,715.62
Other financial liabilities (Refer Note 17)	18,452.19	511.26	-	-	18,963.45
	86,181.88	27,727.30	14,768.00	6,440.00	1,35,117.18

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Secured Bank Cash credit Facility		
Amount Unused	47,052.85	34,568.85
Secured Non Fund Based Facility		
Amount Unused	8,180.00	10,840.09
Secured Term Loan Facility		
Amount Unused	-	-
Unsecured Term Loan Facility		
Amount Unused	-	900.00

42. B: Financial Instruments

(iv) Derivative financial instruments

(iv) a. Disclosure of effects of hedge accounting on financial position:

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 50% to 90% of the net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

As at March 31, 2021:												
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		GBP					USD	GBP			
	No. of Outstanding Contracts	Amount (in lakh)	No. of Outstanding Contracts	Amount (in lakh)								
Cash Flow Hedge	26	145.43	1.00	1.00	10,845.52	April 2021 -August 2021	0.50:1	73.88	101.15			

As at March 31, 2020:												
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	25	132.08	-	-	9,647.12	April 2020 -August 2020	0.58:1	73.04	-			

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

(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, 2021	5.84	-	120.47	Revenue
March 31, 2020	(120.47)	-	(30.11)	Revenue

(iv) c. The movement in hedging reserve during the year ended March 31, 2021 for derivatives designated as cash flow hedge (Refer Note 32) is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(78.38)	19.58
Change in fair value of effective portion of cash flow hedge recognised during the year	5.84	(120.47)
Amount reclassified to the Statement of Profit & Loss during the period	120.47	(30.11)
Tax Impact on above	(44.14)	52.62
Balance at the end of the year	3.80	(78.38)

It is anticipated that sales will take place during the first seven months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to profit & loss account.

(iv) d. Sensitivity Analysis

The following table demonstrates the sensitivity in the foreign exchange rates (USD & Euro) to the Indian Rupees with all other variables held constant. The impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

The sensitivity analysis is computed by comparing average exchange rate for the period ended March 31, 2021 and March 31, 2020.

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 4% (previous year 4%)	270.62	(270.62)	58.55	(58.55)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 9% (previous year 4%)	13.76	(13.76)	7.85	(7.85)
GBP Sensitivity				
INR/GBP-Increase/(Decrease) by 7% (previous year 4%)	4.37	(4.37)	7.40	(7.40)

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings including current maturities (Refer Note 14, 15 & 17)	92,243.43	1,16,013.21
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	10,715.62
Other payables other than current maturities (Refer Note 17)	7,955.77	8,167.18
Less: cash and cash equivalents (Refer Note 7)	293.68	198.62
Net debt	1,13,628.69	1,34,918.56
Equity (Refer Note 12 & 13)	76,115.77	70,584.96
Capital and Net debt	1,89,744.46	2,05,503.52

Gearing Ratio 60% 66%

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, 2021 and March 31, 2020.

44. A: Impairment Loss on Fixed Assets

In terms of Indian Accounting Standard 36 - Impairment of Assets, as on reporting date, the Company evaluated each CGU's Intangible Assets and PPE Based on such evaluation, which is also supported by external information, more particularly the market value and economic performance of the assets, no indication of impairment has been determined.

44. B: Note on COVID-19

The Company has considered the possible effects that may result from COVID-19 in the preparation of financial statements including assessment of its liquidity position from the previous recoverability and carrying value of its assets and liabilities as on March 31, 2021. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustment is included in the financial statements. The impact of any events and developments occurring after the balance sheet date on the financial statements for the year ended March, 2021 may differ from that estimated as at the date of approval of these financial statements and will be recognized prospectively. The Company is committed to closely monitor any material changes arising out of prevailing economic conditions and impact of the same on the business of the Company.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

45. Legal Cases

Against the Company:

(₹ in lakh)						
S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities	Amount Deposited Under Protest	Claim not acknowledged as debt
1	Indirect Taxation	615.82 (590.00)	37.56 (35.01)	15.00 (15.00)	7.15 (7.15)	556.11 (532.84)
2	Direct Taxation	1,924.43 (869.47)	-	1,054.96 -	-	869.47 (869.47)
3	State Dues/ Levies	15.00 (15.00)	-	15.00 (15.00)	-	-
4	Labour Laws	83.86 (77.34)	-	2.15 (2.15)	-	81.71 (75.19)
5	Commercial Matters	4.47 (4.47)	-	2.37 (2.37)	2.10 (2.10)	-
6	Others	17.25 (26.24)	17.25 (17.25)	- (8.99)	-	-
Total		2,660.83 (1,582.52)	54.81 (52.26)	1,089.48 (43.51)	9.25 (9.25)	1,507.29 (1,477.50)

Figures in brackets in aforesaid note represent the figures of previous year

By the Company:

S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liabilities
1	Indirect Taxation	1,230.13 (918.07)	263.36 (60.27)	-
2	Direct Taxation	971.03 (1,076.02)	21.76 (21.76)	-
3	Labour Laws	21.40 (7.97)	-	-
4	Commercial Matters	3,857.65 (2,857.70)	1,286.67 (502.42)	96.82 (96.82)
5	Others	1,441.64 (1,356.32)	1.77 (201.96)	-
Total		7,521.85 (6,216.08)	1,573.56 (786.41)	96.82 (96.82)

Figures in brackets in aforesaid note represent the figures of previous year

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

46. Note on Lease Accounting

During the previous year, the transition to Ind AS – 116 pursuant to its adoption resulted in right of use asset of ₹ 109.84 lakh as at 1st April, 2019 and a lease liability of ₹ 118.61 lakh as on that date with corresponding impact in retained earnings. The effect of adoption of this Ind AS is not material on the profit before tax, profit for the period and earnings per share. The company has applied Ind AS 116 using the modified retrospective approach, details of which are as under:

- (i) Following are the changes in the carrying value of right of use assets for the year March 31, 2021:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	64.62	-
Additions	398.98	109.84
Deductions	(0.85)	-
Depreciation	(119.25)	(45.22)
Closing Balance	343.50	64.62

- (ii) The following is the movement in lease liabilities for the year March 31, 2021:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	74.67	-
Additions	402.08	118.61
Deduction	(1.04)	-
Interest on lease liabilities	40.34	9.40
Payment of lease liabilities*	(139.89)	(53.34)
Closing Balance	376.15	74.67

*Includes Interest expenses paid during the period ended 31st March 2021 amounts to ₹ 40.34 lakh (Previous Year ₹ 9.40 lakh)

- (iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on discounted basis:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Less Than one year	99.95	28.47
One to five years	276.20	46.20
Total Discounted Lease Liabilities	376.15	74.67

Lease rent expense recorded for short-term leases and low value leases was ₹ 197.46 lakh (Previous Year ₹ 834.84 lakh) for the year ended March 31, 2021.

- 47. 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

N. K. Lodha
Partner
M. No. 085155
Place: New Delhi
Date: May 28, 2021

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214
Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
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

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, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of associates, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associates as at March 31, 2021, of consolidated profit (including Other Comprehensive Income), 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 Relating to Subsidiary of an Associate

In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associate "Bhilwara Energy Limited (BEL)", as stated in Note 47 ii) b) of the Consolidated Financial Statements for the year ended 31st March 2021, the Board of directors decided and surrendered the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in the project execution and long delay in Government approvals and licenses lapse, CYHPL has written off Capital Work in progress during the year 2017-18 amounting to ₹ 2713.18 lakh (Company indirect share of ₹ 205.12 lakh). 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 CYHPL was incorporated as a Special Purpose Vehicle for this particular project. This matter was reported under heading "Material uncertainty relating to Going Concern" in the audit report on consolidated financial statements of an associate (BEL).

Our opinion is not modified in respect of above matter.

Emphasis of matter: Relating to Subsidiary of an Associate

Attention is drawn to:

- a) In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associate (BEL), as stated in Note 47 ii) b) of the consolidated financial statements for the year ended 31st March 2021 regarding pending refund of upfront premium of ₹ 3,789.45 lakh and security deposit of ₹ 180.00 lakh (Company indirect share of ₹ 300.09 lakh) with interest from the Directorate of Energy, Government of Himachal Pradesh, where the management of CYHPL is confident of recovering the upfront premium and security deposit.
- b) In case of Malana Power Company Limited (MPCL), a subsidiary of an associate (BEL), as stated in Note 47 ii) d) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

c) In case of AD Hydro Power Limited (ADHPL), a subsidiary of an associate (BEL), as stated in Note 47 ii) e) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with parties using the transmission line.

d) In case of BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL), as stated in 'Note 47 ii) f) of the consolidated Financial Statements where the Power Purchase Agreement (PPA) with DISCOM has expired dated March 31, 2019. BG Wind Power Limited, subsidiary of associate is pursuing for Power Purchase Agreement (PPA) with DISCOM @ ₹ 3.14 per kWh vide RERC third amendment regulation dated 5th March 2019 for the entire duration of the project because PPA validity expired on 31st March, 2019 but the DISCOM has not signed the PPA even after the BGWPL had filed a petition with RERC. BGWPL has continued to recognise Revenue from Sale of Power of ₹ 554.64 lakh and Generation Based Incentive (GBI) of ₹ 89.35 lakh (Company indirect share of ₹ 48.68 lakh) and shown under Unbilled Revenue as the Management of the BGWPL believes that PPA will be signed. BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

e) In case of NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), as stated in Note 47 ii) c) to consolidated financial statements which describes the uncertainty relating to the effects of outcome of petition filed by the NHPL with Hon'ble Guwahati High Court. The NHPL prayer is for seeking refund of upfront premium as per provisions of MoA, in view of the WII report recommending no construction of Nyamjnag Chhu HEP at site and arbitration notice sent by the company for invoking arbitration as per the directions of the Hon'ble Supreme Court. The auditor of associate (BEL) reported in their consolidated Audit Report that they are unable to comment on the financial implications and future operations of the NHPL till the final outcome.

The above Emphasis of matters were reported in the auditor's report on consolidated financial statements of an associate (BEL). Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the

consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Information Other than the 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 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 income, 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 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/(loss) of ₹ (78.42) lakhs and total comprehensive Income/(Loss) of ₹ (75.25) lakhs for the year ended 31st March 2021 as considered in the consolidated financial statements in respect of two associates, whose financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associates and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to

our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on financial statements and other financial information of associates, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associates covered under the Act, none of the directors of the Company and its associates covered under the Act, are disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal

financial controls with reference to consolidated financial statement.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors, referred to in other matter paragraph, on financial statements of its associates, we report that the remuneration paid by the Company and its associates to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on financial statements as also the other financial information of the associates:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates.

Refer Note-45 to the Consolidated financial statements.

ii. The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021 and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its associates incorporated in India.

For Lodha & Co.

Chartered Accountants
FRN : 301051E

N. K. Lodha

Partner
M. No. 085155
UDIN: 21085155AAAACV5890

Place : New Delhi
Date : 28th May, 2021

For S S Kothari Mehta & Company

Chartered Accountants
FRN : 000756N

Yogesh K. Gupta

Partner
M. No. 093214
UDIN: 21093214AAAACY8103

Place : Faridabad
Date : 28th May, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls 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, 2021, we have audited the internal financial controls with reference to consolidated financial Statement **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, 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, 2021, 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 in so far as it relates to two (2) associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Lodha & Co.
Chartered Accountants
FRN : 301051E

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

N. K. Lodha
Partner
M. No. 085155
UDIN:21085155AAAACV5890
Place : New Delhi
Date : 28th May, 2021

Yogesh K. Gupta
Partner
M. No. 093214
UDIN:21093214AAAACY8103
Place : Faridabad
Date : 28th May, 2021

CIN L17115RJ1960PLC008216

Consolidated Balance Sheet

AS AT MARCH 31, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
ASSETS				
1 Non-current Assets				
a Property, Plant and Equipment	3a	90,124.56	99,662.53	
b Capital Work-in-Progress	3b	740.28	720.54	
c Investment Property	3c	823.16	1,494.51	
d Other Intangible Assets	3d	1,143.32	1,556.11	
e Intangible Assets under Development	3e	-	-	
f Financial Assets				
i) Investments	4	12,225.49	9,139.47	
ii) Loans	5	143.63	176.86	
iii) Other financial assets	8	836.60	13,205.72	10,376.14
g Other Non-current Assets	11	2,231.13	2,173.85	
2 Current Assets				
a Inventories	9	45,041.07	50,670.91	
b Financial Assets				
i) Trade receivables	6	37,805.20	34,172.38	
ii) Cash and cash equivalents	7	293.68	198.62	
iii) Bank balances other than (ii) above	7	448.96	478.87	
iv) Loans	5	36.50	103.27	
v) Other financial assets	8	4,257.44	4,292.14	39,245.28
c Current Tax Assets (Net)	10	532.10	1,982.13	
d Other Current Assets	11	8,634.76	11,947.26	
3 Assets Classified as Held for Sale	3f	1,544.72	1,578.49	
TOTAL ASSETS		2,06,862.60	2,21,407.75	
EQUITY AND LIABILITIES				
a Equity Share Capital	12	2,355.08	2,355.08	
b Other Equity	13 a	76,827.51	71,379.56	
c Non-Controlling Interest	13b	-	-	
Liabilities				
1 Non-current Liabilities				
a Financial Liabilities				
i) Borrowings	14	33,444.57	48,424.04	
ii) Other financial liabilities	17	666.72	34,111.29	511.26
b Provisions	18	-	-	48,935.30
c Deferred Tax Liabilities (Net)	20	5,800.87	-	6,476.71
d Deferred Government Grants	21	97.00	-	151.87
e Other Non-current Liabilities	22	103.38	-	103.38
2 Current Liabilities				
a Financial Liabilities				
i) Borrowings	15	42,919.39	56,792.90	
ii) Trade payables				
- Total outstanding dues of micro, small and medium enterprises	16	1,620.64	221.17	
- Total outstanding dues of creditors other than micro, small and medium enterprises	16	12,102.54	10,715.62	
iii) Other financial liabilities	17	23,168.52	79,811.09	18,452.19
b Provisions	18	-	401.94	389.05
c Deferred Government Grants	21	55.86	-	59.28
d Other Current Liabilities	22	7,298.58	-	5,375.64
TOTAL EQUITY AND LIABILITIES		2,06,862.60	2,21,407.75	

* Investments include investments in Associates taken by using the Equity Method.

Accompanying notes form an integral part of the financial statements

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Place: New Delhi
Date: May 28, 2021

B M Sharma
Joint Managing Director
DIN 08195895

Surender Gupta
Company Secretary
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Consolidated Statement of Profit & Loss

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020	(₹ in lakh)
Revenue From Operations				
Other Income	24	3,940.95	2,618.90	
Total Income		2,36,542.62	2,79,721.90	
Expenses				
Cost of Materials Consumed	25	1,21,247.15	1,56,570.77	
Purchase of Traded Goods	26	552.28	111.12	
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	8,224.84	(2,063.71)	
Employee Benefit Expenses	28	31,233.20	37,008.53	
Finance Cost	29	8,303.17	10,851.16	
Depreciation and Amortization Expenses	30	12,767.94	13,166.53	
Other Expenses	31	53,787.78	67,035.40	
Total Expenses		2,36,116.36	2,82,679.80	
Profit/(Loss) Before exceptional items and tax		426.26	(2,957.90)	
Exceptional items			1,434.73	
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates		426.26	(1,523.17)	
Share of Profit/ (Loss) of Associates			(78.42)	270.83
Profit/(Loss) Before Tax		347.84	(1,252.34)	
Tax Expense				
Current Tax	19	70.63	1,709.18	
Tax of earlier year provided/(written back)	19	(1,022.21)	-	
Deferred Tax	19	(783.55)	(1,619.85)	
Profit/(Loss) for the Period		2,082.97	(1,341.67)	
Other Comprehensive Income	32			
a) (i) Items that will not be reclassified to Profit or Loss		3,350.83	(9,760.61)	
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(63.58)	(123.20)	
(iii) Share in OCI of Associates that will not be reclassified to Profit or Loss		3.17	(3.19)	
b) (i) Items that will be reclassified to Profit or Loss		126.31	(150.58)	
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(44.14)	52.62	
Other Comprehensive Income/(Loss) for the year		3,372.59	(9,984.96)	
Total Comprehensive Income/(Loss) for the year		5,455.56	(11,326.63)	
Profit for the year attributable to:-				
- Owners of the parent		2,082.97	(1,341.67)	
- Non-controlling interest		-	-	
Other comprehensive income / (expense) for the year attributable to:-		2,082.97	(1,341.67)	
- Owners of the parent		3,372.59	(9,984.96)	
- Non-controlling interest		-	-	
Total comprehensive income for the year attributable to:-		3,372.59	(9,984.96)	
- Owners of the parent		5,455.56	(11,326.63)	
- Non-controlling interest		-	-	
Earnings per Equity Shares of ₹ 10/- each	33	8.84	(5.70)	
1) Basic (in ₹)		8.84	(5.70)	
2) Diluted (in ₹)		8.84	(5.70)	

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

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	(₹ in lakh)
A. Cash Flow From Operating Activities			
Profit / (Loss) Before Tax	347.84	(2,687.07)	
Adjustments for:			
Share in (Profit)/Loss of Associates	78.42	(270.83)	
Depreciation and Amortization Expenses	12,767.94	13,166.53	
Net Gain / Loss on Sale of Property, Plant & Equipment	(1,614.31)	(272.98)	
Provisions Written Back	(113.79)	(132.33)	
Allowances for Impairment Loss Allowance	(69.36)	417.18	
Net (Gain) / Loss on Derecognition of Associate	-	-	
Finance Costs	8,373.41	10,879.74	
Interest Income	(1,170.12)	(978.23)	
Dividend Income from Investments	(0.02)	(541.82)	
Forex Fluctuation on translation of Assets and Liabilities	237.95	18,490.12	21,963.54
Operating Profit/(Loss) before Working Capital Changes	18,837.96	19,276.47	
(Increase)/Decrease in Trade Receivables	(3,632.82)	11,091.81	
(Increase)/Decrease in Current Financial Assets - Loans	193.08	(157.49)	
(Increase)/Decrease in Non Current Financial Assets - Loans	33.23	(41.08)	
(Increase)/Decrease in Other Current Financial Assets	(240.21)	(833.76)	
(Increase)/Decrease in Other Non Current Financial Assets	223.21	(662.84)	
(Increase)/Decrease in Other Current Assets	3,633.72	1,690.62	
(Increase)/Decrease in Other Non Current Assets	99.05	(273.80)	
(Increase)/Decrease in Inventories	5,629.84	(7,465.14)	
Increase/(Decrease) in Trade Payables	2,786.39	615.30	
Increase/(Decrease) in Other Current Financial Liabilities	(118.41)	491.13	
Increase/(Decrease) in Other Non Current Financial Liabilities	(74.54)	54.58	
Increase/(Decrease) in Other Current Liabilities	2,039.11	803.61	
Increase/(Decrease) in Other Non Current Liabilities	181.95	10,753.60	299.17 5,612.11
Cash generated from/(used in) Operations before tax	29,591.56	24,888.58	
Net Direct Taxes paid	2401.61	(1816.96)	
Net Cash Flow from/(used in) Operating Activities	31,993.17	23,071.62	
B. Cash Flow From Investing Activities			
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(3,187.45)	(3,291.90)	
Proceeds from sale of Property, Plant & Equipment	2,615.01	753.63	
Sale of Investments	-	16,363.79	
Movement of Fixed Deposit	(9.26)	(94.63)	
Interest Received	1,246.25	791.63	
Dividend Received	0.02	541.82	
Net Cash Flow from/(used in) Investing Activities	664.57	15,064.34	
Net Cash from/(used in) Operating and Investing Activities	32,657.74	38,135.96	

Consolidated Statement of Cash Flow (Contd....)

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash Flow From Financing Activities		
Repayment of Borrowings	(10,796.27)	(34,715.74)
Proceeds from Borrowings	900.00	16,358.91
Proceeds / (Repayment) of Short Term Borrowings	(13,873.51)	(9,687.07)
Repayment of Lease Liabilities	(99.55)	(43.94)
Finance Costs	(8,693.35)	(10,879.74)
Net Cash from/(used in) Financing Activities	(32,562.68)	(38,967.58)
Net Cash from/(used in) Operating, Investing & Financing Activities	95.06	(831.62)
Opening balance of Cash and Cash Equivalent	198.62	1,065.08
Cash & Cash Equivalent Adjusted/taken over on Acquisition of Subsidiary	-	(34.84)
Closing balance of Cash and Cash Equivalent	293.68	198.62
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)		
i) Cash on Hand	22.89	68.75
ii) Balance with Banks :		
- On Current Accounts	270.79	126.40
- Cheques, Drafts on Hand	-	3.47
Total	293.68	198.62

Notes:**1. Changes in Liabilities arising from Financing Activities:**

Particulars	Balance as at March 31, 2020	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2021
Long Term Borrowings	59,220.31	(9,896.27)	-	49,324.04
Short Term Borrowings	56,792.90	(13,875.20)	1.69	42,919.39
	1,16,013.21	(23,771.47)	1.69	92,243.43

Particulars	Balance as at March 31, 2019	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2020
Long Term Borrowings	77,577.15	(18,356.84)	-	59,220.31
Short Term Borrowings	66,479.97	(9,621.57)	(65.50)	56,792.90
	1,44,057.12	(27,978.41)	(65.50)	1,16,013.21

Accompanying notes form an integral part of the financial statements

As per our report of even date

For Lodha & Co. Chartered Accountants Firm Regn. No. 301051E	For S.S. Kothari Mehta & Co. Chartered Accountants Firm Regn. No. 000756N	For and on Behalf of Board of Directors
N. K. Lodha Partner M. No. 085155	Yogesh K. Gupta Partner M. No. 093214	Riju Jhunjhunwala Chairman & Managing Director DIN 00061060
Place: New Delhi Date: May 28, 2021	Faridabad	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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2021

a. Equity Share Capital

Particulars	Note No	Amount (₹ in lakh)
Balance as at April 1, 2019	12	2,355.08
Changes in Equity Share Capital during 2019-20		-
Balance as at March 31, 2020		2,355.08
Changes in Equity Share Capital during 2020-21		-
Balance as at March 31, 2021		2,355.08

b. Other Equity

Particulars	Note No.	Capital Reserve	Securities Premium Reserve	General Reserve	Pref. Share Capital Redemption Reserve	Surplus	Retained Earnings	Share in Surplus of Associates	Other Comprehensive Income Effective portion of Cash Flow Hedges	Total	Non-Controlling Interest	Total
Balance at April 1, 2019	701.48	9,618.56	4,910.28	6,060.85	35,405.97	6,594.82	-	-	19,400.35	19.59	82,711.90	799.60
Adjustment due to first time adoption of INDAS116										(5.71)		(5.71)
- Share of Non-Controlling Interest in Other Equity Derecognised												
- Share in Opening Profit of Associate Recognised												
- Share in Profit of Associate Derecognised due to sale												
- Profit or Loss during the year												
- Other Comprehensive Income for the year	32	-	-	-	-	-	81.61	(3.19)	(9,965.42)	(97.96)	(1,341.67)	(9,984.96)
- Gain/(Loss) on Sale of Equity Instruments valued through OCI												
Total Comprehensive Income						10,135.79	(3,547.14)	(17,823.03)	(97.96)	(11,332.34)	(799.60)	(12,131.94)
Balance at March 31, 2020	701.48	9,618.56	4,910.28	6,060.85	45,541.76	3,047.68	1,577.32	78.37	71,379.56	-	71,379.56	-
Balance at April 1, 2020	701.48	9,618.56	4,910.28	6,060.85	45,541.76	3,047.68	1,577.32	(78.37)	71,379.56	-	71,379.56	(8.06)
Adjustment in Associates due to Ind AS												
Adjustment in Associates due to Depreciation												
- Profit or Loss during the year												
- Other Comprehensive Income for the year	32	-	-	-	-	-	118.37	3.17	3,168.88	82.17	3,372.59	-
Total Comprehensive Income						2,279.76	(82.86)	3,168.88	82.17	5,447.95	-	5,447.95
Balance at March 31, 2021	701.48	9,618.56	4,910.28	6,060.85	47,821.52	2,964.82	4,746.20	3.80	76,827.51	-	76,827.51	-

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

N. K. Lodha
Partner
M. No. 083155
Place: New Delhi
Date: May 28, 2021

Particulars	Note No.	Amount (₹ in lakh)
Balance as at April 1, 2019	12	2,355.08
Changes in Equity Share Capital during 2019-20		-
Balance as at March 31, 2020		2,355.08
Changes in Equity Share Capital during 2020-21		-
Balance as at March 31, 2021		2,355.08

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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, 2020 to 31 March, 2021	Audited
Bhilwara Energy Limited	India	Associate	7.56%	01 April, 2020 to 31 March, 2021	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, substations and main transmission lines connected therewith including through their subsidiaries/associates.

RSWM Limited together with its Associate Companies is herein after referred to as 'the Group'.

The consolidated financial statements of the Group for the year ended 31st March, 2021 is approved for issue by the Company's Board of Directors on May 28, 2021.

1.02 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 ('the Act') (to the extent notified) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements are prepared on going concern, accrual and historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans-plan assets measured at fair value.
- Assets classified as held for sale measured at fair value less cost to sell.
- Certain Financial Assets and Liabilities measured at fair value (including derivative financial instruments) (Refer Accounting Policy 1.10 on Financial Instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest ₹ in lakh, except where otherwise indicated.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary/associate companies.

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one-half of its total share capital.

An associate is an entity over which the Company has significant influence or holding substantial number of shares with voting rights. Significant influence is the power to participate in the financial and operating decisions of the

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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 group. The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2 annexed to the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Classification of Assets and Liabilities as Current and Non-Current

All Assets and Liabilities have been classified as current or non-current. Based on the nature of product & activities of the Group and their realization in cash and cash equivalent, the Group has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

(d) For significant accounting policies, please refer note no. 1.03 to 1.23 annexed to the standalone financial statements.

(For Note No. 2, Please refer Standalone Financial Statements)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

3a Property, Plant & Equipment

Particulars	Land-Freehold	Land-Leasehold	Buildings (including Roads) ***	Right to Use Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting Water Supply & Installations	Total	(₹ in lakh)
Gross Carrying Value											
Balance at April 1, 2019	4,441.89	272.83	43,559.73	-	87,426.71	3,485.04	1,549.11	1,343.33	6,086.95	1,48,165.59	
Adjustment on account of Subsidiary	-	(8.73)	-	-	(71.99)	(55.49)	(297.77)	(408)	(438.06)		
Additions	8.95	-	418.22	109.84	1,122.17	129.81	139.37	63.87	26.15	2,018.38	
Deductions/ disposals*	(0.14)	-	(298.57)	-	(1,232.26)	(123.08)	(211.05)	(77.02)	(23.18)	(1,965.30)	
Assets classified as held for sale	-	-	-	-	(897.66)	-	-	-	-	(897.66)	
Reclassification of assets from Investment Property	(703.40)	-	-	-	-	-	-	-	-	(703.40)	
Balance at March 31, 2020	3,747.30	264.10	43,679.38	109.84	86,346.97	3,436.28	1,477.43	1,032.41	6,085.84	1,46,179.55	
Balance at April 1, 2020	3,747.30	264.10	43,679.38	109.84	86,346.97	3,436.28	1,477.43	1,032.41	6,085.84	1,46,179.55	
Adjustment on account of Derecognition of Subsidiary	-	-	-	-	-	-	-	-	-	-	
Additions	21.32	70.94	1,253.77	398.98	1,041.79	156.88	88.43	69.41	113.00	3,214.52	
Deductions/ disposals**	-	-	(196.11)	(31.97)	(1,459.16)	(265.1)	(259.22)	(84.91)	(38.97)	(2,096.85)	
Assets classified as held for sale	(164.35)	-	(445.10)	-	-	-	-	-	-	(609.45)	
Reclassification of assets from Investment Property	306.46	-	-	-	-	-	-	-	-	-	3,064.6
Balance at March 31, 2021	3,910.73	335.04	44,291.94	476.85	85,929.60	3,566.65	1,306.64	1,016.91	6,159.87	1,46,994.23	
Accumulated Depreciation											
Balance at April 1, 2019	13.30	6,026.62	-	25,390.85	1,187.00	508.21	766.38	2,137.14	36,029.50		
Adjustment on account of Subsidiary	-	(2.11)	-	-	(7.08)	(45.58)	-	(93.00)	(171.14)	(123.91)	
Depreciation for the year	-	3.99	1,406.37	45.22	10,283.67	311.82	189.80	122.80	55.74	12,921.11	
Deductions/ disposals**	-	(0.02)	(41.13)	-	(1,127.43)	(90.05)	(135.54)	(77.67)	(13.40)	(1,485.12)	
Assets classified as held for sale	-	-	-	-	(824.56)	-	-	-	-	(824.56)	
Balance at March 31, 2020	15.16	7,391.86	45.22	33,715.45	1,404.19	562.59	718.51	2,664.04	46,517.02		
Balance at April 1, 2020	15.16	7,391.86	45.22	33,715.45	1,404.19	562.59	718.51	2,664.04	46,517.02		
Adjustment on account of Derecognition of Subsidiary	-	-	-	-	-	-	-	-	-	-	
Depreciation for the year	-	4.15	1,401.71	119.25	9,741.36	288.99	176.65	91.85	54.60	12,372.56	
Deductions/ disposals**	-	-	(82.79)	(31.12)	(1,389.76)	(13.09)	(187.69)	(81.10)	(36.98)	(1,822.53)	
Assets classified as held for sale	-	-	(197.38)	-	-	-	-	-	-	(197.38)	
Balance at March 31, 2021	19.31	8,513.40	133.35	42,067.05	1,680.09	551.55	729.26	3,175.66	56,869.67		
Net Carrying Value											
Balance at March 31, 2020	3,747.30	248.94	36,287.52	64.62	52,631.52	2,032.09	914.84	313.90	3,421.80	99,662.53	
Balance at March 31, 2021	3,910.73	315.73	35,778.54	343.50	43,862.55	1,886.56	755.09	287.65	2,984.21	90,124.56	

Notes:

1. Deduction from Gross Carrying Value represents sale/transfer/discard of Property, Plant & Equipment/Lease hold rights written off.
2. ** Deduction in depreciation ₹ 1822.53 lakh (Previous Year ₹ 1483.12 lakh) represents adjustment on account of sale/ transfer/discard of Property, Plant & Equipment.
3. *** includes value of irrevocable Licencing Rights to use of a flat in New Delhi ₹ 10.00 lakh.
4. Depreciation for the year 2020-21 includes ₹ 61.63 (Previous Year ₹ 126.66 lakh) against amortisation of Government Capital Grants (refer Note 30).
5. During the previous year, The Ministry of Road Transport and Highway has acquired 0.9145 hectare of land of the Company situated on NH-79. The competent authority has awarded the compensation of ₹ 223.21 lakh and the same has been received by the Company.
6. On transition date, the Company has opted to continue with carrying value of all its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.
7. Assets pledged as security (refer Note 14).
8. # (i) Other income includes the Sale of land measuring 105900 square feet out of 126207 square feet bought long time ago before 1983 and was lying with the Company as Investment Property. Land measuring 10752 square feet is transferred to Plant, Property & Equipment (PPE) from Investment Property during the ensuing year at its cost as the same is to be used for local Sales Office in Bilwara.
- (ii) The Investment Property represents the cost of 9465 Square feet amounting to ₹ 397 lakh the fair value following the Para 79 of INDAS 40 of which is ₹ 394.44 lakh.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

3b Capital Work in Progress

Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
Balance at April 1, 2019	23.76	254.01	-	277.77
Additions	789.65	524.27	-	1,313.92
Less: Amount capitalized in Property, Plant & Equipment	213.91	657.24	-	871.15
Balance at March 31, 2020	599.50	121.04	-	720.54
Balance at April 1, 2020	599.50	121.04	-	720.54
Additions	523.57	883.87	150.24	1,557.68
Less: Amount capitalized in Property, Plant & Equipment	1,014.43	523.51	-	1,537.94
Balance at March 31, 2021	108.64	481.40	150.24	740.28

*The detail of Pre-operative expenses is given below

Particulars	2020-21	2019-20
(A) Opening Balance	-	-
(B) Additions:		
Salaries & Wages	-	-
Professional & Consultancy Charges	150.24	-
Borrowing Costs	-	-
Other Expenses	-	-
	150.24	-
(C) Deductions:		
Plant & Equipment	-	-
Building	-	-
Electrical Installation	-	-
	-	-
(A+B-C)	150.24	-

On transition date, the Company has opted to continue with carrying value of all of its capital work in progress as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

3c Investment Property

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2019	790.06
Additions	54.35
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	703.40
Balance at March 31, 2020	1,547.81
Balance at April 1, 2020	1,547.81
Additions	196.03
Deductions/disposals/written off	546.47
Reclassified to Property, Plant & Equipment	(306.46)
Balance at March 31, 2021	890.91
Accumulated Depreciation	
Balance at April 01, 2019	37.16
Depreciation for the year	16.14
Deductions/disposals/written off	-
Reclassified to Property, Plant & Equipment*	-
Balance at March 31, 2020	53.30
Balance at April 1, 2020	53.30
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2021	67.75
Net Carrying Value	
Balance as at March 31, 2020	1,494.51
Balance as at March 31, 2021	823.16
Fair Value	
At March 31, 2020	18,096.15
At March 31, 2021	9,330.48

* Investment property reclassified to property, plant & equipment since investment property started to use for business purposes.

On transition date, the Company has opted to continue with carrying value of all of its investment properties as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.

3c(i) Measurement of Fair Value

The fair value of the investment property has been determined by external, independent property valuer, having appropriate qualifications and recent experience in the valuation of properties in the relevant locations and category of the properties being valued. The fair value has been determined based upon the market comparable approach that reflects recent transaction prices for similar properties.

The fair value measurement is categorised in Level 3 fair value based on the inputs to the valuation technique used. (Refer Note 1.20 for definition of Level 3 fair value measurement)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The investment properties consist of commercial properties in India. The Management has determined the investment properties as commercial properties based on the nature of their usage.

There has been no change to the valuation technique during the year.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

3c(ii) Information regarding Income and Expenditure on Investment Property

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
Lease Rental recognized during the year	35	360.41	406.13	
Direct expenses		27.52	39.29	
Profit arising from investment properties before depreciation and indirect expenses		387.93	445.42	
Depreciation for the year		14.44	16.14	
Indirect Expenses		-	1.32	
Profit/(Loss) arising from Investment Properties after depreciation and direct expenses		373.49	427.96	

3c(iii) The Investment Property amounting ₹ 348.96 lakh (Fair Value ₹ 4,997.72 lakh) is owned jointly with HEG Limited

3d Other Intangible Assets

Particulars	Amount	(₹ in lakh)
Gross Carrying Value		
Balance at April 01, 2019	2,110.89	
Adjustment on account of Subsidiary	(16.28)	
Additions	534.88	
Deductions/disposals	14.81	
Balance at March 31, 2020	2,614.68	
Balance at April 1, 2020	2,614.68	
Adjustment on account of derecognition of Subsidiary	-	
Additions	3.15	
Deductions/disposals	(165.37)	
Assets classified as held for sale	-	
Balance at March 31, 2021	2,452.46	
Accumulated Amortization		
Balance at April 01, 2019	721.63	
Adjustment on account of Subsidiary	(4.66)	
Amortization for the year	355.94	
Deductions/disposals	14.34	
Balance at March 31, 2020	1,058.57	
Balance at April 1, 2020	1,058.57	
Adjustment on account of derecognition of Subsidiary	-	
Amortization for the year	411.02	
Deductions/disposals	(160.45)	
Assets classified as held for sale	-	
Balance at March 31, 2021	1,309.14	
Net Carrying Value		
Balance at March 31, 2020	1,556.11	
Balance at March 31, 2021	1,143.32	

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, 2021

3e Intangible Assets under Development

Particulars	Amount	(₹ in lakh)
As at April 01, 2019	185.23	
Additions	27.90	
Deduction/ Disposal	213.13	
Balance at March 31, 2020	-	
As at April 01, 2020	-	
Additions	-	
Deduction/ Disposal	-	
Balance at March 31, 2021	-	
Net Carrying Value	-	
Balance at March 31, 2020	-	
Balance at March 31, 2021	-	

3f Assets Classified as Held for Sale

Particulars	Amount	(₹ in lakh)
Balance at March 31, 2020	1,578.49	
Balance at March 31, 2021	1,544.72	

Due to closure of Bagalur and Pondy units since May 31, 2018, most of the machines and equipments of these units have been sold and only the machines and equipments worth ₹ 314.72 lakh remain to be sold and have been classified as assets held for sale. Likewise out of total land of around 45 acre, a land of around 18 acres, worth ₹ 765 lakh have been classified as held for sale. And similarly Land and Building of Pondy unit worth of ₹ 465 lakh have been classified as held for sale. The Company has also sought for necessary approval for closure from the authorities which is in process. The efforts of sale of this land and machines etc are already being made and the same will be sold once the effect of the Pandemic gets over.

4. Investments (Non-Current)

Particulars	As at March 31, 2021	As at March 31, 2020		
	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	10.31	31,396	6.18
HEG Limited @	3,18,391	4,661.72	3,18,391	1,543.56
State Bank of India (of ₹ 1 /- each)	24,080	87.74	24,080	47.43
Punjab National Bank (of ₹ 2 /- each)	4,715	1.73	4,715	1.52
Whirlpool (India) Limited	372	8.29	372	6.72
Vardhaman Holdings Limited	30	0.53	30	0.26
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹ 2 /- each)	775	3.97	775	0.99
Vardhaman Textiles Limited	180	2.34	180	1.13
Vardhaman Special Steel Limited	36	0.05	36	0.01
	4,776.70			1,607.82
(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

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

4. Investments (Non-Current) Contd...

Particulars	(₹ in lakh)			
	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Investment in Associates (At Cost)				
Add - Increase in Value of Investments in Associates				
Opening Balance		3,149.68		6,701.36
Share in Opening Profit of Associate Recognised		-		59.59
Additions during the year		(75.25)		267.64
Adjustment in associates due to Ind AS		(8.06)		-
Adjustment in associates due to Depreciation		0.45		-
Share in Profit of Associate Derecognised due to sale		-		(3,878.91)
Closing Balance		3,066.82		3,149.68
		6,590.79		6,673.65
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
		12,225.49		9,139.47
Market value of Quoted Investments		4,776.70		1,607.82
Carrying value of Un-quoted Investments		7,448.79		7,531.65

- # The Company with due approval of its Board of Directors in its meeting held on April 10, 2019 has sold on April 23, 2019, 1,69,38,599 equity shares (out of 2,94,63,559 equity shares) held in its Associate, Bhilwara Energy Limited at an arm's length price of ₹ 50.09 per share. During the previous year, the gain of sale of such shares is shown as exceptional item in the Statement of Profit and Loss.
- @ The Company had sold NIL (Previous year 6,05,386) no. of equity shares of HEG Limited and the cumulative realised gain of NIL (Previous year ₹ 7,857.61 lakh) has been reported in other equity through OCI.

5. Loans

Particulars	(₹ in lakh)			
	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered Good (unless otherwise stated)				
Unsecured				
Security Deposits	143.63	175.06	-	-
(A)	143.63	175.06	-	-
Unsecured				
Loans and Advances to Staff	-	1.80	36.50	103.27
(B)	-	1.80	36.50	103.27
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
(C)	-	-	-	-
	(A+B+C)	143.63	176.86	36.50
				103.27

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

6. Trade Receivables

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Unsecured Trade Receivables		
Less: Allowance for Impairment Loss Allowance	38,427.06	35,149.47
Trade Receivables which have significant increase in credit risk	(621.86)	(977.09)
Trade Receivables - credit impaired	-	-
	37,805.20	34,172.38
Of the above, trade receivables from related parties are given below.		
Particulars	Note No.	Current
Unsecured, Considered Good	39	As at March 31, 2021 As at March 31, 2020
		411.49 1,839.06

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 7,972.24 lakh (as at March 31, 2020 ₹ 9,361.75 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)

7. Cash and Cash Equivalents

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
- Balance with Banks		
On Current Accounts #	270.79	126.40
Cheque, Draft on Hand	-	3.47
- Cash on hand	22.89	68.75
	293.68	198.62
Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits	239.81	230.55
- Balance with Banks		
Unpaid Dividend *	208.99	248.16
Balance with Banks held as Margin Money **	0.16	0.16
	448.96	478.87

* Earmarked against the corresponding provision (Refer Note 17)

** Margin Money Against Bill Discounting

Refer Note No. 37 F

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

8. Other Financial Assets

Particulars	(₹ in lakh)			
	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered Good (Unless otherwise stated)				
Claims and other Receivables	-	-	233.99	14.44
Employees' Benefit Fund	836.60	1,059.81	-	-
Forward Cover Receivable	-	-	29.23	-
Earnest Money Deposit	-	-	49.36	52.33
Interest Receivable	-	-	512.54	588.67
Security Deposits	-	-	-	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	448.54	771.40
- Unrelated Parties	-	-	2983.78	2,865.30
	836.60	1,059.81	4,257.44	4,292.14

* Other receivables include debenture interest and rent receivable.

9. Inventories

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Raw materials :		
(a) In Godown	25,024.03	19,601.20
(b) In Transit	345.87	475.18
Work-In-Progress	25,369.90	20,076.38
Finished Goods	8,403.66	10,154.95
Traded Goods	9,026.71	15,370.85
Stores and Spares :		
(a) In Godown	1,861.66	2,876.36
(b) In Transit	6.62	1,513.14
Loose tools	1,868.28	4,389.50
Others-Waste	150.10	327.40
	45,041.07	50,670.91

(i) For basis of valuation of Inventories refer Note 1.05

(ii) For Inventories secured against borrowings, Refer Note 14 & Note 15

(iii) The cost of Inventories recognised as expense amount to ₹ 1,39,110.09 lakh during the year ended March 31, 2021

(₹ 1,65,301.29 lakh for the year ended March 31, 2020)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

10. Current Tax Assets (Net)

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Tax Assets {Net of Provision for Income Tax of ₹ 2,234.75 lakh (Previous Year ₹ 2,164.12 lakh)}	532.10	1,982.13

11. Other Assets

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered Good (unless otherwise stated)				
Capital Advances	1,401.05	1,244.72	-	-
Security Deposits	830.08	929.13	-	-
Advances to Vendors*	-	-	1,141.31	1,607.53
Advances to Employees	-	-	19.58	42.28
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	7,234.05	9,486.74
Prepaid Expenses	-	-	239.82	810.71
	2,231.13	2,173.85	8,634.76	11,947.26

* Include advances to related vendors ₹ Nil for 2020-21 (₹ 15.09 lakh for 2019-20).

12. Equity Share Capital

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
Issued, Subscribed and Fully paid up		
23,550,842 (Previous Year 23,550,842) Equity Shares of ₹ 10 each	2,355.08	2,355.08
	2,355.08	2,355.08

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Number of shares		
Opening	2,35,50,842	2,355.08
Closing Balance	2,35,50,842	2,355.08
Number of shares		
Opening	2,35,50,842	2,355.08
Closing Balance	2,35,50,842	2,355.08

(ii) Terms and rights attached with equity shares:

The Company has only one class of equity shares, having at par value of ₹10 each. Each holder of the equity shares is entitled to one vote per share. There is no restriction attached to any equity share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. The repayment of equity share capital in the event of liquidation and buy-back of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(iii) Shares in the Company held by each shareholder holding more than 5% :

Names	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of shares held	Number of shares	% of shares held
Microbase Limited	36,50,970	15.50	36,50,970	15.50
LNJ Financial Services Limited	19,33,370	8.21	19,33,370	8.21
JHP Securities Private Limited	-	-	19,03,000	8.08
Purvi Vanijya Niyojan Limited	14,68,077	6.23	14,68,077	6.23
Ravi Jhunjhunwala	14,32,410	6.08	-	-
	84,84,827	36.02	89,55,417	38.02

(iv) The Company does not have any holding/ultimate holding company.

13a Other Equity

a. Capital Reserve

(₹ in lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
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

Particulars	As at March 31, 2021		As at March 31, 2020	
Balance at the beginning of the year	9,618.56		9,618.56	
Balance at the end of the year	9,618.56		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

Particulars	As at March 31, 2021		As at March 31, 2020	
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. Hedge Reserve

Particulars	As at March 31, 2021		As at March 31, 2020	
Balance at the beginning of the year	(78.37)		19.59	
Change in fair value (net off tax)	82.17		(97.96)	
Balance at the end of the year	3.80		(78.37)	

The Cash Flow Hedge Reserve represents the cumulative effective portion of gain /(loss) arising on changes in fair value of undesignated portion of hedging instruments entered into for Cash Flow Hedge. The cumulative gain/(loss) arising on changes in fair value of undesignated portion of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to the Statement of Profit and Loss only when the hedge transaction affects the Profit or Loss.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

e. General Reserve

Particulars	As at March 31, 2021		As at March 31, 2020	
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)

Particulars	As at March 31, 2021		As at March 31, 2020	
Balance at the beginning of the year	1,577.32		19,400.35	
Additions/Deductions during the year	3,168.88		(9,965.42)	
Reclassified to Retained Earnings @	-		(7,857.61)	
Balance at the end of the year	4,746.20		1,577.32	

This reserve represents the cumulative gain/(loss) arising on fair valuation of equity instruments and the amount is reclassified to retained earnings at the time of disposal of equity shares.

@ The Company had sold NIL (Previous year 6,05,386) no. of equity shares of HEG Limited and the cumulative gain of NIL (Previous year ₹ 7,857.61 lakh) have been transferred (within equity) from Other Comprehensive Income to Retained Earnings.

g. Retained Earnings

Particulars	As at March 31, 2021		As at March 31, 2020	
Balance at the beginning of the year	45,541.76		35,405.97	
Adjustment due to first time adoption of INDAS116	-		(5.71)	
Additions during the year	2,161.39		(1,612.50)	
Add/ (Less):				
Remeasurements of the defined benefit plans through OCI (refer Note 32)	118.37		81.61	
Gain/(Loss) on sale of equity instruments valued through OCI @	-		7,857.61	
Share in Profit of Associate Derecognised due to sale	-		3,878.91	
Share in Profit of Subsidiary Derecognised	-		(64.13)	
Balance at the end of the year	47,821.52		45,541.76	

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

Particulars	As at March 31, 2021		As at March 31, 2020	
Balance at the beginning of the year	3,047.68		6,594.82	
Share in Opeing Profit of Associate Recognised	-		64.13	
Share in Profit of Associate Derecognised due to sale	-		(3,878.91)	
Adjustment in Associates due to Ind AS	(8.06)		-	
Adjustment in Associates due to Depreciation	0.45		-	
Additions during the year				
- Share of Profit/ (Loss)	(78.42)		270.83	
- Share of Other Comprehensive Income	3.17		(3.19)	
Closing Balance at the end of the year	2,964.82		3,047.68	
Total (a to h)	76,827.51		71,379.56	

Details of Dividend Proposed and Paid

Dividend paid	(₹ in lakh)		
	Particulars	As at March 31, 2021	As at March 31, 2020
Dividend paid ₹ NIL per share (Previous year ₹ NIL per share)	-	-	-
Taxes on dividend on equity shares	-	-	-

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

13b Non-Controlling Interest

	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
Balance at the beginning of the year	-	799.60	
Additions during the year	-	-	
Derecognised during the year	-	(799.60)	
Closing Balance at the end of the year	-	-	-

14. Borrowings

Particulars	Non- Current		Current			
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020		
Secured *						
Term Loans :						
- From Banks	15,282.00	20,135.00	4877.14	5602.79		
- From Financial Institutions	-	2,228.00	2245.22	1346.38		
Corporate Loans :						
- From Banks	2,571.43	5,142.86	2,572.64	1,500.00		
- From Financial Institutions	1,363.64	6,818.18	5,505.50	2,727.27		
Unsecured						
- From NBFCs	14,227.50	14,100.00	772.50	33.30		
	33,444.57	48,424.04	15,973.00	11,209.74		
Less: Current Maturity of Long term Debt (Refer Note 17)	-	-	(15,879.47)	(10,796.27)		
Less: Interest Accrued but not due on Borrowings (Refer Note 17)	-	-	(93.53)	(413.47)		
	33,444.57	48,424.04	-	-		

The Reserve Bank of India vide its Circular No DOR.No.BPBC. 47/21.04.048/2019-20 dated March 27, 2020 provided moratorium to the borrowers in payment of principal and interest in respect of all term loan and working capital facilities during the period from March 1, 2020 upto May 31, 2020 ("defferment"). Subsequently, The Reserve Bank of India vide its Circular No DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020, extended the moratorium for another period of 3 months i.e. from June 1, 2020 to August 31, 2020.

Amid lockdown, The Company has also been impacted from pandemic and accordingly availed the benefit of the moratorium in terms of aforesaid RBI circulars. Accordingly, the repayment schedule and all subsequent due dates, as also the tenure for term loans, has been shifted across the board by six months.

(i) Term Loans from Banks & Financial Institutions:

CURRENT YEAR FIGURES

- I Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 2.40% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
20/Aug/21	900.00	-	900.00	2
30/Sep/23	1,849.00	1,197.00	652.00	10
30/Dec/23	2,386.00	1,660.00	726.00	11
25/Apr/24	4,400.00	3,300.00	1,100.00	13
30/Jun/25	10,600.00	9,125.00	1,475.00	17
Sub Total	20,135.00	15,282.00	4,853.00	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Financial Institutions:				
1/Jan/22	2,228.00	-	2,228.00	4
1/Jun/22	6,818.18	1,363.64	5,454.54	15
Sub Total	9,046.18	1,363.64	7,682.54	

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
31/Mar/23	5,142.86	2,571.43	2,571.43	24

Total I

34,324.04	19,217.07	15,106.97
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II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR +2.30% and 1 Years MCLR as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Longterm maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	900.00	832.50	67.50	16
30/Sep/26	14,100.00	13,395.00	705.00	20
Total II	15,000.00	14,227.50	772.50	
Total I+II	49,324.04	33,444.57	15,879.47	

Previous Year's Figures

- I Term loans secured by way first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 1.40% as on 31st March 2020

Date of Maturity</

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2020

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks				
30/Sep/22	6,642.86	5,142.86	1,500.00	31
Total I	45,120.31	34,324.04	10,796.27	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3Months MCLR + 2.30% as on 31st March 2020

(a) From NBFC:

Date of Maturity	Outstanding March 31, 2020			Installments due after March 31, 2020
	Total Outstanding	Longterm maturity	Current maturity	
20/Sep/26	14,100.00	14,100.00	-	17
Total II	14,100.00	14,100.00	-	
Total (I+II)	59,220.31	48,424.04	10,796.27	

15. Borrowings (Current)

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Secured		
a. Loans Repayable on Demand		
From Banks	34,947.15	47,431.15
From Financial Institutions	-	-
b. Bill Discounted from Banks (Refer Note 6)	4,705.78	1,759.81
	39,652.93	49,190.96
Unsecured		
Bill Discounted From Banks (Refer Note 6)	3,266.46	7,601.94
	3,266.46	7,601.94
	42,919.39	56,792.90

Cash credit and other working capital facilities from banks and financial institutions are secured by way of hypothecation of stocks of raw materials, work-in progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company on pari-passu basis, as well as pari-passu second charge on all the fixed assets of the Company, present and future.

All loans repayable on demand carry floating interest rate from 6.40% to 9.55% per annum (Previous year 7.90% to 10.00%), computed monthly.

16. Trade Payables

Particulars	(₹ in lakh)	
	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	1,620.64	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,344.35	1,128.93
- Unrelated parties	10,758.19	9,586.69
	13,723.18	10,936.79

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

17. Other Financial Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (Refer Note 14)	-	-	15,879.47	10,796.27
Interest accrued but not due on borrowings (Refer Note 14)	-	-	93.53	413.47
Unclaimed dividend*	-	-	208.99	248.16
Security deposits from outsiders	390.52	465.06	423.12	405.85
Liability towards staff and workers	-	-	3,319.32	3,187.69
Liability towards leases	276.20	46.20	99.95	28.47
Commission, incentives etc. payable on sale	-	-	1,857.43	2,066.87
Other liabilities for expenses	-	-	1,286.71	970.38
Forward cover payable	-	-	-	335.03
	666.72	511.26	23,168.52	18,452.19

Note:

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18. Provisions

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employees' Benefit				
-Gratuity and Earned Leave (Refer Note 34)	-	-	-	-
-Superannuation (Refer Note 34)	-	-	401.94	389.05
	401.94	389.05		

19. Income Tax

a) Income tax recognized in profit or loss

Particulars	Current	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax expense		
Current year	70.63	1,709.18
Tax of the Earlier Years Written off / (Written back)	(1,022.21)	-
Deferred tax expense		
Origination and reversal of temporary differences	(783.55)	(1,619.85)
	(1,735.13)	89.33

b) Reconciliation of effective tax rate

Particulars	Current	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	426.26	(1,523.17)
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	148.95	(532.26)
Expenses further deductible/not deductible for tax purposes	232.82	2,427.29
Difference in Tax Rate due to Special Rate on LTCG	(127.25)	-
Dividend Income exempt from tax	(0.01)	(185.84)
Tax due to timing differences	(783.55)	(1,619.86)
MAT Credit Utilized	(183.88)	-
Tax of the Earlier Years Written off / (Written back)	(1,022.21)	-
	(1,735.13)	89.33

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

20 Deferred Tax Liabilities (Net)

Particulars	As at April 1, 2020	Adjustment on account of Subsidiary	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2021	(₹ in lakh)
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	974.86	-	-	(209.85)	-	765.01	
-Unabsorbed depreciation including depreciation	-	-	-	-	-	-	
-Allowance for impairment loss allowances	341.44	-	-	(124.13)	-	217.31	
1,316.30	-	-	(333.98)	-	982.32		
Deferred Tax Liabilities on:							
- Depreciation and Amortization expenses	11,282.29	-	-	(1,301.42)	-	9,980.87	
- Cash Flow Hedge	(42.10)	-	-	-	44.14	2.04	
- Remeasurements of the defined benefit plans	35.59	-	-	-	63.58	99.17	
11,275.78	-	-	(1,301.42)	107.72	10,082.08		
Less: MAT Credit Available	(3,482.77)	-	-	183.88	-	(3,298.89)	
Net Deferred Tax Liability	6,476.71	-	-	(783.56)	107.72	5,800.87	
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	849.63	(1.11)	-	126.34	-	974.86	
-Unabsorbed depreciation including depreciation	781.28	(55.01)	-	(726.27)	-	-	
-Allowance for impairment loss allowances	195.67	-	-	145.77	-	341.44	
1,826.58	(56.12)	-	(454.16)	-	1,316.30		
Deferred Tax Liabilities on:							
- Depreciation and Amortization expenses	11,672.90	(5.51)	(3.07)	(382.03)	-	11,282.29	
- Cash Flow Hedge	10.52	-	-	-	(52.62)	(42.10)	
- Remeasurements of the defined benefit plans	(87.61)	-	-	-	123.20	35.59	
11,595.81	(5.51)	(3.07)	(382.03)	70.58	11,275.78		
Less: MAT Credit Available	(1,794.58)	3.80	-	(1,691.99)	-	(3,482.77)	
Net Deferred Tax Liability	7,974.65	54.41	(3.07)	(1,619.86)	70.58	6,476.71	

21. Deferred Government Grants

Particulars	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
Opening Balance			
Grants during the year	211.15	332.45	
Released to the statement of profit and loss	3.34	5.36	
Closing Balance	152.86	211.15	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

21. Deferred Government Grants (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020	(₹ in lakh)
Out of above:			
Current	55.86	59.28	
Non- Current	97.00	151.87	
152.86	211.15		

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

22. Other Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security Deposits	-	-	-	-
Advances from customers	-	-	1,979.49	1,400.82
Statutory dues payable	-	-	-	-
-Sales Tax	-	-	-	-
-Tax deducted at source	-	-	269.40	465.72
-Other statutory dues	-	-	249.92	208.56
Other Payables *	103.38	103.38	4,799.77	3,300.54
103.38	103.38	7,298.58	5,375.64	

* Include accrued liabilities and legal claims.

23. Revenue From Operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Revenue from Contracts with Customers disaggregated based on nature of Product or Services		
a) Sale of Products (including Excise Duty):		
Manufactured Goods		
Yarn	1,91,864.69	2,21,648.51
Fabric	34,712.81	47,056.92
Total Manufactured Goods	2,26,577.50	2,68,705.43
Traded Goods		
Fabric	597.74	308.25
Total Traded Goods	597.74	308.25
2,27,175.24	2,69,013.68	
b) Sale of Services		
Services	2,507.20	4,731.01
2,507.20	4,731.01	
c) Other Operating Revenues;		
Sale of Waste	2,578.49	2,714.55
Export Benefits/Incentives	340.74	643.76
2,919.23	3,358.31	
B Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)	2,32,601.67	2,77,103.00
India	1,56,992.67	1,94,380.00
Outside India	75,609.00	82,723.00
2,32,601.67	2,77,103.00	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Setout below, is the reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information (Refer Note 38):

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External Customer	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00
Inter-segment	14,133.88	19.12	14,153.00	12,573.97	2.99	12,576.96
	2,09,789.94	36,964.73	2,46,754.67	2,40,275.25	49,404.71	2,89,679.96
Less: Inter-segment adjustment and elimination	(14,133.88)	(19.12)	(14,153.00)	(12,573.97)	(2.99)	(12,576.96)
Total Revenue from Contract with Customers	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00

The Company has recognized revenue of ₹ 1400.82 lakh (Previous year ₹ 650.17 lakh) from the amounts included under advance received from customers at the beginning of the year.

C Reconciliation of Revenue from Contracts with Customers

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Revenue from Contracts with Customers as per contract price	2,34,396.23		2,79,071.85	
Less: Incentives, Discounts and Claims	(1,794.56)		(1,968.85)	
Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss	2,32,601.67		2,77,103.00	

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

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Interest income on Financial Assets at amortized cost				
- Interest Income from Customers	459.97		686.42	
- Interest Income Others *	454.23		64.53	
Interest received on Debentures	255.92		227.28	
Dividend Income from Investments at FVTOCI				
- From other than Subsidiary Companies	0.02		541.82	
Other Non-operating Income				
Provisions written back	113.79		132.33	
Insurance & Other Claims Received	11.38		12.73	
Net Gain on Foreign Currency Transaction	194.47		-	
Miscellaneous receipts	389.41		259.11	
Rent on Investment Properties and others	378.09		421.70	
Allowances for Impairment Loss Allowance	69.36		-	
Net Gain / Loss on sale of Property, Plant & Equipment #	1,614.31		272.98	
	3,940.95		2,618.90	

* Interest income others includes interest on Income Tax refund of ₹ 399.41 lakh

Includes NIL (Previous year ₹ 330.94 lakh) compensation on compulsory acquisition of land

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

25. Cost of Raw Materials Consumed

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw Materials		
Opening Stock	20,076.38	16,575.66
Add:		
Purchases	1,26,540.67	1,60,071.49
	1,46,617.05	1,76,647.15
Less:		
Closing Stock	25,369.90	20,076.38
	1,21,247.15	1,56,570.77

26. Purchase of Traded Goods

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fabric	552.28	111.12

27. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished Goods	9,026.71	15,370.85
Traded Goods	9.03	10.33
Work In Progress	8,403.66	10,154.95
Waste	213.39	341.50
	17,652.79	25,877.63
Inventories at the beginning of the year		
Finished Goods	15,370.85	12,906.63
Traded Goods	10.33	197.47
Work In Progress	10,154.95	10,574.31
Waste	341.50	135.51
	25,877.63	23,813.92
(Increase)/ Decrease in Inventory	8,224.84	(2,063.71)

28. Employee Benefit Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus		
Contribution to provident and other funds	27,356.22	32,570.52
Expenses related to post employment defined benefit plan (Refer Note 34)	2,720.02	3,207.84
Expenses related to earned leave (Refer Note 34)	649.09	613.58
Workmen and staff welfare expenses	99.53	119.31
	408.34	497.28
	31,233.20	37,008.53

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

29. Finance Cost

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	4,484.81	5,683.73
On working capital	3,301.85	4,408.63
Other borrowing costs	516.51	758.80
	8,303.17	10,851.16
* Net of TUFS / RIPS Subsidy received / receivable	501.86	789.89

30. Depreciation and Amortization Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Property, Plant & Equipment *		
Depreciation	12,385.97	12,921.11
	12,385.97	12,921.11
Less:		
Amortization of Government Capital Grants	61.63	126.66
	61.63	126.66
Investment Property#		
Depreciation	14.44	16.14
	14.44	16.14
	12,338.78	12,810.59
Intangible Assets		
Amortization @	429.16	355.94
	429.16	355.94
	12,767.94	13,166.53

* Refer Note 3a

Refer Note 3c

@ Refer Note 3d

31. Other Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	6,024.89	7,048.71
Power and fuel	25,804.33	33,869.71
Packing expenses	3,060.95	3,634.43
Processing and job charges	1,787.49	2,764.54
Research and development expenses	80.74	138.22
Repairs & maintenance - building	411.12	401.08
Repairs & maintenance - plant & machinery	1,339.98	1,551.35
Repair and maintenance - others	366.05	356.36
Rent	197.46	834.84
Insurance (Net)	832.12	823.56
Rates and taxes	99.87	66.12
Directors' remuneration and fees @	63.00	68.25
Charity and donation	1.26	204.43

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

31. Other Expenses (Contd...)

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services	33.62	11.96
For reimbursement of expenses	2.99	4.01
Legal, professional & consultancy expenses #	610.27	1,227.18
Other miscellaneous expenses	1,774.09	2,058.60
Commission and brokerage	2,171.88	2,371.02
Freight, forwarding and octroi charges	7,583.82	6,370.66
Advertisement expenses	197.47	218.27
Travelling expenses	430.86	1,175.11
Other selling expenses	863.52	1,281.64
Net Loss on Foreign Currency Transaction	-	88.17
Allowances for Impairment Loss Allowance	-	417.18
	53,787.78	67,035.40

includes amount ₹12.73 lakh (previous year ₹11.53 lakh) paid to auditors as GST Audit fee.

32. Other Comprehensive Income

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Items that will not be reclassified to Profit or Loss		
Remeasurements of the defined benefit plans	181.95	204.81
Equity Instruments through Other Comprehensive Income (OCI)	3,168.88	(9,965.42)
	3,350.83	(9,760.61)
Share in OCI if Associates that will not be reclassified to Profit or Loss	3.17	(3.19)
	3,354.00	9,763.80
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurements of defined benefit plans	(63.58)	(123.20)
(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)	5.84	(120.47)
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	120.47	(30.11)
	126.31	(150.58)
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	2.04	(42.10)
- Tax on amount reclassified to Profit & Loss account during the year	42.10	(10.52)
	(44.14)	52.62

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

33. Earning Per Share

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
a) Net Profit for Basic EPS (₹ in lakh)	2,082.97	(1,341.67)
Net Profit for Diluted EPS (₹ in lakh)	2,082.97	(1,341.67)
b) Number of Equity Shares at the beginning of the year	2,35,50,842	2,35,50,842
Add: Total Number of Shares outstanding at the end of the year	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Basic	2,35,50,842	2,35,50,842
Weighted Average number of Equity Shares outstanding during the year - Diluted	2,35,50,842	2,35,50,842
Earning Per Share - Basic (₹)	8.84	(5.70)
Earning per share - Diluted (₹)	8.84	(5.70)
Face value per share (₹)	10.00	10.00

Note : for Notes 34 to 37A, 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 has not been paid by LNJPV since the Financial Year 2016-17 and ₹ 1,232.69 lakh remain unpaid to the Company as on March 31, 2021. Including other charges, the total amount receivable from LNJPV as on March 31, 2021, comes to ₹ 1,257.92 lakh. The Company also has to pay an amount of ₹ 1,277.37 lakh against supply of power by LNJPV under a long term power purchase agreement. Company has also provided bank guarantee of ₹ 1,000 lakh to LNJPV to secure such dues under Power Purchase Agreement. Presently, the Company is in discussion with LNJPV for realization of the accrued interest amount and in the opinion of the Management this is fully recoverable and hence considered good. The Company doesn't have any significant influence on LNJPV, hence, it has ceased to be the associate of the Company.

38. Segment Information

For management purposes, the Company is organised into business units based on its products and services and has following reportable segments:

- > Yarn
- > Fabric
- > Skill Services

No operating segments have been aggregated to form the above reportable operating segments.

Identification of Segments

The Board of Directors of the Company has been identified as Chief Operating Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

Accounting policy in respect of segments is in conformity with the accounting policy of the company as a whole.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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, 2021			Year ended March 31, 2020		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External customers	1,95,656.06	36,945.61	2,32,601.67	2,27,701.28	49,401.72	2,77,103.00
Inter-segment	14,133.88	19.12	14,153.00	12,573.97	2.99	12,576.96
Total Revenue	2,09,789.94	36,964.73	2,46,754.67	2,40,275.25	49,404.71	2,89,679.96
Segment Expenses*	2,01,189.27	40,272.37	2,41,461.64	2,30,840.35	51,660.67	2,82,501.02
Segment Results	8,600.67	(3,307.64)	5,293.03	9,434.90	(2,255.96)	7,178.94
Un-allocable Expenses	-	-	435.19	-	-	1,904.58
Other Income (Refer Note 24)	-	-	3,871.59	-	-	4,054.98
Finance Costs (Refer Note 29)	-	-	8,303.17	-	-	10,851.16
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates	-	-	426.26	-	-	(1,521.82)
Share of Profit/(Loss) of Associates	-	-	(78.42)	-	-	270.83
Profit Before Tax	-	-	347.84	-	-	(1,250.99)
Tax Expenses	-	-	(1,735.13)	-	-	89.33
Profit After Tax	-	-	2,082.97	-	-	(1,340.32)
Less: Non Controlling Interest	-	-	-	-	-	-
Profit After Tax (Net off Non Controlling Interest)	-	-	2,082.97	-	-	(1,340.32)

* Includes depreciation and amortization

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Other Information :

Particulars	Year ended March 31, 2021			Year ended March 31, 2020			(₹ in lakh)
	Yarn	Fabric	Total	Yarn	Fabric	Total	
Depreciation and Amortization							
Allocable	10610.27	1518.07	12,128.34	10974.89	1581.60	12,556.49	
Unallocable	-	-	639.60	-	-	610.04	
	10,610.27	1,518.07	12,767.94	10,974.89	1,581.60	13,166.53	
Capital Expenditure							
Allocable	2326.03	689.67	3,015.70	2529.37	200.31	2,729.68	
Unallocable	-	-	175.09	-	-	423.77	
	2,326.03	689.67	3,190.79	2,529.37	200.31	3,153.45	
Segment Assets							
Allocable	1,52,092.95	30,007.04	1,82,099.99	1,62,767.25	35,282.37	1,98,049.62	
Unallocable	-	-	24,762.61	-	-	23,358.13	
	1,52,092.95	30,007.04	2,06,862.60	1,62,767.25	35,282.37	2,21,407.75	
Segment Liabilities							
Allocable	96,443.78	14,640.25	1,11,084.03	1,01,963.10	12,884.86	1,14,847.96	
Unallocable	-	-	16,595.98	-	-	32,825.15	
	96,443.78	14,640.25	1,27,680.01	1,01,963.10	12,884.86	1,47,673.11	

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:-

Revenue from external customers		(₹ in lakh)					
		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Based on location of the customers	For the year ended March 31, 2021	1,56,992.67	22,729.00	3,301.00	48,136.00	1,443.00	2,32,601.67
	For the year ended March 31, 2020	1,94,380.00	27,860.00	5,101.00	45,059.00	4,703.00	2,77,103.00

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, 2021 and March 31, 2020.

Revenue from products and services:

The detail of revenue from products and services are given below:

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Yarn	1,94,462.13	2,24,482.59
Fabric	35,632.34	47,889.40
Services (including Skill Services in previous year)	2,507.20	4,731.01
	2,32,601.67	2,77,103.00

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

39 A: 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	
	Lakshmi Niwas Jhunjhunwala	
	Ravi Jhunjhunwala	
	Mani Devi Jhunjhunwala	
	Riju Jhunjhunwala	
	Rita Jhunjhunwala	
	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	
	Shri Shekhar Agarwal	
	Shri Riju Jhunjhunwala	
	Shri B M Sharma	
	Shri Arun Kumar Churiwal	
	Dr. Kamal Gupta	Directors of the Company
	Shri Priya Shankar Dasgupta	
	Shri Amar Nath Choudhary	
	Shri Deepak Jain	
	Smt. Archana Kapoor	
	Shri Avinash Bhargava (with effect from 11.08.2020)	Chief Financial Officer
	Shri Surender Gupta	Company Secretary
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 Corporation Ltd.	Subsidiary of Associate
	Chango Yang Thang Hydro Power Ltd.	Subsidiary of Associate
	NJC Hydro Power Ltd.	Subsidiary of Associate
	Indo Canadian Consultancy Services Pvt. 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.	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Sr No.	Name of Related Party	Nature of Relationship
(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	
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
	Rajspin Employees Contributory Provident Fund	Trust
(vi)	The entity is controlled or jointly controlled by a person identified in (A).	
	Aadi Marketing Company Pvt. Ltd.	
	Agarwal Finestate Private Ltd	
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Alankrit Vyapaar Pvt. Ltd.	
	Backcountry Estates Pvt. Ltd.	
	Bharat Investments Growth Limited	
	Bhilwara Technical Textiles Limited	
	Balkash Exim Pvt. Ltd.	
	BSL Limited	
	Captain Trade & Agencies Pvt. Ltd.	
	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 Commodoal 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.	
	Kalati Holdings Pvt. Ltd.	
	Kotyark Distributors Pvt. Ltd	
	LNJ Financial Services Limited	
	LNJ Realty Pvt. Ltd.	
	Mandapam Vikash Pvt. Ltd.	
	Mandawa Niyojan Pvt. Ltd.	
	Maral Overseas Ltd.	
	MG Marketing & Trding Pvt. Ltd.	
	Modify Distributors Private Limited	
	ML Finlease Pvt. Ltd.	
	NR Finvest Pvt. Ltd	
	Nikita Electrotrades Pvt. Ltd.	
	New Delhi Law Offices	
	Pacific Management Pvt. Ltd.	

Shareholding more than 50% along with relatives
in the Company.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Sr No.	Name of Related Party	Nature of Relationship
	Prapti Apparels Co. Pvt. Ltd.	
	PRC Niyojan Pvt. Ltd	
	Promise Dealers Pvt. Ltd.	
	Purvi Vanijya Niyojan Limited	
	Nivedan Vanijya Niyojan Ltd.	
	Raghav Commercial Limited	
	RANDR Trustee Pvt. Ltd.	
	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	
	Strength Fincap Markets Pvt. Ltd.	
	Tinsukia Estate Private Ltd.	
	Vikram Properties and Merchandise Pvt. Ltd.	
	Veronia Tie Up Pvt. Ltd.	
	Zongoo Commercial Co. Private Limited	
(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 Private Limited	
	Akunth Textile Processors Private Limited	
	Bhilwara Services Private Limited	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shashi Commercial Co. Limited.	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	
2	Shri Riju Jhunjhunwala	
	AKJ Apparels Private Limited	
	Bhilwara Services Private Limited	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Private Limited	
	RANDR Trustee Private Limited	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Private Limited	
	RRJ Family Trustee Private Limited	
	Shrasti Marketing Private Limited	
	SKLNJ Family Trusteeship Private Limited	
	Zongoo Commercial Co. Private Limited	
	Veronia Tie up Private Limited	

Shareholding more than 50% along with relatives
in the Company.

Holding 20% or more Shareholding along with
relatives in the Company.

Holding 20% or more Shareholding along with
relatives in the Company.

Notes to the Standalone Financial Statement

For the year ended March 31, 2021

39 B: Related Party Disclosure

Transaction	Subsidiaries (Including their Subsidiaries)		Associates (Including Subsidiaries of Associates)		Key Managerial Personnel	A person and enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020			
Sale of Finished Goods	-	-	-	-	-	4,808.78	6,065.85
Sale of Raw Material	-	-	-	-	-	66.69	117.24
Purchases of Raw Material & Finished Goods	-	-	-	-	-	1,304.79	1,539.47
Sale of Store Items	-	-	-	-	-	0.96	-
Purchase of Stores Items	-	-	-	-	-	6.71	10.21
Rent Received	65.65	65.65	-	-	-	109.97	110.00
Rent Paid	-	733.75	-	-	-	48.51	47.24
Reimbursement of revenue expenditure received	39.94	72.24	-	-	-	101.60	99.38
Reimbursement of revenue expenditure made	602.65	1,130.35	-	-	-	17.30	11.68
Job Charges Received	-	-	-	-	-	88.21	186.37
Job Charges paid	-	-	-	-	-	1.77	3.36
Interest received	-	-	-	-	-	223.71	128.42
Security Deposit	-	18.30	-	-	-	-	-
Loan Taken	-	-	-	-	-	900.00	14,100.00
Interest on Loan taken	-	-	-	-	-	1,343.82	269.83
Investment in LNJ Skills & Rozgar Private Limited	-	-	-	-	-	-	-
Sales of Equity Shares	8,484.54	-	-	-	-	-	7,912.70
Dividend Received	-	-	-	-	-	-	541.82
Dividend Paid	-	-	-	-	-	-	-
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	-	-	401.94	389.05
Rajasthan Spinning Gratuity Fund Trust	-	-	-	-	-	82.19	426.39
Rajspin Employees Contributory Provident Fund	-	-	-	-	-	151.94	172.00
Remuneration and other perquisites							
(a) Short-term employee benefits	-	-	308.30	404.23	-	-	-
(b) Post-employment benefits	-	-	22.98	37.19	-	-	-
Directors' Sitting Fees	-	63.00	68.25	-	-	-	-

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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, 2021	As at March 31, 2020
Trade Receivables		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	411.08	1,839.06
Other Receivables		
From Subsidiaries & Subsidiaries of Subsidiaries	-	-
From Associates	-	99.77
From Subsidiaries of Associates	425.23	368.66
From Other than Subsidiaries/Associates	289.49	302.97
Trade Payables		
To Subsidiaries & Subsidiaries of Subsidiaries	-	-
To Associates	1,329.71	1,128.33
To Other than Subsidiaries/Associates	14.64	0.60
Advance to Vendors		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	-	15.09
Loan		
Loan From Bharat Investment Growth Limited	14,100.00	14,100.00
Loan From Bhilwara Infotechnology Limited	900.00	-

Terms & Conditions of transactions with related Parties:

The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2021 and for the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties.

This assessment is undertaken throughout 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, 2021	As at March 31, 2020
RSWM has provided guarantees on behalf of its reporting entity:-		
Name of Reporting Entity		
A D Hydro Power Limited - India*	600.00	600.00
LNJ Skills & Rozgar Private Limited - India**	800.00	800.00

* Guarantee given (jointly by the Company, Bhilwara Energy Limited and HEG Limited) to International Financial Corporation in terms of Guarantee agreement related to A D Hydro Power Limited.

** The Company has given a letter of comfort to HDFC Bank Limited, Gurgaon against loan extended by the bank to LNJ Skills & Rozgar Private Limited as at March 31, 2021.

The Company does not expect any outflow of resources in respect of above financial guarantee / Letter of Comfort

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	1,620.64	221.17
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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Period to which dividend relates to	-	-
Number of non-resident shareholders (Nos.)	-	-
Number of equity shares held on which dividend was due (Nos.)	-	-
Amount remitted (in lakh)	-	-
Amount remitted USD (in lakh)	-	-

42. A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2021 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)	293.68	-	-	293.68	293.68
Bank Balances other than above (Refer Note 7)	448.96	-	-	448.96	448.96
Investments (Refer Note 4)					
- Equity	3,549.97	-	4,776.70	8,326.67	8,326.67
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	37,805.20	-	-	37,805.20	37,805.20
Loans (Refer Note 5)	180.13	-	-	180.13	180.13
Other financial assets (Refer Note 8)	5,064.81	-	29.23	5,094.04	5,094.04
	47,342.75	832.00	4,805.93	52,980.68	52,980.68
Liabilities:					
Borrowings (Refer Note 14 & 15)	76,363.96	-	-	76,363.96	76,363.96
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	1,620.64	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	12,102.54	12,102.54
Other financial liabilities (Refer Note 17)	23,835.24	-	-	23,835.24	23,835.24
	1,13,922.38	-	- 1,13,922.38	1,13,922.38	

* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2021 ₹ 1232.69 lakh.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

The carrying value and fair value of financial instruments by category as of March 31, 2020 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
Assets:					
Cash and cash equivalents (Refer Note 7)	198.62	-	-	198.62	198.62
Bank Balances other than above (Refer Note 7)	478.87	-	-	478.87	478.87
Investments (Refer Note 4)					
-Equity	3,549.97	-	1,607.82	5,157.79	5,157.79
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	34,172.38	-	-	34,172.38	34,172.38
Loans (Refer Note 5)	280.13	-	-	280.13	280.13
Other financial assets (Refer Note 8)	5,351.95	-	-	5,351.95	5,351.95
	44,031.92	832.00	1,607.82	46,471.74	46,471.74
Liabilities:					
Borrowings (Refer Note 14 & 15)	1,05,216.94	-	-	1,05,216.94	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	221.17	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	10,715.62	10,715.62
Other financial liabilities (Refer Note 17)	18,628.42	-	335.03	18,963.45	18,963.45
	1,34,782.15	-	335.03	1,35,117.18	1,35,117.18

* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2020 ₹ 995.96 lakh.

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, 2021:

Particulars	As at March 31, 2021	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)	4,776.70	4,776.70 - -
Investment in Debentures (Refer Note 4)	832.00	- - 832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	29.23	- 29.23 -

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

Particulars	As at March 31, 2020	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)	1,607.82	1,607.82 - -
Investment in Debentures (Refer Note 4)	832.00	- - 832.00
Derivative financial instruments - foreign currency forward (Refer Note 17)	335.03	- 335.03 -

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

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.
- 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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(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, 2021 is given below.

(Amount in lakh)

Particulars	USD	Euro	Other currencies *	INR
Non Derivative				
Trade receivables	135.19	1.20	0.48	9,988.73
Trade payables	(0.27)	(1.21)	-	(286.94)
Other assets	1.80	0.55	17.81	188.74
Other liabilities	(24.61)	(0.48)	(0.05)	(1,838.72)
Net assets / (liabilities)	112.11	0.06	18.24	8,051.81

* 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, 2020 is given below.

(Amount in lakh)

Particulars	USD	Euro	Other currencies *	INR
Non Derivative				
Trade Receivables	69.12	0.34	0.05	5,311.87
Trade payables	(8.23)	(0.09)	-	(607.81)
Other assets	1.65	1.89	8.03	5.47
Other liabilities	(20.54)	(0.51)	(0.04)	(1,549.71)
Net assets / (liabilities)	42.00	1.63	8.04	3,159.82

* 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	Year ended March
	31, 2021	31, 2020
USD	74.24	71.30
EURO	86.39	79.15
GBP	95.87	89.40

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

Particulars	(₹ in lakh)			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 4% (Previous year 4%)	216.58	(216.58)	79.83	(79.83)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 9% (Previous year 4%)	0.31	(0.31)	3.36	(3.36)

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2021 and March 31, 2020.

(i) b. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company. Based on market intelligence, study of research analysis reports, company reviews its short/long position to avail working capital loans and minimise interest rate risk.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest risk, the Company performs comprehensive corporate interest risk management by balancing the proportion of fix rate and floating rate financial instruments.

- Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below:

Particulars	(₹ in lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fixed rate instruments		
Financial Assets		
- Fixed Deposits with Banks (Refer Note 7)	239.81	230.55
Variable rate instruments		
Financial Liabilities		
- Borrowings (Refer Note 14 & 15)	92,243.43	1,16,013.21

Sensitivity Analysis

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss, therefore change in interest rate at the reporting date would not affect profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

An increase of 59 basis points (previous year 50 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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

The sensitivity analysis is computed by comparing weighted average interest rate for the period ended March 31, 2021 and March 31, 2020.

(₹ in lakh)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 59 basis points (Previous year 50 basis points)	354.06	(354.06)	377.37	(377.37)

(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 ₹ 477.67 lakh (₹ 160.78 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.

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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(ii) a. Credit risk exposure

The following table shows the exposure to the credit risk at the reporting date :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	143.63	36.50	176.86	103.27
Trade Receivables (Refer Note 6)	-	37,805.20	-	34,172.38
Cash and cash equivalents (Refer Note 7)	-	293.68	-	198.62
Bank Balances (Refer Note 7)	-	448.96	-	478.87
Other financial assets (Refer Note 8)	836.60	4,257.44	1,059.81	4,292.14
	980.23	42,841.78	1,236.67	39,245.28

Expected credit loss for trade receivables using simplified approach are given below:

Age Bracket	As at March 31, 2021		As at March 31, 2020	
0-180	36,939.56		33,834.21	
181-365	938.93		690.56	
Above 365	548.57		624.70	
Total	38,427.06		35,149.47	
Allowance for Impairment Loss	621.86		977.09	
Closing Balance (Refer Note 6)	37,805.20		34,172.38	

The movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is given below

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Balance of provision for expected credit loss at the beginning	977.09		559.94	
Impairment loss recognised/ (reversed)	(355.23)		417.15	
Balance at the end	621.86		977.09	

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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(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, 2021:

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	42,919.39	20,207.07	11,122.50	2,115.00	76,363.96
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	-	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	-	12,102.54
Other financial liabilities (Refer Note 17)	23,168.52	666.72	-	-	23,835.24
	79,811.09	20,873.79	11,122.50	2,115.00	1,13,922.38

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	56,792.90	27,216.04	14,768.00	6,440.00	1,05,216.94
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	221.17	-	-	-	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	10,715.62	-	-	-	10,715.62
Other financial liabilities (Refer Note 17)	18,452.19	511.26	-	-	18,963.45
	86,181.88	27,727.30	14,768.00	6,440.00	1,35,117.18

(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, 2021	As at March 31, 2020
Secured Bank Cash credit Facility		
Amount Unused	47,052.85	34,568.85
Secured Non Fund Based Facility		
Amount Unused	8,180.00	10,840.09
Secured Term Loan Facility		
Amount Unused	-	-
Unsecured Term Loan Facility		
Amount Unused	-	900.00

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

42. B: Financial Instruments

(iv) Derivative financial instruments

(iv) a. Disclosure of effects of hedge accounting on financial position:

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 50% to 90% of the net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

As at March 31, 2021:

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		GBP					USD	GBP			
	No. of Outstanding Contracts	Amount (in lakh)	No. of Outstanding Contracts	Amount (in lakh)								
Cash Flow Hedge	26	145.43	1.00	1.00	10,845.52	April 2021 -August 2021	0.50:1	73.88	101.15			

As at March 31, 2020:

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	25	132.08	-	-	9,647.12	April 2020 -August 2020	0.58:1	73.04	-			

(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, 2021	5.84	-	120.47	Revenue
March 31, 2020	(120.47)	-	(30.11)	Revenue

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

(iv) c. The movement in hedging reserve during the year ended March 31, 2021 for derivatives designated as cash flow hedge (Refer Note 32) is as follows:

(₹ in lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(78.38)	19.58
Change in fair value of effective portion of cash flow hedge recognised during the year	5.84	(120.47)
Amount reclassified to the Statement of Profit & Loss during the period	120.47	(30.11)
Tax Impact on above	(44.14)	52.62
Balance at the end of the year	3.80	(78.38)

It is anticipated that sales will take place during the first seven months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to profit & loss account.

(iv) d. Sensitivity Analysis

The following table demonstrates the sensitivity in the foreign exchange rates (USD & Euro) to the Indian Rupees with all other variables held constant. The impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

The sensitivity analysis is computed by comparing average exchange rate for the period ended March 31, 2021 and March 31, 2020.

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 4% (previous year 4%)	270.62	(270.62)	58.55	(58.55)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 9% (previous year 4%)	13.76	(13.76)	7.85	(7.85)
GBP Sensitivity				
INR/GBP-Increase/(Decrease) by 7% (previous year 4%)	4.37	(4.37)	7.40	(7.40)

43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings including current maturities (Refer Note 14, 15 & 17)	92,243.43	1,16,013.21
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	221.17
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	10,715.62
Other payables other than current maturities (Refer Note 17)	7,955.77	8,167.18
Less: cash and cash equivalents (Refer Note 7)	293.68	198.62
Net debt	1,13,628.70	1,34,918.56
Equity (Refer Note 12 & 13)	79,182.59	73,734.64
Capital and Net debt	1,92,811.29	2,08,653.20
Gearing Ratio	59%	65%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note: For Notes 44 to 46, please refer Notes to the Standalone Financial Statement

47. Investment in Associates

Details of Associate Companies at the end of the reporting period:

Name of the Company	Relationship	Principal Activity	Accounting Method	Principal place of Business	Place of Incorporation	Proportion of Ownership Interest and Voting Rights held by the Investor Company	
						As at March 31, 2021	As at March 31, 2020
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.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

a) Summarised Balance Sheet

(₹ in lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current assets	1,890.29	1,856.49	13,612.12	14,352.62
Non-current assets	600.96	745.01	1,66,163.27	1,73,130.12
Current liabilities	971.85	901.99	8,879.64	8,213.41
Non-current liabilities	475.91	285.34	33,616.67	44,561.39
Net Assets (including non controlling interest)	1,043.49	1,414.17	1,37,279.08	1,34,707.94
Less: Non controlling Interest	-	-	64,462.51	63,114.61
Net Assets (Net off non controlling Interest)	1,043.49	1,414.17	72,816.57	71,593.33
Share of RSWM Limited	1,085.85	1,261.18	5,504.94	5,412.47

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.

c) (i) In NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), Environmental Clearance (EC) of Nyamjang Chhu HEP (6X130 MW) was challenged in National Green Tribunal (NGT) by NGO. NGT in their order dated 7th April, 2016 suspended the Environment Clearance granted to the project till the directions as given in the order are complied. NGT also directed MOEF&CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Neck Crane and for the conservation of the Black Neck Crane through the Wildlife Institute of India (WII). While the studies were in progress, Government of Arunachal Pradesh (GoAP) issued instant notice for termination on 22nd March, 2019 invoking its right to take over the project on "AS IS WHERE IS BASIS" and allotting the same to third party. NHPL filed petition challenging instant notice for termination under section 9 of Arbitration Act in District Courts of Itanagar for immediate relief to maintain the status quo which was granted vide their order dated 30th April, 2019 and the termination notice was also suspended. WII submitted its report to GoAP and the same was submitted to court on pursuance of the NHPL. In the report, WII has recommended no construction of Nyamnjag Chhu HEP at site. The project being not viable as per WII report, an application u/s 9 was filed seeking refund of upfront premium as per provisions of Ministry of Affairs (MoA). District Court vide their order dated 18th March, 2020 disposed of the petition and advised to invoke arbitration within 45 days. Due to Covid 19 pandemic lockdown the NHPL approached District Court for extension of the interim protection by another 90 days which was turned down by them. The NHPL filed an appeal with Guwahati High Court u/s 37 of the Arbitration Act challenging the earlier orders of District Courts. An appeal was admitted by The Hon'ble High Court but interim extension was not granted. Interim order of the Guwahati High court in this regard was challenged in Supreme Court by filing Special Leave Petition (SLP). Hon'ble Supreme Court vide its order dated 08th May, 2020 granted the relief for extension with notice to the other party. The Hon'ble Supreme Court disposed off the SLP vide its order dated 17th June, 2020 and granted to the company four weeks times to take appropriate steps in respect of commencing of Arbitral Proceedings and also extended the benefit of interim relief granted by District Court if steps are taken for commencing Arbitral Proceedings.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

Pursuant to the direction of the Hon'ble Supreme Court, the company sent legal notice for invocation of Arbitration on 10th July, 2020 through legal Counsel. GOAP vide letter dated 03rd August, 2020 replied to the company notice for invocation of arbitration, which was suitably replied on 10th August, 2020. The matter relating to refund of upfront Premium is still sub-judice with Guwahati High Court.

- (ii) NHPL has license to implement a hydroelectric power project in the state of Arunachal Pradesh. Presently all activities are being carried out in process of project implementation and all direct and indirect expenditure is related to the project and, hence, forms part of capital work in progress of NJC Hydro Power Limited. Preliminary expenses/ROC expenses are charged off to statement of profit & loss as period cost & other relevant details have been furnished in the Project & Pre-operative expenditure (pending allocation) in the Financial Statements of NHPL. Balance standing in this account at this of project commissioning will be allocated to the relevant assets.
- (d) On April 27, 2019 Malana Power Company Limited (MPCL), which is the subsidiary of BEL, has received provisional net demand of ₹ 8,069.25 lakh (indirect share of Company ₹ 311.12 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 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 and accordingly has filed an appeal before Appellate tribunal (APTEL), Electricity at New Delhi, which is pending adjudication with APTEL.
- (e) On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of ADHPL for three parties using the transmission line for transmitting the energy in which CERC stated the following: With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at ₹ 23,892 lakh (Indirect share of Company ₹ 810.64 lakh) as against the capital cost submitted by ADHPL of ₹ 41,661 lakh (Indirect share of Company ₹ 1,413.53 lakh) (on the date of COD)/ ₹ 45,284 lakh (Indirect share of Company ₹ 1,536.45 lakh) (with additional capitalization) and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-2012 to 2018-2019. ADHPL has estimated an amount aggregating to ₹ 9,668.08 lakh (Indirect share of Company ₹ 328.03 lakh) being additional amount invoiced over and above the amount which should have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period. The Management of ADHPL is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations ("regulations") for the period 2009-2014 and 2014-2019 and Electricity Act, 2003. With respect to matter stated above, ADHPL had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated October 17, 2019 stayed the CERC's order so far as raising adjustment of previously raised bills were concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. ADHPL has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income. Accordingly, trade receivables aggregating to ₹ 3,504.85 lakh (Indirect share of Company ₹ 118.92 lakh) are considered good and fully recoverable and in the opinion of the Management of ADHPL no provision is required towards amount already collected from the users of Dedicated Transmission Line till March 31, 2021 aggregating to ₹ 6,163.23 lakh (Indirect share of Company ₹ 209.11 lakh). Pending litigation and final decision on the appeal by APTEL, the Management of ADHPL based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on ADHPL. With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by ADHPL as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Dispatch Centre (NRLDC) to re-compute the same. However, the Management of

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

ADHPL is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial statements of ADHPL.

- (f) BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL) has recognized the revenue @ ₹ 3.14/kwh (previous PPA @ ₹ 3.69/kwh) based on the order issued by the RERC vide its third Amendment Regulation dated March 5, 2019. Since BGWPL has exported the power to Discom during the period and since its management believes that the PPA will be signed, it has recognized revenue from sale of power for ₹ 554.64 lakh (indirect share of the Company ₹ 41.93 lakh) and Generation Based Incentive (GBI) of ₹ 89.35 lakh (indirect share of the Company ₹ 6.75 lakh) @ 50 paise/kwh. In the meantime BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard. The outcome of the petition is awaited.

g) Summarized statement of Profit & Loss

(₹ in lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	473.54	1,658.80	29,076.85	36,255.61
Profit/(Loss) after Tax	(370.31)	44.87	1,279.60	2,932.24
Other comprehensive income for the year	(0.37)	0.78	44.37	(46.61)
Total comprehensive income for the year (Excluding Non Controlling Interest)	(370.68)	45.65	1,323.97	2,885.63

h) Reconciliation of Net Assets:

(₹ in lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening Net Assets	1,414.17	1,368.52	1,34,707.94	1,27,303.91
Less: Non Controlling Interest	-	-	63,114.61	58,596.15
Net Assets after Non Controlling Interest	1,414.17	1,368.52	71,593.33	68,707.76
Adjustment due to Ind AS	-	-	(106.63)	-
Depreciation Adjustment	-	-	5.90	-
Profit for the year (Excluding Non Controlling Interest)	(370.31)	44.87	1,279.60	2,932.24
Other Comprehensive Income (Excluding Non Controlling Interest)	(0.37)	0.78	44.37	(46.61)
Closing Net Assets (Excluding Non Controlling Interest)	1,043.49	1,414.17	72,816.57	71,593.39
Share of RSWM Limited	1,085.85	1,261.18	5,504.94	5,412.47

Notes to the Consolidated Financial Statement

For the year ended March 31, 2021

48. Additional Information as required under Schedule III of the Companies Act, 2013

Name of the Entities	(₹ in lakh)							
	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
Parent:								
RSWM Limited	91.68	72,591.80	103.77	2,161.39	99.91	3,369.42	101.38	5,530.81
Subsidiary/Associates (Investment as per Equity method):								
Indian								
Associate								
LNJ Skills & Rozgar Private Limited	1.37	1,085.85	(8.41)	(175.16)	(0.01)	(0.18)	(3.21)	(175.34)
Bhilwara Energy Limited	6.95	5,504.94	4.64	96.74	0.10	3.35	1.83	100.09
Total	100.00	79,182.59	100.00	2,082.97	100.00	3,372.59	100.00	5,455.56
(₹ in lakh)								
2019-20								
Name of the Entities	(₹ in lakh)							
	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
Parent:								
RSWM Limited	90.95	67,060.99	120.18	(1,612.50)	99.96	(9,981.77)	102.36	(11,594.27)
Subsidiary/Associates (Investment as per Equity method):								
Indian								
Associate								
LNJ Skills & Rozgar Private Limited	1.71	1,261.18	(1.58)	21.22	-	0.37	(0.19)	21.59
Bhilwara Energy Limited	7.34	5,412.47	(18.60)	249.60	0.04	(3.56)	(2.17)	246.04
Total	100.00	73,734.63	100.00	(1,341.67)	100.00	(9,984.96)	100.00	(11,326.63)

49. 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

N. K. Lodha
Partner
M. No. 085155

Place: New Delhi
Date: May 28, 2021

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Yogesh K. Gupta
Partner
M. No. 093214

Faridabad

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

M. No. FCS 2615

B M Sharma
Joint Managing Director
DIN 08195895

Surender Gupta
Company Secretary
M.No. FCS 2615

Corporate Information

L.N. Jhunjhunwala

Chairman - Emeritus

BOARD OF DIRECTORS

Riju Jhunjhunwala
Chairman & Managing Director,
Chief Executive Officer

Ravi Jhunjhunwala
Director

Shekhar Agarwal
Director

B M Sharma
Joint Managing Director

Arun Churiwal
Director

Dr. Kamal Gupta
Director

Amar Nath Choudhary
Director

Priya Shankar Dasgupta
Director

Deepak Jain
Director

Archana Kapoor
Director

KEY MANAGERIAL PERSONNEL

Riju Jhunjhunwala
Chairman & Managing Director,
Chief Executive Officer

B M Sharma
Joint Managing Director

Avinash Bhargava
Chief Financial Officer

Surender Gupta
Company Secretary

BUSINESS HEADS & KEY EXECUTIVES

Prakash Maheshwari
Chief Executive
(Corporate Affairs & TPP)

Ashwani Mittal
Dy Business Head
(Operations) – Melange Yarn

Arvind Gupta
President & Chief Marketing
Officer – Yarns

Suketu Shah
Chief Executive
(Denim & Fabric)

Sukesh Sharma
Dy Business Head
(Operations) – Yarn

Manoj Sharma
President & CHRO

AUDITORS

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

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
Canara Bank
Shinhan Bank

PLANT LOCATIONS

Kharigram, P. O.Gulabpura - 311 021
Dist. Bhilwara, Rajasthan
LNJ Nagar, Mordi,
Dist. Banswara - 327 001, Rajasthan
(Denim, Fabric & TPP)
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)

Note



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