

MORE. WIDER. BETTER.



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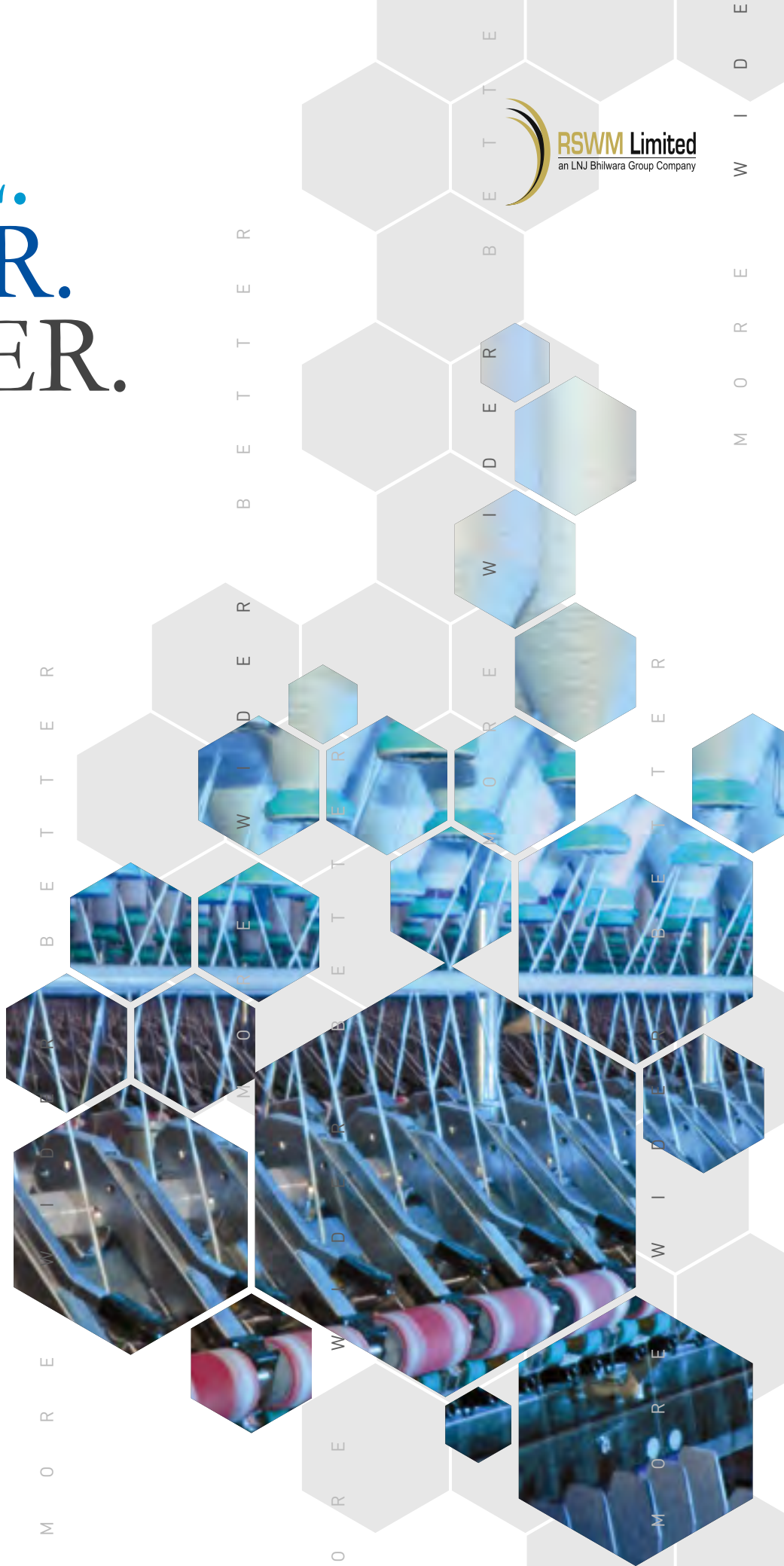
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RSWM LIMITED
ANNUAL REPORT 2013-14



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FORWARD LOOKING STATEMENT

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, may contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions.

We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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M O R E W I D E R B E T T E R

THE GLOBAL TEXTILE SECTOR IS CYCLICAL, COMPETITIVE AND LARGELY UNORGANISED.

FOR ORGANISED MANUFACTURERS LIKE RSWM LIMITED, IT WOULD HAVE BEEN EASY TO MAKE COMPROMISES TO ADDRESS THIS INDUSTRY REALITY.

ON THE CONTRARY, RSWM SELECTED TO INVEST IN PEOPLE, TECHNOLOGY AND INNOVATION.

WITH THE OBJECTIVE TO MAKE MORE, MAKE WIDER AND MAKE BETTER.

MAKING IT POSSIBLE TO RESIST THE FULL EXTENT OF INDUSTRY DOWNTRENDS ON THE ONE HAND AND REBOUND FASTER DURING SECTORAL REBOUNDS.

THIS STRATEGIC CLARITY WAS VALIDATED DURING 2013-14 WHEN RSWM LIMITED REPORTED PROFITABLE GROWTH - 16.72% INCREASE IN REVENUE (GROSS SALES) TO ₹2,884.32 CRORE AND A 45.57% GROWTH IN PROFIT AFTER TAX TO ₹98.80 CRORE.

M O R E W I D E R B E T T E R

M O R E W I D E R B E T T E R

M O R E W I D E R B E T T E R

CAPITAL INVESTMENTS

MOST COMPANIES SELECT TO MAKE CAPITAL INVESTMENTS ONLY DURING PROFITABLE YEARS.

AT RSWM, WE HAVE INSTITUTIONALISED THESE INVESTMENTS ACROSS MARKET CYCLES.



M O R E W I D E R B E T T E R

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D E E R B E T T E R

OUR CONSISTENT INVESTMENT STRATEGY WAS MOST EMPHASISED DURING WEAK MARKET CYCLES, MAKING IT POSSIBLE TO CAPITALISE ON ATTRACTIVE EQUIPMENT BARGAINS AND SHORTER DELIVERY SCHEDULES, STRENGTHENING OUR COMPETITIVE ADVANTAGE.

Investments

This is what we have to show for our counter-cyclical investment commitment:

- We invested ₹1,187 crore in capacity creation and modernisation between 2007-08 and 2013-14, a period generally considered the most challenging in memory. The quantum of investment accounted for 63% of our gross block, emphasising that we spent some of the most difficult sectoral years in strengthening our competitive advantage.
- In our yarn division, we grew our capacity from 1,50,428 spindles in 2003-04 to 3,43,856 spindles and 3,120 rotors in 2013-14, an average 19,343 spindles and 312 rotors added every year over the decade; nearly 44% of this spindleage was less than ten years old by the close of 2013-14.
- We commissioned our modern SJ-11 unit during a challenging 2012-13, housing 51,840 units (15% of our total spinning capacity), which went fully on stream during the year under review.
- In our fabric business, we increased weaving capacity from 69 looms in 2003-04 to 104 looms in 2013-14. All looms were fully automated and 34% of the looms were less than ten years old at the close of 2013-14. We are presently engaged in adding 50 best-in-class looms to enhance capacity by 48% during 2014-15.
- In our denim division, we added 14232 spindles and 960 rotors in the five years leading to 2013-14, resulting in enhanced output and efficiency.

2010-11	119.89
2011-12	315.61
2012-13	88.85
2013-14	82.91

Addition to gross block (₹ crore)

> 25

Proportion of RSWM spindles less than five years old (%)

Results

These are the results of our contrarian strategy:

- We reinforced our scale to emerge among the largest Indian producers of synthetic yarn with an estimated market share (organised) of 7.5% and reinforced our position as India's largest producer of value-added melange yarn.
- We strengthened our competitiveness; our average per spindle capital cost was an attractive ₹28,707 (gross) against the industry average of ₹30,000.

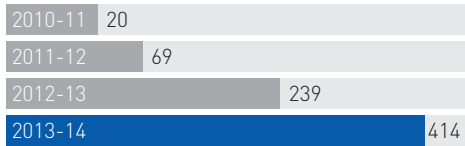
PIONEERING

MOST COMPANIES SELECT TO MANUFACTURE COMMODITY PRODUCTS THAT CAN BE MANUFACTURED EASIEST AND MARKETED THE FASTEST.

AT RSWM, WE HAVE FOCUSED SINGULARLY ON THE MANUFACTURE OF SOPHISTICATED TEXTILE PRODUCTS.

13.55

EBIDTA margin in 2013-14 (%)



Investments in R&D (₹ lakh)





OUR KNOWLEDGE ENHANCING APPROACH MAKES IT POSSIBLE FOR US TO INCREASE MARGINS THROUGH AN EXERCISE OF FACTORS UNDER OUR DIRECT CONTROL, MODERATING A DEPENDENCE ON EXTERNAL MARKET PLACE REALITIES.

Initiatives

- We were among the first Indian textile companies to implement Total Quality Management starting 1997.
- Our facilities and processes were progressively aligned with international operational standards; our facilities were certified in line with ISO9001:2000, ISO 14001, Oeko-Tex, Control Union Certification and SA-8000:2001 (BSI Management Systems) and Fair Trade (FLO-CERT), resulting in enhanced operational control, consistency and efficiency.
- Our Quality Assurance team ensured that all consignments leaving the Company matched customer requirements.
- We invested in a 46-MW captive power plant, providing uninterrupted power leading to higher output.
- We invested more than ₹7.40 crore in strengthening Quality Assurance capabilities over the four years leading to 2013-14.

7.4

Investment in quality assurance
(₹ in crore)

Results

- Our yarn factories operated at a 98% capacity utilisation, higher than the industry average.
- Our operational dependability translated into enduring relationships; we were approved as a yarn supplier for IKEA's global operations; we partnered Decathlon, a respected European brand, as its exclusive melange yarn supplier; our denim division's Quality Assurance cell was accredited by Levi's, among the few units in India with this recognition.

COMPETITIVE

IN MOST COMPANIES, THE OBJECTIVE IS TO PASS ON COST INCREASES TO CUSTOMERS.

AT RSWM, WE HAVE REVERSED THIS MINDSET, CONVINCED AS WE ARE THAT ANY SAVING WILL ONLY STRENGTHEN OUR COMPETITIVENESS.

D E E R B E T T E R



W I D E R B E T T E R

M O R E W I D E R B E T T E R

M O R E

D E E R B E T T E R



OUR COST-REDUCTION APPROACH MAKES IT POSSIBLE TO REDUCE COSTS AND REMAIN COMPETITIVE, EITHER THROUGH AN INCREASE IN MARKET SHARE OR AN INCREASE IN PROFITS.

Initiatives

- RSWM created a Cotton Cell to monitor, source and manage cotton purchases with the objective to buy large quantities at the lowest delivered costs.
- RSWM invested aggressively in automation solutions - ₹81 crore in the five years leading to 2013-14 – with the objective to enhance people productivity.
- RSWM leveraged the power trading route to optimise energy costs; the Company's ISO:50001 audit (melange unit) benchmarked energy consumption parameters with global standards for onward replication across units.
- RSWM invested in environment management solutions which moderated the use of consumables (dyes and colours) and enhanced recycling.
- RSWM negotiated lower average borrowing costs, which declined 24 bps over 2012-13; the Company reduced its working capital cycle by 15 days of turnover equivalent across three years, reducing its reliance on expensive working capital funds.
- RSWM invested in a green-fibre plant to generate recycled polyester and optimise costs.

Results

- Yarn division productivity jumped from 10.5 tonnes per person in 2009-10 to 11.5 tonnes in 2013-14.
- Energy consumption declined by 4.38% per tonne of yarn produced between 2009-10 and 2013-14
- Net profit grew from ₹36.03 crore in 2009-10 to ₹98.80 crore in 2013-14; interest cover stood at a comfortable 3.19 in 2013-14

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RSWM IS MORE THAN JUST A YARN MANUFACTURER.

THE COMPANY IS ONE OF THE MOST ATTRACTIVE INDIAN TEXTILE PROXIES.

RESPECTED FOR ITS ABILITY TO MANUFACTURE A LARGE YARN RANGE, INTRODUCE PIONEERING VARIETIES, CUSTOMISE PRODUCTS, ABSORB TECHNOLOGIES, ENGAGE IN PARTNERSHIPS AND BENEFIT CUSTOMERS.

EMERGING AS A ONE-STOP SHOP.

RSWM Limited, the flagship company of the US\$1 billion LNJ Bhilwara Group (business interests in textiles, graphite electrodes and power generation), is among the most attractive proxies of the synthetic yarn industry in India.

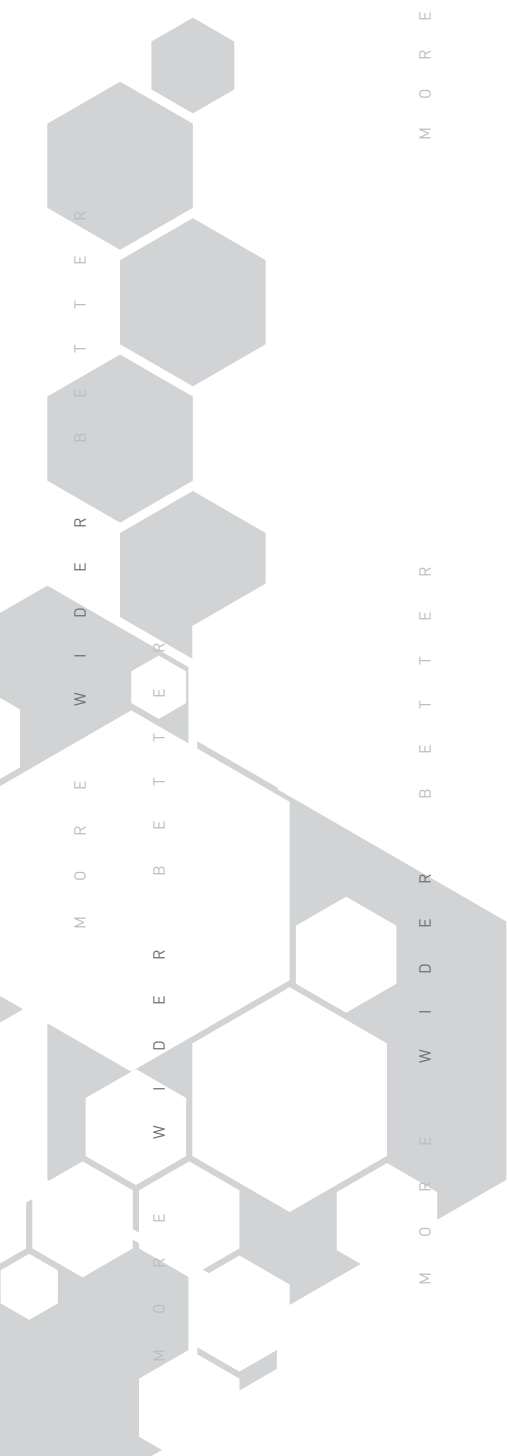
- The Company's operations are spread across eight state-of-the-art manufacturing facilities in Rajasthan.
- The Company offers one of the widest product ranges across fibre blends, counts and shades.
- The Company, efficiently managed from its corporate office in Noida (NCR), India, enjoys a presence that is pan-India and across 78 countries.

Vision

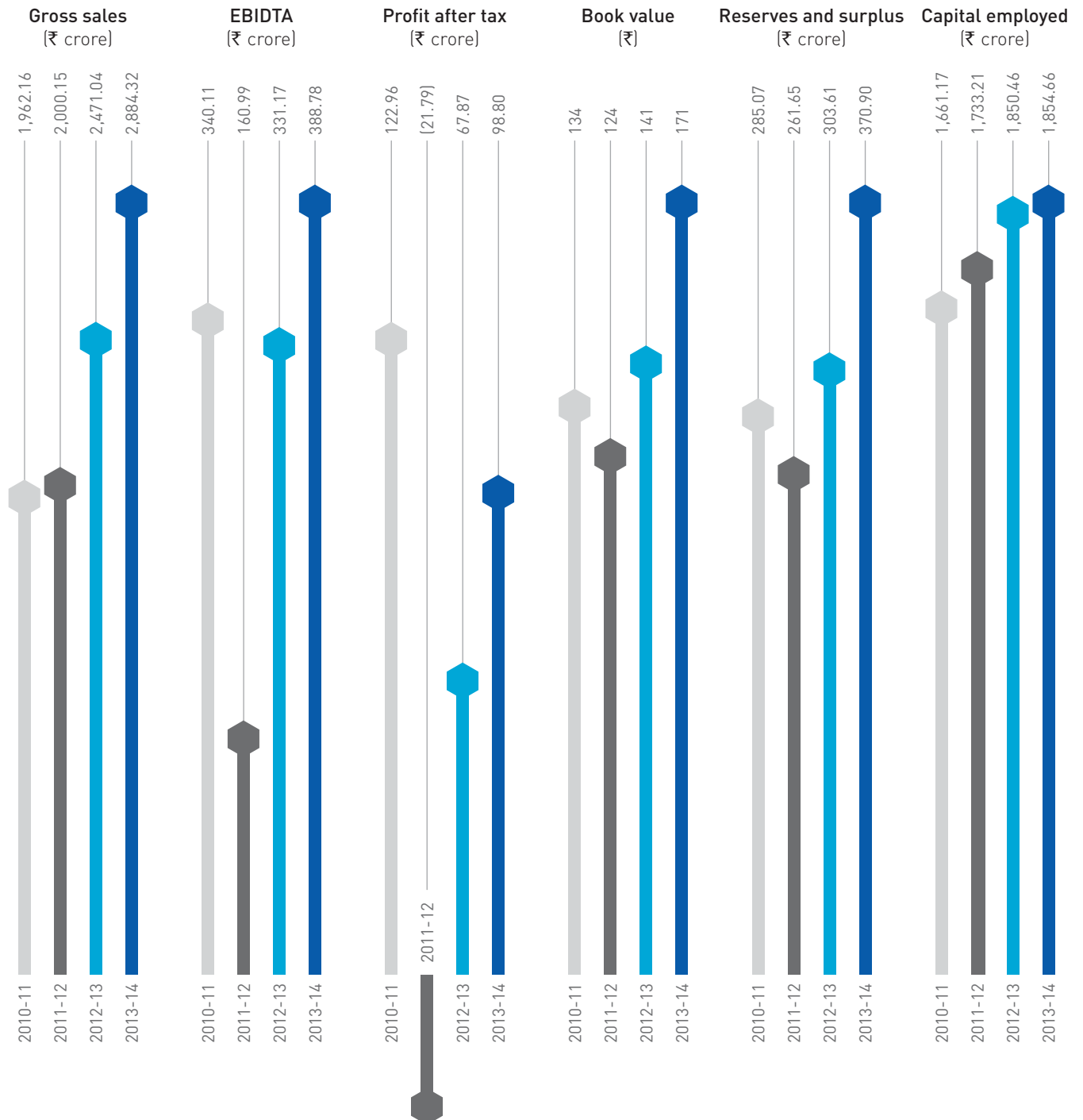
With unique insight into consumer behaviour, we strive to offer the best. Following distinct business strategies, the Company will continue its tradition of manufacturing the finest products.

Mission

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



MORE. WIDER. BETTER. THESE ARE THE RESULTS.



10 MINUTES WITH THE CHAIRMAN



M O R E W I D E R B E T T E R

M O R E W I D E R B E T T E R

M O R E W I D E R B E T T E R

M O R E W I D E R B E T T E R

“We strengthened our fundamentals to report an all-round performance.”

CHAIRMAN RAVI JHUNJHUNWALA
ON RSWM LIMITED'S PROSPECTS

M O R E

M O

Dear shareholders,

It gives me pleasure to report 2013-14 as our best performance in five years, a number of challenges notwithstanding.

The performance was underscored by all-round growth – topline grew by 16.72%, while EBIDTA and net profit accelerated faster at 17.40% and 45.57% respectively. We improved business profitability (ROCE jumped to 14.99%) and strengthened liquidity (net cash from operations increased by 40.55%).

Clearly, the achievement of the year was profitable growth, indicating that our Company did not grow revenues at the expense of margins. On the contrary, the year's performance represented a validation of our enduring business model woven around efficiency, range, quality and austerity.

What makes our performance special is that during the last four years (FY10-FY13), the national production of man-made fibres and filaments reported a marginal contraction of around 2%, spun yarn production recorded average growth at 5.50%, while fabric production increased at an average of 1.40%, emphasising the point that we did not just report growth during the reported period, but outperformed our sector in a significant way.

The result is that we strengthened our Balance Sheet to make profitability a sustainable reality. We moderated our debt and improved our gearing from 2.17 to 1.53; we invested ₹83 crore in assets, seeking to enhance product quality. This meant that when realisations declined (as they could in a cyclical business) we were able to more than make up with increased output.

Industry outlook

The outlook for the textiles industry appears optimistic for some interesting reasons.

There is an increasing steadiness related to cotton availability and price stability, strengthening the fortunes of the textile industry. Global cotton stock levels touched an all-time high of ~80% of the annual consumption (estimated closing stock as on July 2013 was ~109.6 million bales), which is estimated to increase to 120.8 million bales by July 2014 and equivalent to ~86% of the estimated global cotton consumption for the international cotton year ending July 2014. As a result, global cotton prices are expected to remain range-bound. Correspondingly, the Indian cotton scenario is expected to be favourable; cotton sowing area in CY14 matched CY 13 levels, good monsoons strengthened productivity (kg/hectare) and the country braced for a record

We moderated our debt and improved our gearing from 2.17 to 1.53; we invested ₹83 crore in assets, seeking to enhance product quality.





The result is that credible estimates foresee the Indian textile industry to grow from US\$89 billion presently to US\$220 billion by 2020.



cotton output. As a result, we foresee that raw material availability will be abundant, making it possible for downstream users to plan for financial predictability.

Concurrently, we see market opportunities coming on track. Europe is expected to report a positive GDP growth in CY 2014 and US GDP growth is expected to expand from 1.3% in CY 2013 to 2.2% in CY 2014. Besides, the easing of geo-political issues in the Middle East and strong economic progress in Latin America will catalyse opportunities. This increased demand will provide a significant impetus to textile exports from India.

The demand for textiles from within India is also expected to increase for the following reasons:

- A dynamic government is expected to drive national growth, which in turn could increase earnings, disposable incomes and consumption
- India adds about 14 million individuals annually to its work force, which is expected to sustain incremental textile demand
- Increased availability of aspiration-inducing fabrics and garments in Tier-II and Tier-III towns is driving demand

Government support

The Indian government intends to enhance the competitiveness of the Indian textile industry through a number of initiatives.

- TUFs for the textile sector was extended to the 12th Five Year Plan with an investment target of US\$2.9 billion
- The Government intended to set up a US\$15.79 million venture capital fund to provide equity support to textile sector start-ups
- The Government permitted 100% FDI in the sector through the automatic route and planned to spend US\$9.1 billion on textiles (against US\$4 billion in the 11th Plan)
- Various state governments announced investment-inducing policies to enhance India's global competitive advantage

The result is that credible estimates foresee the Indian textile industry to grow from US\$89 billion presently to US\$220 billion by 2020.

Man-made yarn prospects

The spinning industry is largely built around cotton fibre. The overall dependence of Indian yarn manufacturers stood at ~72% towards cotton against a global average of ~33%. Besides, India's per capita polyester fibre consumption was 2.45 kg against a global average of 5.85 kg. However, India's share of man-made fibre consumption could trend towards the global average for some good reasons: China emerged as one of the most important destinations of Indian cotton yarn as imports into

that country continued to be duty-free vis-à-vis a peak raw cotton import duty of 40%. On the other hand, reduced R-TUFS incentives for the country's spinning sector could stagger new capacities and investments.

RSWM's initiatives

RSWM reinforced its competitive advantage through various initiatives.

One, the Company is investing ₹40 crore in 50 looms to increase fabric production from 9 lac metres per month to 16 lac metres per month. This initiative will not just expand capacity but widen capability, making it possible for the Company to enter the 100% cotton and polyester-cotton fabric ranges starting 2014-15.

Two, the Company is investing ₹184 crore in expanding its mélange yarn

capacity to enhance value-addition.

Three, the Company is investing ₹75 crore in a green fibre facility, which will replace about 25% of the polyester fibre being procured, reducing costs.

I am optimistic that these initiatives will graduate the Company towards Lakshya 2016, manifested in a topline of ₹4,500 crore.

Message to shareholders

While the industry outlook appears optimistic, RSWM expects to leverage its scale, scope, technology and innovation to strengthen the volume-value play that enhances returns for shareholders.

Warm regards,
Ravi Jhunjunwala

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Investment in
mélange yarn (₹ in crore)

India's competitiveness

Comparison of key inputs across countries

	China	Pakistan	Cambodia	India	Bangladesh
Fabric cost per kg including transportation cost (Rank)	2	1	4	3	5
Labour cost (US\$ / hour)	0.9	0.5	0.47	0.6	0.3
Factory cost of garment per unit (US \$)	2.23	2.11	2.20	2.18	2.18
Landed cost of garment per unit at EU (US \$)	2.63	2.50	2.62	2.60	2.30

Source: US AID Report and Care Research

WHAT RSWM ACHIEVED IN FY 2013-14

₹ **2,884** crore
Topline

₹ **389** crore
EBIDTA

₹ **99** crore
Profit after tax

₹ **339** crore
Net cash flow from
operations

13.55 %
EBIDTA margin

3.44 %
Net margin

25 %
Return on net worth

15 %
Return on capital
employed

₹ **395** crore
Net worth

₹ **947** crore
Net block

₹ **132** crore
Net current assets

₹ **1,855** crore
Capital employed

HIGHLIGHTS OF OUR FY 2013-14 PERFORMANCE

Financial highlights

- Topline grew by 16.72% over 2012-13
- EBIDTA increased by 17.40% over 2012-13
- Profit after tax bettered by 45.57% over 2012-13
- EBIDTA margin improved to 13.55% in 2013-14 against 13.50% in 2012-13
- Net Profit margin improved to 3.44% in 2013-14 against 2.77% in 2012-13
- Return on Net worth improved to 24.99% in 2013-14 against 20.66% in 2012-13

₹ 606 crore Long-term debt	1.53 Debt-equity ratio
3.19x Interest cover	94 days Working capital cycle
₹ 83 crore Investment in Gross block	₹ 3 crore Investment in branding
₹ 7 crore Investment in training	₹ 4 crore Investment in R&D



Marketing highlights

- Launched four fabric ranges with a soft touch finish
- Launched jacquard, over-dyed and coated denim fabric ranges; launched denim-based nappy fabrics for the first time
- Received approval for supplying yarn to IKEA; forged an alliance with Decathlon for the exclusive supply of melange yarn
- Established a presence in the furnishing space; marketed yarn to marquee brands

- Increased focus on marketing yarn for use in technical textiles

Operational highlights

- Yarn production grew by 7.53% to 1,24,428 tonnes in 2013-14 against 1,15,720 tonnes in 2012-13;
- Fabric production grew by 21.06% to 33,702 metres in 2013-14 against 27,838 metres in 2012-13
- Power generation grew by 28.51% to 2,808.67 Lac units in 2013-14 against 2,185.65 Lac units in 2012-13.

M O R E W I D E R B E T T E R

“OUR FOCUS ON VALUE-ADDITION WILL SUSTAIN GROWTH AND PROFITABILITY.”

Arun Churiwal, Managing Director, discusses the year under review



Q. Were you pleased with the performance of the Company in 2013-14?

A. The year under review was favourable as RSWM reported healthy growth. Topline grew by 16.72% over the previous year while EBIDTA and net profit increased by 17.40% and by 45.57% respectively. What is important to communicate is that profitability strengthened; our EBIDTA and net margins jumped 5 bps and 67 bps respectively over 2012-13.

Q. What reasons can be ascribed to this outperformance?

A. We created a prudent volume-value play, which enabled us to outperform sectoral growth. The three elements that helped sustain our growth comprised volume, value and continuous improvement.

Although no fresh capacity came on stream, volumes increased across both our business segments – yarn and fabric. In our yarn business, our dealer expansion of 2012-13 yielded rich dividends in 2013-14, the new dealers providing an approximate sales addition of 500 tonnes per month. In the fabrics segment, we

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generated sizeable volumes from the institutional segment.

Q. Where did the value come from?

A. RSWM is a value player in the textile sector, a fact reflected in our product basket comprising the largest variety of specialised products. SJ-11, our most sophisticated yarn manufacturing facility, was operational for only a part of 2012-13 as a result of which volumes of Ultima brand yarn more than doubled in 2013-14 and fetched a 2 - 3% premium over competing products. The production of melange yarn, the most value-added yarn in our product basket, increased by 10%; the proportion of value-added yarns increased to 30% of the total output (increased production) against 20% in 2012-13.

Q. What were key cost optimisation initiatives that were implemented?

A. I would refer to the initiatives as part of a continuous improvement strategy. This round-the-clock agenda was spearheaded by our spirited and energetic team. The highlight was the successful ISO 50001 (energy management) audit of our melange unit, graduating us into a list of select Indian units with this prized certification.

Q. What other key 2013-14 initiatives are expected to have a lasting impact?

A. Our focus on value-addition facilitated the introduction of specialised products across every business segment sustaining growth and profitability. We introduced niche products in 2013-14 which opened out new opportunities. For instance, we created specialised yarns for the furnishing and home décor segments that were well-received by prominent brands; our specialised yarn was approved by IKEA which should generate healthy volumes. Our fabric business entered the cotton segment comprising pure and blended product ranges expected to generate sizeable volumes. Our denim segment covered the jacquard, coated fabric and over-dyed fabric ranges, creating niche first-time products.

Q. What is your take on the textile sector?

A. The textile market will continue to grow. Consider this: India's population is expected to grow to 1.3 billion by 2020. Besides, as per capita income of the average Indian increases, textiles demand will increase. With the institution of a dynamic government, the policy logjam is expected to clear leading to robust industrial and services growth. The international

demand is expected to remain robust due to following reasons: Europe is expected to report positive GDP growth in 2014; Latin America is now an important consumer; Africa has emerged as a sunrise market and the Far East has returned as an important consumer.

Q. How does the Company expect to capitalise?

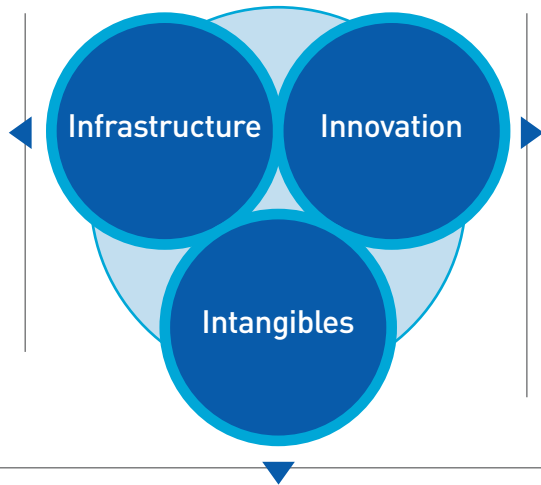
A. We are already implementing a capital investment of about ₹300 crore across the various areas: a 50 TPD green fibre project to create a sustained polyester fibre supply line; 50 sophisticated looms to enhance production from 7.5 lac metres to 14 lac metres per month starting in the second half of 2014-15; addition of 25,920 spindles to double our melange yarn production. Going ahead, the commissioning of these capacities will enhance revenues, margins and profits, strengthening virtuous cycle.



OUR COMPETITIVE EDGE

With about 4.39 lac spindles, RSWM is among the top-10 Indian yarn manufacturers with capacities across locations.

RSWM's USP lies in its ability to customise fibres for yarns, dyed in any shade and across varying quantities, making it a preferred business partner.



RSWM provides a variety of yarns (cotton, polyester and viscose) comprising specialty, functional, technical and eco-friendly varieties.

RSWM is credited with the introduction of unique textile products.

RSWM possesses a five decade-rich experience in the textile segment, having survived industry troughs and crests.

RSWM's presence across 78 countries de-risks it from an overdependence on any single market.

RSWM is equipped to mobilise adequate funds at a reasonable cost for capital-intensive initiatives.

OUR CREDIBLE RESULTS

13%

Revenue growth
(3-year CAGR leading to 2013-14)

4%

EBIDTA growth
(3-year CAGR leading to 2013-14)

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic progression

Global gross domestic product grew by 3% in 2013 against 3.1% in 2012 primarily due to the continuing economic volatility in the first half of the year. However trade picked up in the second half of 2013 and demand in advanced economies swelled primarily due to inventory re-stocking. In emerging market economies, an export rebound was the main driver behind this improved showing.

Outlook: IMF forecasts showed emerging markets still accounting for much of global growth, with their economies forecast to expand nearly four times as fast this year as advanced economies. As far as advanced economies are concerned, the US is expected to emerge as the key growth driver in the current year. The eurozone is turning the corner after recovering from recession and is expected to post positive economic growth in 2014.

Estimates: Global growth is projected to be slightly higher at around 3.7% in 2014, rising to 3.9% in 2015. [Source: IMF]

India's economic performance

India's economic growth in 2013-14 has been estimated at 4.7%, marginally higher than in the previous year, mainly on the back of an improved performance in the agriculture and allied sectors as per the advanced estimates released by the Central Statistics Office (CSO).

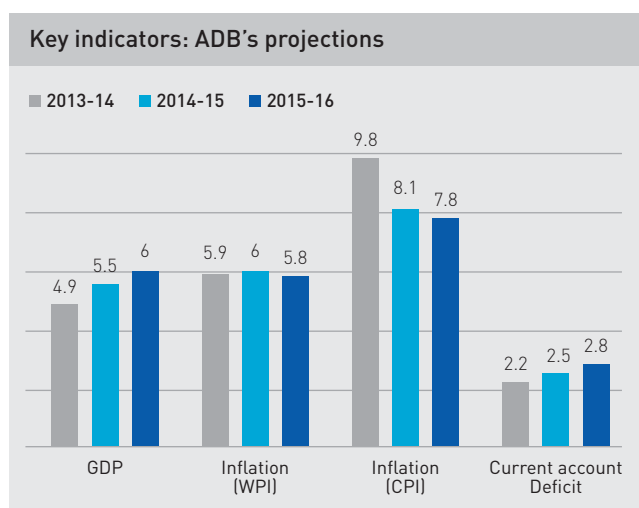
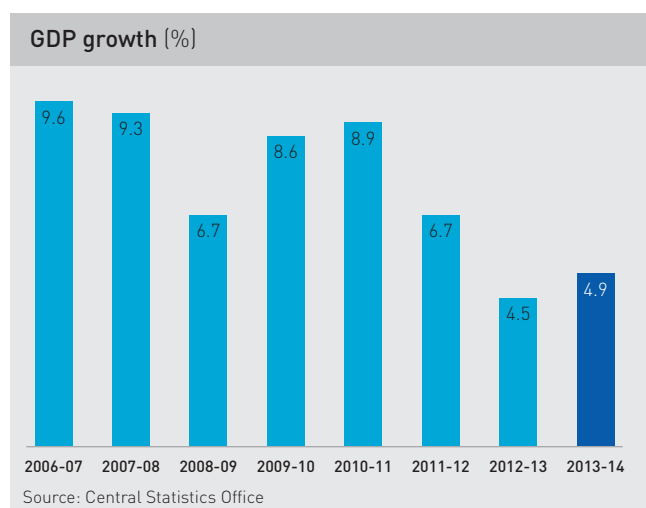
For 2013-14, the CSO projected a growth rate of 4.6% in agriculture and allied sectors, up from 1.4% a year earlier. Manufacturing, however, is expected to have contracted by 0.2% compared with a growth of 1.1% in the previous year.

Per capita income at current prices during 2013-14 is estimated at ₹74,920 compared with ₹67,839 during 2012-13, a rise of 10.4%. More importantly,

the current account deficit declined to US\$35 billion in 2013-14 against US\$88 billion in 2012-13, largely due to a steep decline in gold imports and a simultaneous increase in exports.

Gross Fixed Capital Formation (GFCF), an indicator of investment, is forecast at ₹32.2 lac crore at current prices against ₹30.7 lac crore in 2012-13. In terms of GDP at market prices, the rates of GFCF during 2013-14 are estimated at 28.5% against 30.4% in 2012-13.

Estimates: According to NCAER, India's economic growth is likely to accelerate by 5.6% in 2014-15 from the projected growth of less than 5% in the fiscal ending in March 2014. The Asian Development Bank has projected India's GDP growth at 5.5% for 2014-15, depending on its ability to implement structural reforms.



W E L C O M E T O R S W M
 W I D E R B E T T E R
 M O R E

TEXTILE INDUSTRY



India's textile industry plays a significant role in the economic development of the country in terms of net foreign exchange earnings and employment generation. The industry contributes around 4% to India's GDP, around 11% to the country's export earnings and nearly 14% to industrial production, besides providing direct employment to over 45 million people. The industry is self-reliant across the value chain, right from the availability of raw materials to the manufacture of garments. On the global front, the industry is the world's second largest producer of textiles and accounts for around 4.5% share of the total global exports.

India has the highest loom capacity

(including handlooms), accounting for 63% of the global market share. Furthermore, the industry accounts for around 24% of the world's spindle capacity and 8% of the global rotor capacity. Despite its global positioning, the Indian textile industry comprises mostly small-scale, non-integrated spinning, weaving, finishing and apparel producing enterprises, making it a fragmented sector.

Cotton textiles continue to form the predominant base of the Indian textile industry, though other fibres have also gained preference in recent years. The advent of man-made fibres (MMF) has inspired a shift in consumer preferences from cotton textiles and brought about significant

changes in the Indian textile industry as domestically-produced MMF textiles are finding a global presence.

India is the second largest polyester filament/fibre, viscose filament yarn and cotton producer. It is also the third largest producer of VSF and stands ninth in acrylic staple fibre production globally. In terms of consumption, India was the second largest PFY, PSF, VSF, VFY and cotton consumer. The polyester fibre outlook remains positive and demand is estimated to increase 6-7% from 2013 to 2016.

Supportive regulatory environment

Since an all-round development of the textile industry has a direct bearing on the development of the Indian

economy, it has enjoyed significant thrust from the Government (Central and State) through favourable policies.

Central Government-driven policies

- The Technology Upgradation Fund Scheme (TUFS) has, till FY13, driven investments worth US\$ 100 billion
- The 12th Five Year Plan envisages investments worth US\$ 28 billion in the textile sector through various initiatives
- TUFS focus has now been extended from the spinning and composite segments to similar investments in weaving and knitting
- The Integrated Processing Development Scheme (IPDS) has made available investments worth US\$ 79 million which would make textile-processing units more environment-friendly and globally competitive
- As per the 12th Five Year Plan, ₹7 billion has been allocated for the development of technical textiles

State Government-driven policies

The Rajasthan Government announced that a new textile policy would be adopted under the 'Special Customised Package 2013' for the development of the textile industry, attracting investments worth ₹10,000 crore and for creating 50,000 jobs in the next seven years.

A wholesome package includes capital investment subsidy, interest subsidy over and above TUFs, reimbursement of VAT on yarn, partial exemption of

electricity duty, mandi fee, stamp duty, land conversion charges and entry tax. The package also includes additional benefits for the promotion of technical textiles.

What lies ahead?

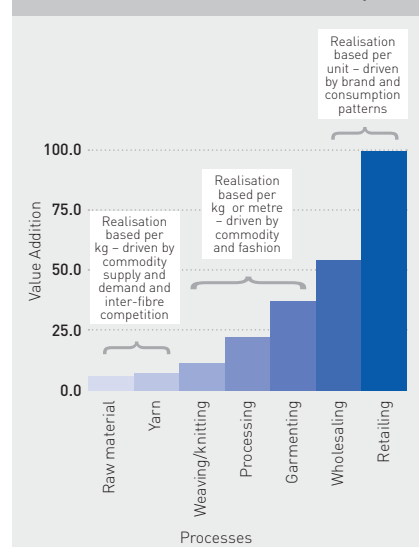
The Indian textile and apparel industry is at an inflection point – growth from this point onwards is expected to be exponential.

The Indian textile and apparel sector is expected to reach a market size of US\$ 220 billion by 2020 with an annual growth rate of 11%. Meanwhile, in a recent report released by the Federation of Indian Chamber of Commerce and Industry (FICCI), India's textile exports are expected to rise from US\$ 21 billion annually in 2012 to US\$ 145.6 billion by 2023.

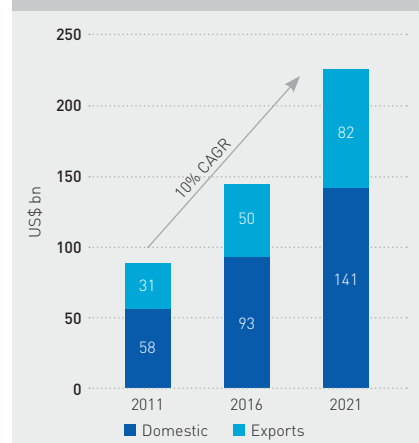
India has the capacity to improve its textile and apparel share in the world trade from 4.5% to 8%. The country is poised to strengthen its global foothold, with polyester production share expected to rise to 10% of global volumes from the current 8%.

Technical textiles are a frontrunner. The segment has been growing at a CAGR of 15% over the past few years on the back of growing demand for specialised fabrics from various sectors of the economy, particularly healthcare and infrastructure. Owing to strong growth drivers, the government has projected a 20% y-o-y growth to US\$ 36 billion by 2016-17 in the 12th Five Year Plan.

Textile value chain for share of retail price



India TAC industry set to grow



BUSINESS OPERATIONS

RSWM manufactures yarns, fabrics and denims across eight locations in Rajasthan. Periodic investments in cutting-edge technology and skills enabled RSWM's manufacture of quality products in line with international standards. Approximately, 32% of the Company's products are exported to over 75 countries across Europe and the Middle East as well as South Africa, Australia, Korea, Belgium, Singapore, Italy and Egypt.

A YARN BUSINESS



4,35,000 SPINDLES
Installed capacity

1,25,000 TPA
Yarn capacity

78 COUNTRIES
Global presence

₹ 2,025 CRORE
Revenues (2013-14)

70.5%
Contribution to business topline

15.4%
Growth over previous year

Talking points, 2013-14

- Revenue increased by about 15% over 2012-13 even as production and sales volumes rose by 6.5% and 9.7% respectively

- Production and sales volumes of branded yarn 'Ultima' scaled by 40%
- Revenue from exports grew by 18%, driven by an increase in volumes

Snapshot

Having commenced business at Bhilwara in Rajasthan in 1961, the Company is credited with being among the frontrunners in laying the foundation of a flourishing textile sector in the state and, in turn, encouraging lateral growth.

RSWM features among the top 5 manufacturers of polyester viscose-blended yarn with a pan-India presence managed by its 10 regional marketing offices. Over 25% of the yarn output is marketed to brand-enhancing Indian textile players, namely Raymond Group, Siyaram Silk Mills Limited, Welspun Group, Alok Industries and Arvind, among others. The Company enjoys a global footprint extending across 78 nations.

Infrastructure

RSWM operates almost 4.35 lac spindles and produces 125,000 MT of yarn annually from its five locations in Rajasthan. Its Kharigram unit is India's textile infrastructure showpiece, housing the most sophisticated spinning equipment and automation solutions.

More than 15% of the Company's product line is environment-friendly, which attracts global brands from the US, the EU and Latin America as regular customers.

Manufacturing facilities

	Banswara	Kharigram	Rishabhdev	Ringas	Mandpam
Spindles	95,136	1,67,376	52,848	27,840	47,472
Rotors	3,120				1,680
Products	100%-cotton, cotton-blended and synthetic-blended and raw white yarn	Synthetic-blended, cotton-blended fibre-dyed yarn and also raw white yarn.	Synthetic-blended raw white yarn.	Synthetic-blended, fibre-dyed yarn.	Cotton melange yarns
Count	5s to 60s in single and multiple ply	5s to 60s in single and multiple ply	5s to 60s in single and multiple ply	5s to 60s in single and multiple ply	10s to 60s
Niche products	Acrylic cotton yarn, core spun yarn, bamboo yarn, carpet yarn, open-end PC-blended yarn, tencel yarn, linen-blended yarn, technical yarn, injection slub yarns.	Ultima yarn, dyed bamboo yarn, dyed PC yarn, core spun yarn, yarn out of green fibre, wool-blended yarn, linen-blended yarn, elitwist yarn, injection yarns.	100% viscose yarn, sewing thread yarn, flame-retarded yarn, elitwist yarn, linen-blended yarns.	Dyed synthetic melange yarn, yarn out of green fibre.	Fashion products for hosiery and weaving.



Customer offerings

The Company possesses one of the widest yarn ranges of fibre blends, counts and shades; these are classified into three categories - grey, dyed and mélange yarn.

YARN BASKET

Greige yarn: A low value-added segment in the yarn value chain is the largest in terms of volume and is crucial to the product portfolio offered to customers.

Dyed yarn: Yarns made from multiple fibre varieties in line with customer specifications; the customisation provides improved contribution. RSWM's strength lies in its expertise in working with multiple fibres including specialised variants.

Melange yarn: These are premium yarns made from cotton and its blends, used in knitwear and hosiery manufacture. RSWM is among India's largest manufacturers of mélangé yarn with 44,016 spindles.



Processed fibres include polyester, viscose, acrylic, cotton, wool, rayon, nylon, silk, polyamide and linen. Moreover, the Company produces a range of specialty products made out of unorthodox fibres such as soya protein, milk protein, bamboo, bamboo-charcoal and branded fibres such as Tencel®, Greenplus®, Protex®, X-static®, Beltron®, Huvis FR Polyester®, Trevira C S®, Coolmax®, Coolplus®, Birla Modal®, Excel®, Viloft®, Cupro®, Lycra®, Clima®, Seacel®, Dupont's Sorona®, Teijin Conex®, Tworon® and Ingeo (PLA)®.

What kept us busy in 2013-14

1. Making our business more competitive

- De-bottlenecked capacities at Kharigram, Rishabhdev and Ringas facilities which improved productivity and plant output
- Sourced power economically through power trading; met the renewable power obligation with the 20MW windmill power unit coming on stream

2. Making our business more compelling

- Established the 'Ultima' brand in the domestic market, which generated an encouraging response – sales volumes scaled from about 5,000 tonnes in 2012-13 to about 12,000 tonnes in 2013-14
- Focused on exploring the market for polyester-cotton open-end yarn – average volumes quadrupled for this product
- Developed 35 new product blends for discerning customers and were well-received in the market

3. Making our business more connected

- Focused attention on deepening penetration in India – new depots generated about 500 tonnes/month sales offsetting the demand slack in traditional markets
- Received product approval from IKEA for supplies in India and across the globe – an unprecedented business opportunity
- Cemented business relations with large and respected brands in India – BodyCare and Raymond Group – by customising products to suit their requirements

- Strengthened our presence in the furnishing business – increased business with leading brands in this space – improved realisations and strengthened business margins
- Increased focus on coarse spun yarn for technical textiles – garnered additional business volumes from respected Indian brands in that space
- Strengthened presence in Middle East nations, re-entered nations where business had stopped

The strategic roadmap

The Company is implementing a backward integration project. It is investing ₹75 crore in a green-fibre project, which will provide polyester fibre that was earlier outsourced. Upon commissioning in 2015, this project promises to improve the quality of input while making the business more competitive. On the marketing front, the Company will focus on strengthening its presence in the global markets – de-risking the business from an over-exposure in any single geography.

RSWM is one of the largest producers and exporters of polyester viscose-blended yarn in the country.

MELANGE YARN – MAXIMUM VALUE-ADDED



Talking points, 2013-14

- Production and sales volumes of melange yarn scaled 9.3% and 10.23% respectively
- Revenues increased by 32.45% from ₹268 crore in 2012-13 to ₹355 crore in 2013-14

Snapshot

This comprises among the highest value-added yarns in the Company’s product basket. Produced at the Company’s Mandpam plant, these yarns are made from cotton and blends used in the manufacture of knitwear

and hosiery. These products generate a 50% premium over grey yarns but are quantitatively small when compared with the other segments. A majority of the output is marketed to domestic users.

What kept us busy in 2013-14

1. Making our business more competitive

- Focused on the production and marketing of high-value yarns; the value added component in the sales mix increased from about 25% in 2012-13 to about 30% in 2013-14 and average realisation grew by 24% over 2012-13

- Reduced labour losses by increasing the team strength
- Improved plant efficiency by about 100 bps over the previous year through a focus on preventive maintenance and small group initiatives
- Invested in state-of-the-art automation – carding and combing operations were automated improving product quality and releasing labour for other business operations
- Optimised the inventory of high-value items – reduced working capital requirement
- Installed an energy transformer



49,152 SPINDLES
Installed capacity

35 TONNES/DAY
Yarn capacity

395 CUSTOMERS
India and global

₹ 355 CRORE
Revenues (2013-14)

for optimising energy consumption; successfully completed the ISO: 50001 audit

- Engaged a reputed consultant for identifying gaps and improvement in the areas of energy and fuel conservation – the benefits are expected to be manifested over 18-24 months

2. Making our business more compelling

- Developed new products namely nappy yarn, multi-slab and special blends
- Developed a number of colours

and shades to address customer requirements

3. Making our business more connected

- Forged an alliance with Decathlon, a reputed European chain store with a presence in North India; the Company will be the exclusive supplier of mélange yarns to this customer
- Strengthened our presence in the traditional Tirupur market, generating sizeable business volumes
- Worked towards establishing a meaningful presence in the weaving and the sweater business segments

The strategic roadmap

The Company is adding 25,920 spindles at an investment of ₹184 crore, which will increase the production of value-added products to the level of 50 MT per day. The additional capacity is expected to be commissioned by March, 2015; the team will focus on creating a market for this additional volume. Moreover, the focus on product development is expected to widen the product basket and enhance profitability.

B FABRIC



Talking points, 2013-14

- Revenue increased by 11% from ₹178 crore in 2012-13 to ₹196 crore.
- Received strong institutional business for uniforms from some states.

Snapshot

RSWM manufactures a range of blended suiting fabrics marketed under the 'Mayur' brand through its robust network comprising more than 2,000 retailers pan-India. About 30% of its production is exported to quality-conscious customers across 26 nations.

Infrastructure

RSWM has a vertically-integrated state-of-the-art plant at Mordi (Rajasthan) housing sophisticated equipment sourced from the best equipment suppliers. The Company has an ISO 9001:2000 accreditation and zero-discharge status.

Customer offering

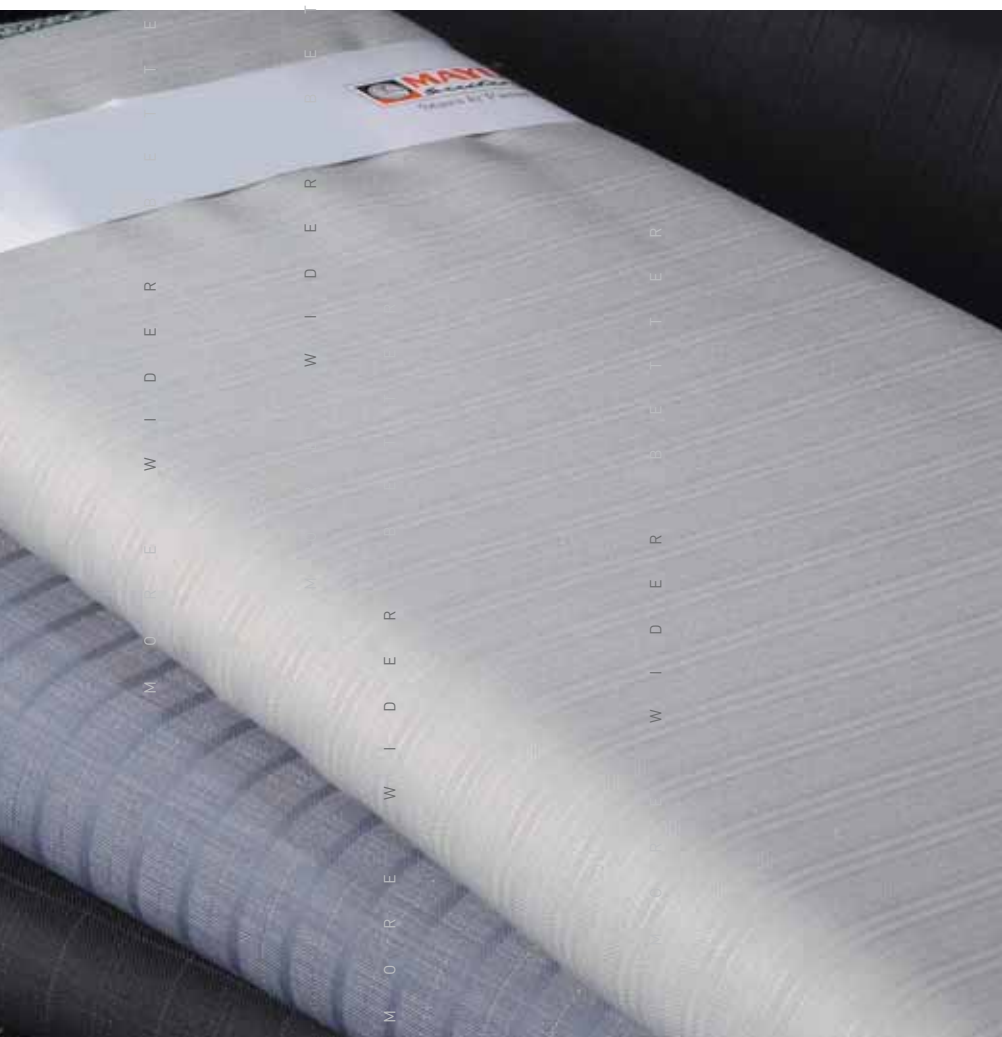
The Company manufactures fabrics for formal and semi-formal wear, covering unique blends of polyester and viscose in different yarn counts, shades and finishes. The Company's USP lies in its ability to develop value-added products

customised around emerging market trends.

What kept us busy in 2013-14

1. Making our business more competitive

- Implemented a number of initiatives mediated towards power saving – reduced manual operations of the humidification tower, upgraded existing looms with power-efficient alternatives; replaced conventional lighting with LED fixtures at the operating units
- Successfully implemented a steam



9 MN MTRS PER ANNUM
Fabric manufacturing capacity

24 MN MTRS PER ANNUM
Fabric processing capacity

230 CUSTOMERS
India and global

₹ 196 CRORE
Revenues (2013-14)

6.56 %
Contribution to business topline

11 %
Growth over previous year

audit across the operating unit; gaps were identified and corrective measures implemented, optimising steam consumption

2. Making our business more compelling

- Added four product ranges, including the soft-feels and unique finishes, which were well-received

3. Making our business more connected

- Increased the active dealer network for a better penetration in Tier-II cities and rural markets

- Undertook a number of branding initiatives at the ground level to strengthen the 'Mayur' recall
- Organised dealers conference in Indian and international destinations for building a closer bond
- Added customers in Cambodia, Vietnam, Indonesia, Thailand and Latin American nations, strengthening export volumes

The strategic roadmap

The Company is adding 50 high-speed automated looms sourced from a globally-reputed textile machinery

brand with multi-yarn weaving capabilities for an investment of ₹40 crore which is expected to increase fabric production to about 14 lac metres per month from the existing 9 lac metres per month. This expansion will mark the Company's foray into cotton and polyester-cotton ranges. In addition to marketing these new ranges to international clients, the Company is creating a strong domestic client base.

C DENIM

18 MN MTRS PER ANNUM
Fabric manufacturing capacity

17.4 MN MTRS PER ANNUM
Fabric processing capacity

150 CUSTOMERS
India and global

₹ 352 CRORE
Revenues (2013-14)

12.25 %
Contribution to business topline

13.20 %
Growth over previous year



Talking points, 2013-14

- Revenue from the business increased by 13.20% from ₹310.69 crore in 2012-13 to ₹351.70 crore in 2013-14 thanks to improved realisations which neutralised a stagnant sales volume
- Focus on value-addition and introduction of a host of new products facilitated a growth in realisations

Snapshot

Although a relatively small segment, RSWM’s denim business enjoys rich credentials in terms of value-addition and customising fabrics around diverse applications. The state-of-the-art manufacturing facilities house sophisticated equipment sourced from leading global brands and enjoy global certifications like Global Organic Textile Standards (GOTS), Global Recycle Standards, SA 8000, Organic Exchange (OE blended and/or OE 100), OEKO-TEX 100 and REACH.

Infrastructure

The Company’s vertically-integrated, state-of-the art denim manufacturing plant at Mordi comprises a yarn spinning facility (for superior product quality higher degree of reliability and better client servicing) and an in-house garmenting department for developing denim apparel samples for the benefit of customers.

Customer offering

Over the years, the Company has created a massive product basket of 3,000+ denim variants. The product



range comprises denim out of denim (recycled denim), work wear like anti-bacterial hydrophobic, hydrophilic, anti-odour and fire-retardant, poly spectrum in 65 shades, organic cotton fabric, power stretch, plasma denim, rich blended denims of cotton with linen, cotton with Kashmir wool, cotton with hemp, cotton with viscose, 100% tencel, among others.

What kept us busy in 2013-14

1. Making our business more competitive

- Increased recycling across

consumables (water, cotton waste, caustic soda, dyes), optimising the cost of production

- Increased the storage capacity of colour solutions, facilitating a reuse across batches
- Streamlined production planning to minimise time-loss due to batch cleaning, thereby ensuring better equipment utilisation
- Undertook a number of initiatives to plug the gaps, leading to wastage mitigation

2. Making our business more compelling

- Created new collections comprising jacquard fabrics, coated fabrics and over-dyed fabrics
- Incorporated formal weaves in denim (herringbone, structured, combination of different colours and weaves for instance) providing a unique look and feel to what has been otherwise considered as a casual fabric
- Created new fabric variants though novel yarn blends using bamboo fibre, indigo-dyed yarn, mélange and peach, among others
- Developed nappy fabrics – a first time initiative from RSWM
- Developed jacquard and dobby designs for bottom and shirts with wide range of designs and variations

3. Making our business more connected

- Established a presence in some important European markets, namely Portugal, Italy and Spain
- Strengthened presence in all Latin American countries (except Brazil)
- Cemented relationships with large Indian brands, which increased share of those customers' wallets

The strategic roadmap

The excess capacity scenario prevailing in the Indian and global markets makes capacity expansion unviable. The team will continue to focus on innovative product development, strengthening its recall among discerning buyers'.

Driver of excellence

QUALITY MANAGEMENT

In the textile industry, quality is the ultimate index of product acceptability. Failure to maintain an adequate quality standard can, render all of RSWM's efforts unsuccessful. Therefore, at RSWM, we maintain an adequate standard of quality and make every effort to reduce excess costs. From investigating to find out what the potential customer for a new product really wanted, through reining procedural improvements in terms of performance, reliability, durability, visual and perceived quality of the garment, it was imperative that we defined quality in terms of a cost framework.

As a means to this end, RSWM invested in cutting-edge automation by globally-reputed textile machinery makers. We also improved our technical product understanding keeping in mind parameters as fabric geometry and the inter-relationship of yarn count, loop length, pick count, relaxation and fabric properties. As a result, we were able to deliver products at par with the best in the industry.

Result: RSWM's facilities were recognised with ISO 9001:2000 and ISO 14001 certifications. Other certifications include Oeko-Tex, Control Union Certification, and SA-8000:2001 certification from

BSI Management Systems and Fair Trade certification by FLO-CERT.

The Company continued to standardise processes at our facilities in terms of the established OHSAS norms. The Kharigram, Rishabhdev and Ringas units worked towards achieving the IMS certification (ISO 9001, ISO 140001 and OHSAS).

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

Driver of excellence

INFORMATION TECHNOLOGY

RSWM extensively leveraged IT tools in its operations to achieve greater productivity and efficiency. The Company invested in a specialised Enterprise Resource Planning (ERP) solution for textile companies and customised modules to cater to needs emanating from functional areas like finance and human resources. The ERP solution worked

efficiently across manufacturing locations. The Company's well-equipped IT team reassessed and standardised the security architecture; its invested prudently towards fortifying the same. In 2013-14, the IT team conducted training drills for freshers about software mechanisms (RAMCO/TIM/BPCS). As far as the existing

roster of employees was concerned, the Company conducted regular sessions to sharpen their skills to guarantee improved work and time management.

RSWM was well-protected thanks to its efficient data-recovery platform for ERP, e-mail system and seamless connection between all its plants/locations.

Driver of excellence

HUMAN RESOURCES

RSWM encouraged a continuous learning environment, promoting meritocracy. The employees underwent functional and behavioural training, resulting in improved productivity; other initiatives comprised regularising the recruitment process as well as initiating a fair and unbiased performance appraisal system with an in-built feedback generating system. The Company's human capital comprised 15,902 skilled and dedicated workers.

Recruitment: In 2013-14, the Company recruited about 500 women workers to oversee shopfloor processes to counter growing absenteeism. A female supervisor was appointed to keep an eye on all relevant issues; a nurse was recruited to handle issues related to health and general well-being of employees. The results were satisfactory; the Kharigram unit's labour related production losses declined.

Knowledge enhancement: The Company invested in replenishing its intellectual resources. The HR departments across the respective manufacturing facilities organised knowledge improvement programmes, resulting in talent improvement that helped augment inter-employee rapport, communication and solidarity. The Company undertook a programme to raise awareness about the core

purpose and values of the Company, ISO 9001:2008 and EMS 14001:2004 compliances, kaizen or continuous improvement, skill development programmes for jobbers, awareness programmes on market complaints, presentations on the 5S culture, total safety and support system, quality life programmes and online training on topics like IT, helpdesk complaint system and intranet.

Performance management: The Company adopted the Balanced Scorecard framework, which measures performance on the basis of multiple metrics - financial, customer, internal processes and learning growth. This system became RSWM's lifeline. The identification of high performers, coupled with employee empowerment initiatives, helped create the next generation of leaders.

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

- Celebrated national and religious festivals
- Sent 80 trainees for a day-long picnic

- Organised a picnic to Ajmer/ Jaipur for all staff members and families, tours for the staff and families to Dwarka, Somnath Temple, Akshardham temple, Gir Forest National Park and other places of interest in Gujarat
- Organised a sports day and a seven-day games extravaganza for workers
- Observed Women's Day at Mayur Nagar, Lodha
- Organised a volleyball tournament

Safety awareness: The Company created a safety department and laid down policies, procedures and processes to be implemented. The team organised number of seminars for increasing safety awareness where training was imparted by an outstation team. Safety exhibitions and mock drills were organised at regular intervals as well.

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

FINANCIAL PERFORMANCE



Superior strategy and execution delivered inspiring results

- Operation margin stood at 13.48% in 2013-14 against 13.50% in 2012-13
- Fixed Asset cover ratio stood at 1.56 in 2013-14 against 1.37 in 2012-13
- Return on Capital Employed stood at 24.99% in 2013-14 against 20.66% in 2012-13

RSWM reported a superior performance for the second successive year, which combined business growth, increased profitability and a stronger Balance Sheet despite a subdued business environment.

Net sales grew by 16.99% from ₹2453.29 crore in 2012-13 to ₹2870.05 crore in 2013-14. This growth was due to a superior performance across all business divisions; a majority of the growth was value-led, which also enhanced business profitability. A depreciated rupee made an important contribution to revenues.

Value-addition combined with disciplined shop-floor and other

business operations shored the PBDIT – by 17.40% from ₹331.17 crore in 2012-13 to ₹388.78 crore in 2013-14. More importantly, operating margin moved up 5 bps despite the challenging business conditions.

As the interest liability and provision for depreciation remained at the previous year's levels, while Profit after Tax grew by 45.57% from ₹67.87 crore in 2012-13 to ₹98.80 crore in 2013-14.

While growing business and profitability was among the top priorities of the Company, the management also focused on strengthening its Balance Sheet. While reserves increased by 22.16% from

₹303.61 crore as on March 31, 2013 to ₹370.90 crore as on March 31, 2014, overall debt (long-term and work capital loans) declined by 9.67% from ₹1179.28 crore as on March 31, 2013 to ₹1065.27 crore as on March 31, 2014 – showcasing the prudent deployment of business liquidity into de-leveraging the financial statements. As a result, the debt-equity ratio declined from 2.17x as on March 31, 2013 to 1.53x as on March 31, 2014. The book value per share increased from ₹141.16 as on March 31, 2013 to ₹170.22 as on March 31, 2014.

MANAGING BUSINESS UNCERTAINTIES

Every corporate is under threat from unforeseen contingencies, which can hamper prospects. At RSWM, we understand the impact of industry uncertainties and their possible outcomes. We leverage this deep knowledge to undertake proactive counter-measures that strengthen our viability across verticals, products, geographies and market cycles.



Industry risk

The business space that the Company is involved in – polyester and blended yarns – may not grow adequately. This could impact the Company's ability to grow shareholder value.

Risk mitigation

India, the second most populous nation globally, is a huge consuming centre for fabrics. And the demand is expected to grow consistently for the following reasons:

- India's population is expected to grow to 1.3 billion by 2020 from 1.2 billion in 2011
- Every year, 14 million people are expected to be added to India's workforce. This increase, along with the shift in tastes and preferences, is expected to fuel the apparel industry demand.
- The organised retail segment is

expected to grow from about US\$ 500 billion in 2012 to about US\$ 850 billion by 2015 – apparels being the second largest segment in organised retail

The growth opportunities get more pronounced when it comes to polyester yarns. Consider this: For polyester fibre, India's per capita consumption for 2012 was 2.45 kg as against a global value of 5.85 kg – a small move towards the global average will create sizeable additional demand for the fibre.

Besides, global markets provide significant growth opportunities due to India's cost-effectiveness and the Company's wide product basket in polyester and blended yarns.



Only those who dare to fail greatly can ever achieve greatly.

- Robert F. Kennedy



Investment risk

The Company may not be able to capitalise on growing business opportunities, hindering sustained business growth over the future.

Risk management

To capitalise on the growing opportunity of the Indian textile industry, the Company is implementing three capital investment projects

- It is increasing its fabric and mélange yarn manufacturing capacity

- It is investing in a green-fibre capacity for manufacturing polyester fibre which is expected to strengthen business profitability

These investments will get the Company closer to its Lakhshya 2016 target and make the business more profitable.

Funding risk

Inability to garner adequate low-cost funds to finance the planned investments could derail the Company's plans.

Risk management

The Company is confident of funding its planned investments. This optimism is based on the following realities:

- The Company is respected for no-default record with banks and financial institutions over its history.
- More than 90% of the Company's

long-term debt is sourced under the TUFs scheme which is easily serviceable due to its low-cost. The non-TUFs debt: equity ratio stood at a low 0.18x (March 31, 2014).

- The Company has arranged for 100% of its fund requirement for Capex for the next two years.

Supply chain risk

The Company may not be able to source adequate low-cost raw materials, thereby denting business margins.

Risk mitigation

The key raw materials for the Company comprise cotton fibre and polyester fibre (made from petrochemical derivatives like Purified Terephthalic Acid and Mono-Ethylene Glycol).

Cotton fibre: India is expected to register record production of cotton fibre in CY 2014. As per data from the Ministry of Agriculture, Government of India, the cotton sowing area for CY14 in most of the cotton producing states has reached ~99% of area under cotton sowing during CY13. This, coupled with timely and good monsoons, is expected to result in higher cotton production.

PTA and MEG: Prices fluctuated in 2013-14 in line with the volatility in crude prices. However, an increasing reliance on shale gas in the US (the largest crude oil consumer globally) and the persisting economic slowdown in key global nations is expected to rationalise crude prices, which should optimise the prices of PTA and MEG and hence polyester fibre. Besides, Reliance's 2.3 MMTPA PTA unit is expected to commence operation in 2014-15, augmenting the availability of polyester fibre.

Cost risk

Inability to curtail cost hikes due to inflationary pressures could impact operating margins in the short-term and competitiveness in the long-term.

Risk management

The Company has implemented a number of initiatives to optimise operations and reduce wastage.

- Implemented continuous improvement projects initiated by teams comprising shopfloor members, minimising wastages and improving productivity
- Invested in modernisation and equipment upgradation projects, which improved machine productivity

- Optimised power and steam consumption across all operating units on the basis of counsel provided by external consultants who were brought in for identifying gaps and suggesting improvements

- Implemented continuous improvement measures over the years with a significant impact – EBIDTA margin improved from 12.60% in 2009-10 to 13.55% in 2013-14.

Marketing risk

The Company may not be able to market the additional volumes coming out from the additional planned capacity.

Risk management

The Company has prudently paced its capacity expansions in a phased manner which allows it the opportunity to create customers for the additional volumes thereby de-risking the organisation against an inventory piling. Besides, the Company has a strong presence in India, built over more than five decade-long presence and a wide global footprint spanning across more than 70 nations. These factors will facilitate the seamless liquidation of additional manufactured volumes. Moreover, the Company strengthened its marketing efforts in 2013-14 through the following initiatives:

- In the yarn segment, the Company focused on the addition of new dealers in 2012-13; it increased business tie-ups with leading brands in the international and domestic market; it re-established its presence in traditional markets where it had lost ground due to the prevailing external business environment

- In the fabrics segment, the Company increased its active dealer base for a deeper penetration in the domestic market; it introduced superior product ranges, which is expected to increase consumer pull

Liquidity risk

Paucity of organisational liquidity could jeopardise day-to-day business operations.

Risk management

The Company's liquidity is reflected in a positive cash flow position and a declining reliance on external funds for its working capital management. Cost and productivity efficiency initiatives and streamlining of the working capital cycle

have been the key factors for enhancing organisational liquidity – reflected in an important reality – the Company drew only 55% of its sanctioned working capital limit, keeping a sufficient reserve to seamlessly tide over spikes in fund requirement.

Currency fluctuation risk

The appreciating rupee could impact business profitability.

Risk management

Currency strengthening is a necessary evil for the Indian economy that strengthens industrial output. In the short term, there could be an impact on export-dependent companies. RSWM's total international exposure stands

at about 30% of its revenue; topline could be impacted following rupee strengthening. On the flip side, the raw material cost would also decline (being linked to global prices) albeit with a lag. Hence, business profitability may not be impacted across the medium-term.

DIRECTORS' REPORT

Dear members

The Directors present the Annual Report together with the audited Balance Sheet and the Statement of Profit and Loss of RSWM Limited for the year ended 31st March, 2014.

Company's Performance

Your Company's performance during the year 2013-2014 is summarised below:

Financial Results

	(₹ in Crore)	
	2013-14	2012-13
Turnover		
Export	922.56	720.19
Domestic	1961.76	1750.85
Total	2884.32	2471.04
Profit before Interest & Depreciation	388.78	331.17
Less: Interest	(121.76)	(121.29)
Profit before Depreciation	267.02	209.88
Less: Depreciation	(110.69)	(108.45)
Profit/(Loss) before Tax	156.33	101.43
Less: Current Tax	(34.07)	(20.26)
Deferred Tax Liability	(23.46)	(13.30)
Profit/(Loss) after Tax	98.80	67.87
Add: Opening Balance	110.17	76.19
Profit available for appropriation	208.97	144.06

Dividend and Other Appropriations

From the amount available for appropriation, ₹9.88 crore is proposed to be transferred to General Reserve.

Your Directors are pleased to recommend a dividend @ 125% i.e. ₹12.50 per Equity Share of ₹10/- each for the year ended the 31st March, 2014. This will absorb an amount of ₹33.85 crore (inclusive of distribution tax). A proposal for confirmation of the dividend for the year ended 31st March, 2014 will be placed before the shareholders at the ensuing Annual General Meeting.

The balance amount of ₹165.24 crore has been carried over to next year.

Operational Performance

Your Directors are pleased to inform the members that during the year under review, your Company continued to march ahead and reported a record performance on the strength of its strong presence in the domestic and export markets. Your Company continued to work on new initiatives and continuous improvements in the product-mix, penetration in marketing strategy, economic cost of production. The Company also reaped the advantages of continuous expansions undertaken in the past few years. The Company also gained from the partial recovery in the US and the Euro Zone economics.

The Company registered increase of 16.72% in its gross turnover from ₹2,471.04 crore in 2012-13 to ₹2884.32 crore in 2013-14. The Export turnover also registered increase at ₹922.56 crore in 2013-14 as against ₹720.19 crore in 2012-13 whereas Domestic turnover increased to ₹1961.76 crore in 2013-14 from ₹1750.85 crore in the previous year. The analytical reviews of the Company's performance and its businesses, including initiatives in the areas of human resources and information technology, have been presented in the section on Management Discussion and Analysis of the Annual Report.

Working results of last three financial years 2011-12 to 2013-14 are given in Annexure – 1 and form part of this report.

Expansion and Modernisation

Your Directors in their previous report had mentioned about the completion of the expansion programme comprising of 51840 spindles at the Kharigram Unit and setting up spinning facility at Denim Unit at a capital outlay of ₹355 crore. Your Directors are glad to inform the members that during the year under review the Company reaped the full benefits of above expansion and the growth in the turnover and profitability of the Company had been partially on account of the above

expansion. Your Directors also inform the members that the Company also completed the up-gradation programme of Effluent Treatment Plant (ETP) at the Kharigram, Ringas, Denim and TPP Plants and Sewerage Treatment Plant (STP) as per schedule. Your Directors are pleased to inform the members that encouraged by the performance of the Company due to above, your Directors chalked out a further expansion programme involving a capital outlay of ₹343.50 crore comprising of setting up of 25000 spindles for Melange Yarn at Mandpam Unit, setting up of 50MT capacity Green Polyester Fibre Project at Ringas and installation of 50 looms at Mordi, Banswara Unit. Your Directors are pleased to inform the members that the implementation of the above expansion programme 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.

Your Directors believe that the above stated expansion programme will lead to the Company in the direction to achieve the targets laid down in pursuant of the 'Lakshya 2016' programme with a targeted turnover of ₹4500 crore and involving a capex of ₹1500 crore in stages to be achieved by 2016.

Subsidiary Company and Joint Venture

Your Directors in their previous report had mentioned about the implementation of CDR scheme by Cheslind Textiles Limited (CTL), subsidiary of your Company which had resulted in improvement of performance of CTL. Your Directors now inform the members that the Board of Directors of your Company, during the year under review, approved the amalgamation of CTL into your Company to achieve the benefits of combined operations and reduce the operating costs which upon implementation, subject to requisite approvals, will further boost the profitability of the Company.

Your Directors further approved at their meeting held on 9th April, 2014, a Scheme of Amalgamation (SOA) subject to the approval of members, creditors and other regulatory authorities as may be required in that regard. The SOA has also been approved by the Board of Directors of CTL and shall be subject to approval by its shareholders and creditors and shall be subject to regulatory clearance as may be required.

Your Directors also gladly inform the members that, during the year under review, your Company continuously received wind power supply from LNJ Power Ventures Ltd. which was set up as a Joint Venture Company to supply power to the Company under a Power Purchase Agreement for 20 years at fixed rate. This has also enabled the Company for meeting its Renewable Power obligations as per Rajasthan Electricity Regulatory Commission's guidelines.

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

Contribution to the Exchequer

Your Company has contributed an amount of ₹113.83 crore in terms of taxes and duties to the Exchequer.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is considered to be the core area of business as the growth of the Company derives from both the Management decisions and CSR activities. For your Company, its a continuous process wherein the focus is being given on creating new opportunities, providing education, helping the people in various ways and make them self-reliant etc. Driven by its belief, Your Company apart from removing the difficulties believes in eradicating the root cause of the problems. In the area of education, the Company focus on providing the delivery of quality education. The Key highlights of the CSR activities undertaken by the Company are given separately.

Directors' Responsibility Statement

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

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- appropriate Accounting Policies have been selected and applied consistently and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on 31st March, 2014 and of the Profit and Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

Energy Conservation, Technology Absorption And Foreign Exchange Earnings and Outgo

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

Directors

Your Directors inform the members that Shri L.N. Jhunjunwala, Chairman-Emeritus and the founder of the Group expressed his desire vide his letter dated 21st April, 2014 to relinquish the office of Director, so to devote his time to philanthropic activities where he has been deeply involved for a long time. Your Directors respecting his desire accepted the request to resign from the Board but urged upon him in all earnestness to continue as the Chairman –Emeritus, which he has very kindly accepted. Your Directors honour and taken pride in the contribution of Shri L.N. Jhunjunwala since the inception of the Company and his unparallel efforts over last five decades to bring the Company to its present position.

Shri Shekhar Agarwal, Director retire by rotation and being eligible offer himself for reappointment.

Your Directors further inform the members that in accordance with the provisions of the Companies Act, 2013, and clause 49 of the listing agreement as per SEBI Circular dated 17th April, 2014, the Company is required to appoint the Independent Directors on the Board to hold office for the term of five consecutive years on the Board of the Company and such independent directors shall not be liable to retire by rotation.

Dr. Kamal Gupta, Shri D.N. Davar, Shri Amar Nath Choudhary and Shri Sushil Jhunjunwala have been serving the Board for more than five years. Therefore, it is proposed to appoint all of them as Independent Directors for one more term of five consecutive years commencing from ensuing Annual General Meeting.

Shri P.S. Dasgupta was appointed as Independent Director in Annual General Meeting held in 2013. Therefore, it is proposed to appoint him as Independent Director for first term of four consecutive years commencing from ensuing Annual General Meeting.

Internal Control Systems

Your Company is having adequate internal control systems to ensure that all the assets are properly safeguarded, that the information provided to the management is reliable, all the obligations of the Company are properly adhered to.

The upgradation of ERP is made at regular interval to ensure the reliability of financial and other information. The audit plan is submitted to the Audit Committee for review and concurrence and the result of internal audit are reported to the Audit Committee on quarterly basis. The Audit Committee then addresses the significant issue raised by the auditors. As the portfolio of the Company is getting diversified, your Company believes in strengthening the internal control system to continuously monitor the business of the Company.

Particulars of employees

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

Auditors

The Company's Auditors M/s. S. Bhargava Associates and M/s. A. L. Chechani & Co., retire at the conclusion of the ensuing Annual General Meeting. M/s. A. L. Chechani & Co., has expressed the desire not to continue as Statutory Auditor of the Company after the ensuing Annual General Meeting. Therefore, the Board of Directors recommends to appoint M/s. S. Bhargava Associates along with M/s S S Kothari Mehta & Co. as the Joint Auditors in the ensuing Annual General Meeting.

M/s A. L. Chechani & Co. has rendered the service in exemplary ways over the decades as Joint auditors and maintained high standard and quality in their work. The Board places on record its appreciation for the services rendered by them as joint Statutory Auditors of the Company.

Corporate Governance

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

Acknowledgements

Your Directors 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 for 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

Ravi Jhunjunwala

Chairman

Place: Noida

Date: 22nd April, 2014

DIN - 00060972

Annexure – I to Directors' Report

WORKING RESULTS

Particulars			2013-14	2012-13	2011-12
I	PRODUCTION				
	YARN				
A	Own	In Tonnes	124,428	115,720	94,827
B	Job Spinning from outside (Domestic)	In Tonnes	-	-	-
	TOTAL		124,428	115,720	94,827
	FABRIC & DENIM				
	Own	(In ,000 meters)	33,702	27,517	24,296
	Job Weaving from outside	(In ,000 meters)		321	316
	TOTAL		33,702	27,838	24,612
II	TURNOVER	₹ In lac			
	YARN				
A	DOMESTIC				
	Grey Yarn		103,839	90,373	67,666
	Dyed Yarn		59,763	53,984	34,627
	Job Spinning		926	757	557
			164,528	145,114	102,850
B	EXPORT				
	Grey Yarn		53,270	41,893	45,877
	Dyed Yarn		29,132	22,187	19,008
			82,402	64,080	64,885
	Inter Unit/Division Transfer/job receipt		6,260	5,413	4,678
			240,670	203,781	163,057
	FABRIC & DENIM				
A	Domestic		34,642	31,755	25,526
B	Export		9,516	7,939	8,149
	Inter Unit/Division Transfer		1	-	14
			44,157	39,694	33,661
	PROCESSING CHARGES				
	Weaving Charges		5	85	75
	Processing Charges		1,817	1,949	1,839
			1,822	2,034	1,914
	Inter Unit/Division Transfer		-	-	-
			1,822	2,034	1,914
	WASTE				
A	Domestic		2,578	1,941	1,577
B	Export		-	-	-
			2,578	1,941	1,577
	Inter Unit/Division Transfer		794	346	194
			1,784	1,595	1,383
	Total		288,433	247,104	200,015

Annexure – II to Directors' Report

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

Conservation of Energy

A) Energy Conservation Measures Taken :

I) Spinning

- Inverters installed on R/ Frames' Pneumafil Fan Motors, Waste Collection System of B/Room and Carding, Dyeing Machines (300 & 400 Kgs. capacity) & 6 TPH Boiler ID Fan.
- Installed ZT -145 Atlas Copco Energy Efficient Compressor.
- APFC Panel 100/200 KVAR / Power Capacitors installed to improve power factor.
- Installed VFD on Autoconers and Material Transport Fans of B/Room.
- Installed one no. Transformer of 2 MVA 33/0.433 KV for better load distribution and optimum loading.
- Replaced 4 nos. CAT pumps with high efficiency vertical Grundfos pumps in Reverse Osmosis system.
- Installed PDB & DB's (Distribution Board) in place of CFS, thereby improved power factor from 0.950 to 0.975.
- Replaced belt drive to direct drive in Humidification Plant on 22 fans.
- Retrofitted power saving PCB with software on Savio Autoconers.
- Installed high energy efficient pumps with motor in H-plant.
- Old rewind & low efficiency motors replaced by high energy efficient motors in H-plant.
- Replaced ordinary tube lights 36 watt by LED tube lights of 22.5/21.0 watt.

II) Fabric Division

- New Stenter installed with Analogue System.
- AC Drive System installed in Pacific Jigger, ETP & RO Plant, Thermopac & Calendar machine.

- Air Nozzle valve changed in 32 Toyota machines to control air leakages.
- Changed old motors with 6 High efficiency motors in Sulzer - 220 machines.
- Replaced 400 Florescent tube rods by LED lights.
- Replaced Inverter Drive in Supply & Return Air Fans of Humidification Plant.

III) Denim

- Replaced conventional tube lights by LED.
- Rationalisation of motor HP, pump impeller size done in all the humidification plants.
- Regular walk through audit of steam and compressed air pipe line conducted to arrest leakages / losses.
- Installed software to optimise air consumption on all looms.
- Altered packaging to lower power consumption and cost.

B) Energy Conservation Plan for the Year 2014-15

I) Spinning

- Inverter installation on LR9AXL R/ Frame P Fan Motor.
- Replacement of 36W Tube Light by 21W LED Lights in rest of the plants.
- Replacement of H Plant Pumps by High Energy Efficient Pumps.
- Installation of frequency inverters/drives for dyeing machines & humidification.
- Installation of solar water heater at Guest House & Bachelor Hostel and Yarn Conditioning Machines.
- Installation of Auto Star Delta Starter for TFO & Doubling machines.
- Installation of VFD on (i) Ring Frame's pneumafil fan motor on which roving stop is available, (ii)

Autoconer panel, (iii) S/A & R/A fan for H-Plant to control the fan speed according to season, (iv) Main centrifugal fan of waste collection motors with suction pressure feedback, (v) Material Transport Fan at Blow room area & (vi) OE machines.

- Replacement of rewind & low efficiency 30 kw motors of Ring Frames by 37kw Opti-power high energy efficient motors which are IE3 motors.
- Replacement of 7.5 kw motors of Autoconer with 9.3 kw motor.
- Replacement of GA22 Compressor (100CFM) by new VFD based Compressor (70 to 140 CFM).

Fabric

1) Steam Saving Project -

- Design and select correct trap as per requirement of Process machine.
- Redesign condensate and flash recovery system.
- Install dye liquor heat recovery system, water controller system on process machine, temperature controller on small jigger.
- Install efficiency monitoring system on Thermopac.

2) Replace high squeezing roberto roll in Mangle in place of rubber roll in VDR and Stenter machine.

INFORMATION AS PRESCRIBED IN FORM A

A. Power and Fuel Consumption

Sl. No.	Description	2013-14	2012-13
1.	Electricity		
a)	Purchased:		
	Units (In Lacs)	1639.50	1372.13
	Total Amount (₹ in Lacs)	7545.68	6745.10
	Rate/Units (₹)	4.60	4.92
b)	Own Generation:		
I)	Through Thermal Power - Units (In Lacs)	2808.67	2809.75
	Cost of Generation	12006.05	12996.57
	Cost Per Unit	4.27	4.63
II)	Through Diesel - Units (In Lacs)	0.04	2.48
	Units per Litre of Diesel	3.04	3.35
	Cost per Unit (₹)	16.79	13.37
III)	Through HFO Generators - Units (In Lacs)	-	8.78
	Units Per Litre	-	2.27
	Cost Per Unit (₹)	-	10.14
2.	Coal		
	Quantity in M.T.	35341.60	36499.60
	Total Amount (₹ in Lacs)	2045.62	2062.79
	Average rate per M.T. (₹)	5788.14	5651.54

Sl. No.	Description	2013-14	2012-13
3.	HFO		
	HFO in Litres (lac)	-	3.87
	Cost of HFO Consumed	-	89.05
	Avg Rate (₹/Litre)	-	23.02
4.	Other/Internal Generation	N.A.	N.A.
B	Consumption per unit of Production		
	Electricity Units: Per Kg. of Yarn	3.23	3.26
	Per Mtr. of Fabric	1.62	1.62
	Per Mtr. of Fabric Processing	0.23	0.21
	Coal (In Kg.): Per Kg. of Yarn	0.19	0.22

Technology Absorption

Spinning

A) Research & Development

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

- Bamboo 100% Multifold Yarns for Carpet Pile for Export Segment made commercially successful with continual business.
- New blends like Modal/Linen, Modal 100% Melanges, Viscose/Flex etc made successful.
- Stainless Steel Fabric for DMSRDE.
- Parachute Dropping Fabric for Defence.
- FR - NBC (Nuclear, Biological & Chemical) Camouflage Suit Fabric for DMSRDE.
- FR - OWR (Oil & Water Repellent) Fabric for Indian Navy.
- High End TR Fabric for Domestic Market

B) Technology Absorption, Adaptation & Innovation

- One no. Electrojet Rovematic ADR Fully Automatic Roving Frame (Spain) installed in Dyed Spun Yarn Unit.
- Core Spun Lycra Attachment of Pinter (Spain) installed in Dyed and Grey Yarn Units for value added products.

- One no. Schlafhorst Autoconer AC-X5 (Germany) installed for balancing the increased production output and also improved yarn clearing efficiency with reduced hard waste.
- QA Lab upgraded with installation of Uster Tester-5 (Uster, Switzerland), Tensomax Single Yarn Strength Tester (Premier, India) and Splice Scanner (Mesdan, Italy).
- Air Dryer 3500 CFM installed to improve air quality.
- Water management upgraded at various locations with installation of Bio & Physiochemical Based ETP supported with additional capacities of RO Plants and Multi Effect Evaporators (MEE) for making ZERO DISCHARGE possible.
- Conversion of Rieter C-50 Cards from CT to KED completed for quality improvement.
- Conversion of LMW's RSB-851 Draw Frames' Auto Leveler from Analogue to Digital Base completed for an improved yarn count CV and better monitoring.
- Fire Hydrant Automation, Fire Alarm & Sprinkler System installed.
- Boiler APH & Dust Collector installed.
- Compact Spinning Attachments (make - Suessen, Germany) installed on 2 nos. Ring Frames.
- Slub Attachments of make - Caipo, Italy and BE Electronics, India installed for more value added

products apart from existing range of Melange and Grey Yarns.

- One no. Thies Dyeing Machine of 850 kg. capacity installed to fulfill required dyed production.
- 4 Nos. Automatic Bale Press Machines installed for making bales of 150 kg. of Carded & Combed grey fibre to save labour cost and improve house keeping.

Denim

A) Research & Development

- Launched New Denim Art Collection containing 30 Jacquard Stretch Fabric suitable for Women's Legging. Great response was received from market for these fabrics. Collection is also having 6 Jacquard Shirting Fabric which also earned liking and is getting materialised.
- Developed and presented SS-15 Collection containing 44 Products. The highlight is fabric of different summer cast, neppy textured fabrics and light weight fabrics.
- Launched Printed Denim Collection having 15 styles including pigment prints, white and color discharge prints.
- Many products developed in light weight shirting, lighter upto 3.75 Ozs / Sq. Yd. in different cast.
- Denim Products are being designed and developed in a way to cater and delight all Premium Brands. We have started getting Business from International and Domestic Brands like Diesel, Marlboro, Levi's Europe, GAP, C & A, Ann Taylor, Polo, Zara, H&M, Jack & Jones, Kohl's, Wrangler, VF, Spykar, Giny Jony, Mufti etc.

B) Technology Absorption, Adaptation & Innovation

- The laboratory is now accredited by 3rd party testing laboratory (Intertek Testing Services) for customers like Levi's.
- Upgradation of QA Lab:
QA lab has been upgraded by Installation of Tensile Strength, Seam Slippage and Abrasion Tester.
- Recycling of Hard Waste and Fabric Waste:
New garneting mc is installed for opening of hard waste and garment/fabric waste. Scraps / old jeans / yarn hard waste is converted to spinnable fibre which

in turn again converted into yarn and then denim fabric. With this it is possible to manufacture denim yarn and fabric containing 50% of reclaimed cotton from Denim waste or Denim jeans. This method saves power, energy, waste and ultimately reduces carbon foot print.

- Indigo Dyed Yarn on Cone:
New mc set up is incorporated for producing indigo dyed yarn in cone which is used for knit, denim and other fashion objects.
- Expansion of Finishing M/c:
New 10 Chamber Stenter with hear recovery unit, automatic weft straightner, auto speed controller according to moisture. Pad steam mc with latest technology is also incorporated to have better control on quality and flexibility in production.
- Capacity of ULTRA FILTER and RO of ETP is upgraded to handle effluent from 750 KL to 1050 KL.
- STP of 250 KL is installed.
- Upgraded conventional ROD type flame sensors to OPTICAL non contact sensors at Stenter Burner Control Unit.

Expenditure incurred on R & D

₹ In lacs

	Description	2013-14	2012-13
a)	Capital	413.75	239.12
b)	Recurring	703.33	606.72
c)	Total	1117.08	845.84
d)	Total R&D Expenditure as percentage of total turnover	0.39	0.34

Foreign Exchange Earnings and Outgo

Your Company's Exports primarily consist of Yarn, Fabric & Denim sold directly as well as through a network of overseas agents. During the year under review, the Company added Ecuador, Mauritania, Sudan, Sweden, Yemen and Ethiopia in their list of export destinations. During the year, the Company has earned Foreign Exchange of ₹862.12 crore at FOB price against an Outgo of ₹77.24 crore compared to previous year earning of Foreign Exchange of ₹686.18 crore at FOB price and outgo of ₹106.99 crore.

Annexure – III to Directors' Report

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

A. Persons employed throughout the financial year

S.No.	Name of Employee	Designation	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Shri Arun Churiwal	Managing Director & CEO	244.13	BA (Hons)	35	17th March, 2009	1610	Contractual	63			
2	Shri J C Laddha	Executive Director	222.83	B.Com, FCA	41	1st January, 1988	-	Contractual	64	Bhilwara Spinners Limited	Whole Time Director	3
3	Shri Prakash Maheshwari	Chief Executive- Corporate Management Services	76.95	BSC, FCA	37	1st April, 2003	-	Permanent	59	HEG Limited	President	14
4	Shri Y C Gupta	Chief Executive Denim Business	89.64	CA	37	6th September, 2007	-	Permanent	62	CMT Limited, Mauritius	Chief Executive Director	4
5	Sh S C Garg	Chief Executive- Melange Yarn	76.10	B.Text (Tech) MBA	33	17th July, 1993	-	Permanent	57	Fenner India Limited	General Manager	1
6	Shri Rajeev Jain	Deputy Yarn Business Head (Operations)	72.50	B.Text.,MBA	32	29th March, 2008	-	Permanent	53	Spentex Industries Ltd	Unit Head	2
7	Shri T. Dev Joshi	President (Corporate HR & OD)	75.70	B.Sc.,LLB, PGDPM	39	1st December, 2004	-	Contractual	61	Fortis Healthcare Ltd	Head Corpo- rate HR	4
8	Shri M.L.Jhunjhunwala	President	81.91	B.Com, ICWA	40	1st October, 1992	5170	Permanent	59	Rajasthan Textile Mills	Export Manager	13
9	Shri Vimal Banka	President	76.38	CA	34	1st April, 1990	8000	Permanent	63	Shashi Commercial Ltd	Manager	4
10	Sh Sanjay Sharma	Chief Operating Officer	72.53	B.Text (Tech)	36	11th September, 2002	-	Permanent	57	Indo Rama Synthetics India Ltd	Asst. Vice President	7
11	Shri Prabir Bandyopadhyay	Chief Operating Officer	63.33	M.Tech., PGIM	32	6th May, 2008	-	Permanent	57	Soma Textiles & Industries Ltd	Executive Director	8

B. Persons employed for part of the Financial Year

1	Shri Riju Jhunjhunwala	JMD	174.22	MBA	10.5	1st May, 2013	-	Contractual	35	HEG Limited	Executive Director	15 months
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Notes :

- None of the employee is holding more than 2% of the paid - up capital of the Company.
- Shri Riju Jhunjhunwala, Joint Managing Director is relative of Shri L.N. Jhunjhunwala, Chairman (Emeritus) and Shri Ravi Jhunjhunwala, Chairman.

CORPORATE GOVERNANCE 2013-14

CORPORATE GOVERNANCE PHILOSOPHY

RSWM Limited (RSWM) continues to be determined in its endeavor of following sound Corporate Governance practices which stems from the confidence that Corporate Governance is a key constituent in improving effectiveness and expansion of the Company and also in enhancing investor confidence. The Company's policy mirrors the very principles that have been inculcated in the corporate ethnicity of the Company from its establishment, such as Integrity, Fairness, Transparency, Excellence, Accountability & Responsibility. The Company continuously strives towards betterment of these aspects and thereby perpetuate into generating Long Term trust and economical value for its shareholders, customers, employees, other associated persons and the society as a whole. RSWM believes that our Company shall go beyond adherence of regulatory frameworks in disclosing material information to the stakeholders.

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

Board of Directors

Composition

The Company is managed by its Board of Directors, which formulate strategies, policies and review its performance periodically. As on 31st March, 2014, RSWM's Board comprises of Twelve Directors. Nine Directors including the Chairman-Emeritus, the Chairman and the Vice Chairman, are Non-

Executive. Among the non-executive, six directors comprising 50% of the total strength of the Board, are independent Directors. One Director nominated by Export Import Bank of India (lender) is among six independent directors.

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement. During the year, Shri Riju Jhunjunwala, was appointed as an additional director and Joint Managing Director with effect from 1st May, 2013. Shri P. S. Dasgupta was also inducted on the Board with effect from 24th July, 2013 as independent Director. The appointment of both Shri Riju Jhunjunwala and Shri P. S. Dasgupta was approved by the members of the Company at the Annual General Meeting of the Company held on 19th September, 2013.

Number of Board Meetings

During 2013-14, the Board of RSWM met Six times on –15th April, 2013, 1st May, 2013, 24th July, 2013, 13th November, 2013, 6th February, 2014 and 28th March, 2014. The maximum time gap between any two consecutive meetings was less than four months.

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. Agenda papers containing all the necessary information are sent well in advance to all the directors of the Company.

Directors' Attendance Record and Directorship Held

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2013-14 during tenure	No. of meetings attended	No. of outside Directorships of public companies*	No. of Outside Board-level Committees where chairperson or member #	
							Member**	Chairperson
1.	Shri L. N. Jhunjunwala [Ⓐ]	Chairman - Emeritus	Promoter - Non-Executive	6	-	6	2	1
2.	Shri Ravi Jhunjunwala	Chairman	Promoter - Non-Executive	6	6	12	4	2
3.	Shri Shekhar Agarwal	Vice Chairman	Promoter - Non-Executive	6	5	5	3	-
4.	Shri Arun Churiwal	Managing Director	Promoter - Executive	6	5	3	3	-
5.	Shri Riju Jhunjunwala	Joint Managing Director	Promoter - Executive	6	5	9	6	-
6.	Shri J. C. Laddha	Executive Director	Non-Promoter - Executive	6	6	-	-	-
7.	Dr. Kamal Gupta	Director	Independent - Non-Executive	6	6	6	8	3
8.	Shri D. N. Davar	Director	Independent - Non-Executive	6	5	12	8	5
9.	Shri Sushil Jhunjunwala	Director	Independent - Non-Executive	6	3	3	1	-
10.	Shri A. N. Choudhary	Director	Independent - Non-Executive	6	6	2	1	-
11.	Shri P.S. Dasgupta	Director	Independent - Non-Executive	6	2	9	9	2
12.	Shri T.G. Regunathan	Nominee Director - Exim Bank	Independent - Non-Executive	6	5	-	-	-

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

Includes Audit and Shareholders'/Investors' Grievance Committees of public limited Companies.

** Includes Committee chairmanships

Ⓐ Shri L. N. Jhunjunwala has resigned from the Directorship of the Company w.e.f. 21st April 2014.

The last Annual General Meeting held on 19th September, 2013 was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Shri J. C. Laddha, Executive Director of the Company.

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

Information Supplied to the Board

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

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

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of voluntary retirement scheme among others.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movements, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer among others.

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

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

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

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

Shareholding of Non-Executive Directors

Equity Shares and Convertible Instruments held by Non-Executive Directors as on 31st March, 2014

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

Board-Level Committees

I) Audit Committee

As on 31st March, 2014, RSWM's Audit Committee comprised four members — three of whom, including the Chairman of the Committee, are Independent while the fourth is a Non-Executive Promoter Director. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 292A of the Companies Act, 1956. In 2013-14, the Audit Committee met five times on – 1st May, 2013, 24th July, 2013, 3rd August, 2013, 13th November, 2013 and 6th February, 2014.

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	1,00,000
Shri L. N. Jhunjhunwala*	Promoter – Non-Executive	5	-	-
Shri D. N. Davar	Independent – Non-Executive	5	5	1,00,000
Shri A. N. Choudhary	Independent – Non-Executive	5	5	1,00,000

* Shri L. N. Jhunjhunwala has resigned from the Directorship of the Company w.e.f. 21st April 2014.

Shri Surender Gupta, the Company Secretary, is also the Secretary to the Committee. Invitees to the Audit Committee include the Chairman, Vice Chairman, Managing Director & Chief Executive Officer, Joint Managing Director, Executive Director, Chief Financial Officer, Chief Operating Officers, Chief Coordinator – Internal Audit and the representatives of the Statutory and the Internal Auditors.

Dr. Kamal Gupta, Chairman of the Audit Committee, possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge. The Chairman of the Audit Committee attended the Annual General Meeting held on 19th September, 2013 to answer shareholder queries.

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

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

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

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

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

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

M/s. N. D. Birla & Co., Cost Accountants, were appointed as Cost Auditors of the Company pursuant to section 233B of the Companies Act, 1956. The Cost Audit report for the financial year ended the 31st March, 2013 was filed in XBRL mode on due date i.e. the 30th September, 2013.

II) Remuneration Committee

a) Terms of Reference

The Company has also constituted a "Remuneration Committee", which is composed of three Independent directors and one Promoter – Non Executive Director all of whom are Non Executive. The Committee discharges the duties and responsibilities of Remuneration Committee as contemplated under the non-mandatory requirements of Clause 49 of the Listing Agreement.

b) Composition of Remuneration Committee

As on 31st March, 2014, the Composition of Remuneration Committee is as follows:

1.	Dr. Kamal Gupta(Chairman)	Independent - Non-Executive
2.	Shri D.N. Davar	Independent - Non-Executive
3.	Shri Shekhar Agarwal	Promoter - Non-Executive
4.	Shri T.G. Regunathan	Independent - Non-Executive

c) Meeting and Attendance

In 2013-14, the Remuneration Committee met two times on 24th July, 2013 & 6th February, 2014. The detail of attendance of the Remuneration Committee was as under:

Name of the Member	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	2	2	40,000
Shri D.N. Davar	2	2	40,000
Shri Shekhar Agarwal	2	1	20,000
Shri T.G. Regunathan	2	2	40,000

d) Remuneration Policy

The terms of reference of the Remuneration Committee, inter alia, includes determination of salary, perquisites, commission to be paid to the Company's Managing Director/ Joint Managing Director and whole time Directors, recommend to the Board, retirement benefits to be paid to the Managing Director/ Joint Managing Director and whole time Directors. The compensation terms of Executive Directors are approved by the Board of Directors upon recommendation of the Remuneration Committee and subsequently approved by the shareholders in the General Meeting. The Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The non-executive directors are paid sitting fees for attending the Board meetings as well as other Committee meetings.

e) Details of Remuneration Paid or Payable to Directors for 2013-14

Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total
Shri L. N. Jhunjunwala	Promoter - Non-Executive	-	-	-	-
Shri Ravi Jhunjunwala	Promoter - Non-Executive	1,60,000	-	-	1,60,000
Shri Shekhar Agarwal	Promoter - Non-Executive	3,20,000	-	-	3,20,000
Shri Arun Churiwal	Promoter - Executive	-	74,34,994	1,69,78,000	2,44,12,994
Shri Riju Jhunjunwala	Promoter - Executive	-	57,49,434	1,16,73,000	1,74,22,434
Shri J. C. Laddha	Non-Promoter - Executive	-	95,48,957	1,27,34,000	2,22,82,957
Dr. Kamal Gupta	Independent - Non-Executive	4,80,000	-	-	4,80,000
Shri D. N. Davar	Independent - Non-Executive	3,60,000	-	-	3,60,000
Shri Sushil Jhunjunwala	Independent - Non-Executive	60,000	-	-	60,000
Shri A. N. Choudhary	Independent - Non-Executive	2,20,000	-	-	2,20,000
Shri P.S. Dasgupta	Independent - Non-Executive	40,000	-	-	40,000
Shri T.G. Regunathan	Independent - Non-Executive	1,40,000	-	-	1,40,000

* Includes sitting fees for all committee meetings.

Includes retirement benefits

Shri Riju Jhunjhunwala, Joint Managing Director and Shri J C Laddha, Executive Director was paid remuneration including commission as approved by the shareholders in their annual general meeting held on 19th September, 2013.

During the year ended the 31st March, 2014, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

III) Shareholders'/Investors' Grievances Committee

As on 31st March, 2014, the Company's Shareholders'/Investors' Grievances Committee comprised of four Directors – Dr. Kamal Gupta (Chairman), Shri Shekhar Agarwal, Shri Arun Churiwal and Shri D.N. Davar.

The Company Secretary, Shri Surender Gupta is the Compliance Officer. During 2013-14, the Committee met four times on 1st May, 2013, 24th July, 2013, 13th November, 2013 and 6th February, 2014.

a) Details of Shareholders'/Investors' Grievance Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	Independent – Non-Executive	4	4	80,000
Shri Shekhar Agarwal	Promoter – Non-Executive	4	4	80,000
Shri Arun Churiwal	Promoter - Executive	4	3	-
Shri D.N. Davar	Independent – Non-Executive	4	4	80,000

The Committee oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. The Committee also look into redressal of investors' grievances pertaining to transfer and transmission of shares, non-receipt of Annual Reports, Dividend Warrants and to ensure expeditious share transfer process. The Committee also reviews the status of Investors' grievances and redressal mechanism.

The Committee received 19 complaints during the financial year under review, all of which were replied/resolved to the satisfaction of the shareholders.

No Investor Grievance remained unattended /pending for more than 15 days. There were no complaints pending disposal as on the 31st March, 2014. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2014.

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

Sl. No.	Nature of Query/Complaint	Pending as on 1st April, 2013	Received during the year	Addressed during the year	Pending as on 31st March, 2014
1.	Transfer / Transmission / Issue of Duplicate Share Certificate(s)	0	0	0	0
2.	Non-receipt of Dividend	0	13	13	0
3.	Non-receipt of Annual Report	0	4	4	0
4.	Dematerialisation/Rematerialisation of shares	0	0	0	0
5.	Complaints received from:				
	- Securities and Exchange Board of India	0	0	0	0
	- Stock Exchanges	0	2	2	0
	- Registrar of Companies/Ministry of Corporate Affairs	0	0	0	0
Total		0	19	19	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, Vice Chairman. All valid requests for share transfer received during the year have been acted upon by the Company within the stipulated time limit.

To expeditiously approve transfer of shares, Shri Shekhar Agarwal, Vice Chairman and Shri P. S. Puri, President (Corporate Finance) also attends and approves the share transfer requests on fortnightly basis under the delegated authorisation of the Board of Directors.

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transfer	20	3,749
Duplicate Share Certificates	7	17,781
Consolidated/Torn Certificates	1	50

Reconciliation of Share Capital Audit :

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

A qualified practising 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 (CSDL) 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 dematerialised shares held with NSDL and CDSL.

General Body Meetings

Annual General Meetings

The details of the Last Three Annual General Meetings:

Financial Year	Date	Time	Location	Special resolution(s) passed
2010-11	23rd September, 2011	11:30 A. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1
2011-12	18th September, 2012	2:00 P. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1
2012-13	19th September, 2013	12:30 P. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	3

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

2010-2011:

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

2011-2012:

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

2012-13:

- Approval for the alteration in the Articles of Association of the Company.
- Approval for the reappointment of Shri J.C. Laddha, as Executive Director of the Company.
- Approval for the appointment of Shri Riju Jhunjunwala, as Joint Managing Director of the Company

Postal Ballot

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

Extra-Ordinary General Meeting

Financial Year	Date	Time	Location	Special resolution(s) passed
2013-14	21st March, 2014	11:30 A. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	3

The following Special Resolutions were taken up at the above Extra Ordinary General Meeting, and were passed with requisite majority.

2013-14

- Approval of the borrowing limit of the Company by a Special Resolution in accordance with the requirement of the Companies Act, 2013.
- Approval of the corresponding alteration of the Article of Association of the Company.
- Approval for incurring, payment of an/or reimbursement of the expenses, if any pertaining to medical treatment of the Chairman Emeritus of the Company for a period of Five years.

Disclosures

a) Related Party Disclosure

As required by the Accounting Standard AS-18, the details of related party transactions are given in Note No.43 to the Annual Accounts. Material individual transaction with related parties are in the normal course of business on an arm's length basis and do not have any potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit Committee.

b) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

c) Risk Management

RSWM has a well-defined risk management framework in place. Under this framework, the Management has categorised the risks as High risk, Moderate risk and Low risk which were monitored on a continuous basis and initiates appropriate risk mitigation steps as and when deemed necessary. The risk mitigation policy also covers the key risks such as cotton/other raw materials, prices of yarn in addition to forex, insurance and other business related risks. RSWM has established procedures to periodically place before the

Board the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

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

With regard to the matters related to capital markets, the Company has complied with all requirements of the Listing Agreement 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 Prevention of Insider Trading Practices

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

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 advice them not to trade in Company's securities during the closure of trading window period.

f) Compliance with Clause 49

Mandatory Requirements

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

Adoption of Non-Mandatory Requirements

Remuneration Committee

Although it is not mandatory, the Board of RSWM has constituted a Remuneration Committee. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'.

Investment and Planning Committee

In addition to the above committee, the Company has constituted the Investment and Planning Committee. The terms of reference of the Committee is to approve capital expenditure schemes and to recommend to the Board of

Directors, capital budgets and other major capital schemes new business plan, change in organisational structure and to review the Company's business plans and future strategies.

During 2013-14, the Committee met 2 times on -- 12th August, 2013 and 11th February, 2014.

Details of the Investment and Planning Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Shri L. N. Jhunjhunwala	Promoter - Non-Executive	2	--	--
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	2	2	40,000
Shri Shekhar Agarwal	Promoter - Non-Executive	2	1	20,000
Shri Arun Churiwal	Promoter - Executive	2	2	--
Dr. Kamal Gupta	Independent - Non-Executive	2	2	40,000
Shri D. N. Davar	Independent - Non-Executive	2	2	40,000

Constitution and re-naming of Committees

The Board of Directors of the Company in its meeting held on 22nd April, 2014 has constituted/renamed the following Committees of the Board in compliance with the requirement of Companies Act, 2013 and Clause 49 of the Listing Agreement as per SEBI Circular dated 17th April, 2014.

Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee comprising of Shri Amar Nath Choudhary, Independent Director, Shri Arun Churiwal, Managing Director and Shri Riju Jhunjhunwala, Joint Managing Director was constituted with Shri Arun Churiwal as Chairman of the committee.

The Corporate Social Responsibility Committee shall function 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.

Nomination and Remuneration Committee

The existing Remuneration Committee of the Board of Directors is renamed as Nomination and Remuneration Committee. The said Committee shall continue to function in accordance with the provisions of Companies Act, 2013 as well as Clause 49 of the Listing Agreement which include 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.

Stakeholders' Relationship Committee

The existing Shareholders'/Investors' Grievance Committee of the Board of Directors is renamed as Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee shall mainly look into the matters pertaining to redressal of the stakeholder grievances and related matters.

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.

CEO/ CFO Certification

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

Code of Conduct

RSWM's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics. The Code of Conduct is displayed on the website of the Company www.rswm.in. 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 at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website www.rswm.in.

Website :

The Company's website www.rswm.in has separate section "Investor" where the information for the Shareholders is available. Annual Report, Quarterly Results, Shareholding Pattern, Corporate Governance Report etc. are also available on the website in the user friendly manner.

In order to strengthen the practices of Corporate Governance, NSE has come out with a new website, NEAPS wherein the information such as Annual Report, Financial results, Shareholding Pattern, Corporate Governance, Reconciliation of Share Capital Audit etc. are uploaded.

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

Shareholders

i. Re-Appointment of Non Independent Directors

Four 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, is retiring by rotation and being eligible, offer himself for re-appointment in the Annual General Meeting. His brief resume is given below:

Shri Shekhar Agarwal (61)

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. He was the Chairman of Confederation of Indian Textiles Industry (CITI).

ii Appointment of Independent Directors

Pursuant to the provisions of Section 149 read with schedule IV of the Companies Act, 2013, and Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Board of Directors of the Company has proposed to appoint Dr. Kamal Gupta, Shri D.N. Davar, Shri Amar Nath Choudhary and Shri Sushil Jhunjunwala as Independent Directors for one more term of 5 consecutive years commencing from the ensuing Annual General Meeting.

Shri P.S. Dasgupta was appointed as Independent Director in Annual General Meeting held in 2013. Therefore, it is proposed to appoint him as an Independent Director for

first term of four consecutive years commencing from ensuring Annual General Meeting.

Dr. Kamal Gupta (68)

Dr. Kamal Gupta is an Independent Director of the Company and joined the Board on the 26th December, 1987. He is a qualified Chartered Accountant. He was earlier Technical Director of the Institute of Chartered Accountants of India. He has expertise in the areas of Finance, Accounting and Corporate Laws.

Shri Dharmendar Nath Davar (79)

Shri Davar is an eminent professional who had started his career from Punjab National Bank as Superior Service Officer and left the services of PNB as Sr. Manager - In-charge of the Loan Department in 1968. Thereafter, he joined the IFCI as Sr. Manager in 1968 and retired as Executive Chairman in 1992 from IFCI. During the Tenure of Chairman of IFCI, he was on the Board and Executive Committee of IDBI, IRBI for nearly 8 years and also on the Board of LIC Housing Finance Co. had been part time Consultant to the World Bank, UNIDO and KFW. Presently, he is on the Board of several reputed companies, training institutions and non-government (social) organisations.

Shri A N Choudhary (70)

Shri Amar Nath Choudhary is an Independent Director of

the Company. Shri Choudhary is a Graduate in Commerce and LLB, FCA, FCS. Shri Choudhary has rich experience of Textile Industry.

Shri Sushil Jhunjunwala (63)

Shri Sushil Jhunjunwala is an Independent Director of the Company. Shri Jhunjunwala is a Graduate in Commerce. Shri Jhunjunwala is an industrialist with rich and diversified business experience.

Shri P.S. Dasgupta (59)

Shri P S Dasgupta has been engaged in the practice of Law since 1978. He worked as a Sr. Associate for 15 years with JB Dadachanji & Co., and where he was regularly consulted on strategic corporate and commercial issues. In 1992, he set up his own practice and founded New Delhi Law Offices, offering full spectrum legal services. Under his guidance and support, NDLO provides highly specialised legal advisory services in areas of strategic investments both in and outbound, entry strategy, mergers, acquisitions and restructuring, consolidation and liquidation, finance, securities and capital markets, infrastructure, technology transfer, anti-dumping and real estate. He is a specialist, inter alia, in structuring and negotiation of Joint Ventures and Foreign Collaborations & devising entry strategies.

Details of Directorship Held in Other Companies

Directors name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Shri Shekhar Agarwal	1. HEG Ltd		Audit Committee
	2. Maral Overseas Ltd.		Shareholders'/ Investors' Grievance Committee
	3. Essay Marketing Company Ltd.		
	4. BSL Ltd.		Audit Committee
	5. Bhilwara Technical Textiles Ltd.		
Dr Kamal Gupta	1. HEG Ltd.		Audit Committee Shareholders'/ Investors' Grievance Committee
	2. Maral Overseas Ltd.	Audit Committee Shareholders'/ Investors' Grievance Committee	
	3. Malana Power Company Ltd.		Audit Committee
	4. PNB Gilts Ltd.	Audit Committee	Shareholders'/ Investors' Grievance Committee
	5. AD Hydro Power Ltd.		Audit Committee
	6. Bhilwara Energy Ltd.		
Shri D.N. Davar	1. Adayar Gate Hotel Ltd.		
	2. Ansal Properties & Infrastructure Ltd.	Audit Committee	
	3. Cimmco Ltd.		Audit Committee
	4. HEG Ltd.	Audit Committee	
	5. Hero Fincorp Ltd.	Audit Committee	
	6. Mansingh Hotels & Resorts Ltd.		
	7. Landmark Property Development Co. Ltd.		
	8. OCL India Ltd.	Audit Committee	
	9. Maral Overseas Ltd.		Audit Committee Shareholders'/ Investors' Grievance Committee
	10. Sandhar Technologies Ltd.		Audit Committee
	11. Titagarh Wagons Ltd.	Audit Committee	
	12. Titagarh Wagons AFR		
	13. Titagarh Marine Ltd.		
Shri P.S. Dasgupta	1. Cummins India Ltd.		Audit Committee Shareholders'/ Investors' Grievance Committee
	2. Otis Elevators Co. India Ltd.		Audit Committee Shareholders'/ Investors' Grievance Committee
	3. Bhilwara Technical Textiles Ltd.	Shareholders'/ Investors' Grievance Committee	Audit Committee
	4. Tricone Projects India Ltd.		Audit Committee
	5. Ester Industries Ltd.		
	6. Asian Hotels (North) Ltd.		
	7. Interstar Finance Services Ltd.		
	8. Maral Overseas Ltd.		Audit Committee
	9. Timken India Ltd.	Audit Committee	
Shri A.N. Choudhary	1. Vitarich Agro Food (India) Limited		
	2. BSL Limited		Audit Committee
Shri Sushil Jhunjunwala	1. La Opala RG Limited		
	2. BSL Limited		Audit Committee
	3. Genesis Exports Limited		

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

Additional Shareholder Information

Annual General Meeting

Date	: 16th September, 2014
Day	: Tuesday
Time	: 11.30 A.M.
Venue	: Kharigram, P. O. Gulabpura, Bhilwara District, Rajasthan- 311021,

Financial Results

Financial year: 1st April, 2013 to 31st March, 2014

For the year ended 31st March, 2014, results were announced on:

- 24th July, 2013 : First quarter
- 13th November, 2013 : Second quarter and Half year
- 6th February, 2014 : Third quarter and nine months
- 22nd April, 2014 : Fourth quarter and Annual.

For the year ending 31st March, 2015, quarterly results will be announced within 45 days from the end of each quarter except the fourth quarter when the audited annual results will be published within 60 days.

Book Closure

The dates of book closure are from 6th September, 2014 (Saturday) to 16th September, 2014 (Tuesday) (Both days inclusive)

Dividend Dates

A dividend of 125% i.e. ₹12.50 per share on 2,31,48,689 equity shares of ₹10/- each has been recommended by the Board. Subject to the approval of the shareholders at the Annual General Meeting, this will be paid between 11th day and 14th day from the date of AGM.

Listing and Stock Codes

The Company's Equity Shares are listed on BSE and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31st March, 2014. The stock codes of the Company at BSE and NSE are given in Table 1:

Stock Codes of the Company

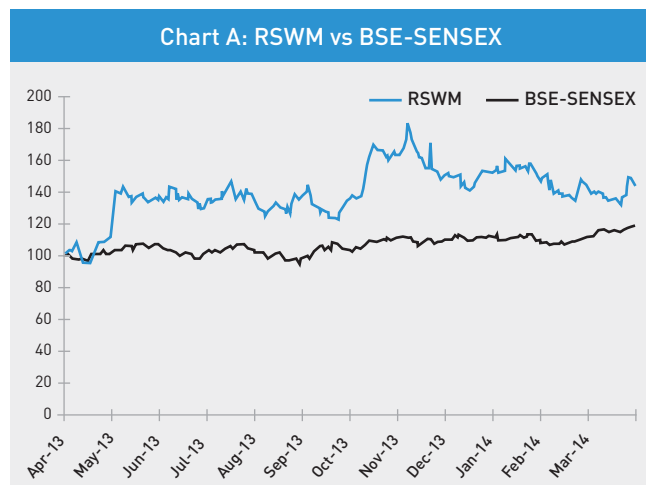
Stock exchanges	Stock codes
BSE	500350
NSE	RSWM

Stock Data

Share Prices of RSWM at BSE/NSE in 2013-14

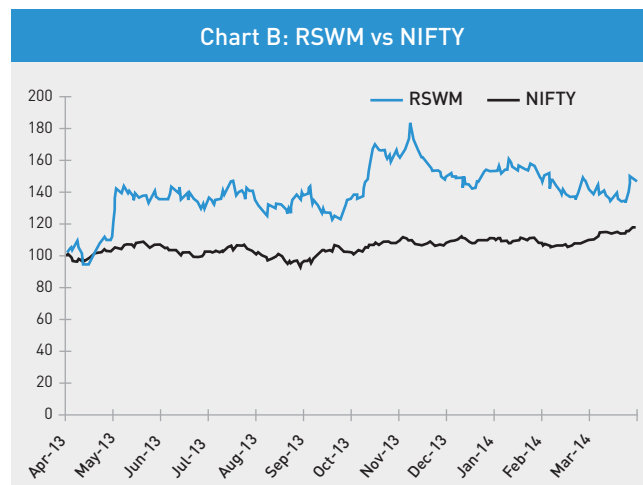
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-13	107.00	88.50	1,12,385	107.00	88.70	1,19,359
May-13	138.00	112.50	2,38,384	137.70	111.15	3,75,606
Jun-13	137.85	119.90	60,453	138.00	120.00	1,51,698
Jul-13	140.30	123.40	2,57,586	141.00	121.00	4,94,489
Aug-13	132.85	117.00	1,36,437	134.00	115.75	2,39,031
Sep-13	138.25	115.00	1,83,436	137.40	115.35	3,51,415
Oct-13	163.00	126.20	3,75,726	162.75	127.10	6,57,933
Nov-13	175.95	139.00	2,21,865	176.00	137.65	4,17,144
Dec-13	146.90	133.10	1,08,404	147.65	133.05	2,40,648
Jan-14	154.00	136.95	1,61,647	154.40	136.25	3,18,844
Feb-14	144.90	128.15	1,72,165	145.80	128.00	4,41,886
Mar-14	143.20	125.25	6,41,549	143.50	125.05	10,35,796

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2013-14



Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2013-14 i.e. 1st April, 2013.

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2013-14



Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2013-14 i.e. 1st April, 2013

Shareholding Pattern

Shareholding Pattern by Ownership as on 31st March, 2014

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	11909804	51.45
Foreign Institutional Investors/Mutual Funds	100	0.00
Public Financial Institutions/State Financial Corporation	140568	0.61
Mutual Funds (Indian)	1577023	6.81
Nationalised and other banks	15432	0.07
NRIs/ Foreign Companies (Other than Promoters)	1490834	6.44
Public	8014928	34.62
Total	23148689	100.00

Shareholding Pattern by Size-Class as on 31st March, 2014

Categories	No. of Shareholders	No. of shares held	Percentage
1-1000	11692	1835163	7.93
1001-5000	577	1289589	5.57
5001-10000	89	651734	2.81
10001 and above	120	19372203	83.96
Total	12478	23148689	100.00

Dematerialisation of Shares

As on 31st March, 2014, 2,22,41,407 Equity Shares representing 96.08% of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only. The Company makes request to shareholders holding shares in physical form on a regular basis to get shares dematerialised in their own benefit.

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

Registrar and Transfer Agents

The Company on the request of M/s MCS Limited has transferred the share transfer registry work to M/s MCS Share Transfer Agent Limited w.e.f. 19th April, 2014. 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 : mcssta@rediffmail.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 clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities.

Details of Public Funding Obtained in the Last Three Years

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

Outstanding Warrants and their Implications on Equity

The Company has no outstanding warrants/convertible instruments.

Plant Locations

- 1 Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan
- 2 Mayur Nagar, Lodha, P.O. Banswara – 327 001, Distt. Banswara, Rajasthan
- 3 LNJ Nagar, Mordii, P.O. Banswara – 327 001, Distt. Banswara, Rajasthan (Denim, Fabric and TPP).

- 4 Mandpam, Bhilwara – 311 001, Distt. Bhilwara, Rajasthan
- 5 Rishabhdev – 313 802, Distt. Udaipur, Rajasthan
- 6 Ringas – 332 404, Distt. Sikar, Rajasthan

Investor Correspondence

Investor correspondence should be addressed to:

Registrar & Share Transfer Agent:

MCS 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 : mcssta@rediffmail.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@lnjbbhilwara.com

Registered Office

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

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 a Internal Complaints Committee that will ensure a work environment free of all forms of sexual harassment-verbal, written, physical, visual or otherwise.

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, it has adequate independent representation of women from the social and legal fields. It lays down the whole procedure of filling complaint, enquiry, redressal of grievance and taking action against those who are found guilty by the Committee in a fairly transparent manner. During the year under review, no incident of sexual harassment was reported.

Information pursuant to Clause 5A of the Listing Agreement

The Company transferred 26,538 equity shares in respect of 406 shareholders in the name of "RSWM Limited – Unclaimed Suspense Account" on 9th August, 2012 and these shares were subsequently dematerialised. Thereafter, the Company did not receive any claim from the shareholders. Till 31st March, 2014, no shares were claimed by the shareholder.

Place: Noida
Dated: 22nd April, 2014

Arun Churiwal
Managing Director
DIN: 00001718

Auditors' Certificate

To
The Members of **RSWM Ltd**

We have examined the compliance of conditions of corporate governance by RSWM Limited, for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

per Sunil Bhargava
Partner
Membership No.: 70964
Place : Noida
Date : April 22, 2014

per Sunil Surana
Partner
Membership No.: 36093

Certification by Chief Executive Officer and Chief Financial Officer of the Company

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

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

Arun Churiwal
Managing Director &
Chief Executive Officer

Brij Mohan Sharma
Chief Financial Officer

Place: Noida
Dated: 22nd April, 2014

Independent Auditors' Report

To The Members of **RSWM Limited**

Report on the financial statements

We have audited the accompanying financial statements of RSWM Limited (the company), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards notified under the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements,

read with accounting policies and notes on accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the company as at 31 March 2014.
- b) In the case of the statement of profit and loss, of the profit for the year ended on that date, and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards notified under the Companies Act, 1956 read with general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.
 - e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.BHARGAVA ASSOCIATES**

Firm registration no.: 003191C

Chartered Accountants

per **Sunil Bhargava**

Partner

Membership No.: 70964

Place : Noida

Date : April 22, 2014

For **A.L.CHECHANI & CO.**

Firm registration no.: 005341C

Chartered Accountants

per **Sunil Surana**

Partner

Membership No.: 36093

Annexure To The Independent Auditors' Report

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

Re: RSWM Limited (the company)

- (i) (a) The fixed assets registers showing full particulars including quantitative details and situation of the assets are being maintained at respective units, are updated at each unit on an ongoing basis.
- (b) The fixed assets are physically verified by the management in a phased programme designed to cover all the assets over a period of three years, which in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the said programme, a portion of fixed assets has been physically verified by the management during the year and no serious discrepancies were noticed on such verification between the book records and physical assets. These discrepancies have been properly dealt with in the books of accounts.
- (c) The company has not sold any substantial part of plant & machinery during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and the discrepancies noticed on physical verification have been dealt adequately in the books of accounts.
- (iii) (a) The company has granted interest free unsecured loan to a subsidiary covered in the register maintained under Section 301 of the companies Act, 1956. The amount outstanding at the end of the year is ₹ 60 lacs and the maximum amount outstanding during the year was ₹ 60 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company, as disclosed in note no 35 to the financial statements.
- (c) There is no overdue amount outstanding as at the balance Sheet date.
- (d) The company had not taken any loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) On the basis of selective checks carried out during the course of audit and explanations given to us, adequate internal control systems commensurate with the size of the company and nature of its business, for purchase of inventory & fixed assets and for sale of goods and services have been devised by the management and is being generally followed. Further, on the basis of our examination of the books and records of the company, and according to information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) On the basis of our examination and as per information given to us all the contracts or arrangements are needed to be entered into the register maintained in pursuance of section 301 of the Companies Act, have been recorded in the register.
- (b) On the basis of our examination and as per information and explanation given by the management, the price of the goods and materials purchased / of sale of goods, materials and services made pursuant to contracts entered in register maintained under section 301 of the Companies Act, 1956, in respect of each party is reasonable having regard to the prevailing market price at the relevant time. However, in respect of few transactions of goods and services, comparable market prices are not available.
- (vi) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (vii) We have broadly reviewed the records including the books of accounts made and maintained by the company pursuant to the rules made by the central government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained.
- (viii) (a) According to the information and explanation given to us and the records examined by us, the company has generally been regular in depositing undisputed statutory dues including provident fund, investor

education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. Further, there were no undisputed arrears of statutory dues outstanding as at March 31, 2014, for a period of more than six months from the date they became payable.

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

(₹ in Lacs)

SL. NO	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	EXCISE DUTY CESTAT, New Delhi	8.51	8.51
2	SERVICE TAX A) CESTAT, New Delhi B) Commissioner(Appeals), Jaipur	217.05 0.00	204.21 37.94
3	CESS Appellate Tribunal, Mumbai	17.25	17.25
4	ENTRY TAX Rajasthan High Court, Double Bench, Jodhpur	1,140.11	1,022.50
	Total	1,157.36	1,002.79

- (ix) There are no accumulated losses in the company as on March 31, 2014. Further, the company has not incurred cash losses during the financial year covered by our audit.
- (x) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xi) On the basis of examination of records of the company and information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xii) As per information and explanation given by the management the terms & conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are prima-facie not prejudicial to the interest of the company

(xiii) Based on information and explanation given by the management, the term loans have been applied for the purposes they were raised.

(xiv) According to the information and explanation given to us and on an overall examination of the cash flow statement of the company for the year, we report that no funds raised on short-term basis have been used for long term investment.

(xv) The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the act.

(xvi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

According to the information and explanations given to auditors and as per representation made by the company, clause (vi), (xiii), (xiv), (xix) and (xx) under section 227(4A) of the Act as required to be reported under the Order, are not applicable to the company during the year ended March 31, 2014.

For **S.BHARGAVA ASSOCIATES**

For **A.L.CHECHANI & CO.**

Firm registration no.: 003191C

Firm registration no.:

005341C

Chartered Accountants

Chartered Accountants

per **Sunil Bhargava**
Partner

per **Sunil Surana**
Partner

Membership No.: 70964

Membership No.: 36093

Place : Noida

Date : April 22, 2014

Balance Sheet As at 31st March, 2014

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
1 EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	2,314.87	2,314.87
(b) Reserves and Surplus	3	37,089.85	30,361.34
Government Capital Grants	3	132.36	181.24
(c) Money received against share warrants		-	-
		39,537.08	32,857.45
(2) Share application money pending allotment		-	-
(3) Non-current Liabilities			
(a) Long-term borrowings	4	60,629.63	71,265.34
(b) Deferred tax liabilities (Net)	5	7,203.16	4,857.27
(c) Other long term liabilities	6	767.64	559.90
(d) Long-term provisions	7	1,789.09	1,725.76
		70,389.52	78,408.27
(4) Current Liabilities			
(a) Short-term borrowings	8	45,896.57	46,662.97
(b) Trade payables	9	3,633.94	4,116.14
(c) Other current liabilities	10	22,428.45	20,119.71
(d) Short-term provisions	11	3,580.42	2,881.71
		75,539.38	73,780.53
TOTAL		1,85,465.98	1,85,046.25
ASSETS			
(1) Non - current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		92,676.83	95,931.96
(ii) Intangible Assets		595.29	648.77
(iii) Capital work-in-progress		1,398.54	1,114.66
(iv) Intangible Assets under development		-	-
		94,670.66	97,695.39
(b) Non-current Investments	13	12,735.78	11,067.14
(c) Deferred tax Assets (Net)		-	-
(d) Long-term loans and advances	14	3,934.15	2,407.78
(e) Other non-current assets	15	111.96	112.11
		1,11,452.55	1,11,282.42
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	37,625.11	39,971.47
(c) Trade Receivables	17	23,686.27	21,607.47
(d) Cash & Cash Equivalent	18	147.46	191.03
(e) Short-term loans and advances	19	3,575.44	2,836.32
(f) Other current assets	20	8,979.15	9,157.54
		74,013.43	73,763.83
TOTAL		1,85,465.98	1,85,046.25

See accompanying notes 1 to 52 forming part of financial statements

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

Statement of Profit and Loss

As at 31st March, 2014

(₹ in Lacs)

Particulars	Notes	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from operations	21	2,88,432.19	2,47,103.76
Less- Excise Duty		1,426.84	1,774.56
Net Revenue		2,87,005.35	2,45,329.20
II. Other Income	22	2,551.76	2,283.52
III. Total Revenue (I+II)		2,89,557.11	2,47,612.72
IV. Expenses:			
Cost of material consumed	23	1,68,120.34	1,47,767.42
Purchases of traded goods	24	5,296.55	2,186.53
Change in inventories of finished goods, work-in-progress and stock- in-trade	25	1,759.62	(5,463.53)
Employee benefits expense	26	23,282.96	20,425.02
Finance costs	27	12,176.38	12,129.06
Depreciation and amortisation expense	28	11,069.01	10,845.38
Other expenses	29	52,218.79	49,580.16
Total Expenses		2,73,923.65	2,37,470.04
V. Profit before exceptional and extraordinary items and tax (III-IV)		15,633.46	10,142.68
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		15,633.46	10,142.68
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		15,633.46	10,142.68
X. Tax expense:			
(1) Current Tax		3,407.56	2,025.92
(2) Deferred Tax		2,345.89	1,330.15
(3) Provision for Income Tax written back		-	-
XI. Profit / (Loss) for the period from continuing operations (IX - X)		9,880.01	6,786.61
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		9,880.01	6,786.61
XVI. Earnings per equity share:			
(1) Basic		42.68	29.32
(2) Diluted		42.68	29.32

See accompanying notes 1 to 52 forming part of financial statements

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING

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

USE OF ESTIMATES:

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

CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months have been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

II. REVENUE RECOGNITION

- a) Sales revenue is recognised when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty.
- b) Promotional Benefits, Export Incentives and Export Growth Incentives are accounted for on accrual basis when reasonable certainty and their probable use within reasonable time in the normal course of business, is established.
- c) Claims and refunds due from Government authorities and parties, though receivable / refundable are not recognised in the accounts, if the amount thereof is not

ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the Company.

- d) Claims lodged with insurance companies are recognised as Income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.
- e) The Government(s) subsidies and Interest Subsidy under TUFS are recognised on accrual basis and adjusted against the respective expenses.

III. GOVERNMENT GRANTS

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

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

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

IV. INVENTORY VALUATION

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

V. INVESTMENTS

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

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

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

VII. LEASES

Where the Company is the lessee

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

Where the Company is the lessor

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

VIII. DEPRECIATION AND AMORTISATION

Depreciation on Fixed Assets and Amortisation on Intangible

Assets has been provided as follows:-

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

IX. IMPAIRMENT OF FIXED ASSETS

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

X. FOREIGN EXCHANGE TRANSACTIONS/TRANSLATIONS

- a) (i) Export and Import transactions not covered by a hedging instrument are accounted for at the prevailing conversion rates on the transaction date.
- (ii) Monetary items denominated in Foreign Currency (except financial instruments designated as Hedge Instruments) and outstanding at year end are translated at year end conversion rates.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

(iv) Borrowings in Foreign Currency have been recorded initially at the prevailing exchange rate on the date of availment. The Gain / Loss on Renewal / Payment of the Forward contract booking is accounted for in the Statement of Profit and Loss for the period. Premium or discounts arising on amount covered under Forward Contracts / Fixed Rate Contracts are amortised as expenses or income over the life of such contracts. The exchange gain / loss on un-hedged exposure are valued at the exchange rates prevailing at each balance sheet date.

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

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

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

A financial instrument is designated as an effective hedge after the management objectively evaluates, at the inception of each contract as to whether the

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

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

- i) the forecast transaction materialises, OR
- ii) the hedging instrument expires or is sold, terminated or exercised (except for the replacement or rollover of a hedging instrument into another hedging instrument where such replacement or rollover is part of the instrument's hedging strategy), OR
- iii) the hedge no longer meets the criteria for hedge accounting in AS 30, OR,
- iv) the Company revokes the designation,

Exchange difference relating to Fair Value Hedge effectiveness is measured on the reporting date and exchange difference of fair value hedge is recognised in the Statement of Profit & Loss.

Hedge effectiveness of financial instruments designated as Hedging instruments is evaluated at the end of each financial reporting period as per the risk management policy of the Company framed under requirements of AS 30 and Para 14A.9 of FEMA.

XI. REPLENISHMENT

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

XII. EMPLOYEE BENEFITS

- a) Defined Contribution Plan:

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

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

XIII. TAXES ON INCOME

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

XIV. PROVISIONS AND CONTINGENT LIABILITIES / ASSETS

- a) Provisions are made when the present obligation of a past event gives rise to a probable outflow, embodying economic benefits on settlement, and the amount of obligation can be reliably estimated.
- b) Contingent Liability is disclosed after careful

evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.

- c) Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- d) Contingent Assets are neither accounted for nor disclosed in the financial statements.

XV. EARNING PER SHARE

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

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

XVI. CASH AND CASH EQUIVALENTS BANK BALANCES

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

XVII. OTHERS

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

2 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised		
4,75,00,000 (Previous year : 4,75,00,000) Equity Shares of ₹ 10/- each	4,750.00	4,750.00
25,00,000 (Previous year : 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 150/- each	3,750.00	3,750.00
	8,500.00	8,500.00
Issued		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹ 10/- each	2,314.87	2,314.87
Subscribed & Fully Paid Up		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹ 10/- each	2,314.87	2,314.87
Total	2,314.87	2,314.87

1. Shareholders holding more than 5 % of shares

Name of share holder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Microbase Limited	3,650,970	15.77	3,650,970	15.77
IDFC Sterling Equity Fund	1,572,818	6.79	1,572,818	6.79
LNJ Financial Services Limited	1,767,394	7.63	1,767,394	7.63
Purvi Vanijya Niyojan Limited	1,218,431	5.26	1,218,431	5.26

- There are no shares issued for consideration other than cash in the last 5 financial years. However, 1,35,13,607 Equity shares of ₹ 10/- each were issued as fully paid up bonus shares by capitalisation of reserves in earlier years. 12,28,689 Equity shares of ₹ 10/- each were issued for consideration other than cash, pursuant to the scheme of merger of erstwhile Jaipur Polyspin Limited and Mordī Textiles & Processors Limited as approved by the Hon'ble High Court of Rajasthan.
- The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buy back or issue of share capital.
- The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. There are no restrictions attached to any equity shares. The Company declares and pays dividends, if any, in Indian rupees. During the year ended 31st March 2014, the amount of per share dividend recognised as distribution to equity share holders was ₹ 12.50 (Previous year ₹ 10/-). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the respective shareholders.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

3 RESERVES AND SURPLUS	(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013
A. Reserve and Surplus		
(a) Capital Reserve	700.97	700.97
(b) Preference Share Capital Redemption Reserve	5,700.00	5,700.00
(c) Securities Premium Reserve	8,995.23	8,995.23
(d) State Investment Subsidy	70.00	70.00
(e) General Reserve		
(i) Opening Balance	3,922.27	3,242.27
(ii) Additions during the period	988.00	680.00
	4,910.27	3,922.27
(f) Hedging Reserve		
(i) Opening Balance	(44.93)	(163.09)
(ii) Additions during the period	233.85	118.16
	188.92	(44.93)
(g) Surplus in Statement of Profit & Loss		
Opening Balance	11,017.80	7,619.47
Add : Profit for the period	9,880.01	6,786.61
	20,897.81	14,406.08
Less: Appropriations		
(i) Transfer to General Reserve	988.00	680.00
(ii) Proposed Dividend on Equity Shares	2,893.59	2,314.87
(iii) Tax on Dividend	491.76	393.41
	4,373.35	3,388.28
Net Surplus in Statement of Profit & Loss	16,524.46	11,017.80
Total Reserves & Surplus	37,089.85	30,361.34
B. Government Capital Grants (Deferred Income Approach)		
TUFS Capital Investment Subsidy		
(i) Opening Balance	181.24	209.91
(ii) Additions during the period *	-	19.16
Less : Adjusted against depreciation	(48.88)	(47.83)
	132.36	181.24

* Capital Subsidy claim amounting to ₹ 155 Lacs receivable under RR-TUFS is contingent upon eligibility confirmation by Textile Ministry and hence not recognised in the books of accounts on March 31, 2014.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
I SECURED		
(a) Bonds / Debentures	-	-
(b) Term Loans		
From Banks	41,665.07	48,035.57
From Other Parties (FIs)	18,929.00	23,106.91
(c) Deferred payment Liabilities	-	-
(d) Deposits	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	60,594.07	71,142.48
II UNSECURED		
(a) Term Loans		
From Banks	-	-
From FIs	-	-
(b) Deferred payment Liabilities	35.56	122.86
(c) Deposits	-	-
(d) Loans and Advances from Related parties	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	60,629.63	71,265.34

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

CURRENT YEAR FIGURES

I Secured

Conditions of Term Loans are summarised below:

Floating Rate - Carrying floating interest rate of Base Rate + 1.00% to 2.50% as on 31st March, 2014

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
15-Mar-2015	200.00	-	200.00	4
22-Mar-2015	505.00	-	505.00	4
15-Mar-2016	972.00	526.00	446.00	8
25-Mar-2016	1,952.00	1,052.00	900.00	8
30-Mar-2016	1,914.00	1,064.00	850.00	8
25-May-2016	699.00	375.00	324.00	9
20-Dec-2016	1,519.00	919.00	600.00	11
20-Sep-2017	10,793.00	8,964.00	1,829.00	14
25-Feb-2018	12,760.00	10,692.00	2,068.00	16
20-Jun-2018	10,468.65	8,281.40	2,187.25	17
25-Feb-2019	3,996.67	3,726.67	270.00	20
20-Feb-2020	950.00	950.00	-	20
20-Mar-2020	5,395.00	5,115.00	280.00	24
Sub Total	52,124.32	41,665.07	10,459.25	

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS

(₹ in Lacs)

Floating Rate - Carrying floating interest rate of Base Rate + 1.00% to 2.50% as on 31st March, 2014 (Contd.)

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Longterm maturity	Current maturity	
(b) From Other Parties (FIs):				
20-Sep-2016	480.00	310.00	170.00	10
20-Sep-2017	10,211.00	8,215.00	1,996.00	14
20-Feb-2018	12,416.00	10,404.00	2,012.00	16
Sub Total	23,107.00	18,929.00	4,178.00	
Total	75,231.32	60,594.07	14,637.25	

II Unsecured

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

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Longterm maturity	Current maturity	
15th December 2015	71.12	35.56	35.56	4
Total A	71.12	35.56	35.56	

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

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Longterm maturity	Current maturity	
1st April 2015	48.87	-	48.87	4
Total B	48.87	-	48.87	
Total A + B	119.99	35.56	84.43	

PREVIOUS YEAR FIGURES

I Secured

Conditions of Term Loans are summarised below:

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

Date of Maturity	Outstanding 31st March 2013			Installments due after 31st March 2013
	Total Outstanding	Longterm maturity	Current maturity	
(a) From Banks:				
15-Sep-2013	141.00	-	141.00	2
30-Sep-2013	9.55	-	9.55	2
15-Mar-2015	400.00	200.00	200.00	8
22-Mar-2015	1,009.00	505.00	504.00	8
15-Mar-2016	1,368.00	972.00	396.00	12
25-Mar-2016	2,701.98	1,951.98	750.00	12
30-Mar-2016	2,674.00	1,914.00	760.00	12
25-May-2016	987.00	699.00	288.00	13
20-Dec-2016	2,118.56	1,518.56	600.00	15
20-Sep-2017	12,581.00	10,793.00	1,788.00	18
25-Feb-2018	14,400.00	12,768.00	1,632.00	20

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS

(₹ in Lacs)

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

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

II Unsecured

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

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

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

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

5 DEFERRED TAX LIABILITY

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred tax liability has been calculated as per Accounting Standard 22 "Accounting for Taxes on Income" of ICAI. Major components are as under:		
Deferred Tax Liability for		
Depreciation	9,337.93	8,972.21
Total	9,337.93	8,972.21
Deferred Tax Assets		
Unabsorbed depreciation	-	-
Disallowance under IT Act	885.30	797.47
Provision for doubtful debts	410.01	162.89
Total	1,295.31	960.36
Deferred Tax Liability	8,042.62	8,011.85
Less : MAT available	839.46	3,154.58
Net Deferred Tax Liability	7,203.16	4,857.27

6 OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Trade Payable	-	-
(b) Security Deposits	633.35	513.38
(c) Other liabilities	134.29	46.52
	767.64	559.90

7 LONG TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for employee benefits (Refer note no. 41)	648.63	703.25
(b) Others		
(i) Provision for Entry Tax (Refer note no. 30)	1,140.46	1,022.51
	1,789.09	1,725.76

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

8 SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
I SECURED		
(a) Loan repayable on demand		
From Banks	41,146.57	40,330.96
From Others	4,750.00	6,332.01
(b) Deposits	-	-
(c) Other Loans & Advances	-	-
	45,896.57	46,662.97
II UNSECURED		
(a) Loan Repayable on Demand		
From Banks	-	-
From Others	-	-
(b) Loans & Advances from Related parties	-	-
(C) Other Loans & Advances	-	-
	45,896.57	46,662.97

- Secured loans repayable on demand include working capital loans secured by hypothecation of raw materials, stock in process, finished goods, semi finished goods, stores, spares, book debts and other current assets as well as second charge on fixed assets of the company on pari passu basis.
- All loans repayable on demand carry floating interest rate of 10.25% to 13.00%.

9 TRADE PAYABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Trade Payable to Related Party		
BSL Ltd	0.40	-
Maral Overseas Ltd	(0.52)	-
(b) Trade Payable Others	3,634.06	4,116.14
	3,633.94	4,116.14

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
1. Principal Amount remaining unpaid	20.11	21.94
2. Principal Amount remaining unpaid above 45 days*	-	1.49
3. Interest due on above	-	-
4. Total of (1) and (2) (included in trade payable others)	20.11	23.43
5. Interest paid in terms of section 16	-	-
6. Interest due and payable for the period of delay in payment	-	-
7. Interest accrued and remaining unpaid	-	-
8. Interest due and payable even in succeeding years	-	-

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

10 OTHER CURRENT LIABILITIES		<i>(₹ in Lacs)</i>	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Current Maturities of long-term debt	14,637.25	13,056.59	
(b) Current maturities of deferred payment liabilities	84.43	44.22	
(c) Interest Accrued but not due on borrowing	157.63	166.98	
(d) Interest accrued and due on borrowings	-	-	
(e) Income received in advance	-	-	
(f) Un-paid dividend	59.98	46.80	
(g) Application money received for allotment of securities and due for refund and interest accrued there on	-	-	
(h) Unpaid matured deposits and interest accrued thereon	-	-	
(i) Unpaid matured debentures and interest accrued thereon	-	-	
(j) Security Deposits	313.79	306.35	
(k) Advance from customers	978.60	552.72	
(l) Liability towards staff and worker	1,893.73	1,867.86	
(m) Government dues	351.21	331.58	
(n) Other Payables	27.94	26.65	
(o) Commission, discounts etc. payable on sales	1,865.12	1,788.93	
(p) Other Liabilities for expenses *	2,058.77	1,931.03	
	22,428.45	20,119.71	

* Includes liabilities against provision for statutory dues & legal cases

11 SHORT TERM PROVISIONS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Provision for employees benefits	195.07	173.43	
(b) Others			
(i) Proposed dividend on Equity Share	2,893.59	2,314.87	
(ii) Tax on Dividend	491.76	393.41	
(iii) Provision for taxation	-	-	
	3,580.42	2,881.71	

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

12 NON CURRENT ASSETS - FIXED ASSETS

(₹ in Lacs)

No. Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET CARRYING VALUE				
	As at 01.04.2013	Additions	Acquisitions through business combination	Total	Disposals* as held for sale	As at 31.03.2014	Up to 01.04.2013	Deductions** Eliminated on reclassification as held for sale	10	11	12	13	14	As at 31.03.2014	As at 31.03.2013
1	2	3	4	5(2+3+4)	6	7	8(5-6-7)	9	10	11	12	13	14	15	16
A) Tangible Assets															
Free Hold Land	1,757.83	56.71	-	1,814.54	-	-	1,814.54	0.72	-	-	-	0.72	1.44	1,813.10	1,757.11
Lease Hold Land	387.78	-	-	387.78	-	-	387.78	10.35	-	-	-	0.51#	10.86	376.92	377.43
Buildings (Including Roads) ***	28,523.58	505.38	-	29,028.96	62.32	-	28,966.64	5,621.69	20.89	-	-	772.65	6,373.45	22,593.19	22,901.89
Plant and Machinery	1,36,065.76	6,278.79	-	1,42,344.55	610.50	-	1,41,734.05	73,850.35	536.64	-	-	9,521.54	82,835.25	58,898.80	62,215.41
Furniture Fixture and Other	3,657.11	178.12	-	3,835.23	47.43	-	3,787.80	1,371.08	48.76	-	-	118.85	1,441.17	2,346.63	2,286.03
Vehicles	1,209.29	319.77	-	1,529.06	90.61	-	1,438.45	447.37	45.50	-	-	125.26	527.13	911.32	761.92
Office Equipments	1,032.49	437.70	-	1,470.19	37.09	-	1,433.10	562.92	14.59	-	-	178.75	727.08	706.02	469.57
Electric Fitting and Water Supply Installation	7,409.94	228.53	-	7,638.47	32.08	-	7,606.39	2,247.34	16.25	-	-	344.45	2,575.54	5,030.85	5,162.60
Total (A)	1,80,043.78	8,005.00	-	1,88,048.78	880.03	-	1,87,168.75	84,111.82	682.63	-	-	11,062.73	94,491.92	92,676.83	95,931.96
B) Intangible Assets (Acquired)															
Computer Software	147.33	2.07	-	149.40	4.96	-	144.44	80.69	4.38	-	-	20.41	96.72	47.72	66.64
Enabling Assets	673.30	0.16	-	673.46	-	-	673.46	91.17	0.03	-	-	34.75	125.89	547.57	582.13
Total (B)	820.63	2.23	-	822.86	4.96	-	817.90	171.86	4.41	-	-	55.16	222.61	595.29	648.77
Total (A + B)	1,80,864.41	8,007.23	-	1,88,871.64	884.99	-	1,87,986.65	84,283.68	687.04	-	-	11,117.89	94,714.53	93,272.12	96,580.73
C) Capital Work in Progress :															
Building Under Construction	166.19	683.20	-	849.39	133.19	-	716.20	-	-	-	-	-	-	716.20	166.19
Plant & Machinery Under Erection/Commissioning	948.47	2,428.73	-	3,377.20	2,791.51	-	585.69	-	-	-	-	-	-	585.69	948.47
Pre-operative Expenses pending allocation	-	96.65	-	96.65	-	-	96.65	-	-	-	-	-	-	96.65	-
Total (C)	1,114.66	3,208.58	-	4,323.24	2,924.70	-	1,398.54	-	-	-	-	-	-	1,398.54	1,114.66
D) Intangible Assets under development															
Total (A+B+C+D)	1,81,979.07	11,215.81	-	1,93,194.88	3,809.69	-	1,89,385.19	84,283.68	687.04	-	-	11,117.89	94,714.53	94,670.66	97,695.39
Previous Year	1,82,642.04	36,838.19	-	2,19,480.23	29,217.77	-	8,283.39	79,557.74	870.69	5,313.69	-	10,910.32	84,283.68	97,695.39	1,03,084.30

Notes :

- *Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/ Lease hold rights written off.
- ** Deduction in depreciation ₹ 687.04 Lacs (previous Year ₹ 6184.38 Lacs) represents adjustment on account of Sale/Transfer/Discarding of fixed assets classified as held for sale
- *** Roads and Buildings includes value of irrevocable Licencing right to use of a flat in New Delhi ₹ 10.00 Lacs.
- # Represents amortisation of lease hold land

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

13 NON CURRENT INVESTMENTS (AT COST) (₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
A. Quoted, Non-Trade		
(i) In Subsidiary Company		
In Equity Shares of ₹ 10/-each (Unless stated otherwise) fully paid up (At cost)		
Holding (Nos.) Name of the Company		
a) 3,16,57,900 (Previous Year 3,16,57,900) Cheslind Textile Ltd. (Refer note no. 35)	5,849.52	5,849.52
	5,849.52	5,849.52
(ii) In Others		
In Equity Shares of ₹ 10/-each (Unless stated otherwise) fully paid up (At cost)		
Holding Name of the Company		
(a) 9,78,000 HEG Limited	34.94	34.94
(b) 372 Whirlpool India Limited	0.01	0.01
(c) 30 Vardhman Holding Limited	-	-
(d) 150 Tata Construction & Project Limited	0.02	0.02
(e) 775 Graphite India Limited (of ₹ 2/- each)	0.03	0.03
(f) 8,600 State Bank of Bikaner & Jaipur	14.72	14.72
(g) 943 Punjab National Bank	3.68	3.68
(h) 180 Vardhman Textiles Ltd.	0.01	0.01
(i) 36 Vardhman Special Steel Limited	-	-
(j) 31,396 BSL Limited	0.50	0.50
	53.91	53.91
Total Value of Quoted Non-Trade Investments	5,903.43	5,903.43
B. Unquoted Non-Trade		
(i) In Associates (Refer note no. 34)		
In Equity Shares of ₹ 10/-each		
(a) 2,60,000 (Previous Year 2,60,000) Share of LNJ Power Ventures Ltd	26.00	26.00
In Debenture of ₹ 1,00,000/-each		
(a) 3,200 (Previous Year 2,674) 13.54% Compulsorily Convertible Debenture of LNJ Power Ventures Ltd	3,200.00	2,674.00
	3,226.00	2,700.00
(ii) In Others		
In Equity Shares of ₹ 10/-each		
(a) 2,77,78,432 (Previous Year 2,64,55,650) Bhilwara Energy Limited	3,606.35	1,763.71
Share Application Money		
(b) 13,22,782 Bhilwara Energy Limited - Right Issue	-	700.00
	3,606.35	2,463.71
Total Value of unquoted Non-Trade Investments	6,832.35	5,163.71
Total Cost of Investments	12,735.78	11,067.14
Aggregate Market Value of Quoted Investments	3,514.53	3,957.03

- All investments have been classified as non-trade investments based on the management's business assessment and legal expert, relied upon by the auditors.
- The cost of investment in Cheslind Textiles Limited includes ₹ 397.39 lacs (Previous year ₹ 397.39 lacs) acquisition charges such as brokerage, fees, duties, legal & professional fees and other incidental expenses incurred in the process of acquisition.
- 76,28,950 Equity shares of Cheslind Textile Limited are pledged as collateral security with IDBI Bank Limited against loan taken by Cheslind Textile Limited.
- Company had accepted Bhilwara Energy Limited offer of Right Shares on 11th March 2013 and paid application money of ₹ 7.00 Cr. against allotment of 13,22,782 Equity shares of ₹ 139.30 each (Including premium of ₹ 129.30). During the Year 2013-14, remaining amount of ₹ 11.43 Cr. also was paid against allotment of 13,22,782 Equity shares.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

14 LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
UNSECURED, CONSIDERED GOOD		
(a) Capital Advances	3,121.00	1,583.48
(b) Security Deposits	690.78	699.03
(c) Loans & Advances to Related Parties		
Cheslind Textile Ltd. (Refer note no. 35)	60.00	60.00
(d) Other Loans & Advances		
- To directors of the company	-	-
- To Officers & staff of the company	49.16	46.47
- To Firm or company under the same management	-	-
- To Others	0.94	8.14
- Advance Against Supply	12.27	10.66
	3,934.15	2,407.78

15 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured, considered good unless otherwise stated)		
(i) Long Term Doubtful Trade Receivable	1,206.26	502.65
Less: Provision for doubtful debts	(1,206.26)	(502.65)
(ii) Others		
(a) Duty claims and other receivables	111.96	111.96
(b) Bank deposits with more than 12 months maturity	-	0.15
	111.96	112.11

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Material		
- Fibre (Includes in-transit ₹ 342.62 lacs, Previous year ₹ 275.21 lacs)	14,635.65	15,031.38
- Yarn	711.54	721.58
- Others - Dyes & Chemicals	549.66	398.41
Work in Progress		
- Yarn	6,070.83	6,798.10
- Fabric	959.42	913.76
Finished Goods		
- Yarn	7,562.83	8,438.27
- Fabric	3,712.39	3,889.10
- Garment	133.04	132.01
Traded Goods		
- Yarn	-	-
- Fabric	163.62	193.03
- Garment	-	0.50
Stores & Spares (Includes in-transit ₹ 549.64 lacs, Previous year ₹ 5.86 lacs)	2,910.74	3,266.82
Loose Tools	100.83	76.98
Others - Waste	114.56	111.53
	37,625.11	39,971.47

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

17 TRADE RECEIVABLES (CURRENT) (₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured considered good)		
Trade Receivable	23,480.90	21,530.27
Due by Directors	-	-
Due by Officers	-	-
Due by firms/companies under the same management	-	-
Due from Related Parties		
- BSL Limited	139.49	27.81
- Maral Overseas Limited	66.31	44.83
- HEG Limited	-	4.56
- Karishma Fabric	(0.16)	-
- Maheshwari Vastra Bhandar	(0.27)	-
	23,686.27	21,607.47

Trade receivable include amount due over 180 days is ₹ 208.41 lacs (Previous year ₹ 437.19 lacs)

18 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Balance with bank		
(i) Current accounts	25.79	41.88
(ii) Un-paid dividend account *	59.98	46.80
(iii) Margin money account	1.80	0.13
(b) Cheques, Drafts in hand	1.79	34.89
(c) Cash-in-hand	54.05	59.18
(d) Others	-	-
(e) Bank deposits with in 3 months maturity	4.05	8.15
	147.46	191.03

* Earmarked for specific use

19 SHORT- TERM LOANS & ADVANCES

Particulars	As at 31st March, 2014	As at 31st March, 2013
A Loans & Advances (Unsecured considered good)		
(a) To related Parties		
(i) BSL Ltd	-	-
(ii) HEG Ltd.	-	-
(iii) Indo Canadian Consultancy Services Ltd.	337.78	399.89
(iv) Malana Power Co. Ltd.	-	6.34
(v) Cheslind Textile Ltd.	-	-
(vi) Bhilwara Energy Ltd	-	45.51
(vii) Maral Overseas Ltd.	30.01	11.00
(viii) LNJ Power Ventures Ltd	252.22	1.97
(b) To Directors	-	-
(c) To Officers	-	-
(d) To Director/Partners in Companies/Firms under the same management	-	-
(Unsecured considered doubtful)		
Total A	620.01	464.71

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

19 SHORT- TERM LOANS & ADVANCES (Contd.)		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
B Loans & Advances			
(a) To related Parties	-	-	
(b) To Directors	-	-	
(c) To Officers	-	-	
(d) To Director/Partners in company/firm under the same management	-	-	
Total B	-	-	
Total (A+B)	620.01	464.71	
C. Other Loans & Advances (Unsecured considered good)			
(a) Security Deposit	10.03	17.11	
(b) Advance tax	353.02	239.74	
(c) Advance against supply	1,772.75	1,560.91	
(d) Others	819.63	553.85	
Total C	2,955.43	2,371.61	
Total (A+B+C)	3,575.44	2,836.32	

20 OTHER CURRENT ASSETS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
Duties, Claims and Other Receivables	1,184.58	1,540.26	
Subsidies Receivable	1,927.80	1,585.16	
DEPB, DBK & Advance Licence Receivable	1,988.62	1,340.61	
Export Growth Entitlement Receivable	903.41	392.41	
SHIS Scheme Benefit Receivable (Refer Note No. 33)	901.57	1,624.08	
Excise Rebate Claim Receivables	1,349.99	1,328.88	
Interest receivable from trade debtors	185.08	255.24	
Bank deposits above 3 months but within 12 months maturity	5.77	2.27	
Assets Held for Sale (Refer Note No. 34)	532.33	1,088.63	
	8,979.15	9,157.54	

21 REVENUE FROM OPERATIONS			
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(A) Sales			
Manufactured Goods			
Yarn	2,39,820.98	2,01,320.28	
Fabric	38,304.41	37,043.69	
Garment	322.93	295.55	
Traded Goods			
Yarn	-	162.39	
Fabric	5,344.65	2,117.47	
Garment	184.84	83.54	
(B) Services and job Processing Charges			
Job & processing charges	2,670.29	2,577.72	
Other Services	-	-	
(C) Export Incentive (Refer Note No. 33)	-	1,908.53	
(D) Sale of Waste	1,784.09	1,594.59	
	2,88,432.19	2,47,103.76	

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

22 OTHER INCOME	(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(a) Interest Income	1,137.41	669.36
(b) (i) Dividend from subsidiary companies	-	-
(ii) Dividend from others	80.01	50.39
(c) Net Gain/Loss on sale of investment	-	-
(d) Other non-operating income		
(i) Rent	676.18	742.14
(ii) Consultancy fees	132.29	119.34
(iii) Provision/Liability no longer required written back	102.40	381.80
(iv) Insurance and other claims received	27.87	49.82
(v) profit on sale of stores/raw material	-	-
(vi) Net profit/loss on sale of fixed assets	-	-
(vii) Miscellaneous Receipts	413.91	295.68
(e) Excess provision on specific liabilities and commitments written back	-	-
(f) Net gain/loss on foreign currency translation & transaction (Other than considered as finance cost)	(18.31)	(25.01)
(g) Provision for Doubtful Loans & Advances Written Back	-	-
(h) Prior Period Income	-	-
	2,551.76	2,283.52

23 COST OF MATERIAL CONSUMED		
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(A) Raw Materials		
Opening Stock	16,151.37	14,406.47
Add: Purchases	1,73,124.05	1,54,188.51
	1,89,275.42	1,68,594.98
Less: Sales, Returns and Adjustments	5,258.24	4,676.19
	1,84,017.18	1,63,918.79
Less: Closing Stock	15,896.84	16,151.37
Raw Material Consumed	1,68,120.34	1,47,767.42
Raw Material Consumption under broad heads:		
(A) Synthetic Fibres		
Polyester	73,684.49	65,687.13
Viscose	25,416.42	24,805.88
Other	5,117.82	3,893.26
(B) Natural Fibre		
Cotton	51,665.14	40,817.02
Other	-	-
(C) Yarn		
Synthetic	2,508.88	4,136.58
Cotton	3,318.85	3,194.79
(D) Grey Fabric	482.56	424.81
(E) Coal	11.75	38.08
(F) Dyes & Chemicals	5,914.43	4,769.87
	1,68,120.34	1,47,767.42

Notes to Financial Statement

as at 31st March, 2014

Notes annexed to and forming part of the accounts

24 PURCHASES OF TRADED GOODS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Fabric	5,157.75	2,042.91
Garment	138.80	60.16
Yarn	-	83.46
	5,296.55	2,186.53

25 CHANGE IN INVENTORY

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
CLOSING INVENTORY		
Finished Goods*	11,571.88	12,652.92
Waste	114.56	111.53
Stock in Process	7,030.25	7,711.86
	18,716.69	20,476.31
OPENING INVENTORY		
Finished Goods	12,652.92	8,323.37
Waste	111.53	90.98
Stock in Process	7,711.86	6,598.43
	20,476.31	15,012.78
Increase/(Decrease) in Inventory	(1,759.62)	5,463.53

26 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(a) Salaries, Wages and Bonus	19,920.12	17,251.24
(b) Contribution to Provident, Gratuity and Other Funds (Refer Note No. 41)	3,008.87	2,831.25
(c) Expense on employee stock option scheme (ESOP) & Employee stock purchase plan (ESPP)	-	-
(d) Workmen and Staff Welfare	353.97	342.53
	23,282.96	20,425.02

27 FINANCE COST

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(a) Interest Expenses *	11,687.24	11,749.11
(b) Other borrowing costs	123.85	65.05
(c) Bank charges	365.29	314.90
(d) Applicable net gain/loss on foreign currency translations & transactions	-	-
	12,176.38	12,129.06

* Interest Expenses recorded are Net of Subsidy received/receivable under TUFs, amounting to ₹ 3,168.03 Lacs (Previous Year ₹ 3,327.21 Lacs)

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

28 DEPRECIATION AND AMORTISATION EXPENSES (₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Tangible Assets	11,062.73	10,867.71
Intangible Assets	55.16	42.61
Total	11,117.89	10,910.32
Amortisation on Government Capital Grants	48.88	47.83
Excess Depreciation Written Back	-	17.11
	48.88	64.94
	11,069.01	10,845.38

29 OTHER EXPENSES

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Manufacturing Expenses		
(a) Stores and Spare parts Consumed (Net of scrap sales ₹ 499.24 lacs, Previous Year ₹ 460.78 lacs)	6,883.15	5,659.56
(b) Power and Fuel	22,469.49	23,087.20
(c) Packing Expenses	3,936.20	3,268.77
(d) Processing and Job Charges	1,426.19	1,317.33
(e) Research and Development	158.46	128.36
(f) Repairs to Building	644.48	556.62
(g) Repairs to Machinery	836.53	647.81
(h) Repair & Maintenance (Other)	339.67	239.60
	36,694.17	34,905.25
B. Administrative Expenses		
(a) Rent	103.53	96.31
(b) Insurance (Net of Recovery ₹ 64.40 lacs, Previous Year ₹ 77.59 lacs)	466.13	263.96
(c) Rates and Taxes	85.87	92.04
(d) Lease Rent	19.30	20.33
(e) Directors' Remuneration and Fees	658.98	377.51
(f) Directors' Travelling	77.96	26.52
(g) Charity and Donations	38.57	13.95
(h) Payment to Auditors*		
As Auditors	48.89	32.41
For taxation matters	4.94	4.60
For Management services	8.96	8.91
For others	1.33	2.59
For reimbursement of exp.	9.96	9.55
(i) Other miscellaneous expenses	1,927.66	1,585.54
	3,452.08	2,534.22
*Payment to auditors during the year include Service Tax amounting to ₹ 5.70 Lacs (Previous year ₹ 4.05 Lacs)		

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

29 OTHER EXPENSES (Contd.)

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
C. Selling Expenses		
(a) Commission	850.37	850.37
(b) Brokerage	211.99	182.80
(c) Incentives and Discounts	1,866.64	1,783.99
(d) Claims and Rebates	127.83	182.53
(e) Freight, Forwarding and Octroi	1,375.70	1,204.19
(f) Expenses on Export Sales:		
Ocean Freight	3,742.44	3,052.05
Commission	1,452.25	1,259.70
Others	351.03	451.96
(g) Advertisement	299.36	269.66
(h) Foreign Travelling Expenses	147.61	204.23
(i) Other Selling Expenses	730.35	642.68
	11,155.57	10,084.16
D. Other expenses		
(a) Net loss on Foreign currency transaction & translation (other than considered as finance cost)	52.61	(34.64)
(b) Bad debts and provision for doubtful debts & advances	705.65	45.55
(c) Loans and advances written off	-	-
(d) Deferred revenue expenses written off	-	-
(e) Provision for entry tax	75.17	43.35
(f) Provision for losses of Subsidiary companies	-	-
(g) Adjustment to the carrying amount of investments	-	-
(h) Net loss on sale of investment	-	-
(i) Net loss on sale/discarding of Fixed Assets	52.21	2,000.00
(j) profit on sale of stores/raw material	13.62	0.25
(k) Extraordinary item of expenses	-	-
(l) Prior period expenses	17.71	2.02
	916.97	2,056.53
	52,218.79	49,580.16

- 30** Jodhpur Bench of Hon Rajasthan High Court, in its interim order on constitutional validity of the levy of Entry Tax, has directed the company to pay 50% of the assessed Entry Tax and provide solvent guarantee for the balance assessed and non-assessed Tax and interest thereon till the date of payment. Accordingly, the company has paid ₹ 415.32 Lacs against the entry tax payable up to March 31, 2011 being 50% of assessed Entry Tax and provided solvent guarantee to the State Government for the balance amount. As on March 31, 2014 the Company has accounted for provision of ₹ 1,140.11 lacs (Previous Year ₹ 1,022.50 lacs) including interest of ₹ 488.69 lacs (Previous Year ₹ 414.77 lacs).
- 31** Under the Technology Up-gradation Fund Scheme (TUFS) established by Government of India for Textiles, the Company has incurred an expenditure of ₹ 1,36,442.24 lacs on various projects (Previous Year ₹ 1,31,133.57 Lacs). The interest subsidy accrued for the year under this scheme is ₹ 3,058.19 lacs (Previous Year ₹ 3,529.17 lacs) out of which, ₹ 3,056.67 lacs (Previous Year ₹ 3,327.21 lacs) has been credited to Statement of Profit and Loss Net of interest subsidy capitalised. (Ref. Note 27 for details of Interest cost).
- 32** The capital subsidy under TUFS is accounted, adopting Deferred Income Approach, and is recognised in Statement of Profit & Loss on a systematic and rational basis over useful life of the assets. A sum of ₹ 452.29 lacs till date of Financial Statements is therefore, considered as deferred income, out of which, a sum of ₹ 48.88 lacs (previous year ₹ 47.83) has been recognised against depreciation during the year (up to year ₹ 132.36 lacs).

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

- 33** Foreign Trade Policy 2009-2014 introduced Status Holder Incentive Scheme (SHIS), under which an Exporter is entitled for Scripts @1% of FOB Value of Exports. These Scripts can be used within 18 months of the date of Script, for payment of Import /Excise duties on capital goods and spare parts and are freely transferable .

Based on opinion obtained from an expert, the full value of SHIS Scripts received/receivable aggregating to ₹ 1,908.53 lacs was accounted for as other operating revenue in previous year, upon ascertaining it's probable use in the normal course of business based on projects approved by the Board. Out of total SHIS Scripts received for a value of ₹ 1,908.53 lacs, Scripts for a value of ₹ 1,006.96 lacs were used during the Financial Year. Scripts valuing ₹ 61.39 lacs were sold at a price of ₹ 18.17 lacs and loss on such Scripts of ₹ 43.22 lacs is accounted for in the current period.

SHIS Scripts for a value of ₹ 901.57 lacs are valid for utilisation within next 12 months, utilisation thereof within the next 12 month has been ascertained by the Management based on investment plans approved by the board on the date of approval of Accounts.

- 34** After commissioning of Thermal Power Plant at Banswara in 2007, HFO fuelled Wartsila power generators at various units considered as standby, became redundant. During previous year, company has also invested under Group Captive Scheme in a Special Purpose Vehicle (SPV) viz. LNJ Power Ventures Limited, which on 29th March 2013 commissioned a 20 MW Wind Power Unit in Rajasthan. As per Power Purchase Agreement signed by Company with SPV, 100% power generated by SPV starting 29th March, 2013 will be for use by company for 20 years at a fixed price. Considering very high cost of retention of Wartsila Power generators and uneconomical power generation, Company during previous year decided to retire them from active use and sell them at all locations, retaining only one at Denim Unit at Mayur Nagar as back-up for use in case of extreme emergency.

Resultantly Realisable value of Wartsila Generators (₹ 1,068.46 Lacs) and Spares and Stores (₹ 20.13 Lacs) had been transferred to "ASSETS HELD FOR SALE" as on 31.03.2013 and shown separately, pending disposal of these assets in Financial Year 2013-14 in terms of the Board's decision dated 1st May, 2013.

During the year, 3 Generators of a WDV of ₹ 358.53 Lacs had been sold out at a value of ₹ 201.69 lacs, resulting into a further loss of ₹ 156.64 lacs. Remaining generators have been accounted for at estimated realisable value of ₹ 399.34 lacs.

- 35** Company's subsidiary Cheslind Textiles Ltd (CTL) had suffered losses eroding its entire net worth and experienced difficulties in repayment of Term Loans, which were partly guaranteed by RSWM Ltd. CDR Cell approved restructuring of its Debts effective from December 1, 2011. In compliance of the Corporate Debts Restructuring (CDR) Scheme approved on April 9, 2012, loans & advances aggregating to ₹ 1640 lacs given to CTL were converted into 1,64,00,000 equity shares of ₹ 10 each and interest free loan of ₹ 60 lacs had been granted to CTL as approved by the Board of Directors in their meeting on 26th October, 2012.

Board of Directors of the Company in its meeting held on 9th April, 2014 decided to merge Cheslind Textiles Limited (CTL) with the Company. Based on Scheme of Amalgamation approved by the Boards of Directors of RSWM Limited and Cheslind Textiles Limited based on the Valuation Report of an Independent Valuer and Fairness Opinion thereon by SEBI approved Merchant Banker, each share holder of Cheslind Textiles Limited is being offered 1 Optionally Convertible Redeemable Preference Shares (OCRPS) of nominal value of ₹ 7.50 fully paid up of the Company for every one equity share of nominal value of ₹ 10.00 fully paid-up held in CTL. Proposed appointed date for merger is 1st April, 2013. OCRPS shall carry dividend rate of 12% on paid-up value of ₹ 7.50, will have a tenure of 5 years from the date of allotment, will be listed and/or admitted to trading on the designated stock exchange(s) and will be optionally convertible in the ratio of 22 OCRPS of ₹ 7.50 paid up for 1 equity share of the Company upon exercise of the option within 6 months of the allotment. OCRPS not converted within specified time can be redeemed before maturity by the Company by giving 3 months notice. The Scheme of Amalgamation is subject to approval of High Courts of Rajasthan and Madras.

During the year 2013-14, Cheslind Textiles Limited have reported a PBDT of ₹ 1,034.74 Lacs (Previous Year ₹ 1,206.89 Lacs). On the basis of detailed examination, expected economies & synergies upon effective merger and on its best estimates, the Management considers the decline in the value of investment in Cheslind Textiles Ltd (CTL) a temporary diminution in such value and hence in line with the valuation under AS -13, no provision for diminution in such value is made as at 31st March, 2014.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

- 36 The Company has incurred expenditure on implementation of Loom Project at Mordi, Recycled Fibre Project at Ringas, Spinning Project at Mandapam and Linen Yarn Project, which have been considered as Pre-operative Expenses thereon pending capitalisation as detailed here under :-

(₹ in Lacs)

Particulars	Opening Balance	Additions	Deductions	Closing Balance
Raw Material	-	-	-	-
Power & Fuel	-	-	-	-
Payment to and provision for Employees	-	20.77	-	20.77
Professional & Consultancy Charges	-	14.02	-	14.02
Interest & Financial Expenses	-	10.89	-	10.89
Misc. and Other Expenses	-	50.97	-	50.97
	-	96.65	-	96.65
Less: Recoveries/recoverable	-	-	-	-
TOTAL	-	96.65	-	96.65

- 37 The Company has adopted AS 30 "Financial Instruments: Recognition and Measurement" and the gain on account of change in effective portion of such forward contracts is taken into Hedging Reserve ₹ 188.92 Lacs as on 31st March 2014, (Previous year loss 44.94 lacs) and loss of ₹ 18.31 lacs on ineffective portion of hedge is taken into Statement of Profit & Loss (Previous year ₹ 25.01 lacs). Refer Note No. 47
- 38 **A** The loans & advances, debtors and other current assets are reviewed annually and their value in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet as assessed by the Management. However, balance confirmation from parties is under process.
- B** Response to the letter(s) sent by Company requesting confirmation of balances has been insignificant. Company notes that the Marketing and Accounting team has a system of periodical verification of balances and required adjustments are carried-on that basis regularly. In view of the above, management considered that impact of reconciliation, on receipt of balance confirmation, would not be significant on the same.
- 39 In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate.
- 40 The figures for the previous year have been regrouped and/or rearranged wherever found necessary to make these comparable with those of the current year.
- 41 **Employee benefits – AS – 15**

The company has complied with Accounting Standard 15 (Revised 2005) and the required disclosures are given hereunder:

(a) Defined Benefit Plans (Funded)

The Following table set out the status of the gratuity Plan and Earned Leave Plan as required under AS-15 (Revised 2005)

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,854.20	662.87	2,402.10	556.47
(b) Current Service Cost	377.92	128.76	328.13	118.11
(c) Interest Cost	228.34	53.03	192.17	44.52
(d) Actuarial Gain/loss	130.46	[48.64]	255.06	1.39
(e) Benefits paid	[363.95]	[78.60]	[323.26]	[57.61]
(f) Settlement Cost	-	-	-	-
(g) Defined Benefits obligations at the year end	3,226.97	717.42	2,854.20	662.87

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

41 Employee benefits – AS – 15 (Contd.)

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,273.33	540.50	2,005.82	522.46
(b) Expected Return on plan assets	227.33	43.24	200.58	41.80
(c) Actuarial Gain/loss	(46.51)	(2.82)	(6.10)	(0.15)
(d) Employer Contribution	580.87	122.37	396.28	34.01
(e) Benefits paid	(363.95)	(78.60)	(323.26)	(57.61)
(f) Fair Value of the plan assets at the year end	2,671.08	624.69	2,273.33	540.50

(III) Reconciliation of the present value of the defined benefit obligation & the fair value of the plan assets to the assets & Liabilities recognised in the Balance Sheet.

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Present value of obligation as at 31.03.2014	3,226.97	717.42	2,854.20	662.87
(b) Fair value of Plan Assets as at 31.03.2014	2,671.08	624.69	2,273.33	540.50
(c) Amount Recognised in Balance Sheet (a-b)	555.89	92.73	580.87	122.37

(IV) The total Expense recognised in the statement of Profit & Loss during the year

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Current Service Cost	377.92	128.76	328.13	118.11
(b) Interest Cost	228.34	53.03	192.17	44.52
(c) Expected return on plan assets	(227.33)	(43.24)	(200.58)	(41.80)
(d) Actuarial Gain/loss	176.97	(45.82)	261.16	1.54
(e) Others	-	-	-	-
Net Cost (a+b+c+d+e)	555.89	92.73	580.87	122.37

(V) Investment Details of Plan Assets for each major category of plan assets, following is the percentage that each major category constitute of the fair value of the total plan assets.

Particulars				Sharing of Investment	
Name of Retirement Benefit	Name of Trust	Policy number	Investment with	This Year	Previous year
(1) Gratuity	Rajasthan Spinning Staff Gratuity fund trust	36	ICICI Prudential Life Insurance Co. Ltd.	10%	100%
		300786114	Bajaj Allianz Life Insurance Company Limited	45%	
		GR000225	Kotak Mahindra Old Mutual Life Insurance Limited	45%	
(1) Earned Leave		GLS 311308	LIC of India	100%	100%

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

41 Employee benefits – AS – 15 (Contd.)

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

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

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Discount Rate	8.50%	8.50%	8%	8%
(b) Expected Rate of Return on plan assets	10.00%	8.00%	10%	8%
(c) Mortality Index used by the actuary	IALM (2006-08)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)

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

Particulars	Actual Return on Plan Assets		Estimate of Contribution for next year	
	This Year	Previous Year	This Year	Previous Year
	(a) Gratuity	227.33	200.58	633.63
(b) Earned leave	43.24	41.79	141.72	122.37

(VIII) The overall expected return on assets is assumed based on the market prices prevailing on that date which is having Insurer Managed Fund. The description of Insurance Policies are "ICICI Pru Group Gratuity Platinum Policy, Kotak Gratuity Group Plan, Bajaj Allianz Group Employee Benefit Plan and Employee Leave Encashment-cum-life Assurance of Life Insurance Corporation Of India".

(ix) Experience adjustment

Particulars	31st March 2014		31st March 2013		31st March 2012		31st March 2011		31st March 2010	
	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefit Obligation	3,226.97	717.42	2,854.20	662.87	2,402.10	556.47	2,069.89	525.72	1,707.44	469.63
Plan Assets	2,671.08	624.69	2,273.30	540.50	2,005.80	522.46	1,645.03	460.47	1,507.41	386.39
Surplus/Deficit	(555.89)	(92.73)	(580.87)	(122.40)	(396.28)	(34.01)	(424.86)	(65.26)	(200.03)	(83.24)
Experience adjustment on plan assets	(46.51)	(2.82)	(6.10)	(0.15)	(18.22)	9.81	(107.83)	5.45	139.96	3.32
Experience adjustment on plan liabilities	(128.73)	49.24	(245.04)	1.39	(159.57)	56.30	(127.80)	26.49	(89.98)	5.73

b) Defined contribution plans

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

Particulars	31st March, 2014	31st March, 2013
(i) Employer's Contribution to Provident Fund	1,253.17	1,174.97
(ii) Employer's Contribution to Superannuation	203.80	162.74

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 SEGMENT REPORTING – AS - 17

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

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

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

A. BUSINESS SEGMENTS

(₹ in Lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Segment Revenue								
External Sales / Other Operating Income	2,42,217	2,04,945	45,980	41,703	32	(1)	2,88,229	2,46,647
Inter Segment Transfers	7,665	9,596	1	1	-	-	7,666	9,597
Gross Revenue	2,49,882	2,14,541	45,981	41,704	32	(1)	2,95,895	2,56,244
Segment Result (earnings before interest and taxes)	24,974	18,685	3,053	3,671			28,027	22,356
Less: Interest (Net)							(12,176)	(12,129)
Unallocable expenses net of unallocable income							(218)	(84)
Profit Before Tax							15,633	10,143
Less: Taxation							5,753	3,356
Net profit for the year							9,880	6,787
Other Information								
Segment Assets	1,30,005	1,31,762	32,769	34,873	22,692	18,411	1,85,466	1,85,046
Segment Liabilities	10,182	9,665	3,198	3,356	4,098	3,282	17,478	16,303
Capital Employed	1,19,823	1,22,097	29,571	31,517	18,594	15,129	1,67,988	1,68,743
Capital Expenditure incurred during the year	5,764	5,170	2,471	3,639	56	76	8,291	8,885
Depreciation	8,648	7,844	2,301	2,882	120	119	11,069	10,845
Other Non Cash Expenses	-	-	-	-	-	-	-	-

* Yarn includes captive and standby power, figures.

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 SEGMENT REPORTING – AS - 17 (Contd.)

B. GEOGRAPHICAL SEGMENT

PARTICULARS		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Segments Revenue							
Based on location of the customers	This Year	2,05,505	17,005	31,070	41,253	1,032	2,95,895
	Previous Year	1,84,827	29,422	4,518	35,339	2,138	2,56,244
Segment Assets							
Based on location of the assets	This Year	1,78,455	2,450	1,109	3,349	103	1,85,466
	Previous Year	1,81,261	900	726	2,062	97	1,85,046
Capital Expenditure							
Based on location of the assets	This Year	8,291	-	-	-	-	8,291
	Previous Year	8,885	-	-	-	-	8,885

43 RELATED PARTY AS - 18

(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).	Cheslind Textiles Limited
(b) Associate	LNJ Power Ventures Limited
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	None
(d) Key Management Personnel and their relatives-	1) Shri L.N. Jhunjhunwala 2) Shri Ravi Jhunjhunwala 3) Shri Shekhar Agarwal 4) Shri Arun Churiwal 5) Shri Riju Jhunjhunwala 6) Shri J.C.Laddha

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

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

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

43 RELATED PARTY AS - 18 (Contd.)

f) Transaction with Related Parties

The following transactions were carried out with the related parties in the ordinary course of business: (₹ in Lacs)

Particulars	2013-14	2012-13
I) For the parties referred to in item (a) above.		
Interest Received	-	-
Commission received on IEX power	0.77	2.15
Sale of Stores items	0.31	-
Purchase of Store	-	2.08
Sale of Finished Goods & Raw Material	-	-
Purchase of Finished Goods & Raw Material	31.63	365.59
Reimbursement received of revenue expenditure	9.28	0.33
Management Consultancy Charges Received	121.35	107.87
Purchased 164 lacs Shares @ ₹10 of Cheslind Textiles Ltd	-	1,640.00
Trade Receivable	-	-
Outstanding Loan	60.00	60.00
II) For the person referred to in item (b) above.		
13.54% Compulsorily convertible Debentures	526.00	2,674.00
Investment in 2,60,000 Shares of LNJ Power Ventures Ltd	-	26.00
Reimbursement received of revenue expenditure	7.87	1.96
Interest on Compulsorily convertible Debentures	440.23	55.40
Purchase of Wind Power	1,701.47	-
Guarantee for compliance of PPA	-	1,000.00
Others Receivable	396.20	1.96
Trade Payable	143.98	-
III) For the person referred to in item (c) above.	-	-
IV) For the persons referred to in item (d) above		
Remuneration and other perquisites	641.16	363.10
Directors Sitting fees	4.80	4.00
V) For the parties referred in (e) above		
Sale of Finished Goods	2,759.27	1,625.64
Sale of Raw Material	66.18	58.01
Purchase of Finished Goods & Raw Material	1,191.16	1,017.07
Sale of Stores & Consumable	9.18	1.35
Purchase of Store & Consumable	2.97	3.73
Rent received	389.73	530.59
Rent Paid	65.85	59.04
Reimbursement received of revenue expenditure	304.40	458.37
Reimbursement of expenses	47.83	45.79
Job charges received	183.15	91.42
Job charges paid	119.07	74.04
Management Consultancy Charges	27.30	26.22
Retainership Charges paid	84.27	-
Commission received on IEX power	21.40	16.75
Interest Received/Receivables	31.32	3.13
Investment in right issue of BEL	1,143.00	700.00
Trade Receivable	239.55	87.49
Other Receivable	337.77	451.71
Other Payable	0.06	-

Notes to Financial Statement

as at 31st March, 2014

Notes annexed to and forming part of the accounts

44 LEASES - AS - 19 NIL

45 EARNINGS PER SHARE- AS - 20

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

Particulars	UNIT	THIS YEAR	PREVIOUS YEAR
I) Calculation of Basic EPS			
a) Net Profit after Tax	₹ In lacs	9,880.01	6,786.61
b) Dividend on OCPS/Redeemable Preference Share	₹ In lacs	-	-
c) Net Profit available to Equity share (a- b)	₹ In lacs	9,880.01	6,786.61
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic earning per share	₹	42.68	29.32
II) Calculation of Diluted EPS			
a) Warrants & OCPS/Redeemable Preference Shares	₹ In lacs	-	-
b) Payment Received	₹ In lacs	-	-
c) Diluted potential equity shares	Nos.	-	-
d) Total number of diluted weighted average shares	Nos.	2,31,48,689	2,31,48,689
e) Diluted earning per share	₹	42.68	29.32

46 PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29):

(₹ in Lacs)

S. No	PARTICULARS	Carrying amount as at 31.3.13	Additional provisions during the year	Amt used during the year	Unused & reverted during the year	Carrying amount as at 31.03.14
A.	PROVISIONS					
B.	CONTINGENT LIABILITY NOT PROVIDED FOR :					
	(a) Claims against the company not acknowledged as debt	44.93	-	-	35.94	8.99
	(b) Guarantees					
	(i) Default deferred payment guarantee to Exim Bank, ICICI, IDBI, Canara Bank, SBI and SBOM for securing loan given to Chesind Textile Ltd. Outstanding Loan { Maximum amount for which company may be liable during next 12 Months - ₹ 772 lacs.}	848.92	4,786.62	12.44	-	5,613.10
	(ii) Guarantee in favour of International Finance Corporation with M/s. HEG Ltd on joint and several basis on behalf of M/s A. D. Hydro power Limited.	600.00	-	-	-	600.00
	(iii) Guarantee by ICICI Bank Ltd to LNJ Power Venture Ltd	1,000.00	-	-	-	1,000.00
	(iv) Counter Guarantees given by the Company in respect of Guarantees given by the Company's Bankers	970.70	394.58	444.98	-	920.30
	(v) Bills discounted with banks	10,244.19	10,483.84	10,244.19	-	10,483.84
	(c) Other money for which the company is contingently liable.					
	(i) Excise & Customs Duties, Sales tax and Other demands disputed by the Company.	296.30	116.71	7.11	39.02	366.88
	(ii) Future Export Obligation Against EPCG	1,883.00	-	1,883.00	-	-

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

46 PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29):		(₹ in Lacs)				
S. No	PARTICULARS	Carrying amount as at 31.3.13	Additional provisions during the year	Amt used during the year	Unused & reverted during the year	Carrying amount as at 31.03.14
C.	COMMITMENTS OUTSTANDING :					
	(i) Estimated Value of contracts remaining to be executed on capital Accounts and not provided for	11,604.68	4,033.09	-	11,426.91	4,210.86
	(ii) Commitment in 2012-13 to buy 350 lacs unit per year at a fixed rate of ₹ 5.75 per unit for 20 years					
	(a) Current Commitment (for next 12 Months)	2,013.00	-	-	-	2,013.00
	(b) Non-current commitment (for next 18 years)	38,238.00	-	2,013.00	-	36,225.00
	(iii) Against issue of 3,200 Compulsorily Convertible Debentures @ ₹ 1.00 lacs each of LNJ Power Venture Ltd	526.00	-	526.00	-	-
	(iv) Commitment to subscribe 13,22,782 Right shares @ ₹ 139.30 each of BEL Limited (₹ 700 lacs partly paid, Ref. Note No.13).	1,143.00	-	1,143.00	-	-
D.	<p>The Rajasthan Government had imposed surcharge on shortfall in meeting Renewable Energy Obligation on the power produced from Captive Power Plants vide their Notification dated 23rd March, 2007 and amended later on 24th May, 2011, which was stayed by Hon'ble High Court of Rajasthan. In its Judgement dated 31st August, 2012, Hon'ble High Court of Rajasthan upheld the validity of the aforesaid Notification and amended Notification issued thereafter. The Company has filed a SLP in the Hon'ble Supreme Court through Rajasthan Textile Mills Association (RTMA) against aforesaid Judgment of Hon'ble High Court of Rajasthan which has been accepted.</p> <p>On the basis of the legal opinion obtained by the Company, the said Notification and amended Notification to date on RE Surcharge are violative of the Article 19 (1) (g) of the Constitution so far as these relate to Captive Power Plants. The Management does not foresee any possible liability on this account and hence provision of liability to date ₹ 3,138.27 lacs (Previous Year ₹ 2,920.83 lacs) as per original Notification but only ₹ 735.79 lacs as per amended Notification has not been made in the books of accounts as no demand has, so far, been raised on account of these dues by Government. The Management does not foresee any liability in future in view of Commissioning of 20 MW Wind Power Unit set-up under the Group Captive Scheme by its Associate Company "LNJ Power Venture Ltd", power from which will be solely used by the Company; together with the aforementioned legal opinions.</p>					
E.	There is no other present obligations requiring provisions, in accordance with the guiding principals as enunciated in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities & Contingent Assets" other than provided in the books of accounts.					

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

47 HEDGE ACCOUNTING - AS - 32

- (a) The Company hedges its realisations on export sales and import obligation for Capital Assets/Raw Material through Foreign Exchange Derivative & Hedge Contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No Foreign Exchange Derivative & Hedge Contracts are taken /used for trading or speculative purpose.
- (b) The Company has following gross derivatives exposure outstanding as at March 31, 2014 which have been designated as cash flow hedge to its exposure to movements in foreign exchange rates:

Fair value of gross derivatives exposure outstanding as on March 31, 2014

S No.	Particulars	Type of Hedge	Year ended 31st March, 2014		Year ended 31st March, 2013	
			Fair value in booking currency (in lacs)	Fair Value in ₹ (in lacs)	Fair value in booking currency (in lacs)	Fair Value in ₹ (in lacs)
1	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	172.35	10,905	193.02	10,657
	-EUR/INR forward contracts	Cash Flow Hedge	4.88	428	8.01	593
	1(b) Buy					
	-USD/INR forward contracts	Cash Flow Hedge	0.93	59	5.96	328
	-EUR/INR forward contracts	Cash Flow Hedge	0.37	31	6.09	437
2	Cross Currency Forwards					
	-EUR/USD forward contracts	Cash Flow Hedge	-	-	-	-
3	Options	Not Applicable	-	-	-	-
	Total			11,423		12,014

- (c) The periods during which the cash flows from the cash flow hedges outstanding as at March 31, 2014 are expected to occur and affect the statement of P&L are disclosed as under:

Periods during which cash flow hedges outstanding as at March 31, 2014 are expected to occur and affect the statement of P & L

S No.	Period During Which Cash Flows Are Expected To Occur And Affect Profit And Loss	Fair value in booking currency (in lacs)			
		Buy - USD/INR	Buy - EUR/INR	Sell - USD/INR	Sell -EUR/USD
1	Quarter ending June 30, 2014	0.93	0.37	105.43	2.56
2	Quarter ending September 30, 2014	-	-	66.92	2.32
3	Quarter ending December 31, 2014	-	-	-	-
	Total	0.93	0.37	172.35	4.88

- (d) The movement in hedging reserve during the year ended March 31, 2014 for derivatives designated as cash flow hedge is as follows:

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Balance at the beginning of the year	44.94	163.09
Additions on account of Changes in the fair value of effective portion cash flow hedge		
For transactions of expected sales in foreign currency	(233.34)	(102.83)
For transactions of import of goods in foreign currency	(0.52)	(15.33)
Amount removed from hedge reserve and included in initial cost of a fixed asset/long term liability, whose acquisition or incurrence was a highly probable forecasted transaction	-	-
Amount transferred to P&L account		-
Balance at the end of the year	188.92	(44.94)

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

47 HEDGE ACCOUNTING - AS - 32 (Contd.)

(e) During the year there are no forecasted transactions for which hedge accounting had been used in the previous periods, but which is no longer expected to occur.

(f) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under: *(in Lacs)*

S. No.	Particulars	Currency	As at	As at	As at	As at
			31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
			(FC)	(FC)	(₹)	(₹)
(a)	Secured Loans	USD	-	-	-	-
(b)	Trade receivables	USD	43.09	35.33	2,580.23	1,917.71
		EURO	2.60	2.39	180.64	166.05
		GBP	0.90	1.37	73.89	112.48
(c)	Commission payable	USD	10.09	9.76	604.29	529.87
		EURO	0.44	0.28	36.38	19.18
		GBP	0.03	-	2.99	-
(d)	Advance from Customer	USD	7.82	5.33	475.47	289.58
		EURO	0.05	0.01	4.15	0.70
		GBP	0.01	-	0.98	-
(e)	Creditors	USD	-	0.64	-	34.75
		EURO	-	1.33	-	92.73
		CHF	-	0.03	-	1.63

48 VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
i) Raw Materials	2,618.45	2,719.75
ii) Components and Spare Parts	2,121.19	1,619.26
iii) Capital Goods	1,059.32	2,867.30
	5,798.96	7,206.32

49 VALUE OF RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	(₹ in Lacs)	Percentage	(₹ in Lacs)	Percentage
Raw Materials :				
a) Imported	2,659.02	1.58	2,665.50	1.80
b) Indigenous	1,65,461.32	98.42	1,45,101.93	98.20
Total	1,68,120.34	100.00	1,47,767.43	100
Components and Spare Parts:				
a) Imported	1,612.02	23.42	1,647.52	29.05
b) Indigenous	5,271.14	76.58	4,023.31	70.95
Total	6,883.15	100.00	5,670.83	100
Heavy Fuel Oil:				
a) Imported	-	-	-	-
b) Indigenous	-	-	-	-

Notes to Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

50 EXPENDITURE IN FOREIGN CURRENCY		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
I) Travelling Expenses	103.42	222.40	
II) Commission / Claims / Ocean Freight			
a) Commission	1,201.83	1,050.76	
b) Claims	45.51	158.03	
Total	1,350.76	1,431.19	
III) Others	38.72	63.27	
Total	1,389.68	1,494.46	

51 EARNING IN FOREIGN CURRENCY		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
Earning in foreign currency			
FOB value of Export	86,212.37	68,618.37	

52 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND / INTERIM DIVIDEND		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
Year to which Dividend relates	2012-13	2011.12	
Number of non resident shareholders to whom dividend remitted	5	NIL	
Number of shares on which remittance was made	53,53,270	NIL	
Account remitted (₹ In lacs)	535.33	NIL	

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

CASH FLOW STATEMENT

For the year ended 31st March, 2014

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	15,633.46	10,142.68
Add:		
Depreciation and Amortisation	11,069.01	10,845.38
Dividend received	(80.01)	(50.39)
Interest cost	12,176.38	12,129.06
Interest received	(440.89)	-
Exchange Fluctuation	70.92	(9.63)
Profit/ Loss on sale of Fixed Assets	52.21	2,000.00
Provision for Bad & Doubtful Debts	703.61	33.36
Assets written off	1.33	-
Provision for Entry Tax	75.17	43.35
Liabilities no longer required w/back	(102.40)	(381.80)
Operating Profit Before Working Capital Changes	39,158.79	34,752.01
Inventories	2,346.36	(7,416.57)
Trade Receivables (Current & Non Current)	(2,782.41)	(3,199.58)
Loans and Advances (Current & Non Current)	(2,031.64)	1,961.95
Other Assets (Current & Non Current)	178.54	(2,262.39)
Trade payables (Current & Non Current)	(482.20)	1,115.14
Other Liabilities (Current & Non Current)	965.03	1,226.30
Cash Generated from operations	37,352.47	26,176.86
Direct Taxes	(3,407.56)	(2,025.92)
Net cash from operating activities	33,944.91	24,150.94
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(8,248.33)	(8,884.85)
Sales of Fixed Assets	144.41	312.05
Investment in Shares/Debentures	(1,668.64)	(5,040.00)
Interest Received	440.89	-
Dividend Received	80.01	50.39
Net cash used in investing activities	(9,251.66)	(13,562.41)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	4,096.77	2,630.25
Repayment of Long Term Borrowings	(13,111.61)	(10,168.00)
Increase/Decrease in Short Term Borrowings	(766.40)	9,053.97
TUF Capital Subsidy	-	19.16
Exchange Fluctuation	(70.92)	9.63
Dividend/Interim Dividend paid	(2,708.28)	-
Interest cost	(12,176.38)	(12,129.06)
Net cash from financing activities	(24,736.82)	(10,584.05)
Net Increase in Cash and Cash equivalents	(43.57)	4.48
Opening Cash and Cash equivalents	191.03	186.55
Closing Cash and Cash equivalents	147.46	191.03

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

Statement Pursuant to approval under Section 212 (8) of the Companies Act

In terms of General approval granted by the Central Government under section 212 (8) of the Companies Act, 1956, copies of Balance Statement of Profit and Loss, Report of the Board of Directors and the Report of the Auditors of the subsidiary company have not been attached with the Balance Sheet of the Company. However, the consolidated financial statements of the Company, includes the results of the subsidiary company. The copies of the Annual Accounts of the Company's subsidiary, for the year ended 31st March, 2014 and related detailed information can be sought by any investor of the Company or it's Subsidiary on making a written request to the Company in this regard. The Annual Accounts of the subsidiary company are also available for inspection during business hours at the Company's registered office and at the concerned subsidiary's office.

S No.	Name of subsidiary	Cheslind Textiles Limited	
		As at 31st March, 2014	As at 31st March, 2013
1	Capital	4,532.33	4,532.33
2	Reserves	(1,315.55)	(951.76)
3	Total Assets	14,852.13	12,673.78
4	Total liabilities	11,635.35	9,922.68
5	Details of Investment	268.85	317.10
6	Turnover	26,693.13	20,114.57
7	Profit/loss before taxation	348.26	511.95
8	Provision before taxation & DTL written back	-	(32.83)
9	Profit/loss after taxation	348.26	544.78
10	Proposed dividend	-	-

Independent Auditors' Report to the Consolidated Financial Statement

To The Members of **RSWM Limited**

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of RSWM Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements, applying consolidation principles as per AS - 21 and AS - 23 issued by the ICAI, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information, based on the reports /certificates of other auditors on separate financial

statements and on the other financial information of the components, and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

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

- a) Note no 31 of the financial statements, which explains the impact of different depreciation policies being used by the subsidiary company and impact thereof.
- b) Note no 38 to the financial statements, which describes accounting for hedges under AS -30 and AS -32 and accounting for derivatives.
- c) Note no 42 to the financial statements, containing separate disclosures for employee benefit expenses under AS -15 for parent and subsidiary company.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements of certain subsidiaries and associates, whose financial statements reflect total assets (net) of ₹ 3,216.78 lacs as at March 31, 2014, total revenues of ₹ 26,393.13 lacs and net cash flows amounting to ₹ 890.05 lacs for the year then ended. These financial statements been audited by other auditors whose audit reports have been furnished to us, and our opinion in so far as it relates to these amounts included in respect of the subsidiary is based solely on the aforementioned financial statements as submitted to us whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **S.BHARGAVA ASSOCIATES**
Firm registration no.: 003191C
Chartered Accountants

per **Sunil Bhargava**
Partner
Membership No.: 70964

Place : Noida
Date : April 22, 2014

For **A.L.CHECHANI & CO.**
Firm registration no.: 005341C
Chartered Accountants

per **Sunil Surana**
Partner
Membership No.: 36093

Consolidated Balance Sheet As at 31st March, 2014

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
1 EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	2,314.87	2,314.87
(b) Reserves and Surplus	3	33,980.49	26,949.05
Government Capital Grants	3	132.36	181.24
(c) Money received against share warrants		-	-
(d) Minority shareholders' interest		934.47	829.47
		37,362.19	30,274.63
(2) Share application money pending allotment		-	-
(3) Non-current Liabilities			
(a) Long-term borrowings	4	65,725.73	77,204.91
(b) Deferred tax liabilities (Net)	5	7,203.16	4,857.27
(c) Other long term liabilities	6	767.64	559.90
(d) Long-term provisions	7	1,866.51	1,793.64
		75,563.04	84,415.72
(4) Current Liabilities			
(a) Short-term borrowings	8	48,331.85	47,962.66
(b) Trade payables	9	6,719.59	6,229.44
(c) Other current liabilities	10	23,294.63	20,522.93
(d) Short-term provisions	11	3,595.14	2,920.73
		81,941.21	77,635.76
TOTAL		1,94,866.44	1,92,326.11
ASSETS			
(1) Non - current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		99,619.56	1,03,205.75
(ii) Intangible Assets		1,121.91	1,169.48
(iii) Capital work-in-progress		1,398.54	1,193.93
(iv) Intangible Assets under development		-	-
		1,02,140.01	1,05,569.16
(b) Non-current Investments	13	7,092.36	5,529.72
(c) Deferred tax Assets (Net)		-	-
(d) Long-term loans and advances	14	4,001.87	2,523.33
(e) Other non-current assets	15	578.32	645.08
		1,13,812.56	1,14,267.29
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	41,166.73	42,237.89
(c) Trade Receivables	17	25,579.89	22,605.94
(d) Cash & Cash Equivalents	18	404.94	360.01
(e) Short-term loans and advances	19	3,959.47	3,083.97
(f) Other current assets	20	9,942.85	9,771.01
		81,053.88	78,058.82
TOTAL		1,94,866.44	1,92,326.11

See accompanying notes 1 to 48 forming part of financial statements

As per our report of even date

For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida

Dated : April 22, 2014

Consolidated Statement of Profit and Loss For the year ended 31st March, 2014 (₹ in Lacs)

Particulars	Notes	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from operations	21	3,14,503.90	2,67,393.40
Less- Excise Duty		1,426.84	1,774.56
Net Revenue		3,13,077.06	2,65,618.84
II. Other Income	22	2,751.06	2,197.92
III. Total Revenue (I+II)		3,15,828.12	2,67,816.76
IV. Expenses:			
Cost of material consumed	23	1,84,904.56	1,59,695.92
Purchases of traded goods	24	5,296.55	2,186.53
Change in inventories of finished goods, work-in-progress and stock- in- trade	25	1,551.04	(5,516.38)
Employee benefits expense	26	25,128.56	21,690.97
Finance costs	27	13,649.80	13,277.42
Depreciation and amortisation expense	28	11,755.50	11,540.32
Other expenses	29	57,560.39	54,287.35
Total Expenses		2,99,846.40	2,57,162.13
V. Profit before exceptional and extraordinary items and tax (III-IV)		15,981.72	10,654.63
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		15,981.72	10,654.63
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		15,981.72	10,654.63
X. Tax expense:			
(1) Current Tax		3,407.56	1,993.09
(2) Deferred Tax		2,345.89	1,330.15
(3) Provision for Income Tax written back		-	-
XI. Profit / (Loss) for the period from continuing operations (IX - X)		10,228.27	7,331.39
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		10,228.27	7,331.39
XVI. Minority Interest		105.00	160.89
XVII. Profit/(Loss) for the period after minority interest (XV-XVI)		10,123.27	7,170.50
XVIII. Share of Results of Associate		(57.75)	(0.86)
XIX. Profit/(Loss) for the period (XVII+XVIII)		10,065.52	7,169.64
XX. Earnings per equity share:			
(1) Basic		43.48	30.97
(2) Diluted		43.48	30.97

See accompanying notes 1 to 48 forming part of financial statements

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 SIGNIFICANT ACCOUNTING POLICIES

A) Basis and Principles of Consolidation

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

B) Components Considered

The following Components considered in preparation of consolidated Financial Statements -

i. Subsidiary Company :-

Name	Country	Ownership (%)	Period Considered	Audited/Board Approved
Cheslind Textiles Limited (CTL)	India	69.85%	01.04.2013 to 31.03.2014	Audited

ii. Investment in Associates:-

Name	Country	Ownership (%)	Period Considered	Audited/Board Approved
LNJ Power Venture Limited	India	26%	01.04.2013 to 31.03.2014	Un-Audited

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

C) Accounting Policies

The Accounting Policies of the Parent and of its Subsidiary/Joint Venture are similar and in line with the Generally Accepted Accounting Principles ("GAAP") in India except for the Policy for depreciation and accounting of foreign exchange derivatives. And hedge contracts, mentioned as below :-

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

D) Goodwill

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

E) Minority Interest

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

I. BASIS OF ACCOUNTING

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

USE OF ESTIMATES:

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

CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

II. REVENUE RECOGNITION

- a) Sales revenue is recognised when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty.
- b) Promotional Benefits, Export Incentives and Export Growth Incentives are accounted for on accrual basis when reasonable certainty and their probable use within reasonable time in the normal course of business, is established.
- c) Claims and refunds due from Government authorities and parties, though receivable / refundable are not

recognised in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the Company.

- d) Claims lodged with insurance companies are recognised as Income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.
- e) The Government(s) subsidies and Interest Subsidy under TUFs are recognised on accrual basis and adjusted against the respective expenses.

III. GOVERNMENT GRANTS

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

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

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

IV. INVENTORY VALUATION

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

V. INVESTMENTS

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

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

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

VII. LEASES

Where the Company is the lessee

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

Where the Company is the lessor

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

direct costs such as legal costs, brokerage costs, etc are recognised immediately in the Statement of Profit and Loss

VIII. DEPRECIATION AND AMORTISATION

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

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

IX. IMPAIRMENT OF FIXED ASSETS

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

X. FOREIGN EXCHANGE TRANSACTIONS/ TRANSLATIONS

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

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

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

The terms of the foreign currency forward contracts have been negotiated to match the terms of the commitments.

Whenever there are highly probable transactions for which hedge accounting is claimed, and where significant element of hedge ineffectiveness occurs, the same is recognised in the Statement of Profit & Loss.

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

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

- i) the forecast transaction materialises, OR
- ii) the hedging instrument expires or is sold, terminated or exercised (except for the replacement or rollover of a hedging instrument into another hedging instrument where such replacement or rollover is part of the instrument's hedging strategy), OR
- iii) the hedge no longer meets the criteria for hedge accounting in AS 30, OR,
- iv) the Company revokes the designation,

Exchange difference relating to Fair Value Hedge effectiveness is measured on the reporting date and exchange difference of fair value hedge is recognised in the Statement of Profit & Loss.

Hedge effectiveness of financial instruments designated as Hedging instruments is evaluated at the end of each financial reporting period as per the risk management policy of the Company framed under requirements of AS 30 and Para 14A.9 of FEMA.

XI. REPLENISHMENT

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

1 ACCOUNTING POLICIES (contd.)

XII. EMPLOYEE BENEFITS

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

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

XIII. TAXES ON INCOME

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

XIV. PROVISIONS AND CONTINGENT LIABILITIES / ASSETS

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

XV. EARNING PER SHARE

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

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

XVI. CASH AND CASH EQUIVALENTS BANK BALANCES

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

XVII. OTHERS

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

2 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised		
4,75,00,000 (Previous year : 4,75,00,000) Equity Shares of ₹ 10/- each	4,750.00	4,750.00
25,00,000 (Previous year : 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 150/- each	3,750.00	3,750.00
	8,500.00	8,500.00
Issued		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹ 10/- each	2,314.87	2,314.87
Subscribed & Fully Paid Up		
2,31,48,689 (Previous year : 2,31,48,689) Equity Shares of ₹ 10/- each	2,314.87	2,314.87
Total	2,314.87	2,314.87

1. Shareholders holding more than 5 % of shares

Name of share holder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Microbase Limited	36,50,970	15.77	36,50,970	15.77
IDFC Sterling Equity Fund	15,72,818	6.79	15,72,818	6.79
LNJ Financial Services Limited	17,67,394	7.63	17,67,394	7.63
Purvi Vanijya Niyojan Limited	12,18,431	5.26	12,18,431	5.26

- There are no shares issued for consideration other than cash in the last 5 financial years. However, 1,35,13,607 Equity shares of ₹ 10/- each were issued as fully paid up bonus shares by capitalisation of reserves in earlier years. 12,28,689 Equity shares of ₹ 10/- each were issued for consideration other than cash, pursuant to the scheme of merger of erstwhile Jaipur Polyspin Limited and Mordi Textiles & Processors Limited as approved by the Hon'ble High Court of Rajasthan.
- The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buy back or issue of share capital.
- The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. There are no restrictions attached to any equity shares. The Company declares and pays dividends, if any, in Indian rupees. During the year ended 31st March 2014, the amount of per share dividend recognised as distribution to equity share holders was ₹ 12.50 (Previous year ₹ 10/-). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the respective shareholders.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

3 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
A. Reserve and Surplus		
(a) Capital Reserve	700.97	700.97
(b) Preference Share Capital Redemption Reserve	5,700.00	5,700.00
(c) Securities Premium Reserve	8,995.23	8,995.23
(d) State Investment Subsidy	70.00	70.00
(e) General Reserve		
(i) Opening Balance	3,922.27	3,242.27
(ii) Additions during the period	988.00	680.00
	4,910.27	3,922.27
(f) Hedging Reserve		
(i) Opening Balance	(44.93)	(163.09)
(ii) Additions during the period	351.27	118.16
	306.34	(44.93)
(g) Surplus in Statement of Profit & Loss		
Opening Balance	7,606.37	3,824.15
Add : Profit for the period	10,123.27	7,170.50
	17,729.64	10,994.65
Less: Appropriations		
(i) Transfer to General Reserve	988.00	680.00
(ii) Proposed Dividend on Equity Shares	2,893.59	2,314.87
(iii) Tax on Dividend	491.76	393.41
	4,373.35	3,388.28
Net Surplus in Statement of Profit & Loss	13,356.29	7,606.37
Total Reserves & Surplus	34,039.10	26,949.91
(h) Share in Reserve of Associate		
Opening Balance of Profit & Loss Account	(0.86)	-
Addition During the Year	(57.75)	(0.86)
	(58.61)	(0.86)
Total Reserve & Surplus	33,980.49	26,949.05
B. Government Capital Grants (Deferred Income Approach)		
TUFS Capital Investment Subsidy		
(i) Opening Balance	181.24	209.91
(ii) Additions during the period *	-	19.16
Less : Adjusted against depreciation	(48.88)	(47.83)
	132.36	181.24

* Capital Subsidy claim amounting to ₹ 155 Lacs receivable under RR-TUFS is contingent upon eligibility confirmation by Textile Ministry and hence not recognised in the books of accounts on 31st March 2014.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
I SECURED		
(a) Bonds / Debentures	-	-
(b) Term Loans		
From Banks	45,657.68	52,672.65
From Other Parties (FIs)	19,777.49	24,099.40
(c) Deferred payment Liabilities	-	-
(d) Deposits	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	65,435.17	76,772.05
II UNSECURED		
(a) Term Loans		
From Banks	-	-
From FIs	255.00	310.00
(b) Deferred payment Liabilities	35.56	122.86
(c) Deposits	-	-
(d) Loans and Advances from Related parties	-	-
(e) Long term maturities of finance lease obligations	-	-
(f) Other Loans and Advances	-	-
	65,725.73	77,204.91

Term Loans of RSWM Ltd.(Parent Company)

I Secured

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

CURRENT YEAR FIGURES

Conditions of Term Loans are summarised below:

Floating Rate - Carrying floating interest rate of Base Rate + 1.00% to 2.50% as on 31st March, 2014

(₹ in Lacs)

Date of Maturity	Outstanding 31st March, 2014			Installments due after 31st March, 2014
	Total Outstanding	Long term maturity	Current maturity	
(A) From Banks:				
15-Mar-2015	200.00	-	200.00	4
22-Mar-2015	505.00	-	505.00	4
15-Mar-2016	972.00	526.00	446.00	8
25-Mar-2016	1,952.00	1,052.00	900.00	8
30-Mar-2016	1,914.00	1,064.00	850.00	8
25-May-2016	699.00	375.00	324.00	9
20-Dec-2016	1,519.00	919.00	600.00	11
20-Sep-2017	10,793.00	8,964.00	1,829.00	14
25-Feb-2018	12,760.00	10,692.00	2,068.00	16
20-Jun-2018	10,468.65	8,281.40	2,187.25	17
25-Feb-2019	3,996.67	3,726.67	270.00	20
20-Feb-2020	950.00	950.00	-	20
20-Mar-2020	5,395.00	5,115.00	280.00	24
Total (A)	52,124.32	41,665.07	10,459.25	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS (contd.)

(₹ in Lacs)

Floating Rate - Carrying floating interest rate of Base Rate + 1.00% to 2.50% as on 31st March, 2014 (Contd.)

Date of Maturity	Outstanding 31st March, 2014			Installments due after 31st March, 2014
	Total Outstanding	Long term maturity	Current maturity	
(B) From Other Parties (FIs):				
20-Sep-2016	480.00	310.00	170.00	10
20-Sep-2017	10,211.00	8,215.00	1,996.00	14
20-Feb-2018	12,416.00	10,404.00	2,012.00	16
Total (B)	23,107.00	18,929.00	4,178.00	
Total (A+B)	75,231.32	60,594.07	14,637.25	

PREVIOUS YEAR FIGURES

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

Date of Maturity	Outstanding 31st March 2013			Installments due after 31st March 2013
	Total Outstanding	Long term maturity	Current maturity	
(A) From Banks:				
15-Sep-2013	141.00	-	141.00	2
30-Sep-2013	9.55	-	9.55	2
15-Mar-2015	400.00	200.00	200.00	8
22-Mar-2015	1,009.00	505.00	504.00	8
15-Mar-2016	1,368.00	972.00	396.00	12
25-Mar-2016	2,701.98	1,951.98	750.00	12
30-Mar-2016	2,674.00	1,914.00	760.00	12
25-May-2016	987.00	699.00	288.00	13
20-Dec-2016	2,118.56	1,518.56	600.00	15
20-Sep-2017	12,581.00	10,793.00	1,788.00	18
25-Feb-2018	14,400.00	12,768.00	1,632.00	20
20-Jun-2018	12,517.07	10,469.03	2,048.04	21
25-Feb-2019	850.00	850.00	-	20
20-Mar-2020	5,675.00	5,395.00	280.00	28
Total (A)	57,432.16	48,035.57	9,396.59	-
(B) From Other Parties (FIs):				
20-Sep-2016	620.00	480.00	140.00	14
20-Sep-2017	12,146.91	10,210.91	1,936.00	18
20-Feb-2018	14,000.00	12,416.00	1,584.00	20
Total (B)	26,766.91	23,106.91	3,660.00	-
Total (A+B)	84,199.07	71,142.48	13,056.59	-

II Unsecured

CURRENT YEAR FIGURES

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

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Long term maturity	Current maturity	
15th December 2015	71.12	35.56	35.56	4
Total (A)	71.12	35.56	35.56	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS (contd.)

(₹ in Lacs)

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

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Long term maturity	Current maturity	
1st April 2015	48.87	-	48.87	4
Total (B)	48.87	-	48.87	
Total (A + B)	119.99	35.56	84.43	

PREVIOUS YEAR FIGURES

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

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

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

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

Term Loans of Chesline Textiles Ltd. (Subsidiary Company)

I Secured

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

CURRENT YEAR FIGURES

1) Fixed Rate - Carrying fixed interest rate 11.50% as on 31st March 2014

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Long term maturity	Current maturity	
(a) From Bank				
01-Jan-18	538.58	414.58	124.00	16
01-Jul-18	216.49	180.49	36.00	18
15-Sep-20	512.00	432.00	80.00	26
31-Dec-20	1,367.94	1,163.94	204.00	27
01-Mar-21	1,269.99	1,185.99	84.00	84
31-Dec-20	350.00	298.00	52.00	27
31-Mar-21	365.60	317.60	48.00	28
(b) From Other Parties (FIs)				
20-Mar-21	992.49	848.49	144.00	28
Total	5,613.10	4,841.09	772.00	

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

4 LONG-TERM BORROWINGS (contd.)

(₹ in Lacs)

PREVIOUS YEAR FIGURES

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

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

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

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

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

II Unsecured

CURRENT YEAR FIGURES

Date of Maturity	Outstanding 31st March 2014			Installments due after 31st March 2014
	Total Outstanding	Long term maturity	Current maturity	
From related party	60.00	60.00	-	
From Other	255.00	255.00	-	
Total	315.00	315.00	-	

PREVIOUS YEAR FIGURES

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

5 DEFERRED TAX LIABILITY		<i>(₹ in Lacs)</i>	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
Deferred tax liability has been calculated as per Accounting Standard 22 "Accounting for Taxes on Income" of ICAI. Major components are as under:			
Deferred Tax Liability for			
Depreciation	9,337.93	8,972.21	
Total	9,337.93	8,972.21	
Deferred Tax Assets			
Unabsorbed depreciation	-	-	
Disallowance under IT Act	885.30	797.47	
Provision for doubtful debts	410.01	162.89	
Total	1,295.31	960.36	
Deferred Tax Liability	8,042.62	8,011.85	
Less : MAT available	839.46	3,154.58	
Net Deferred Tax Liability	7,203.16	4,857.27	

6 OTHER LONG TERM LIABILITIES			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Trade Payable	-	-	
(b) Security Deposits	633.35	513.38	
(c) Other liabilities	134.29	46.52	
	767.64	559.90	

7 LONG TERM PROVISIONS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Provision for employee benefits (Refer note no. 42)	726.05	771.14	
(b) Others	-	-	
(i) Provision for Entry Tax (Refer note no. 30)	1,140.46	1,022.50	
	1,866.51	1,793.64	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

8 SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
I SECURED		
(a) Loan repayable on demand		
From Banks	43,576.70	41,627.95
From Others	4,750.00	6,332.01
(b) Deposits	-	-
(c) Other Loans & Advances	-	-
	48,326.70	47,959.96
II UNSECURED		
(a) Loan Repayable on Demand		
From Banks	-	-
From Others	-	-
(b) Loans & Advances from Related parties	5.15	-
(C) Other Loans & Advances	-	2.70
	5.15	2.70
	48,331.85	47,962.66

- Secured loans repayable on demand include working capital loans secured by hypothecation of raw materials, stock in process, finished goods, semi finished goods, stores, spares, book debts and other current assets as well as second charge on fixed assets of the company on pari passu basis.
- All loans repayable on demand carry floating interest rate of 10.25% to 13.00%.

9 TRADE PAYABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Trade Payable to Related Party		
BSL Ltd	0.40	-
Maral Overseas Ltd	(0.52)	-
(b) Trade Payable Others	6,719.71	6,229.44
	6,719.59	6,229.44

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
1. Principal Amount remaining unpaid	20.11	21.94
2. Principal Amount remaining unpaid above 45 days*	-	1.49
3. Interest due on above	-	-
4. Total of (1) and (2) (included in trade payable others)	20.11	23.43
5. Interest paid in terms of section 16	-	-
6. Interest due and payable for the period of delay in payment	-	-
7. Interest accrued and remaining unpaid	-	-
8. Interest due and payable even in succeeding years	-	-

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

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

10 OTHER CURRENT LIABILITIES		<i>(₹ in Lacs)</i>	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Current Maturities of long-term debt	15,409.25	13,377.33	
(b) Current maturities of deferred payment liabilities	84.43	44.22	
(c) Interest Accrued but not due on borrowing	187.60	178.57	
(d) Interest accrued and due on borrowings	-	-	
(e) Income received in advance	-	-	
(f) Un-paid dividend	59.98	54.47	
(g) Application money received for allotment of securities and due for refund and interest accrued there on	-	-	
(h) Unpaid matured deposits and interest accrued thereon	-	-	
(i) Unpaid matured debentures and interest accrued thereon	-	-	
(j) Security Deposits	313.79	306.35	
(k) Advance from customers	996.20	571.97	
(l) Liability towards staff and worker	1,893.73	1,867.86	
(m) Government dues	385.42	363.32	
(n) Other Payables	29.52	27.82	
(o) Commission, discounts etc. payable on sales	1,865.12	1,788.93	
(p) Other Liabilities for expenses *	2,069.59	1,942.09	
	23,294.63	20,522.93	

* Includes liabilities against provision for statutory dues & legal cases

11 SHORT TERM PROVISIONS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Provision for employees benefits	209.79	212.45	
(b) Others			
(i) Proposed dividend on Equity Share	2,893.59	2,314.87	
(ii) Tax on Dividend	491.76	393.41	
(ii) Provision for taxation	-	-	
	3,595.14	2,920.73	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

12 NON CURRENT ASSETS - FIXED ASSETS

(₹ in Lacs)

No. Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET CARRYING VALUE				
	As at 01.04.2013	Additions	Acquisitions through business combination	Total	Disposals*	Classified as held for sale	Up to 01.04.2013	Deductions**	Eliminated on reclassification as held for sale	Impairment loss/ reversal of impairment loss (Net)	For the year 2013-14	Total Upto 31.03.2014 (9-10-11+12+13)	As at 31.03.2014	As at 31.03.2013	
1	2	3	4	5(2+3+4)	6	7	8 (5-6-7)	9	10	11	12	13	14 (9-10-11+12+13)	15 (8-14)	16
A) Tangible Assets															
Free Hold Land	1,862.59	56.71	-	1,919.30	-	-	1,919.30	0.72	-	-	-	0.72	1.44	1,917.86	1,861.87
Lease Hold Land	387.78	-	-	387.78	-	-	387.78	10.35	-	-	-	0.51*	10.86	376.92	377.43
Buildings (Including Roads)***	30,990.77	541.65	-	31,532.42	62.32	-	31,470.10	6,596.31	20.89	-	-	848.64	7,424.06	24,046.04	24,394.46
Plant and Machinery	1,51,105.97	6,702.34	-	1,57,808.31	1,019.55	-	1,56,788.76	83,613.20	814.33	-	-	10,077.96	92,876.83	63,911.93	67,492.77
Furniture Fixture and Other	3,759.81	186.95	-	3,946.76	47.43	-	3,899.33	1,428.46	48.76	-	-	124.30	1,504.00	2,395.33	2,331.35
Vehicles	1,268.50	319.77	-	1,588.27	98.57	-	1,489.70	491.80	52.51	-	-	128.90	568.19	921.51	776.70
Office Equipments	1,080.52	450.21	-	1,530.73	37.19	-	1,493.54	585.56	14.62	-	-	181.54	752.48	741.06	494.96
Electric Fitting and Water Supply Installation	8,136.81	228.53	-	8,365.34	32.08	-	8,333.26	2,660.60	16.25	-	-	3,024.35	5,308.91	5,476.21	
Total (A)	1,98,592.75	8,486.16	-	2,07,078.91	1,297.14	-	2,05,781.77	95,387.00	967.36	-	-	11,742.57	1,06,162.21	99,619.56	1,03,205.75
B) Intangible Assets (Acquired)															
Computer Software	153.94	14.65	-	168.59	4.96	-	163.63	87.19	4.38	-	-	27.08	109.89	53.74	66.75
Enabling Assets	673.30	0.16	-	673.46	-	-	673.46	91.17	0.03	-	-	34.75	125.89	547.57	582.13
Goodwill on Consolidation	520.60	-	-	520.60	-	-	520.60	-	-	-	-	-	-	520.60	520.60
Total (B)	1,347.84	14.81	-	1,362.65	4.96	-	1,357.69	178.36	4.41	-	-	61.83	235.78	1,121.91	1,169.48
Total (A + B)	1,99,940.59	8,500.97	-	2,08,441.56	1,302.10	-	2,07,139.46	95,565.36	971.77	-	-	11,804.40	1,06,397.99	1,00,741.47	1,04,375.23
C) Capital Work in Progress :															
Building Under Construction	174.84	683.20	-	858.04	141.84	-	716.20	-	-	-	-	-	-	716.20	174.84
Plant & Machinery Under Erection/ Commissioning	1,019.09	2,428.73	-	3,447.82	2,862.13	-	585.69	-	-	-	-	-	-	585.69	1,019.09
Pre-operative Expenses pending allocation	-	96.65	-	96.65	-	-	96.65	-	-	-	-	-	-	96.65	-
Total (C)	1,193.93	3,208.58	-	4,402.51	3,003.97	-	1,398.54	-	-	-	-	-	-	1,398.54	1,193.93
D) Intangible Assets under development															
Total (A+B+C+D)	2,01,134.52	11,709.55	-	2,12,844.07	4,306.07	-	2,08,538.00	95,565.36	971.77	-	-	11,804.40	1,06,397.99	1,02,140.01	1,05,569.16
Previous Year	2,01,155.71	37,510.44	-	2,38,666.13	29,248.22	-	2,09,417.91	90,152.74	878.95	5,313.69	-	11,605.26	95,565.36	1,05,569.16	1,11,002.97

Notes : 1. *Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/ Lease hold rights written off.
 2. ** Deduction in depreciation ₹ 771.77 Lacs (previous Year ₹ 6192.64 Lacs) represents adjustment on account of Sale/Transfer/Discarding of fixed assets classified as held for sale
 3. *** Roads and Buildings includes value of irrevocable Licencing right to use of a flat in New Delhi ₹ 10.00 Lacs.
 4. # Represents amortisation of lease hold land

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

13 NON CURRENT INVESTMENTS (AT COST)		(₹ in Lacs)	
Particulars		As at 31st March, 2014	As at 31st March, 2013
A. Quoted, Non-Trade			
In Equity Shares of ₹ 10/-each (Unless stated otherwise) fully paid up (At cost)			
Holding (Nos.)	Name of the Company		
(a) 9,78,000	HEG Limited	34.94	34.94
(b) 372	Whirlpool India Limited	0.01	0.01
(c) 30	Vardhman Holding Limited	-	-
(d) 150	Tata Construction & Project Limited	0.02	0.02
(e) 775	Graphite India Limited (of ₹ 2/- each)	0.03	0.03
(f) 8,600	State Bank of Bikaner & Jaipur	14.72	14.72
(g) 943	Punjab National Bank	3.68	3.68
(h) 180	Vardhman Textiles Ltd.	0.01	0.01
(i) 36	Vardhman Special Steel Limited	-	-
(j) 31,396	BSL Limited	0.50	0.50
Total Value of Quoted Non-Trade Investments		53.91	53.91
B. Unquoted Non-Trade			
(i) In Associates (Refer note no. 35)			
In Equity Shares of ₹ 10/-each			
(a) 2,60,000 (Previous Year 2,60,000)	Share of LNJ Power Ventures Ltd	26.00	26.00
In Debenture of ₹ 100000/-each			
(a) 3,200 (Previous Year 2674)	13.54% Compulsorily Convertible Debenture of LNJ Power Ventures Ltd	3,200.00	2,674.00
		3,226.00	2,700.00
(ii) In Others			
In Equity Shares of ₹ 10/-each			
(a) 2,77,78,432 (Previous Year 2,64,55,650)	Bhilwara Energy Limited	3,606.35	1,763.71
(b) 26,25,500 (Previous year 25,00,000)	Ind Eco Ventures Ltd.	262.55	250.00
(c) 50,000	Indowind Power Pvt. Ltd.	5.00	5.00
(d) 13,000 (Previous year 21,000)	Asian Wind Energy Pvt. Ltd.	1.30	2.10
(e) 60,000	Shree Rengraj Ispat Industries Pvt. Ltd.	-	60.00
		3,875.20	2,080.81
Share Application Money			
(f) 13,22,782	Bhilwara Energy Limited - Right Issue	-	700.00
		3,875.20	2,780.81
Total Value of unquoted Non-Trade Investments		7,101.20	5,480.81
Total Cost of Investments		7,155.11	5,534.72
Add - Increase in Value of Investment In Associate			
Pre-acquisition goodwill		(4.14)	(4.14)
Surplus in Statement of Profit & Loss Account			
Opening Balance		(0.86)	-
Add - During the Year		(57.75)	(0.86)
Closing Balance		(62.75)	(5.00)
Total Cost of Investments		7,092.36	5,529.72
Aggregate Market Value of Quoted Investments		3,514.53	3,957.03

- All investments have been classified as non-trade investments based on the management's business assessment and legal expert, relied upon by the auditors.
- Company had accepted Bhilwara Energy Limited offer of Right Shares on 11th March 2013 and paid application money of ₹ 7.00 Cr. against allotment of 13,22,782 Equity shares of ₹ 139.30 each (Including premium of ₹ 129.30). During the Year 2013-14, remaining amount of ₹ 11.43 Cr. also was paid against allotment of 13,22,782 Equity shares.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

14 LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
UNSECURED, CONSIDERED GOOD		
(a) Capital Advances	3,121.00	1,583.48
(b) Security Deposits	818.50	874.58
(c) Loans & Advances to Related Parties	-	-
(d) Other Loans & Advances		
- To directors of the company	-	-
- To Officers & staff of the company	49.16	46.47
- To Firm or company under the same management	-	-
- To Others	0.94	8.14
- Advance Against Supply	12.27	10.66
	4,001.87	2,523.33

15 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured, considered good unless otherwise stated)		
(i) Long Term Doubtful Trade Receivable	1,206.26	502.65
Less: Provision for doubtful debts	(1,206.26)	(502.65)
(ii) Others	466.36	532.97
(a) Duty claims and other receivables	111.96	111.96
(b) Bank deposits with more than 12 months maturity	-	0.15
	578.32	645.08

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Material		
- Fibre (Includes in-transit ₹ 342.62 lacs, Previous year ₹ 275.21 lacs)	17,391.20	16,725.69
- Yarn	711.54	721.58
- Others - Dyes & Chemicals	549.66	398.41
Work in Progress		
- Yarn	6,453.04	7,201.15
- Fabric	959.42	913.76
Finished Goods		
- Yarn	7,833.96	8,485.35
- Fabric	3,712.39	3,889.10
- Garment	133.04	132.01
Traded Goods		
- Yarn	-	-
- Fabric	163.62	193.03
- Garment	-	0.50
Stores & Spares (Includes in-transit ₹ 549.64 lacs, Previous year ₹ 5.86 lacs)	3,034.39	3,385.10
Loose Tools	100.83	76.98
Others - Waste	123.64	115.23
	41,166.73	42,237.89

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

17 TRADE RECEIVABLES (CURRENT)		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(Unsecured considered good)			
Trade Receivable	25,374.52	22,528.74	
Due by Directors	-	-	
Due by Officers	-	-	
Due by firms/companies under the same management	-	-	
Due from Related Parties			
- BSL Limited	139.49	27.81	
- Maral Overseas Limited	66.31	44.83	
- HEG Limited	-	4.56	
- Karishma Fabric	(0.16)	-	
- Maheshwari Vastra Bhandar	(0.27)	-	
	25,579.89	22,605.94	

Trade receivable include amount due over 180 days is ₹ 208.41 lacs (Previous year ₹ 437.19 lacs)

18 CASH AND CASH EQUIVALENTS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
(a) Balance with bank			
(i) Current accounts	177.76	46.73	
(ii) Un-paid dividend account *	59.98	54.47	
(iii) Margin money account	103.87	155.35	
(b) Cheques, Drafts in hand	1.79	34.89	
(c) Cash-in-hand	57.49	60.42	
(d) Others	-	-	
(e) Bank deposits with in 3 months maturity	4.05	8.15	
	404.94	360.01	

* Earmarked for specific use

19 SHORT- TERM LOANS & ADVANCES			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
A Loans & Advances (Unsecured considered good)			
(a) To related Parties			
(i) BSL Ltd	-	-	
(ii) HEG Ltd.	-	-	
(iii) Indo Canadian Consultancy Services Ltd.	337.78	399.89	
(iv) Malana Power Co. Ltd.	-	6.34	
(v) Bhilwara Energy Ltd	-	45.51	
(vi) Maral Overseas Ltd.	30.01	11.00	
(vii) LNJ Power Ventures Ltd	252.22	1.97	
(b) To Directors	-	-	
(c) To Officers	-	-	
(d) To Director/Partners in Companies/Firms under the same management	-	-	
(Unsecured considered doubtful)			

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

19 SHORT- TERM LOANS & ADVANCES (Contd.)		(₹ in Lacs)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
B Loans & Advances			
(a) To related Parties	-	-	
(b) To Directors	-	-	
(c) To Officers	-	-	
(d) To Director/Partners in company/firm under the same management	-	-	
	620.01	464.71	
Less: Provisions for doubtful advances	-	-	
	620.01	464.71	
C. Other Loans & Advances (Unsecured considered good)			
(a) Security Deposit	10.03	17.11	
(b) Advance tax	393.06	278.53	
(c) Advance against supply	1,889.43	1,638.73	
(d) Others	1,046.94	684.89	
	3,339.46	2,619.26	
	3,959.47	3,083.97	

20 OTHER CURRENT ASSETS			
Particulars	As at 31st March, 2014	As at 31st March, 2013	
Duties, Claims and Other Receivables	1,602.81	1,815.79	
Subsidies Receivable	2,080.12	1,707.55	
DEPB, DBK & Advance Licence Receivable	2,381.77	1,554.42	
Export Growth Entitlement Receivable	903.41	392.41	
SHIS Scheme Benefit Receivable (Refer Note No. 33)	901.57	1,624.07	
Excise Rebate Claim Receivables	1,349.99	1,330.63	
Interest receivable from trade debtors	185.08	255.24	
Bank deposits above 3 months but within 12 months maturity	5.77	2.27	
Assets Held for Sale (Refer Note No. 34)	532.33	1,088.63	
	9,942.85	9,771.01	

21 REVENUE FROM OPERATIONS			
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(A) Sales			
Manufactured Goods			
Yarn	2,63,662.20	2,19,767.41	
Fabric	38,304.41	37,043.69	
Garment	322.93	295.55	
Traded Goods			
Yarn	-	162.39	
Fabric	5,344.65	2,117.47	
Garment	184.84	83.54	
(B) Services and job Processing Charges			
Job & processing charges	2,696.17	2,600.51	
Other Services	-	-	
(C) Export Incentive (Refer Note No. 33)	-	2,083.61	
(D) Sale of Waste	3,988.70	3,239.23	
	3,14,503.90	2,67,393.40	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

22 OTHER INCOME		(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(a) Interest Income	1,137.41	671.32	
(b) (i) Dividend from subsidiary companies	-	-	
(ii) Dividend from others	80.01	50.39	
(c) Net Gain/Loss on sale of investment	-	-	
(d) Other non-operating income			
(i) Rent	676.18	742.18	
(ii) Consultancy fees	10.94	23.34	
(iii) Provision/Liability no longer required written back	102.40	381.80	
(iv) Insurance and other claims received	27.87	49.86	
(v) Profit on sale of stores/raw material	-	-	
(vi) Net profit/loss on sale of fixed assets	33.60	-	
(vii) Miscellaneous Receipts	572.26	304.04	
(e) Excess provision on specific liabilities and commitments written back	-	-	
(f) Net gain/loss on foreign currency translation & transaction (Other than considered as finance cost)	110.39	(25.01)	
(g) Provision for Doubtful Loans & Advances Written Back	-	-	
(h) Prior Period Income	-	-	
	2,751.06	2,197.92	

23 COST OF MATERIAL CONSUMED			
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(A) Raw Materials			
Opening Stock	17,826.85	15,045.55	
Add: Purchases	1,91,661.61	1,67,249.41	
	2,09,488.46	1,82,294.96	
Less: Sales, Returns and Adjustments	5,931.50	4,772.19	
	2,03,556.96	1,77,522.77	
Less: Closing Stock	18,652.40	17,826.85	
Raw Material Consumed	1,84,904.56	1,59,695.92	
Raw Material Consumption under broad heads:			
(A) Synthetic Fibres			
Polyester	73,684.49	65,687.13	
Viscose	25,416.42	24,858.10	
Other	5,117.82	3,893.26	
(B) Natural Fibre			
Cotton	67,223.33	52,693.30	
Other	-	-	
(C) Yarn			
Synthetic	2,508.88	4,136.58	
Cotton	4,544.88	3,194.79	
(D) Grey Fabric	482.56	424.81	
(E) Coal	11.75	38.08	
(F) Dyes & Chemicals	5,914.43	4,769.87	
	1,84,904.56	1,59,695.92	

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

24 PURCHASES OF TRADED GOODS		(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
Fabric	5,157.75	2,042.91	
Garment	138.80	60.16	
Yarn	-	83.46	
	5,296.55	2,186.53	

25 CHANGE IN INVENTORY		(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
CLOSING INVENTORY			
Finished Goods*	11,843.01	12,700.00	
Waste	123.64	115.24	
Stock in Process	7,412.46	8,114.90	
	19,379.11	20,930.14	
OPENING INVENTORY			
Finished Goods	12,700.00	8,384.96	
Waste	115.24	94.26	
Stock in Process	8,114.91	6,934.54	
	20,930.15	15,413.76	
Increase/(Decrease) in Inventory	(1,551.04)	5,516.38	

26 EMPLOYEE BENEFITS EXPENSES		(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(a) Salaries, Wages and Bonus	21,618.32	18,388.20	
(b) Contribution to Provident, Gratuity and Other Funds (Refer Note No. 41)	3,116.55	2,934.73	
(c) Expense on employee stock option scheme (ESOP) & Employee stock purchase plan (ESPP)	-	-	
(d) Workmen and Staff Welfare	393.69	368.04	
	25,128.56	21,690.97	

27 FINANCE COST		(₹ in Lacs)	
Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	
(a) Interest Expenses *	12,921.64	12,670.85	
(b) Other borrowing costs	237.97	167.60	
(c) Bank charges	490.19	438.97	
(d) Applicable net gain/loss on foreign currency translations & transactions	-	-	
	13,649.80	13,277.42	

* Interest Expenses recorded are Net of Subsidy received/receivable under TUFS, amounting to ₹ 3,168.03 Lacs (Previous Year ₹ 3,327.21 Lacs)

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

28 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Tangible Assets	11,749.22	11,562.49
Intangible Assets	55.16	42.77
Total	11,804.38	11,605.26
Amortisation on Government Capital Grants	48.88	47.83
Excess Depreciation Written Back	-	17.11
	48.88	64.94
	11,755.50	11,540.32

29 OTHER EXPENSES

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Manufacturing Expenses		
(a) Stores and Spare parts Consumed (Net of scrap sales ₹ 499.24 lacs, Previous Year ₹ 460.78 lacs)	6,985.68	5784.18
(b) Power and Fuel	25,339.56	25666.64
(c) Packing Expenses	4,187.19	3471.97
(d) Processing and Job Charges	1,426.19	1317.33
(e) Research and Development	158.46	128.36
(f) Repairs to Building	684.27	586.10
(g) Repairs to Machinery	1,614.28	1211.64
(h) Repair & Maintenance (Other)	339.67	239.60
	40,735.30	38405.82
B. Administrative Expenses		
(a) Rent	126.19	118.05
(b) Insurance (Net of Recovery ₹ 64.40 lacs, Previous Year ₹ 77.59 lacs)	496.37	288.35
(c) Rates and Taxes	102.75	113.60
(d) Lease Rent	19.30	20.33
(e) Directors' Remuneration and Fees	658.98	377.51
(f) Directors' Travelling	77.96	26.52
(g) Charity and Donations	38.57	13.95
(h) Payment to Auditors*		
As Auditors	52.82	36.40
For taxation matters	6.08	5.16
For Management services	8.96	8.91
For others	1.33	2.59
For reimbursement of exp.	10.05	9.78
(i) Other miscellaneous expenses	2,234.88	2,006.96
	3,834.24	3,028.11
*Payment to auditors during the year include Service Tax amounting to ₹ 5.70 Lacs (Previous year ₹ 4.05 Lacs)		
C. Selling Expenses		
(a) Commission	863.96	870.66
(b) Brokerage	211.99	182.80
(c) Incentives and Discounts	1,866.64	1,783.99
(d) Claims and Rebates	127.83	182.53
(e) Freight, Forwarding and Octroi	1,393.34	1,234.40

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

29 OTHER EXPENSES (Contd.)

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(f) Expenses on Export Sales:		
Ocean Freight	4,026.08	3,261.99
Commission	1,920.27	1,609.19
Others	486.45	553.69
(g) Advertisement	299.36	269.66
(h) Foreign Travelling Expenses	147.61	204.23
(i) Other Selling Expenses	730.35	642.68
	12,073.88	10,795.82
D. Other expenses		
(a) Net loss on Foreign currency transaction & translation (other than considered as finance cost)	52.61	(38.18)
(b) Bad debts and provision for doubtful debts & advances	705.65	45.55
(c) Loans and advances written off	-	-
(d) Deferred revenue expenses written off	-	-
(e) Provision for entry tax	75.17	43.35
(f) Provision for losses of Subsidiary companies	-	-
(g) Adjustment to the carrying amount of investments	-	-
(h) Net loss on sale of investment	-	-
(i) Net loss on sale/discarding of Fixed Assets	52.21	2,004.61
(j) profit on sale of stores/raw material	13.62	0.25
(k) Extraordinary item of expenses	-	-
(l) Prior period expenses	17.71	2.02
	916.97	2,057.60
	57,560.39	54,287.35

OTHER NOTES ON ACCOUNTS

30. Jodhpur Bench of Hon Rajasthan High Court, in its interim order on constitutional validity of the levy of Entry Tax, has directed the company to pay 50% of the assessed Entry Tax and provide solvent guarantee for the balance assessed and non-assessed Tax and interest thereon till the date of payment. Accordingly, the company has paid ₹ 415.32 Lacs against the entry tax payable up to March 31, 2011 being 50% of assessed Entry Tax and provided solvent guarantee to the State Government for the balance amount. As on March 31, 2014 the Company has accounted for provision of ₹ 1,140.11 lacs (Previous Year ₹ 1,022.50 lacs) including interest of ₹ 488.69 lacs (Previous Year ₹ 414.77 lacs).
31. The company applies depreciation on plant and machinery on a straight line basis on triple shift rates, as specified under schedule XIV of the Companies Act 1956. The depreciation on plant & machinery of the subsidiary company (CTL) has been provided at the rate applicable on "Continuous Process Plant" on year to year basis, based on technical expert's advise. As a result of the differential depreciation policy being followed by the subsidiary company, depreciation expense in the books of accounts of the subsidiary is lesser by ₹ 156 lacs (previous year ₹ 262 lacs) for the year ended March 31, 2014. The accumulated depreciation reserve on such assets would have been higher by ₹ 2,682 lacs from the balances reported in financial statements as at March 31, 2014.
32. Under the Technology Up-gradation Fund Scheme (TUFS) established by Government of India for Textiles, the Company has incurred an expenditure of ₹ 1,36,442.24 lacs on various projects (Previous Year ₹ 1,31,133.57 Lacs). The interest subsidy accrued for the year under this scheme is ₹ 3,058.19 lacs (Previous Year ₹ 3,529.17 lacs) out of which, ₹ 3,168.03 lacs (Previous Year ₹ 3,327.21 lacs) has been credited to Statement of Profit and Loss Net of interest subsidy capitalised. (Ref. Note 27 for details of Interest cost).

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

OTHER NOTES ON ACCOUNTS (Contd.)

33. The capital subsidy under TUFS is accounted, adopting Deferred Income Approach, and is recognised in Statement of Profit & Loss on a systematic and rational basis over useful life of the assets. A sum of ₹ 452.29 lacs is therefore, considered as deferred income till date of financial statements. Out of which, a sum of ₹ 48.88 lacs (previous year ₹ 47.83 lacs) has been amortised against depreciation expense during the year (up to year ₹ 132.36 lacs).

34. Foreign Trade Policy 2009-2014 introduced Status Holder Incentive Scheme (SHIS), under which an Exporter is entitled for Scripts @1% of FOB Value of Exports. These Scripts can be used within 18 months of the date of Script, for payment of Import /Excise duties on capital goods and spare parts and are freely transferable .

Based on opinion obtained from an expert, the full value of SHIS Scripts received/receivable aggregating to ₹ 1,908.53 lacs was accounted for as other operating revenue in previous year, upon ascertaining it's probable use in the normal course of business based on projects approved by the Board. Out of total SHIS Scripts received for a value of ₹ 1,908.53 lacs, Scripts for a value of ₹ 1,006.35 lacs were used during the Financial Year. Scripts valuing ₹ 61.39 lacs were sold at a price of ₹ 18.17 lacs and loss on such Scripts of ₹ 43.22 lacs is accounted for in the current period.

SHIS Scripts for a value of ₹ 901.57 lacs are valid for utilisation within next 12 months, utilisation thereof within the next 12 month has been ascertained by the Management based on investment plans approved by the board on the date of approval of Accounts.

35. After commissioning of Thermal Power Plant at Banswara in 2007, HFO fuelled Wartsila power generators at various units considered as standby, became redundant. During previous year, company has also invested under Group Captive Scheme in a Special Purpose Vehicle (SPV) viz. LNJ Power Ventures Limited, which on 29th March 2013 commissioned a 20 MW Wind Power Unit in Rajasthan. As per Power Purchase Agreement signed by Company with SPV, 100% power generated by SPV starting 29th March, 2013 will be for use by company for 20 years at a fixed price. Considering very high cost of retention of Wartsila Power generators and uneconomical power generation, Company during previous year decided to retire them from active use and sell them at all locations, retaining only one at Denim Unit at Mayur Nagar as back-up for use in case of extreme emergency.

Resultantly Realisable value of Wartsila Generators (₹ 1,068.46 Lacs) and Spares and Stores (₹ 20.13 Lacs) had been transferred to "ASSETS HELD FOR SALE" as on 31.03.2013 and shown separately, pending disposal of these assets in Financial Year 2013-14 in terms of the Board's decision dated 1st May, 2013.

During the year, 3 Generators of a WDV of ₹ 358.53 lacs had been sold out at a value of ₹ 201.69 lacs, resulting into a further loss of ₹ 156.64 lacs. Remaining generators have been accounted for at estimated realisable value of ₹ 399.34 lacs.

36. Company's subsidiary Cheslind Textiles Ltd (CTL) had suffered losses eroding its entire net worth and experienced difficulties in repayment of Term Loans, which were partly guaranteed by the company. CDR Cell approved restructuring of its Debts effective from December 1, 2011. In compliance of the Corporate Debts Restructuring (CDR) Scheme approved on April 9, 2012, loans & advances aggregating to ₹ 1,640 lacs given to CTL were converted into 1,64,00,000 equity shares of ₹ 10 each and interest free loan of ₹ 60 lacs had been granted to CTL as approved by the Board of Directors in their meeting on 26th October, 2012.

Board of Directors of the Company in its meeting held on 9th April, 2014 decided to merge Cheslind Textiles Limited (CTL) with the Company. Based on Scheme of Amalgamation approved by the Boards of Directors of RSWM Limited and Cheslind Textiles Limited and based on the Valuation Report of an Independent Valuer and Fairness Opinion thereon by SEBI approved Merchant Banker, each share holder of Cheslind Textiles Limited is being offered 1 Optionally Convertible Redeemable Preference Shares (OCRPS) of nominal value of ₹ 7.50 fully paid up of the Company for every one equity share of nominal value of ₹ 10.00 fully paid-up held in CTL. Proposed appointed date for merger is 1st April, 2013. OCRPS shall carry dividend rate of 12% on paid-up value of ₹ 7.50, will have a tenure of 5 years from the date of allotment, will be listed and/or admitted to trading on the designated stock exchange(s) and will be optionally convertible in the ratio of 22 OCRPS of ₹ 7.50 paid up for 1 equity share of the Company upon exercise of the option within 6 months of the allotment. OCRPS

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

OTHER NOTES ON ACCOUNTS (Contd.)

not converted within specified time can be redeemed before maturity by the Company by giving 3 months notice. The Scheme of Amalgamation is subject to approval of High Courts of Rajasthan and Madras.

During the year 2013-14, Cheslind Textiles Limited has reported profits before depreciation and taxes of ₹ 1,034.74 Lacs (Previous Year ₹ 1,206.89 Lacs). On the basis of detailed examination, expected economies & synergies upon effective merger and on its best estimates, the Management considers the decline in the value of investment in Cheslind Textiles Ltd (CTL) a temporary diminution in such value. Hence in line with the valuation under AS -13, no provision for diminution in such value is made as at 31st March, 2014.

- 37 The Company has incurred expenditure on implementation of Loom Project at Mordi, Recycled Fibre Project at Ringas, Spinning Project at Mandapam and Linen Yarn Project, which have been considered as Pre-operative Expenses thereon pending capitalisation as detailed here under :-

(₹ in Lacs)

Particulars	Opening Balance	Additions	Deductions	Closing Balance
Raw Material	-	-	-	-
Power & Fuel	-	-	-	-
Payment to and provision for Employees	-	20.77	-	20.77
Professional & Consultancy Charges	-	14.02	-	14.02
Interest & Financial Expenses	-	10.89	-	10.89
Misc. and Other Expenses	-	50.97	-	50.97
	-	96.65	-	96.65
Less: Recoveries/recoverable	-	-	-	-
TOTAL	-	96.65	-	96.65

- 38 The Company has adopted AS 30 "Financial Instruments: Recognition and Measurement" and the gain on account of change in effective portion of such forward contracts is taken into Hedging Reserve ₹ 188.92 Lacs as on 31/03/2014, (Previous year loss 44.94 lacs) and loss of ₹ 18.31 lacs on ineffective portion of hedge is taken into Statement of Profit & Loss (Previous year ₹ 25.01 lacs,). Refer Note No. 48.

During the year, it's subsidiary has also adopted AS 30 "Financial Instruments Recognition and Measurement" and the gain / loss on account of change in effective portion of such forward contracts is taken into Hedging Reserve ₹ 117.43 Lacs as on 31st march, 2014, (Previous years. NIL) and gain on ineffective portion of hedge is taken into Statement of Profit & Loss (Previous year ₹ NIL).

- 39 A. The loans & advances, debtors and other current assets are reviewed annually and their value in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet as assessed by the Management. However, balance confirmation from parties is under process.
- B. Response to the letter(s) sent by Company requesting confirmation of balances has been insignificant. Company notes that the Marketing and Accounting team has a system of periodical verification of balances and required adjustments are carried-on that basis regularly. In view of the above, management considered that impact of reconciliation, on receipt of balance confirmation, would not be significant on the same.
- 40 In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate.
- 41 The figures for the previous year have been regrouped and/or rearranged wherever found necessary to make these comparable with those of the current year.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 EMPLOYEE BENEFITS – AS – 15

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

A) RSWM LIMITED (PARENT COMPANY)

(a) Defined Benefit Plans (Funded)

The Following table set out the status of the gratuity Plan and Earned Leave Plan as required under AS-15 (Revised 2005)

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,854.20	662.87	2,402.10	556.47
(b) Current Service Cost	377.92	128.76	328.13	118.11
(c) Interest Cost	228.34	53.03	192.17	44.52
(d) Actuarial Gain/loss	130.46	(48.64)	255.06	1.39
(e) Benefits paid	(363.95)	(78.60)	(323.26)	(57.61)
(f) Settlement Cost	-	-	-	-
(g) Defined Benefits obligations at the year end	3,226.97	717.42	2,854.20	662.87

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

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) At the beginning of the year	2,273.33	540.50	2,005.82	522.46
(b) Expected Return on plan assets	227.33	43.24	200.58	41.80
(c) Actuarial Gain/loss	(46.51)	(2.82)	(6.10)	(0.15)
(d) Employer Contribution	580.87	122.37	396.28	34.01
(e) Benefits paid	(363.95)	(78.60)	(323.26)	(57.61)
(f) Fair Value of the plan assets at the year end	2,671.08	624.69	2,273.33	540.50

(iii) Reconciliation of the present value of the defined benefit obligation & the fair value of the plan assets to the assets & Liabilities recognised in the Balance Sheet.

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Present value of obligation as at 31.03.2014	3,226.97	717.42	2,854.20	662.87
(b) Fair value of Plan Assets as at 31.03.2014	2,671.08	624.69	2,273.33	540.50
(c) Amount Recognised in Balance Sheet (a-b)	555.89	92.73	580.87	122.37

(iv) The total Expense recognised in the statement of Profit & Loss during the year

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Current Service Cost	377.92	128.76	328.13	118.11
(b) Interest Cost	228.34	53.03	192.17	44.52
(c) Expected return on plan assets	(227.33)	(43.24)	(200.58)	(41.80)
(d) Actuarial Gain/loss	176.97	(45.82)	261.16	1.54
(e) Others	-	-	-	-
Net Cost (a+b+c+d+e)	555.89	92.73	580.87	122.37

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 EMPLOYEE BENEFITS – AS – 15 (Contd.)

- (v) Investment Details of Plan Assets for each major category of plan assets, following is the percentage that each major category constitute of the fair value of the total plan assets.

Particulars				Sharing of Investment	
Name of Retirement Benefit	Name of Trust	Policy number	Investment with	This Year	Previous year
(1) Gratuity	Rajasthan Spinning Staff Gratuity fund trust	36	ICICI Prudential Life Insurance Co. Ltd.	10%	100%
		300786114	Bajaj Allianz Life Insurance Company Limited	45%	
		GR000225	Kotak Mahindra Old Mutual Life Insurance Limited	45%	
(1) Earned Leave		GLS 311308	LIC of India	100%	100%

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

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

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Discount Rate	8.50%	8.50%	8%	8%
(b) Expected Rate of Return on plan assets	10.00%	8.00%	10%	8%
(c) Mortality Index used by the actuary	IALM (2006-08)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)

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

(₹ in Lacs)

Particulars	Actual Return on Plan Assets		Estimate of Contribution for next year	
	This Year	Previous Year	This Year	Previous Year
(a) Gratuity	227.33	200.58	633.63	580.87
(b) Earned leave	43.24	41.79	141.72	122.37

- (viii) The overall expected return on assets is assumed based on the market prices prevailing on that date which is having Insurer Managed Fund. The description of Insurance Policies are "ICICI Pru Group Gratuity Platinum Policy, Kotak Gratuity Group Plan, Bajaj Allianz Group Employee Benefit Plan and Employee Leave Encashment-cum-life Assurance of Life Insurance Corporation Of India".

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 EMPLOYEE BENEFITS – AS – 15 (Contd.)

(₹ in Lacs)

(ix) Experience adjustment

Particulars	31st March 2014		31st March 2013		31st March 2012		31st March 2011		31st March 2010	
	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefit Obligation	3,226.97	717.42	2,854.20	662.87	2,402.10	556.47	2,069.89	525.72	1,707.44	469.63
Plan Assets	2,671.08	624.69	2,273.30	540.50	2,005.80	522.46	1,645.03	460.47	1,507.41	386.39
Surplus/Deficit	(555.89)	(92.73)	(580.87)	(122.40)	(396.28)	(34.01)	(424.86)	(65.26)	(200.03)	(83.24)
Experience adjustment on plan assets	(46.51)	(2.82)	(6.10)	(0.15)	(18.22)	9.81	(107.83)	5.45	139.96	3.32
Experience adjustment on plan liabilities	(128.73)	49.24	(245.04)	1.39	(159.57)	56.30	(127.80)	26.49	(89.98)	5.73

b) Defined contribution plans

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

Particulars	31st March 2014	31st March 2013
(i) Employer's Contribution to Provident Fund	1,253.17	1,174.97
(ii) Employer's Contribution to Superannuation	203.80	162.74

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

B) CHESLIND TEXTILES LIMITED (SUBSIDIARY COMPANY)

(a) Defined Benefit Plans (Funded/Unfunded)

The Following table set out the status of the gratuity Plan and Earned Leave Plan as required under AS-15 (Revised 2005)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
i) Reconciliation of opening and closing balances of defined benefit obligation				
(a) At the beginning of the year	25.17	29.72	28.43	29.51
(b) Current Service Cost	5.33	8.37	2.59	3.84
(c) Interest Cost	2.06	2.44	1.16	1.21
(d) Actuarial (Gain)/Loss	(2.05)	0.43	0.09	2.73
(e) Benefits paid	(1.11)	(5.56)	(7.10)	(2.12)
(f) Settlement Cost	-	-	-	-
(g) On disposal of undertaking	-	-	-	-
(h) Defined Benefits Obligation at year end	29.40	35.40	25.17	29.71
ii) Reconciliation of opening and closing balances of fair value of plan assets				
(a) At beginning of the year	20.23	-	27.34	-
(b) Expected Return on plan assets	1.62	-	1.09	-
(c) Actuarial (Loss)/Gain	(2.16)	-	(1.09)	-
(d) Employer Contributions	11.48	-	-	-

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

42 EMPLOYEE BENEFITS – AS – 15 (Contd.)

(₹ in Lacs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
(e) Benefits paid	(1.11)	-	(7.10)	-
(f) Fair Value of the plan assets at the year end	30.06	-	20.23	-
iii) a) Reconciliation of the present value of the defined benefit obligation & the fair value of the plan assets to the assets & Liabilities recognised in the Balance Sheet Present value of obligation as at the end of the period	29.40	35.40	27.33	29.71
b) Fair Value of plan assets as at the end of the year	30.06	-	20.23	-
c) Amount recognised in Balance Sheet (a-b)	(0.66)	35.40	7.10	29.71
iv) The total Expense recognised in the statement of Profit & Loss during the year				
(a) Current Service Cost	5.33	8.37	2.59	3.84
(b) Interest Cost	2.06	2.44	1.16	1.21
(c) Expected return on plan assets	(1.61)	-	(1.09)	-
(d) Actuarial (Gain)/Loss	0.10	0.43	1.18	2.73
(e) Others	-	-	-	-
(f) Net Cost (a+b-c+d+e)	5.88	11.24	3.84	2.32

v) Investment Details of Plan Assets for each major category of plan assets, following is the percentage that each major category constitute of the fair value of the total plan assets.

Name of Retirement Benefit	Name of trust	Policy number	Investment with	Sharing of investment
1) Gratuity		520003	LIC of India	100%
2) Earned Leave	NA	NA	NA	NA

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

vii) Principle Actuarial Assumptions at the Balance Sheet date:

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Earned Leave	Gratuity	Earned Leave
a) Discount Rate	8.50%	8.50%	8.20%	8.20%
b) Expected Rate of Return on plan assets	8.00%	-	8.00%	-
c) Mortality Index used by the actuary	IALM (2006-08)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)

viii)

Particulars	31st March, 2014	31st March, 2013
Actual Return on Plan Assets (₹ in Lacs)		
Gratuity	0.54	-
Leave Encashment	-	-
Estimate of Contribution for next year (₹ in Lacs)		
Gratuity	8.35	-
Leave Encashment	11.35	-

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

43 SEGMENT REPORTING – AS - 17

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

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

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

A. BUSINESS SEGMENTS

(₹ in Lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Segment Revenue								
External Sales / Other Operating Income	2,68,609	2,25,245	45,980	41,702	32	-	3,14,621	2,66,947
Inter Segment Transfers	7,665	9,596	1	1	-	-	7,666	9,597
Gross Revenue	2,76,274	2,34,841	45,981	41,703	32	-	3,22,287	2,76,544
Segment Result (earnings before interest and taxes)	26,917	20,345	3,053	3,671	-	-	29,970	24,016
Less: Interest (Net)							(13,650)	(13,278)
Unallocable expenses net of unallocable income							(339)	(84)
Profit Before Tax							15,981	10,654
Less: Taxation							(5,753)	(3,323)
Net profit for the year							10,228	7,331
Other Information								
Segment Assets	1,44,396	1,43,818	32,769	34,873	17,701	13,635	1,94,866	1,92,326
Segment Liabilities	13,425	11,956	3,197	3,356	4,127	3,293	20,749	18,605
Capital Employed	1,30,971	1,31,862	29,572	31,517	13,574	10,342	1,74,117	1,73,721
Capital Expenditure incurred during the year	6,179	5,170	2,471	3,639	56	76	8,706	8,885
Depreciation	9,335	7,844	2,301	2,882	120	119	11,756	10,845
Other Non Cash Expenses	-	-	-	-	-	-	-	-

* Yarn includes captive and standby power, figures.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

43 SEGMENT REPORTING – AS - 17 (Contd.)

A. GEOGRAPHICAL SEGMENT

PARTICULARS		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Segments Revenue							
Based on location of the customers	This Year	2,02,826	17,138	31,219	62,288	1,150	3,14,621
	Previous Year	1,77,971	38,307	5,792	41,174	3,703	2,66,947
Segment Assets							
Based on location of the assets	This Year	1,85,997	2,503	1264	4,999	103	1,94,866
	Previous Year	1,87,674	900	772	2,836	144	1,92,326
Capital Expenditure							
Based on location of the assets	This Year	8,706	-	-	-	-	8,706
	Previous Year	8,885	-	-	-	-	8,885

44 RELATED PARTY FY 2013-14 - CONSOLIDATED

(a) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries).	None
(b) Associate	LNJ Power Ventures Limited
(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	None
(d) Key Management Personnel and their relatives-	1) Shri L.N. Jhunjunwala 2) Shri Ravi Jhunjunwala 3) Shri Shekhar Agarwal 4) Shri Arun Churiwal 5) Shri Riju Jhunjunwala 6) Shri J.C.Laddha
(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.	

SN	Company's Name	SN	Company's Name
01.	Aadi Marketing Co. Pvt. Ltd	22.	Jyoti Knits Pvt. Ltd.
02.	A.D. Hydro Power Ltd.	23.	Kalati Holdings Private Ltd.
03.	Agarwal Finestate Pvt. Ltd.	24.	Karishma Fabrics
04.	Agarwal Trademart Pvt. Ltd	25.	LNJ Financial Services Ltd.
05.	Apeksha Vyapaar Pvt. Ltd	26.	Malana Power Company Ltd.
06.	Bhilwara Energy Ltd	27.	Maral Overseas Ltd.
07.	Bhilwara Services Pvt. Ltd	28.	Mayur Knits Pvt. Ltd
08.	Bhilwara Technical Textiles Ltd	29.	Maheshwari Vastra Bhandar
09.	BMD Power Pvt. Ltd	30.	Mandapam Vikas Pvt. Ltd.
10.	BMD Private Ltd.	31.	Mandawa Niyojan Pvt. Ltd
11.	BMD Renewable Energy Pvt. Ltd	32.	Nikita Electrotrades Pvt. Ltd
12.	BSL Ltd.	33.	Nivedan Vanijiya Niyojan Limited
13.	Churiwala Properties & Investments Pvt. Ltd	34.	Prapti Apparels Company Pvt. Ltd.
14.	Diplomat Leasing & Finance Pvt. Ltd.	35.	PRC Niyojan Pvt. Ltd
15.	Essay Marketing Co. Ltd.	36.	Purvi Vanijiya Niyojan Ltd
16.	Giltedged Industrial Securities Ltd.	37.	Raghav Commercial Ltd.
17.	HEG Limited	38.	Raghav Knits & Textiles Private Ltd.
18.	India Texfab Marketing Limited	39.	Shashi Commercial Co. Ltd.
19.	Indo Canadian Consultancy Services Ltd	40.	Sudiva Spinners Private Ltd.
20.	Investors India Ltd.	41.	Ultramarine Impex Pvt. Ltd.
21.	Rakshit Packaging (P) Limited	42.	Veronia Tie-up Pvt. Ltd

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

44 RELATED PARTY AS - 18 (Contd.)

f) Transaction with Related Parties

The following transactions were carried out with the related parties in the ordinary course of business: (₹ in Lacs)

Particulars	2013-14	2012-13
I) For the parties referred to in item (a) above.	-	-
II) For the person referred to in item (b) above.	-	-
III) For the person referred to in item (c) above.	-	-
IV) For the persons referred to in item (d) above		
Remuneration and other perquisites	641.16	363.10
Directors Sitting fees	4.80	4.00
V) For the parties referred in (e) above		
Sale of Finished Goods	2,759.27	1,625.64
Sale of Raw Material	66.18	58.01
Purchase of Finished Goods & Raw Material	1,191.16	1,017.07
Sale of Stores & Consumable	9.18	1.35
Purchase of Store & Consumable	2.97	3.73
Rent received	389.73	530.59
Rent Paid	65.85	59.04
Reimbursement received of revenue expenditure	304.40	458.37
Reimbursement made of revenue expenditure	47.83	45.79
Job charges received	183.15	91.42
Job charges paid	119.07	74.04
Management Consultancy Charges	27.30	26.22
Commission received on IEX power	21.40	16.75
Retainer Ship Charges Paid	84.27	-
Interest Received	31.32	3.13
Sale of Export License -DEPB, Shis etc	9.03	10.87
Purchase of Carton Boxes	79.57	-
Visiting Expenses paid	-	0.16
Advance against investment in right issue of BEL	-	700.00
Trade Receivable	239.55	87.49
Other Receivable	337.77	451.71
Trade Payable	0.06	-

45 LEASES - AS - 19- OPERATING LEASES NIL

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

46 EARNINGS PER SHARE- AS – 20

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

Particulars	UNIT	THIS YEAR	PREVIOUS YEAR
I) Calculation of Basic EPS			
I) Calculation of Basic EPS			
a) Net Profit after Tax	₹ In lacs	10,123.27	7,170.50
b) Dividend on OCPS/Redeemable Preference Share	₹ In lacs	(57.75)	(0.86)
c) Net Profit	₹ In lacs	10,065.52	7,169.64
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic Earning per share	₹	43.48	30.97
II) Calculation of Diluted EPS			
a) Warrants & OCPS/Redeemable Preference Shares	₹ In lacs		
b) Payment Received	₹ In lacs		
c) Diluted potential equity shares	Nos.		
d) Total number of diluted weighted average shares	Nos.	2,31,48,689	2,31,48,689
e) Diluted earning per share	₹	43.48	30.97

47 PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29):

(₹ in Lacs)

S. No	PARTICULARS	Carrying amount as at 31.3.13	Additional provisions during the year	Amt used during the year	Unused & reverted during the year	Carrying amount as at 31.03.14
A. PROVISIONS						
B. CONTINGENT LIABILITY NOT PROVIDED FOR :						
	(a) Claims against the company not acknowledged as debt	44.93	-	-	35.94	8.99
	(b) Guarantees					
	(i) Guarantee in favour of International Finance Corporation with M/s. HEG Ltd on joint and several basis on behalf of M/s A. D. Hydro power Limited.	600.00	-	-	-	600.00
	(ii) Guarantee by ICICI Bank Ltd to LNJ Power Venture Ltd	1,000.00	-	-	-	1,000.00
	(iii) Counter Guarantees given by the Company in respect of Guarantees given by the Company's Bankers	1,007.91	394.58	444.98	-	957.51
	(iv) Bills discounted with banks	15,244.98	10,483.84	10,883.75	-	14,845.07
	(c) Other money for which the company is contingently liable.					
	(i) Excise & Customs Duties, Sales tax and Other demands disputed by the Company.	556.67	167.70	9.36	39.02	675.99
	(ii) Future Export Obligation Against EPCG	1,883.00	-	1,883.00	-	-
C. COMMITMENTS OUTSTANDING :						
	(i) Estimated Value of contracts remaining to be executed on capital Accounts and not provided for	11,604.68	4,033.09	-	11,426.91	4,210.86
	(ii) Commitment in 2012-13 to buy 350 lacs unit per year at a fixed rate of ₹ 5.75 per unit for 20 years					

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

47 PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29): (Contd.)		(₹ in Lacs)				
S. No	PARTICULARS	Carrying amount as at 31.3.13	Additional provisions during the year	Amt used during the year	Unused & reverted during the year	Carrying amount as at 31.03.14
	(a) Current Commitment (for next 12 Months)	2,013.00	-	-	-	2,013.00
	(b) Non-current commitment (for next 18 years)	38,238.00	-	2,013.00	-	36,225.00
	(iii) Against issue of 3200 Compulsorily Convertible Debentures @ ₹ 1.00 lacs each of LNJ Power Venture Ltd	526.00	-	526.00	-	-
	(iv) Commitment to subscribe 13,22,782 Right shares @ ₹ 139.30 each of BEL Limited (₹ 700 lacs partly paid, Ref. Note No.13).	1,143.00	-	1,143.00	-	-
D.	<p>The Rajasthan Government had imposed surcharge on shortfall in meeting Renewable Energy Obligation on the power produced from Captive Power Plants vide their Notification dated 23rd March, 2007 and amended later on 24th May, 2011, which was stayed by Hon'ble High Court of Rajasthan. In its Judgement dated 31st August, 2012, Hon'ble High Court of Rajasthan upheld the validity of the aforesaid Notification and amended Notification issued thereafter. The Company has filed a SLP in the Hon'ble Supreme Court through Rajasthan Textile Mills Association (RTMA) against aforesaid Judgment of Hon'ble High Court of Rajasthan which has been accepted.</p> <p>On the basis of the legal opinion obtained by the Company, the said Notification and amended Notification to date on RE Surcharge are violative of the Article 19 (1) (g) of the Constitution so far as these relate to Captive Power Plants. The Management does not foresee any possible liability on this account and hence provision of liability to date ₹ 3,138.27 lacs (Previous Year ₹ 2,920.83 lacs) as per original Notification but only ₹ 735.79 lacs as per amended Notification has not been made in the books of accounts as no demand has, so far, been raised on account of these dues by Government. The Management does not foresee any liability in future in view of Commissioning of 20 MW Wind Power Unit set-up under the Group Captive Scheme by its Associate Company "LNJ Power Venture Ltd", power from which will be solely used by the Company; together with the aforementioned legal opinions.</p>					
E.	<p>There is no other present obligations requiring provisions, in accordance with the guiding principals as enunciated in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities & Contingent Assets" other than provided in the books of accounts.</p>					

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

48 HEDGE ACCOUNTING - AS - 32

(A) RSWM LIMITED (PARENT COMPANY)

- (a) The Company hedges its realisations on export sales and import obligation for Capital Assets/Raw Material through Foreign Exchange Derivative & Hedge Contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No Foreign Exchange Derivative & Hedge Contracts are taken /used for trading or speculative purpose.
- (b) The Company has following gross derivatives exposure outstanding as at March 31, 2014 which have been designated as cash flow hedge to its exposure to movements in foreign exchange rates:

Fair value of gross derivatives exposure outstanding as on March 31, 2014

(₹ in Lacs)

S No.	Particulars	Type of Hedge	Year ended 31st March, 2014		Year ended 31st March, 2013	
			Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)	Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)
1	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	172.35	10,905	193.02	10,657
	-EUR/INR forward contracts	Cash Flow Hedge	4.88	428	8.01	593
	1(b) Buy					
	-USD/INR forward contracts	Cash Flow Hedge	0.93	59	5.96	328
	-EUR/INR forward contracts	Cash Flow Hedge	0.37	31	6.09	437
2	Cross Currency Forwards					
	-EUR/USD forward contracts	Cash Flow Hedge	-	-	-	-
3	Options	Not Applicable	-	-	-	-
	Total		-	11,423	-	12,014

- (c) The periods during which the cash flows from the cash flow hedges outstanding as at March 31, 2014 are expected to occur and affect the statement of P&L are disclosed as under:

Periods during which cash flow hedges outstanding as at March 31, 2014 are expected to occur and affect the statement of P & L

S No.	Period During Which Cash Flows Are Expected To Occur And Affect Profit And Loss	Fair value in booking currency (in lacs)			
		Buy - USD/INR	Buy - EUR/INR	Sell - USD/INR	Sell -EUR/USD
1	Quarter ending June 30, 2014	0.93	0.37	105.43	2.56
2	Quarter ending September 30, 2014	-	-	66.92	2.32
3	Quarter ending December 31, 2014	-	-	-	-
	Total	0.93	0.37	172.35	4.88

- (d) The movement in hedging reserve during the year ended March 31, 2014 for derivatives designated as cash flow hedge is as follows:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Balance at the beginning of the year	44.94	163.09
Additions on account of Changes in the fair value of effective portion cash flow hedge		
For transactions of expected sales in foreign currency	(233.34)	(102.83)
For transactions of import of goods in foreign currency	(0.52)	(15.33)
Amount removed from hedge reserve and included in initial cost of a fixed asset/long term liability, whose acquisition or incurrence was a highly probable forecasted transaction	-	-
Amount transferred to P&L account	-	-
Balance at the end of the year	188.92	(44.94)

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

48 HEDGE ACCOUNTING - AS - 32 (Contd.)

(e) During the year there are no forecasted transactions for which hedge accounting had been used in the previous periods, but which is no longer expected to occur.

(f) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under: (₹ in Lacs)

S. No.	Particulars	Currency	As at	Year ended	As at	Year ended
			31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
			Amount in (FC)	Amount in (FC)	Amount in (₹)	Amount in (₹)
(a)	Secured Loans	USD	-	-	-	-
(b)	Trade receivables	USD	43.09	35.33	2,580.23	1,917.71
		EURO	2.60	2.39	180.64	166.05
		GBP	0.90	1.37	73.89	112.48
(c)	Commission payable	USD	10.09	9.76	604.29	529.87
		EURO	0.44	0.28	36.18	19.18
		GBP	0.03	-	2.99	-
(d)	Advance from Customer	USD	7.82	5.33	475.47	289.58
		EURO	0.048	0.01	4.15	0.70
		GBP	0.01	-	0.98	-
(e)	Creditors	USD	-	0.64	-	34.75
		EURO	-	1.33	-	92.73
		CHF	-	0.03	-	1.63

(B) CHESLIND TEXTILES LIMITED (SUBSIDIARY COMPANY)

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

(b) The Company has following gross derivatives exposure outstanding as at 31st March, 2014 which have been designated as cash flow hedge to its exposure to movements in foreign exchange rates:

S No.	Particulars	Type of Hedge	Year ended 31st March, 2014		Year ended 31st March, 2013	
			Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)	Fair value in booking currency (in lacs)	Fair Value in INR (in lacs)
1	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	66.89	4,094.45	44.71	2,476.74

(c) The movement in hedging reserve during the year ended March 31, 2014 for derivatives designated as cash flow hedge is as follows:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Balance at the beginning of the year	-	-
Additions on account of changes in the fair value of effective portion cash flow hedge:		
(i) For transactions of expected sales in foreign currency	117.43	-
(ii) For transactions of import of goods in foreign currency	-	-
Balance at the end of the year	117.43	-

(d) During the year there are no forecasted transactions for which hedge accounting had been used in the previous periods, but which is no longer expected to occur.

Notes to Consolidated Financial Statement as at 31st March, 2014

Notes annexed to and forming part of the accounts

48 HEDGE ACCOUNTING - AS - 32 (Contd.)

(e) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under:

S. No.	Particulars	Currency	As at	Year ended	As at	Year ended
			31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
			Amount in	Amount in	Amount in	Amount in
			(FC)	(FC)	(₹)	(₹)
(a)	Trade Receivables	USD	-	-	-	-

See accompanying notes 1 to 48 forming part of financial statements

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

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

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

Place : Noida
Dated : April 22, 2014

Consolidated Cash Flow Statement

For the year ended 31st March, 2014

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	15,981.72	10,654.63
Add:		
Depreciation and Amortisation	11,755.50	11,540.32
Dividend received	(80.01)	(50.39)
Interest cost	13,649.80	13,277.42
Interest received	(440.89)	-
Exchange Fluctuation	(57.78)	(13.17)
Profit/ Loss on sale of Fixed Assets	18.61	2,004.61
Provision for Bad & Doubtful Debts	703.61	33.36
Assets written off	1.33	-
Provision for Entry Tax	75.17	43.35
Liabilities no longer required w/back	(102.40)	(381.80)
Operating Profit Before Working Capital Changes	41,504.66	37,108.33
Inventories	1071.16	(8,480.98)
Trade Receivables (Current & Non Current)	(3,677.56)	(3,601.02)
Loans and Advances (Current & Non Current)	(2,002.77)	896.81
Other Assets (Current & Non Current)	(105.08)	(3,194.80)
Trade payables (Current & Non Current)	490.15	1,806.02
Other Liabilities (Current & Non Current)	961.96	465.59
Cash Generated from operations	38,242.52	24,999.95
Direct Taxes	(3,407.56)	(1,993.09)
Net cash from operating activities	34,834.96	23,006.86
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(8,662.79)	(9,456.20)
Sales of Fixed Assets	310.41	324.11
Investment in Shares/Debentures	(1,620.39)	(3,462.10)
Interest Received	440.89	-
Dividend Received	80.01	50.39
Net cash used in investing activities	(9,451.87)	(12,543.80)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	4,041.76	3,062.28
Repayment of Long Term Borrowings	(13,448.81)	(10,205.20)
Increase/Decrease in Short Term Borrowings	369.19	9,345.75
TUF Capital Subsidy	-	19.16
Exchange Fluctuation	57.78	13.17
Dividend/Interim Dividend paid	(2,708.28)	-
Interest cost	(13,649.80)	(13,277.42)
Equity investment by minority	-	582.93
Net cash from financing activities	(25,338.16)	(10,459.33)
Net Increase in Cash and Cash equivalents	44.93	3.73
Opening Cash and Cash equivalents	360.01	356.28
Closing Cash and Cash equivalents	404.94	360.01

As per our report of even date
For **S. BHARGAVA ASSOCIATES**
Chartered Accountants
Firm Regn. No. 003191C

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

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

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

Ravi Jhunjunwala
Chairman
Arun Churiwal
Managing Director & Chief Executive Officer
Riju Jhunjunwala
Joint Managing Director
J.C. Laddha
Executive Director
B. M. Sharma
Chief Financial Officer
Surender Gupta
Company Secretary

Place : Noida
Dated : April 22, 2014

FINANCIAL INDICATORS

(₹ in Crore)

S. No.	Description	2008-09	2009-10	Revised Schedule VI			
				2010-11	2011-12	2012-13	2013-14
1	Gross Turnover	1,302.24	1,538.49	1,962.16	2,000.15	2,471.04	2,884.32
2	Net Turnover	1,292.55	1,530.76	1,950.59	1,987.00	2,453.29	2,870.05
1	PBIDT	76.97	192.88	340.11	160.99	331.17	388.78
2	Interest	67.99	56.73	78.74	104.04	121.29	121.76
2	PBDT	8.98	136.15	261.37	56.95	209.88	267.02
3	Depreciation (Net)	72.67	87.64	80.15	89.10	108.45	110.69
3	Surplus Depreciation Written Back						
4	(Loss) on disposal of Garment Business						
5	(Loss) from foreign Exchange Fluctuations	(31.64)	-				
7	P B T	(95.33)	48.51	181.22	(32.15)	101.43	156.33
8	TAX	(31.48)	12.48	58.26	(10.36)	33.56	57.53
9	PAT	(63.85)	36.03	122.96	(21.79)	67.87	98.80
1	EPS (IN ₹)	(28.01)	14.68	53.08	(9.41)	29.32	42.68
2	Equity	23.15	23.15	23.15	23.15	23.15	23.15
1	Total Capital Employed	1,312.40	1,284.55	1,661.17	1,733.21	1,850.46	1,854.66
2	Net Worth	227.30	234.23	310.78	286.90	328.57	395.37
3	Deferred Tax Liability (DTL)	15.46	17.92	41.78	35.27	48.57	72.03
4	Net Worth and DTL	242.76	252.15	352.56	322.17	377.14	467.40
5	Long Term Loans	845.39	782.17	592.21	815.18	711.42	605.94
6	Working Capital Loans	223.30	248.43	437.98	376.09	466.63	458.97
7	Unsecured Loans	0.95	1.79	2.11	1.70	1.23	0.36
8	Total Borrowings(5+6+7)	1,069.64	1,032.39	1,032.30	1,192.97	1,179.28	1,065.27
9	Fixed Assets (Net)	866.03	802.07	807.44	1,030.84	976.95	946.71
10	Investments	64.44	60.15	60.15	60.27	110.67	127.36
1	Operating Profit Margin %	5.95	12.60	17.44	8.10	13.50	13.55
2	Return on Capital Employed %(PBIT/ Capital Emp.)	0.33	8.19	15.65	4.15	12.04	14.99
3	Return on Sales % (PAT/ Turnover)	(4.94)	2.35	6.30	(1.10)	2.77	3.44
4	Return on Net Worth %	(28.09)	15.38	39.56	(7.59)	20.66	24.99
5	Debt Equity Ratio	3.72	3.35	1.91	2.85	2.17	1.53
6	Interest Cover Ratio	1.13	3.40	4.32	1.55	2.73	3.19
7	Fixed Assets Cover Ratio	1.02	1.03	1.36	1.26	1.37	1.56



RSWM LIMITED

CIN:L17115RJ1960PLC008216

Registered Office: Kharigram, P.O. Gulabpura – 311 021, Distt Bhilwara, Rajasthan

Phone:+91-1483-223144 to 223150, 223478, Fax:+91-1483-223361, 223479

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

Phone:+91-120-4390300 (EBABX), Fax:+91-120-4277841

E-mail:rswm.investor@lnjbhilwara.com

Website:<http://www.rswm.in>

NOTICE

Notice is hereby given that the Fifty-Third Annual General Meeting of the members of the Company will be held on Tuesday, the 16th day of September, 2014 at 11:30 A.M. at the Registered Office of the Company at Kharigram, P.O. Gulabpura -311 021, District Bhilwara, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2014 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To declare the Dividend on Equity Shares.
3. To appoint a Director in place of Shri Shekhar Agarwal (DIN: 00066113) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C) as Joint Auditors from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and M/s S. S. Kothari Mehta & Co. Chartered Accountants (Firm Registration No 000756N), in respect of whom (M/s S. S. Kothari Mehta & Co.), Company has received a special notice from the member proposing the resolution for the appointment at the forthcoming Annual General Meeting as joint Auditors from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Dr. Kamal Gupta, Director (DIN : 00038490), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri D. N. Davar, Director (DIN :00002008), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."
7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri A. N. Chaudhary, Director (DIN:00587814), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri Sushil Jhunjhunwala, Director (DIN:00082461), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one more term of 5 (five) consecutive years commencing from the ensuing AGM."
9. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri P. S. Dasgupta, Director (DIN:00012552), of the Company who is eligible for appointment and in respect of whom Company has received notice in writing from a member proposing his candidature for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company for first term of 4 (four) consecutive years commencing from ensuing Annual General Meeting."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:
"RESOLVED THAT the consent of the members of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company for creation of such mortgage(s) and charge(s) in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on the assets of the Company, both present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of:
- State Bank of Bikaner and Jaipur (SBBJ) in connection with Term Loan of ₹ 32.00 Crore under Technology Upgradation Fund Scheme (TUFS).
 - Syndicate Bank in connection with Term Loan of ₹ 52.00 Crore under Technology Upgradation Fund Scheme (TUFS).
 - Central Bank of India (Central Bank) in connection with Term Loan of ₹ 143.00 Crore under Technology Upgradation Fund Scheme (TUFS).
- together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to SBBJ, Syndicate Bank and Central Bank under the Loan Agreements entered into by the Company in respect of the said borrowings."
- "RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with SBBJ, Syndicate Bank and Central Bank the documents for creating the aforesaid mortgage(s) and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."
11. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), and subject to applicability of Cost Audit on the Company in terms of the Companies (cost records and audit) Rules, 2014, M/s N. D. Birla & Co. (Firm Registration No. 000028) Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration of Rs. 4,25,000/- (Rupees Four lac and Twenty Five Thousand only) plus service tax and out of pocket expenses that may be incurred by them during the course of audit."

By Order of the Board
For **RSWM LIMITED**

Place: Noida (U.P.)
Date : 2nd August, 2014

Surender Gupta
Company Secretary

NOTES

1. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.** A person can act as a proxy on behalf of Members not exceeding fifty (50) and the holding not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company, a duly certified Board Resolution authorizing their said representative(s) to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 6th September, 2014 to Tuesday, the 16th September, 2014 (both days inclusive).
5. The relevant documents accompanying the Notice are open for inspection to the members at the Registered Office of the Company during the normal business hours of the Company up to the date of the Meeting.
6. The dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, by the members in the AGM.
7. Members are requested to bring their attendance slip with their copy of Annual Report to the meeting.
8. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members are requested to:
 - (i) Quote their folio number/client ID in all correspondence with the Company.
 - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
10. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account such as Client ID and DP ID Numbers for identification.
11. Members seeking any information/clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the Registered Office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/clarification ready.
12. Members may please note that the unclaimed dividends for the financial years 1995-96 to 2006-07 have already been transferred to the Investor Education and Protection Fund.
13. Members holding shares in physical form are requested to furnish their email ID through e-mail at rswm.investor@lnjbhilwara.com and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual reports etc. through e-mail. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.
14. The Annual Report of the Company will also be available on the website of the Company, www.rswm.in.
15. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
16. In case of transfer of Shares, transferee is requested to furnish a copy of the PAN card to the RTA for registration of transfer of shares in physical form.
17. The details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

The instructions for e-voting are as under:

- (a) In case the Member receives an email from NSDL (for members whose email IDs are registered with the Company/DP):
 - (i) Open the e-mail and then open the PDF file namely "RSWM e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
 - (ii) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on **Shareholder-Login**.
 - (iv) Put user ID and password as initial password/PIN provided in the PDF file.

- (v) The password change menu will appear on your screen. Change to a new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,* etc). Please take utmost care to keep your password confidential.
 - (vi) Home page of e-voting appears. Clicks on e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-Voting Event Number) of RSWM Limited.
 - (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) Institutional shareholders (i.e other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at sgsdel@gmail.com with a copy marked to www.evoting.nsdl.com.
- (b) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participants):
- (i) Initial password is provided in the attached sheet on the 'Process and manner for e-voting'.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
-	-	-

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
- (c) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (d) The e-voting period commences at 9.00 A.M. on Monday the 8th September, 2014 and will end at 6.00 P.M. on Wednesday, the 10th September, 2014. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (e) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st August, 2014.
- (f) Shri D. P. Gupta, Practicing Company Secretary (Membership No. FCS 2411), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (g) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- (h) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rswm.in and on the website of NSDL within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE Limited.
- (i) Members who are not casting their vote electronically, may cast their vote at the Annual General meeting.

By Order of the Board
For **RSWM LIMITED**

Place: Noida (U.P.)
Date : 2nd August, 2014

Surender Gupta
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5, 6, 7 & 8

Pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 149 read with schedule IV of the Companies Act, 2013, it is proposed to appoint Dr. Kamal Gupta, Shri D. N. Davar, Shri A. N. Chaudhary and Shri Sushil Jhunjunwala as Independent Directors for one more term of five consecutive years commencing from the date of AGM of the Company, i.e., 16th September, 2014, and as such shall not be liable to retire by rotation.

Dr. Kamal Gupta, Shri D. N. Davar, Shri A. N. Chaudhary and Shri Sushil Jhunjunwala are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given the consent to act as Directors. Declarations have been received from Dr. Kamal Gupta, Shri D. N. Davar, Shri A. N. Chaudhary and Shri Sushil Jhunjunwala that they meet with the criteria of Independence under sub section (6) of Section 149 of the Companies Act, 2013.

The Company has received Notice in writing from members along with the deposit of requisite amount proposing candidature of the above Directors. In the opinion of the Board, Dr. Kamal Gupta, Shri D. N. Davar, Shri A. N. Chaudhary and Shri Sushil Jhunjunwala fulfill the conditions specified in the Companies Act, 2013, and the rules made thereunder for their appointment as an Independent Director of the Company and are independent of the Management. A copy of draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during normal business hours of the Company.

Except Dr. Kamal Gupta, Shri D. N. Davar, Shri A. N. Chaudhary and Shri Sushil Jhunjunwala and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolution. The Board commends the Ordinary Resolution as set out in item No. 5 to 8 for approval of members.

ITEM NO. 9

Pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 149 read with schedule IV of the Companies Act, 2013, it is proposed to appoint Shri P. S. Dasgupta as Independent Director for a first term of 4 (four) consecutive years commencing from the date of AGM of the Company, i.e., 16th September, 2014, and as such shall not be liable to retire by rotation.

Shri P. S. Dasgupta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given the consent to act as Director. A Declaration has been received from Shri P. S. Dasgupta that he met with the criteria of Independence under sub section (6) of Section 149 of the Companies Act, 2013.

The Company has received Notice in writing from a member along with the deposit of requisite amount proposing his candidature. In the opinion of the Board, Shri P. S. Dasgupta fulfill the conditions specified in the Companies Act, 2013, and the rules made thereunder for their appointment as an Independent Director of the Company and are independent of the Management. A copy of draft Letter of Appointment for Independent Director, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during normal business hours of the Company.

Except Shri P. S. Dasgupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolution. The Board commends the Ordinary Resolution as set out in item No. 9 for approval of members.

ITEM NO. 10

The Company had approached State Bank of Bikaner & Jaipur (SBBJ), Syndicate Bank and Central Bank of India (Central Bank), for financial assistances under Technology Upgradation Fund Scheme (TUFS) in the form of Rupee Term Loans of ₹ 32.00 crore for installation of 50 looms at Mordi, Banswara, ₹ 52.00 crore to establish unit for manufacturing of recycled polyester fibre by recycling of PET Bottles at Ringas and ₹ 143.00 for expansion at Mandpam Unit of the Company. The referred financial assistances from SBBJ, Syndicate Bank and Central Bank is to be secured by mortgage/charge on the assets on the Company, both present and future.

Section 180(1)(a) of the Companies Act, 2013, provides inter-alia that the Board of Directors of the Company shall not, without the consent of members of the Company in general meeting by a special resolution for sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking. Since the mortgaging by the Company of its immovable and moveable properties as aforesaid in favour of SBBJ, Syndicate Bank and Central Bank may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013.

Copy of sanction letter received from the lender and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during normal business hours upto the date of meeting.

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested, financially or otherwise, in the said resolution. The Board commends the special resolution as set out in item No. 10 for approval of members.

ITEM NO. 11

The Board of Directors of the Company had approved the appointment and remuneration of M/s N. D. Birla & Co., Cost Accountants upon the recommendation of Audit Committee to conduct the Cost Audit of the Cost records of the Company for the financial year ending 31st March, 2015, subject to the applicability of Cost Audit on the Company in terms of rules framed in this regard by the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors & Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the said resolution. The Board commends the Ordinary Resolution as set out in item No. 11 for approval of members.

By Order of the Board
For **RSWM LIMITED**

Place: Noida (U.P.)
Date : 2nd August, 2014

Surender Gupta
Company Secretary

ANNEXURE TO NOTICE
DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Shekhar Agarwal	Dr. Kamal Gupta	Shri D. N. Davar	Shri A.N. Choudhary	Shri Sushil Jhunjunwala	Shri P.S. Dasgupta
Category	Promoter - Non Executive	Independent - Non Executive	Independent - Non Executive	Independent - Non Executive	Independent - Non Executive	Independent - Non Executive
Interse relationship	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Date of Birth	09.10.1952	12.02.1946	08.08.1934	06.03.1944	23.08.1950	30.06.1955
Date of Appointment	13.02.1984	26.12.1987	10.11.2004	24.07.2009	29.04.2009	24.07.2013
Qualification	B.Tech (M.E), M.Sc (Chicago)	FCA, FICWA, Ph.D	B.Com (Hons), M.A - Economics, CAIIB, Fellow of the Economic Development Institute of the World Bank.	B.Com, LLB, FCA, FCS	B.Com	B.A.(Hons.), LLB, Post Graduate Diploma-Corporate Laws & Labour Laws.
Expertise in specific functional areas	Industrialist with rich experience of Textile Industry	Consultant in the area of Finance, Accounting and Corporate Laws, Former Technical Director of the Institute of Chartered Accountants of India. He is renowned author of various books in Auditing and other subjects.	He worked in Senior Managerial Positions with Punjab National Bank from 1958-68 and with IFCI from 1968-1992. He took retirement from IFCI in 1992 as Executive Chairman, a position he held for eight years. He is a part time consultant to World Bank, UNIDO and Kreditanstalt fur Weideraufbau (KFW). He holds a Masters degree in Economics and CAIIB.	He is graduated in Commerce and also a fellow member of ICSI & ICAI. He also holds law degree. Shri Choudhary has rich & diversified experience of textile industry.	He is an eminent industrialist having rich experience. He is presently Director in well known company BSL Ltd., LA OPALA RG Limited and Genesis Exports Limited.	Renowned International Corporate Lawyer and represents a leading law firm in Delhi
List of Other Public Companies in which Directorships held*	1. Bhilwara Technical Textiles Ltd. 2. BSL Limited 3. Essay Marketing Company Ltd. 4. HEG Limited 5. Maral Overseas Limited	1. AD Hydro Power Ltd. 2. Bhilwara Energy Ltd. 3. HEG Ltd. 4. Maral Overseas Ltd. 5. Malana Power Company Ltd. 6. PNB Gilts Ltd.	1. Adayar Gate Hotels Ltd. 2. Ansal Properties & Infrastructure Ltd. 3. Cimco Ltd. 4. HEG Ltd. 5. Hero Fincorp Ltd. 6. Landmark Property Development Co. Ltd. 7. Mansingh Hotels & Resorts Ltd. 8. Maral Overseas Ltd. 9. OCL India Ltd. 10. Sandhar Technologies Ltd. 11. Titagarh Marine Ltd. 12. Titagarh Wagons Ltd.	1. BSL Limited 2. Vitarich Agro Food (India) Ltd.	1. BSL Ltd. 2. Genesis Exports Ltd. 3. La Opala RG Ltd.	1. Asian Hotels (North) Ltd. 2. Bhilwara Technical Textiles Ltd. 3. Cummins India Ltd. 4. Ester Industries Ltd. 5. Interstar Finance Services Ltd. 6. Maral Overseas Ltd. 7. Otis Elevators Co. (India) Ltd. 8. Timken India Ltd. 9. Tricone Projects India Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee - Member	1. Stakeholders Relationship Committee - Chairman 2. Audit Committee - Chairman	1. Stakeholders Relationship Committee - Member 2. Audit Committee - Member	Audit Committee - Member	Nil	Nil
Chairman/Member of the Committees of Directors of other Companies:						
a) Audit Committee	1. BSL Ltd. - Member 2. HEG Ltd. - Member	1. AD Hydro Power Ltd.- Member 2. HEG Ltd.-Member 3. Malana Power Company Ltd.- Member 4. Maral Overseas Limited-Chairman 5. PNB Gilts Ltd.- Chairman	1. Ansal Properties & Infrastructure Ltd. - Chairman 2. Cimco Ltd. - Member 3. HEG Ltd.- Chairman 4. Hero Fincorp Ltd.- Chairman 5. Maral Overseas Ltd.- Member 6. OCL India Ltd. - Chairman 7. Titagarh Wagons Ltd. - Chairman	1. BSL Limited- Member	1. BSL Limited- Member	1. Bhilwara Technical Textiles Ltd.- Member 2. Cummins India Ltd.- Member 3. Maral Overseas Ltd.-Member 4. Otis Elevator Co. (India) Ltd. - Member 5. Timken India Ltd.- Chairman 6. Tricone Projects India Ltd.- Member
b) Stakeholders Relationship Committee	1. Maral Overseas Ltd. - Member	1. HEG Ltd.- Member 2. Maral Overseas Ltd. - Chairman 3. PNB Gilts Ltd.- Member	1. Maral Overseas Ltd. - Member	Nil	Nil	1. Bhilwara Technical Textiles Ltd.-Chairman 2. Cummins India Ltd.-Member 3. Otis Elevator Co. (India) Ltd. - Member
No. of Equity Shares held in the Company	3000	Nil	Nil	Nil	Nil	Nil

* Excluding directorships in Private Limited Companies, Foreign Companies, Membership of Management Committees of various Chambers, Bodies and Section 25 Companies.



RSWM LIMITED

CIN:L17115RJ1960PLC008216

Regd. Off.: Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan; Phone:+91-1483-223144 to 223150, 223478, Fax:+91-1483-223361, 223479

Corp. Off.: Bhilwara Towers, A-12, Sector – 1, Noida – 201 301 (U.P); Phone:+91-120-4390300 [EBABX], Fax:+91-120-4277841

E-mail:rswm.investor@lnjbhilwara.com; Website:http://www.rswm.in

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

DP Id* Folio No.

Client Id* No. of Equity Share(s) held

Name and address of the Shareholders :

I hereby record my presence at the **53rd Annual General Meeting** of the Company held on **Tuesday, September 16, 2014 at 11.30 a.m. at the Registered Office of the Company at Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan.**

*Applicable for investors holding shares in electronic form

** Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative**

Notes:

- 1. Members are requested to produce this attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the meeting.



RSWM LIMITED

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E-mail:rswm.investor@lnjbhilwara.com; Website:http://www.rswm.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

E mail id:

Registered Address:

Folio No/ *Client Id:

***DP Id:**

I/We, being a member/members ofshares of RSWM Ltd., hereby appoint:

1. Name : Address :

..... E-mail Id :

Signature, or failing him / her

2. Name : Address :

..... E-mail Id :

Signature, or failing him / her

3. Name : Address :

..... E-mail Id :

Signature, or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the **53rd Annual General Meeting** of the Company, to be held on **Tuesday, 16th September, 2014, at 11.30 a.m. at the Registered Office of the Company at Kharigram, P.O. Gulabpura-311 021, Distt. Bhilwara, Rajasthan.** and at any adjournment thereof in respect of such resolutions as are indicated below:



** I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions Numbers	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2014 and Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.		
2.	To declare the Dividend on Equity Shares.		
3.	To appoint a Director in place of Shri Shekhar Agarwal (DIN: 00066113) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
4.	Appointment of M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C) and M/s S. S. Kothari Mehta & Co. Chartered Accountants (Firm Registration No 000756N) as Joint Auditors and to fix their remuneration.		
Special Business			
5.	Appointment of Dr. Kamal Gupta (DIN: 00038490) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
6.	Appointment of Shri D.N. Davar (DIN: 00002008) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
7.	Appointment of Shri A.N. Chaudhary (DIN: 00587814) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
8.	Appointment of Shri Sushil Jhunjhunwala (DIN: 00082461) as Independent Director for one more term of 5 (five) consecutive years commencing from the ensuing AGM.		
9.	Appointment of Shri P.S. Dasgupta (DIN: 00012552) as Independent Director for first term of 4 (four) consecutive years commencing from the ensuing AGM.		
10.	Special Resolution under Section 180(1)(a) for creation of mortgage(s) and charges in addition to the existing mortgages, charges and hypothecations created on the assets of the Company in favour of: <ul style="list-style-type: none"> • State Bank of Bikaner and Jaipur of an amount Rs. 32 crore. • Syndicate Bank of an amount Rs. 52 crore. • Central Bank of India of an amount Rs. 143 crore 		
11.	Approval of the remuneration payable to M/s. N.D. Birla & Co., Cost Auditor of the Company for the financial year 2014-15 [subject to applicability of Cost Audit on the Company].		

Signed this _____ day of _____ 2014

Affix
Revenue
Stamp

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Notes :

1. The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. ** It is optional to indicate your preference. If you leave the for against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 53rd Annual General Meeting.

CORPORATE INFORMATION

L. N. Jhunjhunwala Chairman-Emeritus

BOARD OF DIRECTORS

Ravi Jhunjhunwala	Chairman
Shekhar Agarwal	Vice Chairman
Arun Churiwal	Managing Director & CEO
Riju Jhunjhunwala	Joint Managing Director
Kamal Gupta	Director
D. N. Davar	Director
Sushil Jhunjhunwala	Director
A. N. Choudhary	Director
P. S. Dasgupta	Director
J. C. Laddha	Executive Director

KEY EXECUTIVES

Corporate Office

Prakash Maheshwari	Chief Executive (Corporate Management Services)
B. M. Sharma	Chief Financial Officer
T. Dev Joshi	Chief Human Resource Officer
M. L. Jhunjhunwala	President, Mumbai

Business Heads

J. C. Laddha	Chief Executive (Yarn & TPP)
S. C. Garg	Chief Executive (Melange yarn)
Prabir Bandyopadhyay	Chief Executive (Denim)
Nirmal Jain	Chief Executive (Fabric)

COMPANY SECRETARY

Surender Gupta

AUDITORS

S. Bhargava Associates
A. L. Chechani & Co.

BANKERS

State Bank of Bikaner & Jaipur
Axis Bank Ltd.
Bank of Baroda
Central Bank of India
Dena Bank
Export-Import Bank of India
ICICI Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Mysore
UCO Bank
Union Bank of India
Syndicate Bank

REGISTERED OFFICE

Kharigram, P.O. Gulabpura – 311 021
Distt. Bhilwara (Rajasthan)

CORPORATE OFFICE

Bhilwara Towers, A-12, Sector – 1,
Noida – 201 301 (U.P.)
CIN: L17115RJ1960PLC008216

PLANT LOCATIONS

- Kharigram, P.O. Gulabpura – 311 021
Distt. Bhilwara, Rajasthan
- LNJ Nagar, Mordi, P.O. Banswara – 327 001, Rajasthan
(Denim, Fabric & TPP)
- Mayur Nagar, Lodha, P.O. Banswara – 327 001, Rajasthan
- Mandpam, Bhilwara – 311 001, Rajasthan
- Rishabhdev – 313 802, Distt. Udaipur, Rajasthan
- Ringas – 332404, Distt. Sikar, Rajasthan

Note: Shri L. N. Jhunjhunwala resigned from the Directorship of the Company w.e.f. 21st April 2014.



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL



Registered Office:

Kharigram, P.O.: Gulabpura - 311 021

Distt. Bhilwara (Rajasthan), India.


website: www.rswm.in/www.lnjbhilwara.com

CIN: L17115RJ1960PLC008216

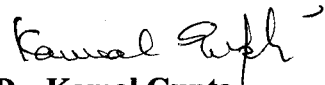
FORM A

RSWM LIMITED


1.	Name of the Company:	RSWM LIMITED
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	None reported in the Auditor's Report for the financial year ended the 31 st March, 2014.

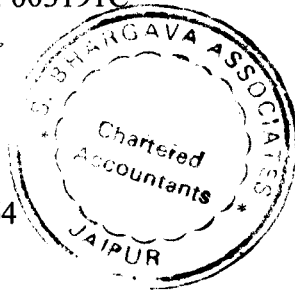

Arun Churiwal
Chief Executive Officer &
Managing Director


B. M. Sharma
Chief Financial Officer


Dr. Kamal Gupta
Chairman – Audit Committee

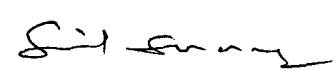
Auditors of the Company:
For S. Bhargava Associates
Firm Registration No. 003191C


Sunil Bhargava
(Partner)
Membership No. 70964



Dated: 8th August, 2014

For A.L. Chechani & Co.
Firm Registration No. 005341C


Sunil Surana
(Partner)
Membership No. 36093

