

October 3, 2016

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street,
MUMBAI - 400 001.

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Annual Report of the Company duly approved and adopted by the Members of the Company in their Meeting held on 27th September, 2016.

Thanking you,

Yours faithfully,
For **RSWM LIMITED**



SURENDER GUPTA
COMPANY SECRETARY
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Plot No.23, Sector -13, Rohini
Delhi - 110085

Encl.: As above

(Formerly Rajasthan Spinning & Weaving Mills Limited)

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Tel. : +91-1483-223144 to 223150, 223478
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Corporate Identification Number: L17115RJ1960PLC008216

EDGE

RSWM LIMITED
ANNUAL REPORT 2015-16



FORWARD-LOOKING STATEMENTS

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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Change. The only constant.

Economic and currency volatilities have altered sectoral dynamics.

Emerging competitors have transformed trade flows.

Evolving customer requirements have influenced technology investments.

Despite these challenges, we have a consistent reality to report at RSWM Limited.

Rising revenues. Enhancing profitability. Strengthening business model.

Because we consistently invested in an ongoing ability to make the 'good', 'better'.

DEVELOPING AN EDGE

11%

2015-16
EBIDTA increase

25%

2015-16
Net Profit growth

ADVANTEDGE



IN THE COST-SENSITIVE SPINNING BUSINESS WHERE MOST PRODUCTS ARE GENERIC, THE LAST THING THAT ANY COMPANY WOULD DO IS CREATE A BRAND.

At RSWM, we did precisely that. Even as experts advised caution, we launched yarn brands and trusted our conviction that the consumer needed change.

The result is that RSWM launched its first yarn brand in 2011, one of the first instances of branding within the country's yarn sector.

The skeptics said this was a waste of money; our experience indicated that customers returned to ask for the product by name.

The doubters said that a yarn would remain a yarn; our experience indicated that more than a product, customers needed pride.

This trend has accelerated; the Company launched the Ultima brand of grey yarn following the commissioning of its state-of-the-art SJ-11 unit. The

decision was validated; Ultima sales increased to 11% in 2015-16.

Encouraged, RSWM launched EDGE, its niche value-added brand of superior yarn products in 2015. The brand immediately addressed an unmet customer need; EDGE revenues accounted for 12% of the Company's sales volume in 2015-16.

The big message?

Our grey yarn that was earlier priced as a commodity, now fetches a reasonable premium over competing variants, moves faster off shelves and has enhanced our corporate brand.

The result is in the numbers. Revenues from branded products increased from 8% in 2014-15 to 13% in 2015-16; EBITDA strengthened from ₹377.45 crore in 2014-15 to ₹420.18 crore in 2015-16; EBITDA margin improved from 12.57% to 14.22% across the period.

Thinking different. It works.

12

(in %) Share of EDGE revenues of overall sales volume, 2015-16

165

(bps) Increase in EBITDA margin, 2015-16

IMEDGE



IN THE CHALLENGING VOLUME-DRIVEN YARNS SECTOR, THE MOMENT CUSTOMERS SAID THEY NEEDED PRODUCTS CUSTOMISED AROUND THEIR PRECISE NEEDS AND THAT TOO IMMEDIATELY, THE FIRST REACTION WAS 'NOT POSSIBLE.'

At RSWM, we set about bucking this enduring trend. Even as the seasoned industry hands said that product customisation and speed were fundamentally impossible to reconcile, we responded with something revolutionary.

Our '3/7/25' counter-response was fundamentally simple. Three days for lab prototyping. Seven days for trial sampling. 25 days for bulk manufacturing.

At RSWM, this development has not been something that happened in a flash.

- We created product development centres within our manufacturing locations.

- We invested ₹134 crore in enhancing our capabilities.
- We allocated dedicated infrastructure and resources for timely product development.
- We monitored the progress of each customer request on a real-time basis.

The result is that even as the broad yarn market continued to be challenging, our performance was pleasantly surprising. We attracted new customers. We increased our share of the customer's wallet. We empowered our customers to address their end-user needs. And we strengthened our brand in a relatively unbranded marketplace: 'If you need something done fast and well, go to RSWM.'

Combining speed and quality. Always works.

20

(in %) Increase in sample size while maintaining the product development cycle time

2,000

Spindles dedicated to product development/ customisation

LEVEREDGE

THE BUSINESS OF YARN MANUFACTURE IS INTENSELY COMPETITIVE. IN THIS RESOURCE-INTENSIVE SECTOR, PROFIT-MAKING COMPANIES HAVE TWO STRATEGIC ALTERNATIVES AT HAND: REINVEST THE SURPLUS IN CAPACITY ENHANCEMENT OR REPAY DEBT. COMPANIES WITH GROWTH APPETITES, INVEST IN ADDITIONAL CAPACITY. COMPANIES SEEKING TO DE-RISK, REPAY DEBT.

At RSWM, we did both. We repaid ₹500 crore in debt during the past three years even as we invested ₹486 crore in capacity addition-cum-capability enhancement.

In 2015-16, which was possibly the most challenging fiscal in the global yarns sector in years, we drew our overall debt down by ₹85 crore, our largest repayment quantum in a

decade. Concurrently, we channelised ₹134 crore in fresh capital expenditure investments.

What this does for RSWM, is interesting. It moderates the Balance Sheet on the one hand and enhances capacity on the other.

The result is that when the additional capacity is implemented, the accruing returns could strengthen shareholder value.



De-risked growth. Always an insurance.

500

(₹ crore) Quantum of debt repaid in three years

134

(₹ crore) Capex investment in 2015-16

WHEN YOU THINK OF RSWM LIMITED....

You think of a specialist manufacturer of quality yarns.

You think of an expert player in the value-added blended yarn variants niche.

You think of a corporate that has selected to specialise, not diversify.

You think of a company passionate about devising pioneering products and applications.

55

The number of years RSWM has been in business

11

The number of manufacturing facilities belonging to the Company

15,914

The number of employees working at RSWM's that generated ₹2,966 crore in revenues

Vision

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

Mission

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

78

The number of countries where the Company has a presence

100+

The number of RSWM's customers who vindicate the Company's commitment to quality

Other shareholder information

Market capitalisation: ₹711 crore

Face value per share: ₹10

Promoters' stake: 51.44%

Institutional holding: 13.95%

BSE Code: 500350

NSE Code: RSWM

Other corporate information

Headquarters: Noida, India

Business: Textiles (yarns, fabrics and denims)

Listing: BSE Ltd and National Stock Exchange

Contribution to the exchequer: ₹130.81 crore

Contribution to social causes: ₹1.99 crore

Key numbers, 2015-16

NET SALES (₹ crore)

2,955

(1.62)%
growth over the
previous year

8.20%
growth over the
last five years
(CAGR)

EBIDTA (₹ crore)

420

11.32%
growth over the
previous year

21.15%
growth over the
last five years
(CAGR)

NET PROFIT (₹ crore)

106

24.83%
growth over the
previous year

EBIDTA MARGIN (%)

14.22

165 bps
increase over the
previous year

612 bps
increase over the
last five years

RETURN ON EMPLOYED CAPITAL (%)

13.77

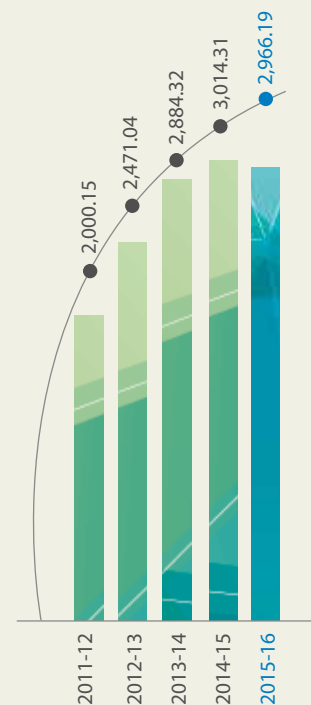
129 bps
increase over the
previous year

902 bps
increase over the
last five years

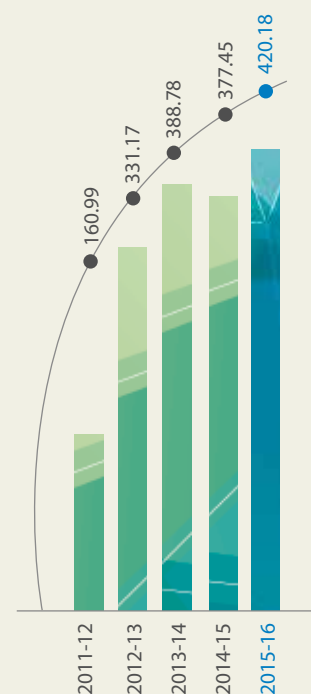
RETURN ON NET WORTH (%)

20.52

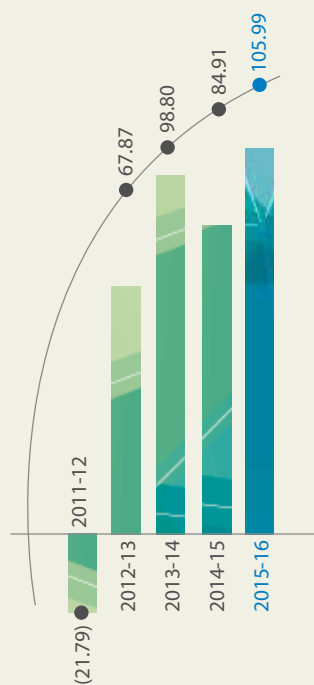
144 bps increase over
the previous year



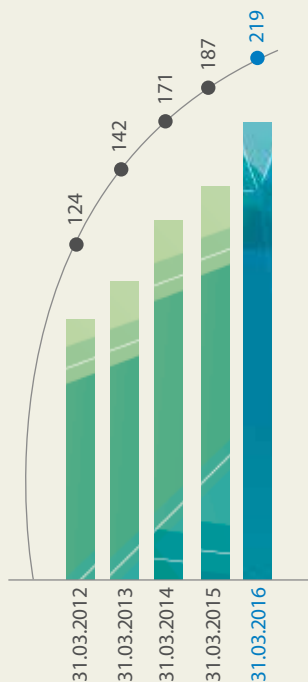
GROSS REVENUE
(₹ crore)



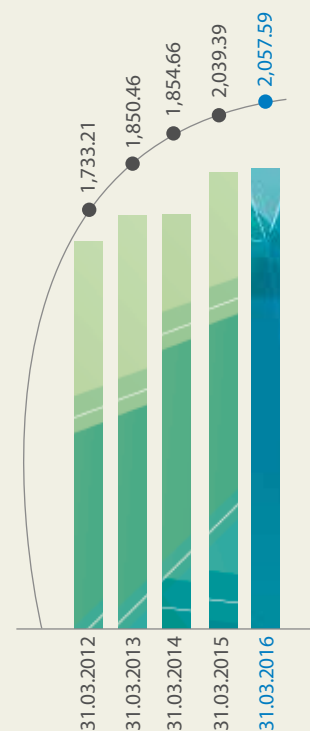
EBIDTA
(₹ crore)

**PROFIT AFTER TAX**

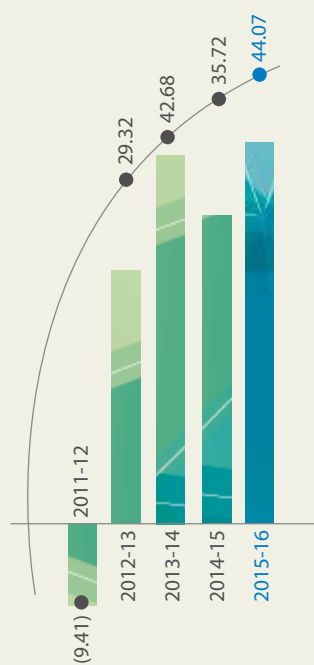
(₹ crore)

**BOOK VALUE**

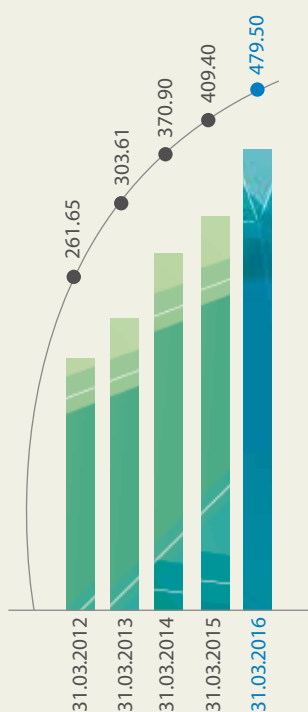
(₹)

**CAPITAL EMPLOYED**

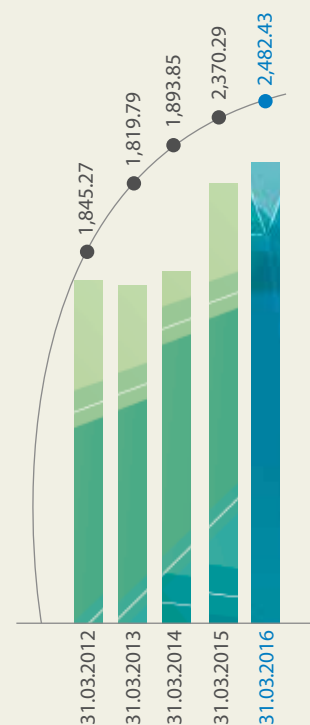
(₹ crore)

**EARNINGS PER SHARE**

(₹)

**RESERVES AND SURPLUS**

(₹ crore)

**GROSS BLOCK**

(₹ crore)



Chairman's statement

"At RSWM, we have selected to transform our business model with the objective to shrink our industry cyclicity curve."

Dear Shareholders

In a textile business vulnerable to changes in the costs and availabilities of agri-commodities and petroleum-based products, the principal challenge lies in generating sustainability from unpredictability.

At RSWM, we have selected to transform our business model with the objective to shrink our industry cyclicity curve, resulting in the ability to remain profitable and growing even in the midst of a sectoral downtrend and outperform our peers during a sectoral rebound.

The principal message that one would wish to communicate to the shareholders is that this is not something that we expect will happen in the future; it is something that is already a reality.

The Company's financial performance in 2015-16 is a reflection of this transformation. Even as revenues declined marginally (factor of an unfavourable external environment), profits and profitability improved – a validation of our differentiated mindset.

Optimism

At RSWM, we believe that we are the bottom-end of a long J curve.

The Company will accelerate its value-addition, foraying into niches that are relatively untapped, shield ourselves from commodity influences and increasingly market to clients that demand quality over cost considerations.

Which explains why even as India continues to be yarn-surplus, the future for our business appears promising.

Fibre shift: There is a benchmark relationship between cotton and man-made fibre prices globally, which in turn influences fibre consumption. On the one hand, the cotton crops in China, Pakistan and India appears to have been affected by pest attacks leading to considerable increase in cotton prices. On the other, free-falling crude prices have reduced the price of man-made fibres, indicating a consumption preference for this lower-priced alternative. Going forward, increasing climatic vagaries could push cotton prices higher, strengthening the demand for blended fabrics. India may start consuming more polyester than cotton by the next five years, widening the market for polyester fibres.

Consolidation: The Indian spinning industry should witness consolidation. With raw cotton prices moving northward and yarn prices not moving in tandem, a number of recently-commissioned

spinning capacities (taking advantage of the Government's low-cost funds pipeline) could become unviable. Although, this could firm yarn prices in the short-term, over the medium-term, this reality could provide an opportunity to acquire quality stressed assets. Having de-leveraged our financial statements ably, we are hopeful of capitalising on such opportunities.

Overview

I must assure shareholders that our show of strength at a time of sectoral weakness provides an insight into our competitive position. We will continue to make sizeable investments in strengthening each vertical independently.

As our investments help meet our goals, we expect to report higher revenues, superior margins and increased surpluses, thus graduating us into the next growth orbit.

With best wishes,

Ravi Jhunjunwala
Chairman

India may start consuming more polyester than cotton by the next five years, widening the market for polyester fibres.



10 minutes with the Managing Director

“At RSWM, we intend to combine experience with energy. Conventional excellence with contemporary technology. Innovation with knowledge. With the objective to rapidly transform our business.”

Dear Shareholders

The year 2015-16 will be remembered as an inflection point for our business.

This was perhaps one of the most extended slowdowns we have encountered in the sector. This slowdown was marked by a sustained decline in realisations on the one hand and sluggish offtake on the other.

The fact that RSWM has even succeeded in strengthening profits and profitability should be seen as an achievement, indicating that there was something fundamentally different in the way we selected to work which contributed to our superior performance.

The Company outperformed its sectoral growth average due to a continued focus on the domestic market even as the global textile markets remained challenging.

The Company focused on products (mélange yarn) that addressed brand-enhancing downstream segments, particularly fashion apparel, where consumers were willing to pay higher.

The Company enhanced efficiencies from within when it became increasingly evident that it would not be possible to pass cost increases to customers.

The Company's credit rating strengthened in 2015-16 even as the balance sheets of most yarn players continued to be stressed.

How we expect to sustain momentum

The contemporary shareholder is more concerned about where we are going than where we have come from.

I must assure this stakeholder that the Company is strengthening its business to capitalise on specific opportunities across business verticals.

The opportunities

Textile opportunity: As Indian disposable incomes increase, domestic textile prospects will only get better, reflected in a faster growth of value-added product segments.

Fibre opportunity: The fibre consumption patterns in India's textile industry is expected to shift from natural fibres to manmade fibres, strengthening our prospects.

Denim opportunity: India's denim market is under-penetrated; per capita jeans consumption is 0.3 pairs per year, significantly lower than two to three pairs per capita in developed countries. Currently, the value share of the denim market is skewed in favour of metro cities, accounting for nearly half the country's consumption. But as the country's non-metro population grows and aspirations build, denim consumption could exponentially increase.

e-commerce opportunity: e-commerce has played a defining role in strengthening aspirations and product availability. Electronics and apparel already are the biggest e-commerce categories and India is expected to generate US\$100 billion

online retail revenues by 2020, of which US\$35 billion will be through fashion. The result is that online apparel sales are set to quadruple in the next few years, catalysing fabric and yarn demand.

Our strategy

Even as the textile and denim spaces provide significant promise, year-on-year growth can be sustainably derived only from tactical value-addition and product differentiation initiatives.

Yarn business: We created a non-financial annual business plan with the objective to strengthen our intangible parameters leading to sectoral leadership. This plan focuses on the three pillars of market leadership, operating excellence and people development. We hope to establish market leadership through continuous innovation; our value-added yarns are marketed worldwide under the EDGE brand; we launched a novel '3-7-25' programme centred round product development to significantly shrink the product development cycle. From an operational perspective, we are embarking on a modernisation programme. We are strengthening our asset bank with cutting-edge technology from prominent global textile machinery manufacturers. This investment will enhance product quality and optimise manufacturing costs. Besides, we are infusing young blood in key leadership positions to enhance energy and instill a fresh mindset.

Denim business: We are implementing a sizeable capacity increase from 17 million

metres per annum to 25 million metres per annum. Our proactive investment will empower the production of high-value fashion denim (through our existing rope-dyeing technology) and high-volume standard denim (through inducted sheet-dyeing technology).

Fabric business: We intend to enhance awareness of our 'Mayur' fabric brand through the engagement of film celebrities like Nawazuddin Siddiqui coupled with strategic promotional initiatives. Besides, we institutionalised business-critical processes to facilitate the achievement of business goals.

Communication: Our internal communication platform enhances seamless periodic communication across management layers on performance, strategy and goals. The external communication matrix comprises frequent customer engagements with the senior management and business heads to explore evolving trends and identify areas of improvement.

Business intelligence: We created a business intelligence cell to map and analyse trends (global and domestic) in the textile sector (fibre, yarn, fabric and garments) to prepare proactively.

IT platform: We are investing in an organisation-wide ERP – M3 (textile sector-customised) platform by end-2016 to facilitate superior data management, bolster security and ensure availability of accurate real-time information – resulting in informed decision-making.

Message to shareholders

At RSWM, we intend to combine experience with energy. Conventional excellence with contemporary technology. Innovation with knowledge. With the objective to rapidly transform our business.

Warm regards,

Riju Jhunjunwala,
Managing Director

Even as the textile and denim spaces provide significant promise, year-on-year growth can be sustainably derived only from tactical value-addition and product differentiation initiatives.



Our enduring EDGE... and how we sharpened it in 2015-16!

Experience

We possess a five decade-long experience in the textiles sector, having successfully endured and grown through sectoral troughs and crests.

In 2015-16, we entered key high-margin business spaces.

Size

Our large manufacturing capacities made it possible to service a number of large downstream players and leverage economies-of-scale.

In 2015-16, we invested ₹134 crore in capacity addition and modernisation, enhancing volumes and productivity.

Range

Our ability to consistently devise innovative products positions us as a preferred business partner for leading global and Indian downstream users.

In 2015-16, we introduced a variety of new products.

Presence

RSWM enjoys an expansive global footprint (78 countries), de-risking it from an over-dependence on any single market.

In 2015-16, exports accounted for 31% of our topline.

Financials

The Company's robust Balance Sheet makes it possible to mobilise low-cost funds with ease.

In 2015-16, we de-leveraged our Balance Sheet; our debt-equity ratio stood at 2.26x as on March 31, 2016.

Confidence-enhancing realities

51.44

Promoters' holding in the Company,
as of March 31, 2016 (%)

13.95

Institutional holding in the Company,
as of March 31, 2016 (%)

907

Revenue from international markets
(₹ crore)

Management discussion and analysis



ECONOMIC OVERVIEW

Global perspective

In 2015, global economic activity remained subdued as GDP grew at a modest 3.1% against 3.4% in 2014.

Although, growth in emerging markets and developing economies – while still accounted for over 70% of global growth; it declined for the fifth consecutive year. While a modest recovery continued to transpire in advanced economies.

Three key transitions continue to influence the global outlook:

- The gradual slowdown and rebalancing of economic activity in China – away from investment and manufacturing and towards consumption and services
- Lower prices for energy and other commodities
- A gradual tightening in monetary policy in the US lead to a resilient

recovery; several major economies continued to ease their monetary policies.

Overall growth in China is evolving broadly as envisaged, but a faster-than-expected slowdown in imports and exports, reflects weakening investments and manufacturing activities. These developments, together with market concerns about the future performance of the Chinese economy, are spilling over to other economies through trade channels, weaker commodity prices, diminishing confidence and increasing volatilities in financial markets.

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1% and hold steady in 2017. Growth in emerging



market and developing economies is projected to increase from 4% in 2015 – the lowest since the 2008–09 financial crisis – to 4.3% and 4.7% in 2016 and 2017, respectively. (Source: IMF)

Domestic overview

India's economy expanded at a faster pace in 2015-16 despite a slowdown in GDP expansion in the third quarter of the fiscal under review. India's GDP growth stood at 7.6% in 2015-16 against 7.2% in 2014-15 catalysed by a superior performance of the manufacturing sector (9.5% growth in 2015-16 against 5.5% in 2014-15). The growth in the manufacturing sector was due to a significant fall in input costs following the collapse of global commodity prices. India's economy recovery was also facilitated by other factors:

- A large gain in terms of trade (about 2.5% of GDP)
- Implementation of positive policies by

the Central Government

- Reduction in external vulnerabilities

The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation.

According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index (CPI), which averaged 6.5% in 2014-15, could decline to 5-5.5% in 2015-16. The slide in global oil prices since late 2014 boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions.

Looking ahead, the Economic Survey 2015-16 has projected GDP growth of 7-7.75% in 2016-17. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy. It forecasts India's GDP growth at 7.5% in FY17 supported by stronger domestic demand.

KEY NUMBERS

7.6%
GDP growth in 2015-16

5.5%
CPI in 2015-16

9.5%
Growth in the manufacturing sector

9.2%
Growth in the services sector

~7.75%
Estimated GDP growth in 2016-17

Indian textile industry

108

Size of the industry,
2015 (US\$ billion)

2nd

Largest textile and
apparel industry
globally after China

2nd

Largest exporter of
textiles in the world with
7% of the global share

~50

Spindles (in million)
installed in India

20%

Of the global
spindleage capacity
accounted for by India

53%

Of the global spindleage
capacity accounted for
by India

5%

Sectoral contribution to
India's GDP

11%

Sectoral contribution to
India's total exports

27%

Sectoral contribution to
foreign exchange inflow

6th

Largest exporter of
apparels in the world with
4% of the global share

223

Size of the industry,
2021 (US\$ billion)

11.88

Area under cotton
cultivation in India (in
million hectares)

14%

Sectoral contribution to
industrial production

45

Direct employment
(in million)

60

Indirect employment
(in million)



The Indian textile industry is one the most important industries for the Indian economy considering its contribution to employment generation, industrial output and foreign exchange earnings. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly.

The textile industry has two broad segments.

- The unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods.
- The organised sector consists of spinning, apparel and garments segment which apply modern machinery and techniques such as economies-of-scale.

The vast pool of skilled and unskilled workers, availability of low-cost labour, strong base for production of raw materials characterise the textile

industry in India. The increase in domestic demand and ability of units in the industry to process small or customised orders are some of the advantages enjoyed by the Indian textile industry.

The textile sector is highly diverse and has hand-spun and hand-woven segments at one end of the spectrum, and capital-intensive,

sophisticated and modern mills on the other.

The textile industry is vertically-integrated across the value chain and extends from fibre to fabric to garments. At the same time, it is a highly-fragmented sector, comprising small-scale, non-integrated spinning, weaving, processing and cloth manufacturing enterprises.

A budget provision of ₹17,822 crore has been approved, of which ₹12,671 crore is for committed liabilities under the ongoing scheme [RR-TUFS], and ₹5,151 crore is for new cases under ATUFS.

Governmental support to the domestic textile sector

Considering the importance of the textile sector, the Central Government has implemented important policies that are expected to catalyse the growth of the Indian textile sector over the coming years.

1. Funding schemes

The Centre has stitched together an Amended Technology Upgradation Fund Scheme (ATUFS) (to replace the RR-TUFS) that is expected to lend a boost to the 'Make in India' initiative in the textiles sector by attracting investments worth more than ₹1.5 lac crore and creating over 30 lac jobs. A budgetary provision of ₹17,822 crore has been approved,

of which ₹12,671 crore is for committed liabilities under the ongoing scheme [RR-TUFS], and ₹5,151 crore is for new cases under ATUFS. The new scheme targets employment generation and increase export earnings by encouraging the apparel and garment industry. Under the new scheme, there will be two broad categories; one for apparel, garment and technical textiles, wherein a 15% subsidy will be provided over five years on capital investment (not exceeding ₹30 crore). The second category, comprising all the other sub-sectors, will get a 10% subsidy (subject to a ceiling of ₹20 crore).

'TUF'er over the years

Introduced by The NDA government in 1999	1999-2015	2016-22 (amended scheme)
	Assistance provided ₹21,347 crore	Assistance provided ₹11,952 crore
Objective Make the textile industry globally competitive	Investments generated ₹2,71,480 crore	Investments expected ₹1,51,000 crore
	Jobs created 48 lac	
How Deploy new technology, cut capital costs		



2. Exports scenario

The Central Government extended the 2% export benefit under Merchandise Export from India Scheme (MEIS) for more countries with immediate effect.

FABRICS

Applicable earlier

Benefit was confined only to countries in Group A, Japan in Group B and Sri Lanka in Group C

Applicable now

Benefit has been extended to all countries in Group A, B and C

MAN-MADE FIBRE SPUN YARNS

Applicable earlier

Benefit was applicable to countries in Group A and Japan in Group B

Applicable now

Benefit has been extended to all countries in Group A, B and C

MADE-UPS AND GARMENTS

Applicable earlier

Benefit was available to all countries in Group A, but only Japan in Group B

Applicable now

Benefit has been extended to all countries in Group A and B

Outlook

The outlook of Indian textile industry is positive over the medium to long-term. The sector is likely to grow at a good pace with domestic consumption as well as exports demand growing hand in hand. The Indian textiles and apparel industry is expected to grow to a size of US\$ 223 billion by 2021, according to a report by Technopak Advisors.



Indian cotton scenario

The Cotton Advisory Board has forecast production at 365 million bales of 170 kilograms each for the cotton season 2015-16.

According to the provisional balance sheet drawn by CAB, imports for the current season are expected to decline to 12 lac bales compared to previous season's import of 14.39 lac bales. Including the opening stock of 53 lac bales, the total supply of cotton in 2015-16 is estimated at 429 lac bales, nearly the same as 427.39 lac bales supply in 2014-15.

On the demand side, mill consumption

is expected to slightly increase to 284 lac bales from the previous season's provisional figure of 278.55 lac bales. Consumption by small-scale units are also likely to go up from 26.28 lac bales in 2014-15 to 28 lac bales this season.

Cotton exports are projected to grow from 57.72 lac bales in the last season to 68 lac bales in 2015-16. This will result in total demand moving up to 391 lac bales compared to 375.39 lac bales in the previous season. The CAB expects the closing stock in 2015-16 season to stay at 38 lac bales.

Indian denim industry

Since the introduction of denim in India in 1986, the industry has evolved continuously, witnessing healthy growth over the past decade. Currently, India's denim manufacturing capacity stands at around 1.1 billion metres per annum. Its utilisation levels are pegged at 80-85%. Despite the impressive statistics, the Indian denim manufacturing industry contributes 5% to the global output, reflecting the overall performance of the textiles industry.

India offers numerous advantages to denim manufacturers.

- Presence across the textile value chain – from cotton to garments
- A huge skilled workforce
- Quality products at competitive costs

Denim apparel production in India remains a fragmented industry where only 20-30% of denim apparel is manufactured by organised units. Denim apparel production activities are concentrated in Delhi-NCR,

Mumbai, Bangalore and Ahmedabad.

Denim is among the most worn fabrics in India and has a strong presence in urban regions. Unbranded denims constitute a higher share in the overall Indian market; the demand for branded denims is largely limited to metros. With a growing penetration of denims and rising disposable incomes in suburban and rural areas, part of the demand has shifted towards premium quality products. Hence, branded denims are expected to gain a larger share over the years.

The Indian denim market is skewed towards the men's segments accounting for more than 85% of the market; women's and kids account for the balance. The women and kid's denim segments are expected to witness higher growth rates due to their lower penetration, increasing the focus of brands and retailers on those segments.



Factors driving denim demand

- Western lifestyles and fashions have accelerated the trend of casualisation across the globe. This trend has boosted the consumption of casual fashion apparel like denims, dress shirts, tees, casual shirts among both men and women consumers in all developing countries including India.
- India is the youngest country of the world with more than 50% of the people below the age of 25 and 65% below 35. Aspirational youth (15-29-year olds) with

higher spending powers than previous generations account for 26% of the consuming population, which is expected to drive consumption.

- Growing e-commerce awareness is growing denim demand across India.
- According to leading opinion makers, denim is the only segment in the Indian textile industry that has the potential to grow manifold.

With a growing penetration of denims and rising disposable incomes in suburban and rural areas, part of the demand has shifted towards premium quality products.

01 YARNS

**Operational information**

Spindles (March 31, 2016): 408,368
 Production (2015-16): 1,22,850 tonnes
 Exports (2015-16): 42,553 tonnes

Financial information

Revenues (2015-16): ₹2,034.87 crore
 Export income (2015-16): ₹755.94 crore
 EBITDA (2015-16): ₹243.37 crore

RSWM IS ONE OF INDIA'S LEADING MANUFACTURERS OF SYNTHETIC YARNS, OFFERING ONE OF THE WIDEST RANGES ACROSS FIBRE BLENDS, COUNTS AND SHADES WITH A GROWING FOCUS ON VALUE-ADDED VARIANTS. THE TEAM'S UNIQUE EXPERTISE IN CUSTOMISING BLENDS, SHADES AND BATCH SIZES MAKES IT POSSIBLE TO TRANSFORM ONE-OFF TRANSACTIONS INTO ENDURING RELATIONSHIPS.

The Company's specialty range comprises yarns derived from a range of unorthodox fibres (soya protein, milk protein, bamboo, bamboo-charcoal and branded fibres such as Tencel®, Greenplus®, Protex®, X-static®, Beltron®, Huvis FR Polyester®, Trevira CS®, Coolmax®, Coolplus®, Birla Modal®, Excel®, Viloft®, Cupro®, Lycra®, Clima®, Seacell®,

Sorona®, Teijin Conex®, Tworon® and Ingeo (PLA)®.

The Company's prominent Indian customers comprised downstream fabric manufacturers like Raymond Ltd., Siyaram Silk Mills Ltd., Welspun India Ltd. and Alok Industries Ltd. The Company's yarns find acceptance across 78 countries.

The 2015-16 fiscal

Business performance

- Domestic sales increased by 0.71%
- Exports declined by 11.39%
- Grew yarn volumes spun at SJ-11 catalysed by the success of the Ultima brand

Business initiatives

At the operating units

- Invested ₹19.26 crore in equipment modernisation
- Optimised the consumption of utilities (power and water), minimising wastage

For the domestic market

- Launched EDGE brand; all value-added products will henceforth be marketed under this brand
- Introduced more than 277 new products, a majority of them being value-added yarns
- Widened the yarn-dyed product basket (value-added); strengthened our presence in key North Indian markets; catalysed dyed yarn sales volumes
- Added 225 customers
- Made significant investments in product development infrastructure to shrink product development tenures

For the export market

- Realigned the export marketing strategy; created dedicated teams for select geographies
- Added customers from existing and new geographies
- Introduced 15 yarn variants, which were well-received
- Started setting up a design studio at the Noida corporate office

The blueprint for 2016-17

Value-added yarns will be the theme for FY 2016-17. The team will strengthen the value-added yarn product basket. The Company plans significant investments towards growing awareness of the EDGE brand, driving revenues and profits.

The progress we have made in the segment of yarn

2,87,881
Spindles (March 31, 2011)

4,08,368
Spindles (March 31, 2016)

1,680
Rotors (March 31, 2011)

3,120
Rotors (March 31, 2016)

230.8
Average production of yarn per day
(metric tonnes) (2011-12)

335.3
Average production of yarn per day
(metric tonnes) (2015-16)

9.1%
Proportion of revenues earned from
value-added products (2011-12)

13.1%
Proportion of revenues earned from
value-added products (2015-16)

02 MÉLANGE YARNS



Operational information

Spindles (March 31, 2016): 75,072
 Production (2015-16): 13,529 tonnes
 Growth over previous year: 36.47%
 Exports (2015-16): 2,746 tonnes
 Growth over previous year: 25.02%

Financial information

Revenues (2015-16): ₹375.72 crore
 Growth over previous year: 18.02%
 Export income (2015-16): ₹83.10 crore
 Growth over previous year: 21.81%
 EBITDA (2015-16): ₹83.22 crore
 Growth over previous year: 21.91%

FOLLOWING COMMENCEMENT OF OPERATIONS IN 1994, THIS DIVISION HAS EMERGED AS A KEY PROFITABILITY DRIVER FOR RSWM.

Mélange yarns are high-value yarns, combining two or more fibres, generating a premium of more than 50% over grey yarns. These yarns, largely considered fancy yarns, are used in the manufacture of casual wear, sportswear, shirts, business suits, socks, bed linen, towels, decorative fabrics and other home furnishing products.

The Company's Kanya Kheri unit comprises 25,920 spindles (commenced operations in June 2015) producing 414 tonnes of yarn each month. The Company markets products to downstream textile players in India and 26 other countries. The Company enjoys relationships with reputed international brands like Decathlon, REMEI AG, H&M and C&A, among others.

The 2015-16 fiscal

Business performance

- Sales volumes stood at 13,366 tonnes against 9,600 tonnes in 2014-15, following subdued market sentiments.
- Value-added variant volumes jumped 54% over the previous year.

Business initiatives

- Commissioned and stabilised operations across 25,920 spindles
- Installed new spindles to produce grey yarns during the downturn

- Introduced 78 products, a majority being value-added mélange yarn variants
- Increased sales in Korea, Czech Republic and Latin American nations
- Customised mélange yarns around emerging weaving applications

The blueprint for 2016-17

The team expects to generate the full benefits of its recently-commissioned expansion in 2016-17. The team will develop high-value mélange yarn variants to enhance profitability and strengthen value at the hands of prominent weaving companies.

The progress RSWM has made in the realm of mélange yarns

44,592

Spindles (March 31, 2011)

75,072

Spindles (March 31, 2016)

27.95

Average production of yarn per day
(metric tonnes) (2010-11)

38.67

Average production of yarn per day
(metric tonnes) (2015-16)

16.07%

Proportion of revenue from exports
(2010-11)

7.85%

Proportion of revenue from exports
(2015-16)

03 FABRICS



Operational information

Looms (March 31, 2016): 154

Processing capacity (March 31, 2016):
24 million metres

Production (2015-16):
18.01 million metres

Financial information

Revenues (2015-16):
₹174.21 crore

EBIDTA (2015-16): ₹16.17 crore

THE COMPANY'S WIDE FABRIC RANGE (FORMAL AND SEMI-FORMAL WEAR), COVERING UNIQUE BLENDS OF POLYESTER AND VISCOSE IN DIFFERENT YARN COUNTS, SHADES AND FINISHES, ARE MARKETING UNDER THE MAYUR BRAND MANUFACTURED AT ITS INTEGRATED PLANT IN MORDI (RAJASTHAN).

The Company's design team, comprising 10 experts and dedicated equipment for bulk sample yardage and design blankets, enhance product innovation.

The Company's entrenched distribution network (more than 2,000 retailers) facilitates pan-India marketing. Institutional sale comprises fabrics for uniforms to governmental agencies

and corporates. The Company enjoys a 25-country presence thanks to a professional and capable team. Domestic sales accounted for 85% of the Company's sales volumes in 2015-16.

The 2015-16 fiscal

The fabric business performance remained stable as the Company focused



on branding products better.

Business performance

- Sales volumes decreased marginally over the previous year
- Realisations per metre remained around the previous year's levels

Business initiatives

- Engaged Nawazuddin Siddiqui as the brand ambassador for Mayur

- Made significant investments (print and electronic media) to enhance the brand recall of Mayur
- Upgraded product packaging and refurbished showrooms
- Recruited senior marketing executives to enhance strategic effectiveness
- Introduced a premium product line to rejuvenate product offerings

- Added segments like terry rayon fabric and terry wool

- Created a dedicated team to address international opportunities

The blueprint for 2016-17

The team has set an ambitious goal to treble revenues over the next three years by enhancing its domestic presence and focusing on key global markets.

04 DENIM



Operational information

Spindles (March 31, 2016): 21,264

Rotors (March 31, 2016): 680

Looms (March 31, 2016): 86

Processing capacity (March 31, 2016): 17 million metres

Production (2015-16): 16.85 million metres

Financial information

Revenues (2015-16): ₹369.87 crore

Export income (2015-16): ₹40.02 crore

EBIDTA (2015-16): ₹77.42 crore

RSWM IS A PROMINENT INTEGRATED DENIM FABRIC MANUFACTURER ENJOYING ENDURING TIES WITH KEY CLIENTS

The Company's globally-certified, state-of-the-art denim manufacturing plant in Mordí weaves 16.85 million metres and markets it to leading international brands. The 86 high-speed looms correspond to 17 million metres per annum fabric processing capacity across 3,000+ denim fabric variants.

The Company's value-added product range comprises denim-out-of-denim (recycled denim), work-wear like anti-bacterial hydrophobic, hydrophilic, anti-

odour and fire-retardant, organic cotton fabric, power stretch, plasma denim, rich blended denims (cotton with linen, cotton with Kashmir wool, cotton with hemp, cotton with viscose and 100% tencel), among others. The Company's garments department develops denim samples for customers that hasten product approvals from global brands.

The Company's key customers comprise prominent brands namely Levi's, H&M, Zara, Warner, Carrefour, New Yorker, Lules,

Marlboro, Diesel, Jack n Jones, Polo, Flori din, Mavi, Gap, TCP, Lee, Wrangler, Tesco, Grolls, Swiss Rail, Ann Taylor, Pepe, Spykar, Killer, Mufti, Pantaloons and Gini & Jony, among others.

The 2015-16 fiscal

The denim vertical reported robust volume-led and value-driven growth, driven by a visible increase in product acceptance.

Business performance

- Sales volumes increased by 3.41% over the previous year
- Realisations grew by 0.82% over the previous year
- Proportion of revenues from value-added products increased from 62.82% of revenues in 2014-15 to 66.56%

Business initiatives

- Strengthened operating efficiencies and productivity levels
- Received a large order from a global brand for

recycled denim fabric, an area with attractive possibilities

- Installed shuttle looms for developing vintage denim which enjoys strong demand in Europe and Latin America
- Developed eight product variants including quilted denims and reverse jacquards, among others

The blueprint for 2016-17

The Company is investing ₹43 crore to increase its weaving capacity to 25 million metres per annum in the first quarter of the current year.

The progress RSWM has made in the realm of denim manufacture**72**

Looms (March 31, 2011)

86

Looms (March 31, 2016)

134.71Denim fabric production, 2010-11
(lac metres)**168.57**Denim fabric production, 2015-16
(lac metres)**43%**Proportion of revenues earned from
value-added products (2010-11)**67%**Proportion of revenues earned from
value-added products (2015-16)

Human resources



RSWM's market leadership and sectoral outperformance is built around its intellectual capital base which reconciles experience with youthfulness and positions the Company as a 'centre of yarn excellence'.

The Company's 15,914-strong team comprised members from diverse sectors and backgrounds.

Training and development

Increasing business complexity, widening scope of activities and growing importance of domain-specific competence has made knowledge enhancement critical in the recent years. RSWM fostered continuous learning by institutionalising a training calendar for the entire Company across technical, functional (finance for non-finance employees and other functional training), soft-skills and frontline supervisory aspects during 2015-16.

In 2015-16, the Company implemented workshops addressing product innovation, market share enhancement and profitability improvement. The Company created a comprehensive plan to create a leadership pipeline through the identification of 50 executives with individual development plans and sending them to IIM Ahmedabad to attend a transformational leadership programme.

During 2015-16, the Company commenced multi-unit open house

sessions where business heads and the senior management team interacted with the rest of the RSWM team. The senior executives briefed the personnel on opportunities, priorities, challenges and strategies, thus enhancing awareness and aligning individual actions with corporate aspirations.

Performance management

The Company created a scientific performance appraisal system based on the balanced score card methodology. Quarterly KRAs based on this were created for the entire team, forming the basis of quarterly appraisals. The annual appraisal comprised assessments based on KRA scores, individual competencies, personality traits and team-building tendencies. The performance appraisal mechanism represented the foundation of employee training and the Company's annual business plan.

Rewards and recognition

The Company introduced a reward and recognition programme for star performers under which 38 members were rewarded during the year.

Technology

The Company embarked on the implementation of an organisation-wide ERP platform, comprising a comprehensive HR module covering all functions across operating units and this is expected to be operationalised during 2016-17.

The Company created a comprehensive plan to create a leadership pipeline through the identification of 50 executives with individual development plans and sending them to IIM Ahmedabad to attend a transformational leadership programme.

Information technology

At RSWM, IT functions have been strengthened by updating governance practices and implementing an ISO 27001-compliant security framework. IT-enabled management tools and a centralised help desk system have been implemented to make the organisation more robust and responsive. The Company

is replacing its legacy ERP system with a latest web-enabled ERP system. The system will become operational during FY2016-17 and will ensure state-of-the-art data management and empower users with information at the click of a button. Major benefits include workflow automation, data unification, digital document

archiving, embedding of business controls, advanced business intelligence and real-time decision support systems. The new ERP system is being integrated with existing manufacturing processes and control systems in a phased manner to improve data capture and analyses.

Analysis of financial statements

(Based on standalone financial statements)

Statement of Profit and Loss

Revenue from operations: Business income declined marginally by 1.62% from ₹3,003.36 crore in 2014-15 to ₹2,954.67 crore. This decrease was largely due to a corresponding decrease in raw material prices resulting in lower selling prices. The fall was partly cushioned by a healthy growth in mélange yarn sales (consequent to additional capacity in 2015-16) and an increase in denim sales.

Operating expenses: The operating expenses (total expenses excluding finance cost and depreciation) declined by 3.70% from ₹2,657.47 crore in 2014-15 to ₹2,559.07 crore in 2015-16. This

decline was due to reduced input costs, reduction in purchase of traded goods and consolidation efforts which optimised the consumption of utilities and reduced wastages.

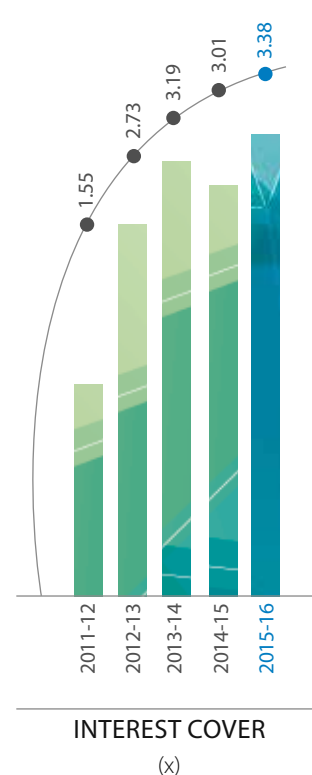
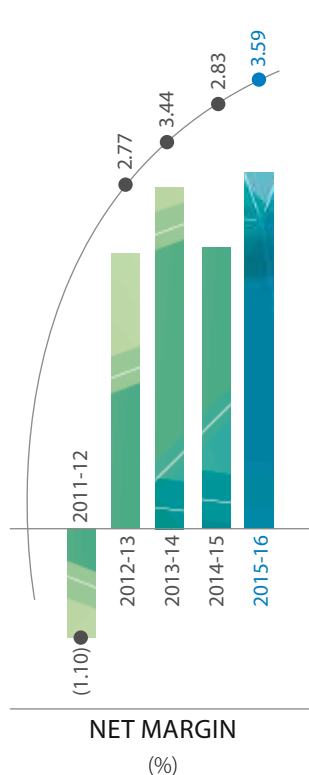
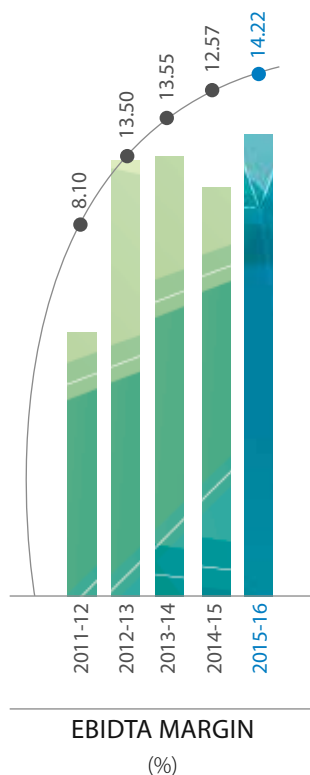
Finance cost: Interest liability declined by 0.67% from ₹125.22 crore in 2014-15 to ₹124.38 crore in 2015-16. This decrease was owing to repayment of debt and initiatives taken to optimise the average interest cost (it declined by 40 bps over the previous year). As a result, the interest cover increased from 3.01x in 2014-15 to 3.38x in 2015-16 showcasing, the Company's comfort in servicing its debt.

Depreciation: The provision for depreciation grew by 10.32% from ₹135.27 crore in 2014-15 to ₹149.23 crore in 2015-16 due to the capacity addition in the spinning business segment and impairment loss of ₹1,176.80 lacs.

Profits and margins: Despite the subdued business environment, the Company worked towards optimising costs which resulted in improved profits and margins.

- EBITDA improved by 11.32% from ₹377.45 crore in 2014-15 to ₹420.18 crore in 2015-16 while the EBITDA margin stood at 14.22% in 2015-16 against 12.57% in 2014-15

The net profit for the year increased by 24.83% from ₹84.91 crore in 2014-15 to ₹105.99 crore in 2015-16 while the net margin strengthened by 76 bps from 2.83% in 2014-15 to 3.59% in 2015-16.



Balance Sheet

Capital employed: Increased by 0.95% from ₹2,038.20 crore as on March 31, 2015 to ₹2,057.59 crore as on March 31, 2016. The funds were deployed for capacity augmentation and meeting additional working capital requirements. The return on capital employed stood at 13.17% in 2015-16 against 11.88% in 2014-15.

Shareholders' funds: Increased by 15.83% from ₹442.80 crore as on March 31, 2015 to ₹512.90 crore as on March 31, 2016 owing to plough back of business surplus. Share capital stood at ₹33.40 crore as on March 31, 2016 comprising 2,31,48,689 equity shares with a face value of ₹10 each (equity capital at ₹23.15 crore) and 1,36,65,435 optionally convertible redeemable preference shares with a face value of ₹7.50 per share. Upon conversion, the fully diluted equity will stand at ₹23.77 crore.

Non-current liabilities: Declined by 13.07% from ₹763.02 crore as on March 31, 2015 to ₹663.28 crore as on March 31, 2016 largely due to a reduction in long-term borrowings.

Current liabilities: Increased by 5.58% from ₹831.37 crore as on March 31, 2015 to ₹877.76 crore as on March 31, 2016, owing to an increase in short-term borrowings and other current liabilities.

Tangible fixed assets: Increased by 7.01% from ₹1,027.77 crore as on March 31, 2015 to ₹1,099.83 crore as on March 31, 2016 as a result of routine capex initiatives and small additions to the spinning capacities.

Capital work-in-progress: Declined by 75.14% from ₹126.25 crore as on March 31, 2015 to ₹31.39 crore as on March 31, 2016, due to the commissioning of capital projects during the period under review.

Current assets: Increased by 5.99% from ₹751.57 crore as on March 31, 2015 to ₹796.58 crore as on March 31, 2016, owing to an increase in inventories and receivables in line with the increase in the scale of operations.

The return on capital employed stood at 13.17% in 2015-16 against 11.88% in 2014-15.

Internal control systems and their adequacy

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

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

The Company has appointed independent agencies as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all

internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

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

Risk management

Making the business strong and sustainable



BUSINESS ALL ABOUT TAKING AND MANAGING RISKS. THE RISK PROFILES OF BUSINESSES CONTINUE TO EVOLVE WITH THE ALTERING BUSINESS DYNAMICS AND GROWTH. THE SAME HOLDS TRUE FOR RSWM. HENCE, STAKEHOLDERS CONCERNS ARE LARGELY FOCUSED ON HOW THE COMPANY WILL MAKE ITS BUSINESS STRONGER AND SUSTAIN ITS GROWTH IN THIS HIGHLY COMPETITIVE BUSINESS SPACE. THE COMPANY IS LEVERAGING ITS DEEP DOMAIN KNOWLEDGE TO UNDERTAKE PROACTIVE MEASURES TO STRENGTHEN BUSINESS VIABILITY ACROSS PROJECTS, GEOGRAPHIES AND MARKET CYCLES.

Strength

How is RSWM making its business stronger?

Capability enhancement

The Company has continuously invested in modernisation and expansion of all its business verticals. In the last five years it invested ₹885 crore towards this goal. While capacity enhancement has facilitated cost-competitiveness, technology upgradation has ensured superior product quality.

Footprint widening

As capacities have increased, the Company has made significant investments towards creating markets for the additional volumes. It has deepened its presence in India to cater to all textile hubs and widened its global footprint across key geographies.

Financial stability

Even as the Company invested in its business verticals, it prudently deployed surpluses in de-leveraging its financial statements. This is reflected in a low debt-equity ratio of 2.41x (March 31, 2016) and a healthy cash flow generated from operations (₹323 crore in 2015-16). This provides the necessary financial muscle to implement future capital investment projects and strengthening business capabilities.

Sustainability

How is RSWM working on sustaining its growth?

Value-addition focus

The Company undertakes focused efforts towards widening the proportion of value-added variants in its product basket in line with evolving industry trends and customer requirements. This should cement its identity as a preferred partner to discerning Indian and global brands.

Intellectual capital addition

The Company is combining youth with experience to infuse new ideas and energy into the organisation. This is expected to graduate the Company into the next growth orbit.

Cost efficiency

Even as the Company is growing in size, the management is focused on improving business efficiencies namely strengthening productivity, improving resource procurement and utilisation and eliminating wastages. This cost-competitiveness is expected to sustain business operations through good times and bad.

Making a difference where it matters the most



The aims

- To develop and institutionalise mechanisms and systems for identifying, implementing and monitoring CSR projects in the geographical vicinity of the manufacturing units and areas of operation.
- To create financially self-sustainable models of socioeconomic development based on inputs from the local populace.
- To collaborate with governmental agencies, NGOs, local communities and concerned institutions during the implementation of these projects.
- To seek voluntary contributions from the Company's personnel for participating in these projects.
- To ensure that these initiatives are in line with the statutory guidelines set down by the Central Government and respective statutory agencies (environment, health and safety).

The areas of intervention

Promoting education among women and children and vocational education among the elderly and the differently-abled to enhancement their employability

Banswara, Bhilwara, Udaipur and Sikar (Rajasthan)

Encouraging gender equality, empowering women, setting up homes and hostels for women and orphans; establishing old age homes, day care centres to help mainstream socially and economically disadvantaged people

Bhilwara (Rajasthan)

Ensuring environmental sustainability, maintaining the ecological balance, protecting indigenous flora and fauna, promotion agro-forestry and conserving natural resources, among others

Banswara, Bhilwara (Rajasthan)

Protecting national heritage, art and culture by restoring buildings and sites of historical importance and works of art, setting up public libraries, promoting traditional arts and handicrafts

Banswara, Udaipur, Sikar (Rajasthan)

Lending a helping hand to army veterans, war widows and their dependants

Bhilwara, Banswara (Rajasthan)

Providing training to rural sports persons and promoting nationally-recognised, Paralympic and Olympic sports

Banswara, Bhilwara (Rajasthan)

Contributing to the Prime Minister's National Relief Fund

Bhilwara (Rajasthan)



Statutory Section

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, 2016.

Company's Performance

Your Company's performance during the year 2015-2016 is summarised below:

Financial Results

(₹ in Crore)

	2015-16	2014-15
Turnover		
Export	907.33	1024.94
Domestic	2058.86	1989.37
TOTAL	2966.19	3014.31
Profit before Interest & Depreciation	420.18	377.45
Less: Interest/Finance Costs	(124.38)	(125.22)
Profit before Depreciation & Amortisation	295.80	252.23
Less: Depreciation & Amortisation	(149.23)	(135.27)
Profit/(Loss) before Tax	146.57	116.96
Less: Current Tax	(28.73)	(24.50)
Deferred Tax Liability	(14.51)	(7.55)
Tax of earlier years provided (written back)	2.66	
Profit/(Loss) after Tax	105.99	84.91
Add: Opening Balance	204.99	165.24
Profit available for appropriation	310.98	250.15

Number of meetings of the Board

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

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

Dividend and other appropriations

Your Directors are pleased to recommend a dividend on Equity Shares @125% i.e. ₹12.50/- per Equity Share of ₹10/- each for the year ended the 31st March, 2016.

Further your Company, subsequent to Orders of the Hon'ble High Courts of Rajasthan at Jodhpur dated 26th March, 2015 and Hon'ble High Court of Madras at Chennai dated 31st March, 2015 approving

Scheme of Amalgamation of Cheslind Textiles Limited with the Company, allotted 1,36,65,435 Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹7.50 each carrying a coupon rate of 12% per annum on 30th May, 2015 to the eligible Shareholders of erstwhile Cheslind Textiles Limited as per Scheme.

Your Directors recommend the payment of preference dividend @ 12% per annum, i.e. ₹0.75 per OCRPS on pro-rata basis from the date of allotment.

The proposal for payment of dividend on Equity Shares and Preference Shares of the Company will absorb an amount of ₹36.07 Crore (inclusive of distribution tax).

The proposals with regard to the payment of dividend on Preference Shares as well as on Equity Shares for the year ended 31st March, 2016 shall be placed before the Shareholders at the ensuing Annual General Meeting.

No amount is proposed to be transferred to General Reserve. The amount of ₹274.91 crore has been carried over to next year.

Operational Performance

Your Directors are pleased to inform the members that during the financial year under review, your Company reported encouraging performance. Your Directors during the period under review focussed on the consolidation of the operations of the Company. As a result, even though there was marginal decrease in the turnover of the Company, the operating profit of the Company surged by 11.32% at ₹420.18 Crore from ₹377.45 Crore. The profit before depreciation also increased by 17.27% at ₹295.80 Crore against ₹252.23 Crore recorded in the previous year. The profit after tax also recorded an increase of 24.82% at ₹105.99 Crore from ₹84.91 Crore in the last year. This performance was achieved due to multiple factors viz. improved market conditions, products' rationalisation, capacity optimisation and cost control measures etc. taken by the Management of your Company. Your Directors are hopeful that your Company shall reap the benefits of recently completed expansion in the current financial year and with ongoing expansion and

modernisation programme shall report good performance in the current financial 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 2013-14 to 2015-16 are given in Annexure – 1 and form part of this report.

Expansion and modernisation

Your Directors in their previous report had informed the members about the commissioning of 25,344 spindles for mélange yarn at Kanya Kheri, Bhilwara and 50 MT Green Polyester Fibre Project at Ringas. Your Directors feel pleasure in informing the Members that both the plants had been running in full capacity throughout the year and provided a boost to both turnover and profitability.

Your Directors further inform the members that the capex proposal entailing the modernisation of Fabric Unit at Banswara and Yarn division at Bagalur amounting to ₹3.17 crore and ₹10.00 crore were completed during the year thereby improving the overall productivity.

Your Directors feel pleasure in informing the members that encouraged with the response in the Denim Segment, your Company has undertaken the Denim Sheet Dyeing Project at a capital outlay of ₹42.75 crore. This project shall be implemented during the current financial year. This project once implemented will boost up the production of Denim from 17 Million Mtrs. to 25 Million Mtrs.

Your Directors further inform the members that during the year under review, your Company has also undertaken a Debottlenecking & up-gradation of equipments and facilities across seven units of the Company at an estimated capital outlay of ₹45.76 crore.

Your Directors are hopeful that with the implementation of above initiatives, the overall productivity and profitability of the Company will improve considerably.

Subsidiary Company and Joint Venture

Your Directors inform the members that with the amalgamation of M/s. Cheslind Textiles Limited (CTL) in the previous financial year, your Company has no Subsidiary Company. Your Directors take this opportunity to inform the members that your Company, during the year under review, has completed all formalities with regard to the issuance of Optionally Convertible Redeemable Preference Shares (OCRPS) to the eligible shareholders of erstwhile CTL as per the Orders of the Hon'ble High Courts of Rajasthan and Madras respectively. The OCRPS of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited with effect from 29th April, 2016.

Your Directors further inform the members that during the current financial year the Equity Shares of the Company will be issued to the eligible OCRPS holders who would be indicating willingness to exercise the right of conversion of OCRPS into the Equity Shares of the Company in terms of the Scheme of Amalgamation approved by the High Courts of Rajasthan and Madras respectively, upon completion of formalities by the said OCRPS holders. Your Directors inform the members that the Equity Shares proposed to be issued as above shall rank pari-passu in all respects including the dividend and shall be listed on the Stock Exchanges where the existing Equity Shares of the Company are listed.

Your Directors feel pleasure in informing the members that your Company continued to receive, throughout the year, wind power supply from LNJ Power Ventures Limited. Your Directors gladly inform the members that power supply from the LNJ Power Venture also meets the Renewable Power obligations of the Company and leads a long way to the Green Power initiative of the Company.

A statement containing the salient features of the financial statements of LNJ Power Ventures Limited in the prescribed format AOC 1 is annexed as Annexure - II

Contribution to the Exchequer

Your Company has contributed an amount of ₹130.81 crore in terms of taxes and duties to the Exchequer.

Corporate Social Responsibility

Your Directors take this opportunity to inform the members that your Company had always been following its core philosophy of serving the society ever since its inception. Your Company endeavours to

be involved in whole gamut of activities such as sanitation and safe drinking water, promoting education, empowering women, ensuring environmental sustainability, ecology balance, protection of national heritage, promoting rural sports and building roads for village etc. Apart from activities as above, your Company supports all other activities in the nearby localities by means of donations and other contributions.

Your Directors inform the members that the Corporate Social Responsibility Committee comprising Shri Arun Churiwal, Shri Riju Jhunjhunwala and Shri Amar Nath Choudhary formed by the Board of Directors of your Company monitor the expenditure incurred on the CSR activities and formulate an annual budget for these activities.

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Extract of Annual Return

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

Directors & Key Managerial Personnel

Shri Riju Jhunjhunwala and Shri J.C. Laddha, Directors retire by rotation and being eligible offer themselves for reappointment.

Your Directors inform the members that during the year under review, Shri Prakash Maheshwari was co-opted on the Board of

Directors w.e.f. 1st April, 2015 and was also designated as Executive Director for a period of three years from the same date. Your Directors inform the members that Shri Prakash Maheshwari had been associated with the Company and the Group for a very long period spanning over three decades.

Your Directors further inform the members that the term of Shri Arun Churiwal, Managing Director and Chief Executive Officer as well as Key Managerial Personnel completed on 31st March, 2016. Your Directors place on record their deep sense of appreciation for the services rendered by Shri Arun Churiwal during his tenure as Managing Director and Chief Executive Officer of the Company. As the appointment of Shri Arun Churiwal as Director, liable to retire by rotation, was approved by the members at the previous Annual General Meeting held on 25th September, 2015, Shri Arun Churiwal continued to serve on the Board of Directors of the Company as Non-Executive and Non-Independent Director with effect from 1st April, 2016.

As the members are aware as part of Succession Planning at the top Management of the Company, Shri Riju Jhunjunwala was designated as Managing Director with effect from 10th February, 2015 for his remaining tenure upto 30th April, 2016. Your Directors inform the members that Shri Riju Jhunjunwala was also appointed as Chief Executive Officer as well as Key Managerial Personnel of the Company with effect from 1st April, 2016 after the completion of the term of Shri Arun Churiwal. Further Shri Riju Jhunjunwala was re-appointed as Managing Director with effect from 1st May, 2016 for a term of five years.

During the financial year under review Shri Sushil Jhunjunwala, Independent Director resigned with effect from 1st February, 2016 due to pre-occupation. Your Directors place on record the appreciation of services rendered by Shri Sushil Jhunjunwala during his tenure on the Board.

Your Directors' further inform the members that Shri Deepak Jain was appointed as an Additional Director in the category of Independent Director with effect from 11th May, 2016. Shri Deepak Jain is renowned industrialist and brings with him the diversified experience in the industry. The proposal for confirmation of his appointment as Director as well Independent Director for a term of 5 years shall be put up before the ensuing Annual General Meeting.

Your Directors further inform the members that declarations have been taken from the Independent Directors at the beginning of the

financial year stating that they met the criteria of independence as specified under sub-section (6) of Section 149 of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year Shri Arun Churiwal, Managing Director, Shri Surender Gupta, Company Secretary and Shri B.M. Sharma, Chief Financial Officer acted as Key Managerial Personnel. However with effect from 1st April, 2016 Shri Riju Jhunjunwala, Managing Director was nominated as Key Managerial Personnel in place of Shri Arun Churiwal.

Directors' Appointment and Remuneration Policy

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

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

Annual Evaluation by the Board

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

Particulars of Loans, Guarantees or Investments

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

Particulars of Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are on

arm's length basis and in the ordinary course of business. During the financial year, there were no material contracts or arrangements entered into by the Company with any of the related party. Your Directors draw attention of the members to note 40 to the financial statement which contain particulars with respect to related parties. The policy on dealing with the related party transactions as approved by the Board of Directors is disclosed on the website of the Company under the following link

http://www.rswm.in/pdf/Policy_on_Related_Party_Transaction.pdf

Significant and Material orders passed by the Regulators or Courts

During the year the Hon'ble Supreme Court, upheld constitutional validity of notifications imposing Renewable Energy Obligations (RPOs) on power produced from captive power plants. However, your Company, based on legal opinion obtained is not exposed to RPOs in view of setting up of Wind Power Unit in 2011-12 and Waste Heat Recovery for use as steam. You may kindly refer to Note No. 44(D) to the financial statement.

Risk Management Policy

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

Internal Control Systems

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

Your Directors inform the members that in pursuit of strengthening internal control systems, your Company has put in place a system whereby all areas of the operations of the Company are reviewed by the internal as well as external professionals and independent audit firms. Your Company takes adequate measures with respect to gaps, if any, reported. The Audit Committee of your Company regularly monitors the annual operating plans, risk assessment and minimisation procedures as well as mitigation plans.

Your Directors endeavour to continuously improve and monitor the internal control systems.

Particulars of Employees

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

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

Auditors

Statutory Auditors

M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C), joint Statutory Auditors of the Company, who retire at the conclusion of the ensuing Annual General Meeting are eligible for re-appointment.

Further, the appointment of M/s S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 00000756N), joint Statutory Auditors of the Company, who were appointed at the 53rd Annual General Meeting of the Company held on 16th September, 2014 for a term of 5 years till the conclusion of 58th AGM subject to ratification by members at every subsequent Annual General Meeting, will be placed before the members at this Annual General Meeting for ratification.

Further, both the statutory auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

Internal Auditors

Your Directors, during the year under review, appointed M/s. P.K. Deora & Co., Chartered Accountants (Firm Registration No. 004167N), M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) and M/s. SSMS & Associates, Chartered Accountants (Firm Registration No. 019351C), M/s Ashim & Associates, Chartered Accountants (Firm Registration No. 006064N) and M/s Anil Nupur & Co., Chartered Accountants (Firm Registration No. 007626N) to act as the Internal Auditors of the Company for the financial year 2015-16, pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

Secretarial Auditor

Your Directors, during the year under review, also appointed Shri Mahesh Gupta, Practising Company Secretary (Membership No. FCS 2870 and CP No.1999) Proprietor of M/s Mahesh Gupta & Company, Company Secretaries, Delhi as the Secretarial Auditor of the Company for the financial year 2015-16, pursuant to Section 204 of

the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of Secretarial Audit is annexed as Annexure IX.

Cost Auditor

Your Directors inform the Members that Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 and Notification issued by Ministry of Corporate Affairs dated 31st December, 2014, the textile Companies were notified to get its cost records audited from the financial year commencing on or after 1st day of April, 2015. Accordingly your Directors appointed M/s N D Birla & Company, Cost Accountants, (Firm Reg No. 000028), Ahmedabad as the Cost Auditor of the Company for the financial year ended 31st March, 2016.

Corporate Governance

Report on Corporate Governance along with the Certificate of Auditors M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C), 1, Pareek College Road, Bani Park, Jaipur (Rajasthan) and M/s. S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No 000756N), 146-149, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065 confirming compliance to conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

Whistle Blower Policy

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

Management Discussion and Analysis Report

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

Directors' Responsibility Statement

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

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

Acknowledgements

Your Directors take this opportunity to thank customers, members, suppliers, bankers, business partners / associates, Central and State Governments for their consistent support and co-operation extended to the Company. We also acknowledge the significant contribution made by the employees by their dedication and hard work and trust reposed on us. We look forward to have the same support in our endeavour to help the Company to grow faster.

For and on behalf of the Board

Ravi Jhunjhunwala

Chairman

DIN - 00060972

Place: Noida (U.P.)

Date: 11th May, 2016

Annexure - I to Directors' Report

WORKING RESULTS

Particulars	2015-16	2014-15	2013-14
I PRODUCTION			
YARN			
A Own In Tonnes	1,40,623	1,33,106	1,24,428
TOTAL	1,40,623	1,33,106	1,24,428
FIBRE			
A Own In Tonnes	17,611	72	-
TOTAL	17,611	72	-
FABRIC & DENIM			
A Own (In ,000 meters)	29,866	32,903	33,702
B Job Weaving from outside (Domestic) (In ,000 meters)	4,420	-	-
TOTAL	34,286	32,903	33,702
II TURNOVER (₹ in lac)			
YARN			
A Domestic			
Grey Yarn	1,02,104	1,06,599	1,03,839
Dyed Yarn	65,015	55,943	59,763
Job Spinning	1,113	1,050	926
Job Spinning from outside (Domestic) In Tonnes	-	-	-
TOTAL	168,232	1,63,592	1,64,528
B Export			
Grey Yarn	57,450	63,519	53,270
Dyed Yarn	26,540	29,352	29,132
	83,990	92,871	82,402
Less: Inter Unit/Division Transfer/job receipt	7,121	6,716	6,260
TOTAL	76,869	86,155	76,142
	2,45,101	2,49,746	2,40,670
FIBRE			
Domestic	11,866	49	-
Less: InterUnit/Division Transfer	11,369	45	-

Particulars	2015-16	2014-15	2013-14
	497	5	-
FABRIC & DENIM			
A Domestic	38,871	36,541	34,642
B Export	6,862	10,298	9,516
Less: Inter Unit/Division Transfer	5	-	1
	45,728	46,839	44,157
PROCESSING CHARGES			
Weaving Charges	643	5	5
Processing Charges	2,727	1,403	1,817
	3,370	1,408	1,822
Less: Inter Unit/Division Transfer	1,871	-	-
	1,499	1,408	1,822
WASTE			
A Domestic	4,533	4,100	2,578
Less: Inter Unit/Division Transfer	739	667	794
	3,794	3,433	1,784
Total	2,96,619	3,01,431	2,88,433

Annexure - II to Directors' Report

FORM: AOC - I

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	LNJ Power Ventures Limited.
1. Latest audited Balance Sheet Date	31st March, 2016. (Audited)
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	2,60,000
Amount of Investment in Associates/Joint Venture	₹26 lacs
Extent of Holding%	26%
3. Description of how there is significant influence	No Significant influence.
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	₹59.58 Lacs (26% of ₹229.17 lacs)
6. Profit/Loss for the year	(₹181.22 Lacs)
i. Considered in Consolidation	(₹47.12 Lacs)
ii. Not Considered in Consolidation	(₹134.10 Lacs)

1. Names of Associates or Joint Ventures which are yet to commence operations. – NA

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year – NA

For and on behalf of Board of Directors

Ravi Jhunjunwala

Chairman

DIN: 00060972

Riju Jhunjunwala

Managing Director

DIN: 00061060

Prakash Maheshwari

Executive Director

DIN: 02388988

B. M. Sharma

Chief Financial Officer

M. No. : FCA-35012

Surender Gupta

Company Secretary

M. No. : FCS-2615

Annexure - III to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

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

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

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

for participation in the implementation of these initiatives/projects.

- To ensure that these initiatives and developmental projects are in line with the statutory guidelines provided by Government and statutory agencies on Environmental, Health and Safety.

Overview of projects or programmes undertaken is given in the Para 5 (c) and 5 (d) of this statement.

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

http://rswm.in/pdf/RSWM_CSR_POLICY.pdf

2. The Composition of CSR Committee.

Shri Arun Churiwal (Chairman)

Shri Riju Jhunhunwala

Shri A. N. Chaudhary

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

Average net profit: ₹12,427.33 lac

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

The Company is required to spend ₹248.55 lac

5. Details of CSR spent during the financial year;

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

₹272.64 (including an amount of ₹24.09 lac which remained unspent for the financial year 2014-15).

(b) Amount unspent, if any;

₹49.26 lac

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

₹ in lacs

S. No.	CSR Project or activity Identified	Sector in which the Project is covered	Locations	Amount Outlay (Budget) project or Program wise	Amount spent on the Project or Programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			District & State where the projects or programs were undertaken				
(i)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Sanitation and safe Drinking Water	Banswara, Bhilwara & Sikar (Rajasthan)	20.00	18.92	18.92	Direct
(ii)	Promoting education, including special education and employment enhancing vocation skills especially among children , women, elderly and the differently abled and livelihood enhancement projects;	Promoting Education	Banswara, Bhilwara, Udaipur & Sikar (Rajasthan)	100.00	98.61	98.61	Direct
(iii)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups;	Empowering Women	Bhilwara (Rajasthan)	5.00	3.35	3.35	Direct
(iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;	Ensuring environment sustainability, ecology balance	Banswara, Bhilwara (Rajasthan)	5.00	2.53	2.53	Direct
(v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;	Protection of National Heritage	Banswara, Udaipur, Sikar (Rajasthan)	50.00	43.98	43.98	Direct
(vi)	Measures for the benefit of armed forces veterans, war widows and their dependents;	Help to armed forces Veterans	Bhilwara, Banswara (Rajasthan)	5.00	1.05	1.05	Direct
(vii)	Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic Sports;	Training to Promote Rural Sports	Banswara, Bhilwara (Rajasthan)	20.00	17.91	17.91	Direct

S. No.	CSR Project or activity Identified	Sector in which the Project is covered	Locations	Amount Outlay (Budget) project or Program wise	Amount spent on the Project or Programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			District & State where the projects or programs were undertaken				
(viii)	Contribution to the Prime Minister's National Relief Fund, Swachh Bharat Kosh, Clean Ganga fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	Contribution to Prime Minister Relief Fund	Bhilwara (Rajasthan)	20.00	12.94	12.94	Government
(ix)	Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;	—	—	—	—	—	—
(x)	Rural development projects	Road for village	Banswara, Bhilwara (Rajasthan)	23.55	-	-	-
TOTAL				248.55	199.29	199.29	

(d) Detail of unspent amount of previous year spent during the financial year 2015-16.

₹ in lacs

(i)	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Sanitation and safe Drinking Water	Bhilwara (Rajasthan)	-	10.00	10.00	Direct
(ii)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;	Protection of National Heritage	Kharigram- (Bhilwara),	-	15.30	15.30	Direct

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

As some of the activities could not be completed before 31st March, 2016, the budgeted funds remained partially unutilised. These activities will be completed in financial year 2016-17 and the balance funds would be utilised accordingly. The CSR amount to be spent during financial year 2016-17 will be in

addition to unutilised amount for the financial year 2015-16.

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

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

Arun Churiwal*(Director and Chairman CSR Committee)*

DIN: 00001718

Riju Jhunjunwala*(Managing Director, CEO)*

DIN: 00061060

Annexure - IV to Directors' Report

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

Energy Conservation

A) Energy Conservation Measures Taken during the year:

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

I) SPINNING

Variable Frequency Drive:

- Installed on S/Air & R/Air fan in H-Plant to control the fan speed according to season.
- Installed VFD on main centrifugal fan of waste collection motors in closed loop.
- Replaced old centrifugal fan of waste collection system by new energy efficient fan.
- Installed VFD on Autoconer suction fan to maintain constant pressure in closed loop.
- Installed VFD on fan motor of ring frame machine.
- Installed VFD on Dyeing machines.

Energy Efficient Motors:

- Replaced existing 92% efficiency motors with 94.5% efficiency motors on Ring Frame machines.
- Replaced old inefficient 30 KW motors of TFO machine by 22 KW IE3 energy efficient motors.

Utility & Others:

- Replaced conventional Tube Lights by LED Lights.
- Installed VFD based Compressor (350 CFM) to maintain the constant pressure & avoid the loading & unloading of compressors.
- Hardware and software modifications in Open End (OE) machine to save power.
- Save energy from leakages / losses of Compressed Air Network by undergoing AMC with external expert agency.
- Retrofit suction arrangement in autoconer machine.
- Replace low efficient pumps with higher energy efficient pumps in humidification plant.
- Replaced old aluminum wounded transformer with copper wounded transformer.

II) FABRIC

- Replace low efficient pumps with higher energy efficient pumps in humidification plant.
- 6 poles fan motors replaced with 4 poles motors in humidification plant & rpm reduced by VFD to save power.
- Replaced conventional Tube Lights by LED Lights.
- Replaced old Stenter machine with new efficient machine.

III) DENIM

- Replaced conventional Tube Lights by LED Lights.
- Hardware and software modifications in open-end machine to save power.

IV) THERMAL POWER PLANT

- Replaced conventional Tube Lights by LED Lights.
- Optimised Pump running hours with same requirement of water.
- Conversion of air to water cooled AC
- Replace VF motor with energy efficient motor.

B) Energy Conservation Plan for the Year 2016-17

I) SPINNING

Variable Frequency Drive:

- Install on S/A & R/A fan of H-Plant to control the fan speed according to season.
- Install on Pneumafil fan motor of Ring frames with suction pressure feedback system.
- Install on speed frame machine.
- Ring Frame machine Variator pulley conversion with VFD & flat pulley.
- Install VFD on Autoconer suction fan to maintain constant pressure in closed loop.

Energy Efficient Motors:

- Replace old inefficient motors by energy efficient motors.

Utility & Others:

- Replace conventional Tube Lights by LED Lights
- Replace Air Washer Pumps in H Plant Pump by High Efficient Pump.
- Reduce power transmission & distribution losses by

relocating the equipments & by cable addition.

- Replacement of Low efficient & high power consumption Air compressor with High efficiency Air Compressor.
- Replace old low efficient compressor with VFD based compressor, range 33 to 128 CFM, 8.0 Kg for ring frame machine LR6
- Replace low efficient Air dryer with higher energy efficient dryer of 1500 CFM capacity.
- Install Solar Water Heater to raise water inlet temperature of YCP.
- Install solar power system for water pumps.
- Install energy efficient impellers & centrifugal fan in waste collection system.
- Install higher efficiency fans in humidification plant.
- Install higher energy efficient impeller for ring frame pneumafil.

II) FABRIC

- Install 4 KW Single Stage Vertical Pump at RO water Supply by 5.5 KW (Permit Pump).
- Install high energy efficient pump of 7.5 KW / 5.5 KW in place of low efficient pump of H Plant & Softening plant.
- Replace conventional Tube Lights by LED Lights.
- Install VFD on air compressor for optimum utilisation.
- Automation in thermopac.

III) DENIM

- Installed VFD on S/A & R/A fan of H-Plant to control the fan speed according to season.
- Replace conventional Tube Lights by LED Lights.

- Install 6 poles fan motors replacing 4 poles motors in humidification plant & rpm reduced by VFD to save power.
- Replace Air Washer Pumps in H Plant Pump by High Efficient Pump.
- Installed VFD on various machines in preparatory section.

IV) THERMAL POWER PLANT

- Conversion of Air Cooled packaged AC unit by water cooled packaged AC.
- Replace conventional Tube Lights by LED Lights.
- Install 3 phase Stabilizer to optimise required voltage for lighting of plant and colony.

C) The steps taken by the Company for utilising alternate sources of energy;

RSWM Limited invested in 26% of the Equity Share Capital of its Associate Company viz. LNJ Power Ventures Ltd which has set up 20 MW Wind Power Unit at Jaisalmer (Rajasthan). 100% Wind Power generated by LNJ Power Venture Ltd is meant for captive consumption of the Company. During financial year 2015-16, the Company consumed 2,74,02,218 kWh at its various plants as per following details :

RSWM Ltd., Kharigram	159,09,728
RSWM Ltd., Mandpam	044,19,978
RSWM Ltd., Rishabhdev	044,19,978
RSWM Ltd., Ringus	026,52,534
Total	274,02,218

It is green initiative of RSWM Ltd for promotion of non conventional power in the state.

D) Capital investment under Energy Conservation Equipments

Manufacturing Location	Capital Investment on Energy Saving Equipments (₹ in lacs)	Energy Saved in MU (Kwh)	Amount saved from energy saving (₹ in lacs)
Kharigram, Bhilwara	126.00	0.904	64.47
Lodha, Banswara	145.00	1.471	102.67
Mandpam, Bhilwara	70.13	0.400	28.54
Rishabhdev, Udaipur	39.20	0.316	22.52
Ringas, Sikar	30.72	0.192	13.70
RSWM Bagalur Unit	47.70	0.537	37.47
Denim, Mordī, Banswara	19.98	0.145	10.12
Fabric, Mordī, Banswara	80.93	0.150	10.46
TPP, Mordī, Banswara	11.45	0.280	19.51
Total	571.11	4.394	309.45

Technology absorption

A) Major efforts made towards technology absorption

- Developed PC SIRO spun yarn in 50:50 blend, which is well accepted by the domestic market and fetching higher value addition.
- Developed PC Filasia yarn in different blend compositions (as a substitute of normal linen blended yarn) for furnishing and Apparel end use.
- Developed a variety of injection slub yarns for fancy effects, well accepted by Export and Domestic market.
- Using OE technology, new linen rich blended and 100% polyester yarns were developed.
- Successfully produced variety of fancy yarns like – Slub yarn (Negative & Positive), Injection slub yarn, Neppy yarn, Snow heater, Green re-cycled, Roving grindle and its multi-fold combinations.
- Some of new fibres introduced to produce different varieties of yarn including for Technical textile applications are - new Meta Aramid and Para Aramid, Soya, Silk, Wool, Bamboo, Flax, Linen, Metallic, Sparkle etc. These products have been well accepted in the market.
- LNJ Denim has successfully developed - Knit Look, Structured, Double Cloth Fabrics in differentiated Color Cast and Finishes, Quilted Denim Fabric for Jacketing, Refined Jacquard Fabrics, PCW (Post Consumer Waste) Denim Fabrics, Dual Core Stretch yarn, 100% Lyocell and its Blends to get soft hand fabrics.

B) The benefits derived like product improvement, cost reduction, product development or import substitution

- Process Up-gradation for better quality, reduction in waste, energy and manpower engagement
 - Investments were made on Autoconer and Carding machines to improve the quality of end product.
 - Poly-propylene contamination detectors were installed in Blow room line to arrest contamination.
 - Two sets of EYC replaced on Autoconers to detect and clear contamination from the yarn.
 - Electro-Jet speed frames with auto doffing mechanism have been installed to reduce the doffing time and manpower engagement.
 - Individual spindle monitoring system on ring frames has been installed to identify rouge spindles and reduce lapping / pneumafil waste generation. This would also add to the life of cots and aprons.
 - Upgraded Software of ACO-8 OE machines to reduce power consumption.
 - 40 mm diameter rings replace with 38 mm to increase spindle speed thereby productivity.
 - Installation of heavy duty hydraulic cake press to achieve 300 GPL densities; contributing to increase in productivity.
 - Miniature plant installed in Product Development Cell to improve matching accuracy and increase sampling with quality.

- | | |
|---|---|
| <ul style="list-style-type: none"> (x) Installation of wet opener, material conveying system and automatic bale press system to avoid manual operations thereby reduction in manpower. (xi) Sanforising range is installed in Denim to remove the bottle-neck as well as value addition in processing department. (xii) Installed Polypropylene detectors and UV lamps in blow room line to arrest contamination and produce almost contamination-free yarns. (xiii) Installed machine set-up of production of PCW fibre – series of machines is installed to convert waste denim and other garments into spin-able fibre. This fibre is again mixed (20%) with fresh fibres to produce the PCW yarn. | <ul style="list-style-type: none"> (b) Benefits derived <ul style="list-style-type: none"> (i) Technological up-gradation in mills has helped in improving the quality of end product, reduction in customer complaints, cost reduction, manpower engagement and energy savings. (ii) Balancing of process line has contributed to higher production due to better utilisation of machines with increase in efficiency. (iii) Process modifications / Addition of new machinery to balance the processes have helped in increasing the sampling capacity with new varieties with quality and faster delivery. This has given us an edge over competitors in the area of NPD. |
|---|---|

C) Details of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Sr. No	Details of technology imported	Technology imported from	Year of import	Status implementation
1	Roving stop motion on Ring frames	Pinter SA - Italy	2015-16	Commissioned
2	USTER Quantum-2 Clearers-	Uster Technologies, Switzerland	2015-16	Commissioned
3	Lycra Hard core attachment	Pinter SA-Italy	2014-15	Commissioned
4	Splitting of Blow room line	Truetzschler-Germany	2015-16	Commissioned
5	Draw frames	Truetzschler-Germany	2015-16	Commissioned
6	Electro jet Speed frame	Electro Jet - Spain	2013-14	Commissioned
7	Auto-coners	Schlaflhost - Germany	2013-14	Commissioned
8	Compact Spinning system	Sussen - Germany	2013-14	Commissioned
9	Yarn dyeing machine	Thies - Germany	2013-14	Commissioned
10	UT-5 Digital Evenness Tester	Uster Technologies, Switzerland	2013-14	Commissioned

Capex Proposals (FY 2016-17)

- (i) Spindle monitoring with roving stop motion on Ring Frames from Premier / Pinter to reduce waste and improve quality.
- (ii) Retrofit Auto doffing in Ring Frame from Sieger to increase the efficiency and reduce the labour engagement.
- (iii) Cheese winding from PS Metler with advanced technology to improve productivity and quality.
- (iv) Fancy attachment retrofit in ring frame to increase value addition.
- (v) Yarn dyeing installation in NPD to increase new product realisation and enhance value addition.
- (vi) TC-10 cards to enhance the quality of single yarn and increase in production with low power consumption.
- (vii) Jumbo winding machines equipped with digital display – length measuring system and fault free package to meet the requirements of sensitive customers.

D) Expenditure incurred on Research and Development

₹ in Lacs

	2015-16	2014-15
a) Capital	416.45	170.79
b) Recurring	1075.51	782.88
c) Total	1491.96	953.67
d) Total R & D Expenditure as percentage of total turnover	0.50	0.32

E) Foreign exchange earnings and outgo

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

The Company has continued to maintain focus and avail export opportunities based on economic consideration. During the year, the Company has exports (FOB value) worth ₹884.08 crore (\$ 134.39 million)

2. Total Foreign Exchange Earned and Used

	₹ in crore
Foreign Exchange earned in terms of actual inflows	884.08
Foreign Exchange used in terms of actual outflows	110.63

Annexure - V to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2016

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

I. Registration and other details

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

II. Principal business activities of the Company

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

S No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Spinning, Weaving & Processing of manmade textile fabrics	2470	62.61
2	Cotton Spinning & weaving	2352	37.39

III. Particulars of Holding, Subsidiary and Associate Companies

S No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	LNJ Power Ventures Limited. 40-41, Community Centre, New Friends Colony, Bhilwara Bhawan, New Delhi-110065	U74899DL1995PLC065394	Associate	26	2(6)

IV. Share Holding Pattern

(equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoters										
1 Indian										
(a) Individual / HUF		18,08,068	-	18,08,068	7.81	18,08,068	-	18,08,068	7.81	Nil
(b) Central Govt		-	-	-	-	-	-	-	-	-
(c) State Govt (s)		-	-	-	-	-	-	-	-	-
(d) Bodies Corporate		51,63,816	-	51,63,816	22.31	51,63,816	-	51,63,816	22.31	Nil
(e) Banks / FI										
(f) Any Other										
Subtotal (A) (1)		69,71,884	-	69,71,884	30.12	69,71,884	-	69,71,884	30.12	Nil
2 Foreign										
(a) NRIs - Individuals		-	-	-	-	-	-	-	-	-
(b) Other - Individuals		-	-	-	-	-	-	-	-	-
(c) Bodies Corporate		49,34,770	-	49,34,770	21.32	49,34,770	-	49,34,770	21.32	Nil
(d) Banks / FI		-	-	-	-	-	-	-	-	-
(e) Any Other		-	-	-	-	-	-	-	-	-
Subtotal (A) (2)		49,34,770	-	49,34,770	21.32	49,34,770	-	49,34,770	21.32	Nil
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)		1,19,06,654	-	1,19,06,654	51.44	1,19,06,654	-	1,19,06,654	51.44	Nil
(B) Public shareholding										
1 Institutions										
(a) Mutual Funds		15,76,474	3,780	15,80,254	6.82	18,38,087	3,780	18,41,867	7.95	1.13
(b) Banks / FI		14,072	1,048	15,120	0.07	15,106	1,048	16,154	0.07	Nil
(c) Central Govt		-	-	-	-	-	-	-	-	-
(d) State Govt (s)		-	1,732	1,732	0.01	-	1,732	1,732	0.01	Nil
(e) Venture Capital Funds		-	-	-	-	-	-	-	-	-
(f) Insurance Companies		1,38,283	-	1,38,283	0.60	1,13,283	-	1,13,283	0.49	0.11
(g) FIs		-	100	100	0.00	12,56,463	100	12,56,563	5.43	5.43
(h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-	-
(i) Others		-	-	-	-	-	-	-	-	-
Sub-total (B) (1)		17,28,829	6,660	17,35,489	7.50	32,22,939	6,660	32,29,599	13.95	6.45
2 Non-institutions										
(a) Bodies Corporate										
i) Indian		19,41,437	8,122	19,49,559	8.42	8,84,654	8,122	8,92,776	3.86	4.56

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	ii) Overseas	-	4,18,500	4,18,500	1.81	-	4,18,500	4,18,500	1.81	NIL
(b)	Individuals									
	i) Individual shareholders holding nominal share capital up to ₹1 lakh	31,97,373	4,23,776	36,21,149	15.64	35,91,127	4,00,599	39,91,726	17.24	1.60
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	25,31,325	10,664	25,41,989	10.98	24,79,876	10,664	24,90,540	10.76	0.22
(c)	Others									
	i) Trust	100	-	100	0.00	100	-	100	0.00	NIL
	ii) NRI	9,72,420	2,829	9,75,249	4.21	2,16,037	2,757	2,18,794	0.95	3.26
	Sub-total (B) (2)	86,42,655	8,63,891	95,06,546	41.06	71,71,794	8,40,642	80,12,436	34.61	6.45
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	1,03,71,484	8,70,551	1,12,42,035	48.56	1,03,94,733	8,47,302	1,12,42,035	48.56	NIL
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)	2,22,78,138	8,70,551	2,31,48,689	100.00	2,23,01,387	8,47,302	2,31,48,689	100.00	NIL

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2015			Shareholding at the end of the year - 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	Shri Laxmi Niwas Jhunjhunwala	1,37,112	0.59	-	1,37,112	0.59	-	0.00
2	Shri Ravi Jhunjhunwala	8,09,094	3.50	-	8,09,094	3.50	-	0.00
3	Smt. Mani Devi Jhunjhunwala	3,60,208	1.56	-	3,60,208	1.56	-	0.00
4	Shri Riju Jhunjhunwala	1,75,000	0.76	-	1,75,000	0.76	-	0.00
5	Smt. Rita Jhunjhunwala	1,56,048	0.67	-	1,56,048	0.67	-	0.00
6	Smt. Sushila Devi Chokhani	65,332	0.28	-	65,332	0.28	-	0.00
7	Shri Rishabh Jhunjhunwala	40,000	0.17	-	40,000	0.17	-	0.00
8	Lakshminiwas Jhunjhunwala(HUF)	35,664	0.15	-	35,664	0.15	-	0.00
9	Ravi Jhunjhunwala (HUF)	25,000	0.11	-	25,000	0.11	-	0.00
10	Shri Arun Kumar Churiwal	1,610	0.01	-	1,610	0.01	-	0.00
11	Shri Shekhar Agarwal	1,500	0.01	-	1,500	0.01	-	0.00
12	Shri Shekhar Agarwal	1,500	0.01	-	0	0	-	0.01
13	M/s LNJ Financial Services Ltd.	17,67,394	7.63	-	17,67,394	7.63	-	0.00
14	M/s Purvi Vanijya Niyojan Ltd.	12,18,431	5.26	-	12,18,431	5.26	-	0.00
15	M/ s Nivedan Vanijya Niyojan Ltd.	8,65,074	3.74	-	8,65,074	3.74	-	0.00
16	M/s Investors India Ltd.	4,59,955	1.99	-	4,59,955	1.99	-	0.00
17	M/s Akunth Textile Processors Pvt. Ltd	2,40,000	1.04	-	2,40,000	1.04	-	0.00
18	M/s N.R. Finvest Pvt. Ltd.	2,40,000	1.04	-	2,40,000	1.04	-	0.00
19	M/s Bharat Investments Growth Ltd.	1,44,300	0.62	-	1,44,300	0.62	-	0.00
20	M/s Raghav Commercial Ltd.	1,19,800	0.52	-	1,19,800	0.52	-	0.00
21	M/s Kalati Holding Pvt. Ltd.	1,06,573	0.46	-	1,06,573	0.46	-	0.00
22	M/s India Tex Fab Marketing Ltd.	2,289	0.01	-	2,289	0.01	-	0.00
23	M/s Micro Base Ltd.	36,50,970	15.77	-	36,50,970	15.77	-	0.00
24	M/s Microlight Investments Ltd.	10,85,000	4.69	-	10,85,000	4.69	-	0.00
25	M/s Corn Hill Investments Ltd.	1,98,800	0.86	-	1,98,800	0.86	-	0.00
26	Shantanu Agarwal (HUF)	-	-	-	1,500	0.01	-	0.01
Total		1,19,06,654	51.44		1,19,06,654	51.44		0.00

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

S No		Shareholding at the beginning of the year-01.04.2015		Cumulative Shareholding during the Year- 31.03.2016	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	No change during the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change during the year			
	At the end of the year	No change during the year			

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

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	IDFC PREMIER EQUITY FUND	15,72,769	6.79	1st April, 2015				
				12 th June, 2015	77,648	Transfer	16,50,417	7.13
				19 th June, 2015	16,191	Transfer	16,66,608	7.20
				26 th June, 2015	-1,06,608	Transfer	15,60,000	6.74
		15,60,000	6.74	31st March, 2016			15,60,000	6.74
2	MINAL B. PATEL	6,90,000	2.98	1st April, 2015				
				26 th June, 2015	-6,530	Transfer	6,83,470	2.95
				30 th June, 2015	-3,735	Transfer	6,79,735	2.94
				03rd July, 2015	-62,317	Transfer	6,17,018	2.67
				10th July, 2015	-2,53,907	Transfer	3,63,111	1.57
				17th July, 2015	-1,3765	Transfer	3,49,346	1.51
				24th July, 2015	-35,130	Transfer	3,14,216	1.36
				31st July, 2015	-1,53,246	Transfer	1,60,970	0.70
				07th August, 2015	-95,730	Transfer	65,240	0.28
		65,240	0.28	31st March, 2016			65,240	0.28
		4,54,814	1.96	1st April, 2015				
				3rd April, 2015	-7,000	Transfer	4,47,814	1.93
				10th April, 2015	-13,500	Transfer	4,34,314	1.88
3	KESHWANI HARESH			17th April, 2015	-40,593	Transfer	3,937,21	1.70
				24th April, 2015	-2,985	Transfer	3,90,736	1.69
				01st May,2015	-47,736	Transfer	3,43,000	1.48
				08st May,2015	-55,000	Transfer	2,88,000	1.24
				05th June,2015	-53,887	Transfer	2,34,113	1.01

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
4	FINIQUEST SECURITIES PVT. LTD.-CLIENT BENEFICIARY A/C			12th June,2015	-1,50,658	Transfer	83,455	0.36
				19th June,2015	-78,441	Transfer	5014	0.02
				26th June,2015	-5,000	Transfer	14	0.00
		14	0.00	31st March, 2016			14	0.00
		4,42,269	1.91	1st April, 2015				
				17th April, 2015	-79,746	Transfer	3,62,523	1.57
				17th July, 2015	-36,914	Transfer	3,25,609	1.41
				07th August, 2015	-1,15,979	Transfer	2,09,630	0.91
				14th August, 2015	-15,000	Transfer	1,94,630	0.84
				21st August, 2015	-1,80,000	Transfer	14,630	0.06
				28th August, 2015	-10,000	Transfer	4,630	0.02
				04th September, 2015	4,000	Transfer	8,630	0.04
				11th September, 2015	-3,500	Transfer	5,130	0.02
				18th September, 2015	-5,130	Transfer	0	0.00
		Nil	Nil	31st March, 2016	Nil	Nil	Nil	Nil
5	DELTRA LIMITED	3,90,600	1.69	1st April, 2015		Nil movement during the year		
		3,90,600	1.69	31st March, 2016			3,90,600	1.69
6	RICKY ISHWARDAS KIRPALANI	2,50,243	1.08	1st April, 2015				
				3rd April, 2015	-829	Transfer	2,49,414	1.08
				17th April, 2015	-4,314	Transfer	2,45,100	1.06
				01st May,2015	-12,000	Transfer	2,33,100	1.01
				08st May,2015	-34,100	Transfer	1,99,000	0.86
				12th June,2015	-1,30,000	Transfer	69,000	0.30
				19th June,2015	-59,000	Transfer	10,000	0.04
				26th June,2015	-10,000	Transfer	0	0.00
		Nil	Nil	31st March, 2016	Nil	Nil	Nil	Nil
7	D AND A FINANCIAL SERVICES PVT. LTD.	2,18,500	0.94	1st April, 2015				
				12th June,2015	-1,29,500	Transfer	89,000	0.38
				04th March, 2016	-12,002	Transfer	76,998	0.33
				11th March, 2016	-5,700	Transfer	71,298	0.31
		71,298	0.31	31st March, 2016	-	-	71,298	0.31

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
8	BISHWANATH PRASAD AGRAWAL	1,94,000	0.84	1st April, 2015				
				22nd May, 2016	-1,393	Transfer	1,92,607	0.83
				19th June, 2015	-21,642	Transfer	1,70,965	0.74
				26th June, 2015	-15,965	Transfer	1,55,000	0.67
				30th June, 2015	-13,000	Transfer	1,42,000	0.61
				03rd July, 2015	-1,000	Transfer	1,41,000	0.61
				24th July, 2015	-3,000	Transfer	1,38,000	0.60
				31st July, 2015	-32,000	Transfer	1,06,000	0.46
				07th August, 2015	-12,000	Transfer	94,000	0.41
				21st August, 2015	-4,000	Transfer	90,000	0.39
				25th December, 2015	-5,069	Transfer	84,931	0.37
				31st December, 2015	-21,431	Transfer	63,500	0.27
		63,500	0.27	31st March, 2016			63,500	0.27
9	DOLLY KHANNA	1,59,643	0.69	1st April, 2015				
				10th April, 2015	11,906	Transfer	1,71,549	0.74
				17th April, 2015	27,444	Transfer	1,98,993	0.86
				24th April, 2015	8,670	Transfer	2,07,663	0.90
				01st May, 2015	6,250	Transfer	2,13,913	0.92
				08th May, 2015	9,899	Transfer	2,23,812	0.97
				15th May, 2015	1,000	Transfer	2,24,812	0.97
				22nd May, 2015	2,000	Transfer	2,26,812	0.98
				12th June, 2015	1,310	Transfer	2,28,122	0.99
				26th June, 2015	28,500	Transfer	2,56,622	1.11
				30th June, 2015	30,920	Transfer	2,87,542	1.24
				03rd July, 2015	18,980	Transfer	3,06,522	1.32
				10th July, 2015	1,935	Transfer	3,08,457	1.33
				17th July, 2015	2,000	Transfer	3,10,457	1.34
				24th July, 2015	1,208	Transfer	3,11,665	1.35
				07th August, 2015	1,000	Transfer	3,12,665	1.35
				28th August, 2015	1,000	Transfer	3,13,665	1.36
				06th November, 2015	2,450	Transfer	3,16,115	1.37
				13th November, 2015	7,050	Transfer	3,23,165	1.40
				20th November, 2015	27,250	Transfer	3,50,415	1.51

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
10	BONANZA PORTFOLIO LTD.			27th November, 2015	32,115	Transfer	3,82,530	1.65
				04th December, 2015	2,515	Transfer	3,85,045	1.66
				11th December, 2015	25	Transfer	3,85,070	1.66
				15th January, 2016	-1,000	Transfer	3,84,070	1.66
				05th February, 2016	3,800	Transfer	3,87,870	1.68
				12th February, 2016	7,000	Transfer	3,94,870	1.71
				19th February, 2016	3,000	Transfer	3,97,870	1.72
				26th February, 2016	8,000	Transfer	4,05,870	1.75
				04th March, 2016	8,000	Transfer	4,13,870	1.79
				11th March, 2016	5,350	Transfer	4,19,220	1.81
				18th March, 2016	5,000	Transfer	4,24,220	1.83
		4,24,220	1.83	31st March, 2016			4,24,220	1.83
		1,55,492	0.67	1st April, 2015				
				10th April, 2015	-1,561	Transfer	1,53,931	0.66
				17th April, 2015	-5,061	Transfer	1,48,870	0.64
				24th April, 2015	-1,665	Transfer	1,47,205	0.64
				01st May, 2015	-73	Transfer	1,47,132	0.64
				08th May, 2015	-200	Transfer	1,46,932	0.63
				15th May, 2015	110	Transfer	1,47,042	0.64
				22nd May, 2015	-278	Transfer	1,46,764	0.63
				29th May, 2015	42	Transfer	1,46,806	0.63
				05th June, 2015	-130	Transfer	1,46,676	0.63
				12th June, 2015	778	Transfer	1,47,454	0.64
				19th June, 2015	1,049	Transfer	1,48,503	0.64
				26th June, 2015	-26,258	Transfer	1,22,245	0.53
				30th June, 2015	-210	Transfer	1,22,035	0.53
				03rd July, 2015	-11,047	Transfer	1,10,988	0.48
				10th July, 2015	-16,697	Transfer	94,291	0.41
				17th July, 2015	-5,792	Transfer	88,499	0.38
				24th July, 2015	-4,860	Transfer	83,639	0.36
				31st July, 2015	-2,453	Transfer	81,186	0.35
				07th August, 2015	-18,268	Transfer	62,918	0.27
				14th August, 2015	28,891	Transfer	91,809	0.40
				21st August, 2015	-10,830	Transfer	80,979	0.35
				28th August, 2015	-32,905	Transfer	48,074	0.21
				04th September, 2015	71,295	Transfer	1,19,369	0.52
				11th September, 2015	602	Transfer	1,19,971	0.52

S No	Name	Shareholding		Date	Increase / Decrease in Share- holding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				18th September, 2015	4,361	Transfer	1,24,332	0.54
				25th September, 2015	1,155	Transfer	1,25,487	0.54
				30th September, 2015	-1,250	Transfer	1,24,237	0.54
				09th October, 2015	-7,630	Transfer	1,16,607	0.50
				16th October, 2015	-3,266	Transfer	1,13,341	0.49
				23rd October, 2015	-428	Transfer	1,12,913	0.49
				30th October, 2015	-28,224	Transfer	84,689	0.37
				06th November, 2015	-6,385	Transfer	78,304	0.34
				13th November, 2015	-1,312	Transfer	76,992	0.33
				20th November, 2015	-6,811	Transfer	70,181	0.30
				27th November, 2015	-1,648	Transfer	68,533	0.30
				04th December, 2015	612	Transfer	69,145	0.30
				11th December, 2015	32	Transfer	69,177	0.30
				18th December, 2015	-882	Transfer	68,295	0.30
				25th December, 2015	400	Transfer	68,695	0.30
				31st December, 2015	-2,309	Transfer	66,386	0.29
				08th January, 2016	-6,602	Transfer	59,784	0.26
				15th January, 2016	-19,584	Transfer	40,200	0.17
				22nd January, 2016	-25,094	Transfer	15,106	0.07
				29th January, 2016	-5,578	Transfer	9,528	0.04
				05th February, 2016	-7,101	Transfer	2,427	0.02
				12th February, 2016	-1,300	Transfer	1,127	0.00
				19th February, 2016	3,414	Transfer	4,541	0.02
				26th February, 2016	-847	Transfer	3,694	0.02
				04th March, 2016	-812	Transfer	2,882	0.01
				11th March, 2016	-1,310	Transfer	1,572	0.01
				18th March, 2016	3,961	Transfer	5,533	0.02
				25th March, 2016	-206	Transfer	5,327	0.02
		5,103	0.02	31st March, 2016	-224	Transfer	5,103	0.02
11	NARENDRA LAKHI CHULANI	1,46,402	0.63	1st April, 2015				
				10th July, 2015	-46,402	Transfer	1,00,000	0.43
				17th July, 2015	-10,754	Transfer	89,246	0.39
				31st July, 2015	-21,846	Transfer	67,400	0.29
				07th August, 2015	-27,400	Transfer	40,000	0.17
		40,000	0.17	31st March, 2016			40,000	0.17

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
12	PREMIER INVESTMENT FUND LIMITED	Nil	Nil	1st April, 2015				
				30th October, 2015	4,000	Transfer	4,000	0.02
				25th December, 2015	1,200	Transfer	5,200	0.02
				31st December, 2015	63,045	Transfer	68,245	0.29
				08th January, 2016	80,000	Transfer	1,48,245	0.64
				15th January, 2016	44,000	Transfer	1,92,245	0.83
				22nd January, 2016	30,987	Transfer	2,23,232	0.96
				29th January, 2016	9,673	Transfer	2,32,905	1.01
				05th February, 2016	41,540	Transfer	2,74,445	1.19
				19th February, 2016	18,622	Transfer	2,93,067	1.27
				26th February, 2016	18,458	Transfer	3,11,525	1.35
				04th March, 2016	1,210	Transfer	3,12,735	1.35
				11th March, 2016	8,700	Transfer	3,12,435	1.39
				18th March, 2016	1,175	Transfer	3,22,610	1.39
		3,22,610	1.39	31st December, 2015			3,22,610	1.39
13	ANIL KUMAR GOEL	1,25,000	0.54	1st April, 2015				
				24th April, 2015	1,000	Transfer	1,26,000	0.54
				01st May, 2015	5,000	Transfer	1,31,000	0.57
				29th May, 2015	2,075	Transfer	1,33,075	0.57
				05th June, 2015	8,925	Transfer	1,42,000	0.61
				12th June, 2015	28,800	Transfer	1,70,800	0.74
				19th June, 2015	63,200	Transfer	2,34,000	1.01
				26th June, 2015	10,374	Transfer	2,44,374	1.06
				31st July, 2015	-2,374	Transfer	2,42,000	1.05
				28th August, 2015	5,000	Transfer	2,47,000	1.07
				11th September, 2015	1,000	Transfer	2,48,000	1.07
				18th September, 2015	4,000	Transfer	2,52,000	1.09
				05th February, 2016	7,000	Transfer	2,59,000	1.12
				12th February, 2016	6,000	Transfer	2,65,000	1.14
				19th February, 2016	3,500	Transfer	2,68,500	1.16
				04th March, 2016	4,500	Transfer	2,73,000	1.18
				11th March, 2016	1,006	Transfer	2,74,006	1.18
				18th March, 2016	909	Transfer	2,74,915	1.19
				25th March, 2016	585	Transfer	2,75,500	1.19
		2,76,000	1.19	31st March, 2016	500	Transfer	2,76,000	1.19

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
14	L AND T MUTUAL FUND TRUSTEE LTD- L AND T INDIA VALUE FUND	Nil	Nil	1st April, 2015				
				17th April, 2015	99,000	Transfer	99,000	0.43
				26th June, 2015	26,800	Transfer	1,25,800	0.54
				03rd July, 2015	26,400	Transfer	1,52,200	0.66
				28th August, 2015	-50400	Transfer	1,01,800	0.44
				18th September, 2015	13,600	Transfer	1,15,400	0.50
				09th October, 2015	81,972	Transfer	1,97,372	0.85
				31st December, 2015	50,089	Transfer	2,47,461	1.07
				08th January, 2016	4,173	Transfer	2,51,634	1.09
				19th February, 2016	669	Transfer	2,52,303	1.09
		2,52,303	1.09	31st March, 2016			2,52,303	1.09
15	SEEMA GOEL	1,05,000	0.45	1st April, 2015				
				13th November, 2015	3,000	Transfer	1,08,000	0.47
				20th November, 2015	4,000	Transfer	1,12,000	0.48
				18th December, 2015	368	Transfer	1,12,368	0.49
				15th January, 2016	632	Transfer	1,13,000	0.49
				22nd January, 2016	2,000	Transfer	1,15,000	0.50
		1,18,000	0.51	31st March, 2016	3,000	Transfer	1,18,000	0.51
16	GENERAL INSURANCE CORPORATION OF INDIA	1,38,283	0.60	1st April, 2015				
				24th July, 2015	-10,000	Transfer	1,28,283	0.55
				31st July, 2015	-15,000	Transfer	1,13,283	0.49
		1,13,283	0.49	31st March, 2016			1,13,283	0.49
17	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	Nil	Nil	1st April, 2015				
				31st July, 2015	17,483	Transfer	17,483	0.08
				07th August, 2015	27,728	Transfer	45,211	0.20
				21th August, 2015	27,776	Transfer	72,987	0.32
				18th September, 2015	19,344	Transfer	92,331	0.40
				16th October, 2015	14,916	Transfer	1,07,247	0.46
		1,07,247	0.46	31st March, 2016			1,07,247	0.46
18	SUVARNA KUMARI AGRAWAL	1,06,000	0.46	1st April, 2015				
		1,06,000	0.46	31st March, 2016			1,06,000	0.46

v) Shareholding of Directors and Key Managerial Personnel

S No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No of Shares at the beginning (01-04-2015) / End of the Year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri Ravi Jhunjunwala, Chairman	8,34,094	3.60	No Change during the year			8,34,094	3.60
2	Shri Shekhar Agarwal, Vice Chairman	3,000	0.01	25.03.2016	1,500	Transfer	1,500	0.01
3	Shri Arun Churiwal, Managing Director & CEO (Key Managerial Personnel)	1,610	0.01	No Change during the year			1,610	0.01
4	Shri Riju Jhunjunwala, Managing Director	1,75,000	0.76	No Change during the year			1,75,000	0.76

- Includes 25,000 equity shares of Shri Ravi Jhunjunwala HUF.
- Note: Except as mentioned in the above table, no other Directors/KMP of the Company hold any Equity Shares in the Company.

V. Indebtedness

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

(₹ in lacs)

S No	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year				
	i) Principal Amount	1,29,153.55	32.49		1,29,186.04
	ii) Interest due but not paid				
	iii) Interest accrued but not due	299.76			299.76
	Total (i+ii+iii)	1,29,453.31	32.49		1,29,485.8
B	Change in Indebtedness during the financial year				
	* Addition	16,822.92	0		16,822.92
	* Reduction	21,582.12	32.49		21,614.59
	Net Change	-4,759.20	-32.49		-4,791.67
C	Indebtedness at the end of the financial year				
	i) Principal Amount	1,24,407.18	0		1,24,407.18
	ii) Interest due but not paid	0	0		0
	iii) Interest accrued but not due	286.93	0		286.95
	Total (i+ii+iii)	1,24,694.11	0		1,24,694.13

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in lacs)

S No	Particulars of remuneration	Sh. Arun Churiwal (MD, CEO & KMP)	Sh. Riju Jhunjunwala (Managing Director)	Sh. Prakash Maheshwari (Executive Director)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71.04	59.04	91.00	221.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.93	18.00	18.44	59.37
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-			
3	Sweat Equity				
4	Commission	140.24	105.18	56.10	301.52
	- as % of profit	1%	0.75%	0.40%	-
	- others	-	-	-	-
5	Others, please specify				
	Total (A)	234.21	182.22	165.54	581.97
	Ceiling as per the Act	Overall ceiling is ₹1,402.40 lacs (being 10% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)			

B. Remuneration to other directors

(₹ in lacs)

S No	Particulars of Directors	Fee for attending board committee meetings	Commission	Others	Total Amount
1	Independent Directors				
	Shri Kamal Gupta	13.50	-	-	13.50
	Shri D.N. Daver	11.25	-	-	11.25
	Shri Sushil Jhunjunwala	0.75	-	-	0.75
	Shri A.N. Choudhary	6.75	-	-	6.75
	Shri P.S. Dasgupta	1.50	-	-	1.50
	Smt. Geeta Mathur	4.50	-	-	4.50
	Total B (1)	38.25	-	-	38.25
2	Other Non-Executive Directors				
	Shri Ravi Jhunjunwala, Chairman	3.75	-	-	3.75
	Shri Shekhar Agarwal, Vice Chairman	8.25	-	-	8.25
	Shari J.C. Laddha, Non Executive-Non Independent	3.75	-	-	3.75
	Total B (2)	15.75	-	-	15.75
	Total B (1) + B (2)	54.00	-	-	54.00
	Overall Ceiling as per the Act	Overall ceiling is ₹140.24 lacs (being 1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)			

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

(₹ in lacs)

S No	Particular of Remuneration	Shri Surender Gupta, Company Secretary	Shri B. M. Sharma, Chief Financial Officer	Total
1	Gross salary			
	(d) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.46	34.76	60.22
	(e) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.19	25.91	40.10
	(f) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5	Others, please specify	-	-	-
	Total (A)	39.65	60.67	100.32

VII. Penalties/ Punishments / Compounding of Offences

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

Annexure - VI to Directors' Report

NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, SEBI (LODR) every Listed Company is required to constitute a Nomination and Remuneration Committee with at least three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company has already a Remuneration Committee with three Non Executive Independent Directors. In order to align the same with the provisions of the Companies Act, 2013, SEBI (LODR) as amended from time to time, the Board of Directors at their meeting held on the 22nd April, 2014, renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

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

Key Managerial personnel (KMP) means and comprise-

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

Senior Management comprise the personnel of the Company who are members of its core management team, excluding the Board of Directors, so also, that would also include all members of management one level below the Executive Directors, including Functional Heads.

Role and Objective of Committee

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Carry out evaluation of every Director's performance.
5. Formulate criteria for evaluation of Independent Directors and

the Board.

6. Recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and Senior management.
7. To devise a policy on Board diversity.
8. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run Company successfully.
9. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
10. To develop a Succession Plan for the Board and to review it regularly.
11. To perform such other functions as may be referred by the Board or be necessary in view of the SEBI (LODR) and the provisions of the Companies Act, 2013 and Rules made thereunder.

Membership

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

Chairman

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

Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Member's Interests

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

Voting

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

Appointment of Directors/KMP/Senior Officials

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

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

Letter of Appointment

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

Policy on Board Diversity

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

Remuneration of Directors, Key Managerial Personnel and Senior Management:

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

1. Fixed Pay

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the

Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis;

2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provision for excess remuneration

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

4. Increment

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

Remuneration to Non-Executive/Independent Director

1. Remuneration/Commission

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

2. Sitting Fees

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

Other Provisions

- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company

computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

- The Company, with the approval of the Shareholders and Central Government, may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
- The Company may, with the approval of the shareholders, authorise the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/ Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other case.
- The Independent Directors shall not be entitled to any Stock Option.

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

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

- Leadership & stewardship abilities

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

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

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

Deviations from this Policy

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

Annexure - VII to Directors' Report

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

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

Median Salary for FY 2015-16

₹ 1.22 lac

S. No.	Name of the Director	Remuneration FY 15-16 (₹ in lacs)	Ratio
1	Sh. Arun Churiwal	234.21	191.98x
2	Shri Riju Jhunjunwala	182.22	149.36x
3	Shri Prakash Maheshwari	165.54	135.69x

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

S. No.	Name of the Director	% increase in remuneration
1	Shri Arun Churiwal (Managing Director, Chief Executive Officer & Key Managerial Personnel)	12.24
2	Shri Riju Jhunjunwala (Managing Director)	11.88
3	Shri Prakash Maheshwari (Executive Director)	99.30
4	Shri B. M. Sharma (Chief Financial Officer)	26.26
5	Shri Surender Gupta (Company Secretary)	11.63

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

% increase in the Median remuneration of the employees in the FY:

5.53

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

No. of Permanent Employees as on 31st March 2016 :

15,914

(v) The explanation on the relationship between average increase in remuneration and Company performance.

Remuneration of Whole Time Director is fixed by the Board which comprises of two components. The fixed component is monthly basic salary and perquisites and variable component is commission based on the performance of the Company. Remuneration paid is as approved by the Board. Commission for the year is based on performance of the Company. Remuneration of KMP's is fixed on the basis of Company's HR policy and annual increments are based on Company's performance as well as individual's performance. Remuneration is adjusted for industry trend and cost of living in the areas where KMP's are stationed.

(vi) Comparison of the remuneration of the key Managerial Personnel against the performance of the Company

Aggregate remuneration of Key Managerial Personnel (KMP) during the financial year 2015-16 is increased by 14.47%. The increase in profit before tax for the financial year 2015-16 is 25.31%. The remuneration of KMPs is fixed according to HR policy of the Company and annual increments are based on Company's performance as well as individual's performance. This may or may not be in the proportion of performance of the Company.

- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of Listed Companies.

Variation in the Market Capitalisation of the Company	Capitalisation as on 31st March 2016 (₹ in Crore)	Capitalisation as on 31st March 2015 (₹ in Crore)	% variation
NSE	692.49	496.19	39.56
BSE	690.76	498.85	38.47

Variation in Price Earning ratio	P/E ratio as on 31st March 2016	P/E ratio as on 31st March 2015	%
NSE	6.61	5.84	13.18
BSE	6.59	5.88	12.07

Closing Market Price of Shares	31-Mar-16	31-Mar-15	
NSE	299.15	214.35	
BSE	298.40	215.50	

The Company had come out with Public Issue in the year 1965. The market price of the Share of Company as on 31st March, 2016 is Rs. 299.15 which is 2891% of the initial nominal value.

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

Salaries of employees other than Managerial Personnel is increased by 6.78% and increase in managerial remuneration for the same financial year is 14.49%.

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

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

Name of Director/KMP and Designation	Increase in remuneration of Director/ KMP for the financial year 2015-16	Increase in Profit Before Tax for the financial year 2015-16
Shri Arun Churiwal, MD & CEO	12.24%	25.31%
Shri B. M. Sharma, CFO	26.26%	
Shri Surender Gupta, Company Secretary	11.63%	

- (x) The key parameters for any variable component of remuneration availed by the directors

The Company does not pay any remuneration to Non Executive Directors apart from sitting fees for attending the meetings of the Board and Committees. The variable component in the remuneration availed by the Executive Directors comprises of Commission which is based on the profits earned by the Company in that particular year.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

Not applicable as no employee is drawing remuneration in excess of the highest paid Director.

- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

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

Annexure - VIII to Directors' Report

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

A. Persons employed throughout the financial year and paid ₹60 lacs P.A. or more

S. No.	Name of Employee	Designation	Remuneration (₹ In Lacs)	Qualification	Experience (Years)	Commencement of Employment	No. of Shares Held	Whether Permanent / Contractual	Age (Years)	Last Employed		
										Organisation	Post Held	Duration (Years)
1	Shri Arun Churiwal	Managing Director	234.21	BA (Hons)	37	17th March, 2009	1,610	Contractual	65	-	-	-
2	Shri Riju Jhunjhunwala	Managing Director	182.22	MBA	15	1st May, 2013	1,75,000	Contractual	37	HEG Limited	Executive Director	15 Months
3	Shri Prakash Maheshwari	Executive Director	165.54	BSC, FCA	39	1st April, 2003	-	Permanent	61	HEG Limited	President	14
4	Shri V P Bagri	Sr. Vice President - Corporate Affairs	66.60	CS, LLB	35	1st May, 1996	-	Permanent	59	Himachal Fibres Ltd	FC, CS	9
5	Shri Vimal Banka	President - Corporate Office	108.46	CA	36	1st April, 1990	7,000	Permanent	65	Shashi Commercial Ltd	Manager	4
6	Shri M.L. Jhunjhunwala	President - Mumbai Office	102.36	B.Com, ICWA	42	1st October, 1992	12,170	Permanent	61	Rajasthan Textile Mills	Export Manager	13
7	Shri S C Garg	Chief Executive- Melange Yarn Business	103.79	B.Text (Tech) MBA	35	17th July, 1993	-	Permanent	59	Fenner India Limited	General Manager	1
8	Shri Sanjay Sharma	Chief Operating Officer - Lodha Unit	96.08	B.Text (Tech)	38	11th September, 2002	-	Permanent	59	Indo Rama Synthetics India Ltd	Asst. Vice President	7
9	Shri Naresh Maheshwari	Chief Operating Officer- Kharigram Unit	64.42	P HD. CA	30	19th November, 2004	-	Permanent	54	Indo Rama Synthetics India Ltd	DGM Commercial	10
10	Shri Prabir Bandhopadhyay	Chief Executive- Denim & Fabric Business	92.83	M.Tech.,PGIM	34	6th May, 2008	-	Permanent	59	Soma Textiles & Industries Ltd	Executive Director	8
11	Shri B. M. Sharma	Chief Financial Officer	60.70	CA	33	15th January, 2011	-	Permanent	58	Kesar Enterprises Ltd	AVP	5
B.	Persons Employed for part of the financial year and paid ₹5 Lacs or more per month											
12	Sh. Nirmal Jain	Chief Executive- Fabric Business	67.10	CA	33	1st January, 2010	-	Permanent	57	Bhilwara Spinners Ltd	Chief Executive	8
13	Shri Rajeev Jain	Deputy Yarn Business Head	50.06	B. Text. MBA	34	29th March, 2008	-	Permanent	55	Spentex Industries Ltd	Unit Head	2
14	Shri Sunil Jhajharia	Vice President	50.08	CA	30	13th November, 2000	-	Permanent	54	Eastern Spg. Mills	AVP Marketing	15

Notes :

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

Annexure - IX to Directors' Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
RSWM LIMITED
Kharigram,
P.O. Gulabpura,
Distt. Bhilwara,
Rajasthan -311021

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015).
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **The Company had issued 1,36,65,435, 12% Optionally Convertible Redeemable Preference Shares of ₹7.50 each as per the Scheme of Amalgamation approved by the Hon'ble High Courts of Rajasthan at Jodhpur and Madras respectively to the eligible shareholders of erstwhile M/s. Cheslind Textiles Limited during the financial year under review.**
 - d) The Securities and Exchange Board of India The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable as the Company has not got delisted its equity shares from any stock exchange during the financial year under review.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:
 1. Textile Committee Act, 1963
 2. Cotton Textile Order, 1986
 3. Textile (Development and Regulation) order, 2001 under Bureau of Indian Standard Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective from 1st July, 2015.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited, BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015)

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

The Company was required to spend ₹248.55 lacs on identified CSR activities as mentioned in Schedule VII, pursuant to Section 135(5) of the Companies Act, 2013. Out of above stated amount, the Company spent ₹199.29 lacs during the year.

We further report that

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

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

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

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

We further report that during the audit period;

The Scheme of amalgamation of M/s Chesind Textiles Limited with the Company, w. e. f. 01.04.2013, the appointed date had been sanctioned by the Hon'ble High Court of Rajasthan at Jodhpur and Hon'ble High court of Madras at Chennai vide their order dated 26/03/2015 and 31/03/2015 respectively and effected by the Company on 30.04.2015.

For Mahesh Gupta and Company
Company Secretaries

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

Place: Delhi
Date: 11th May, 2016

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

Annexure - A

To,
The Members,
RSWM LIMITED
Kharigram,
P.O. Gulabpura,
Distt. Bhilwara,
Rajasthan -311021

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

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

For Mahesh Gupta and Company

Company Secretaries

Mahesh Kumar Gupta

Proprietor
FCS No.: 2870
C P No.: 1999

Report on Corporate Governance

Corporate Governance Philosophy

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve the goal of maximising value for all its stakeholders. The Company works with the strategies and plans to optimise shareholder value and that proper systems and checks are in place without inhibiting the efficient running of the Company. The Company recognise Corporate Governance not as a set of rules but as a framework supporting the core values. Good Governance help us to maintain trust with the shareholders, stakeholders, employees and society at large. Your Company believes that good governance is the key to do the business in a sustainable manner and which creates value for the society. The Board of Directors of the Company play a central role in the good corporate governance by building up strong principles and values on which the Company operates.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports RSWM's compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which became applicable with effect from 1st December, 2015.

Board of Directors Composition

The Company is managed by its Board of Directors, which formulates strategies & policies and carries out periodic review of its

performance. The Board of Directors of the Company is constituted in such manner so as to be in conformity with the regulatory requirements. As on 31st March, 2016, RSWM's Board comprises of eleven Directors. Eight Directors including the Chairman and the Vice Chairman are Non-Executive. Among the Non-Executive, five Directors are Independent Directors.

During the year, Shri Prakash Maheshwari was appointed as Executive Director on the Board with effect from 1st April, 2015. Further, Shri J.C. Laddha, who was Executive Director till 31st March, 2015 was appointed as Non-Independent Non-Executive Director on the Board with effect from 1st April, 2015. Shri Sushil Jhunjhunwala, Independent Director resigned from the Directorship with effect from 1st February, 2016.

Number of Board Meetings

During 2015-16, the Board of RSWM met five times on — 8th May, 2015, 30th May, 2015 30th July, 2015, 5th November, 2015 and 1st February, 2016. 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 so as to enable the Directors to become aware of all the facts on timely basis.

Directors' Attendance Record and Directorship Held

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2015-16 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 Ravi Jhunjunwala	Chairman	Promoter - Non-Executive	5	5	8	4	1
2.	Shri Shekhar Agarwal	Vice Chairman	Promoter - Non-Executive	5	3	5	3	-
3.	Shri Arun Churiwal	Managing Director	Promoter - Executive	5	3	3	2	-
4.	Shri Riju Jhunjunwala	Managing Director	Promoter - Executive	5	5	8	3	1
5.	Shri Prakash Maheshwari ¹	Executive Director	Non-Promoter – Executive	5	5	-	-	-
6.	Shri J. C. Laddha ²	Director	Non-Executive & Non-Independent	5	5	-	-	-
7.	Dr. Kamal Gupta	Director	Independent - Non-Executive	5	4	6	8	3
8.	Shri D. N. Davar	Director	Independent - Non-Executive	5	5	8	7	5
9.	Shri Sushil Jhunjunwala ³	Director	Independent - Non-Executive	5	1	-	-	-
10.	Shri A. N. Choudhary	Director	Independent - Non-Executive	5	4	2	2	2
11.	Shri P. S. Dasgupta	Director	Independent - Non-Executive	5	2	8	7	2
12.	Smt. Geeta Mathur	Director	Independent - Non-Executive	5	5	9	8	3
13.	Shri Deepak Jain ⁴	Director	Independent - Non-Executive	-	-	7	3	1

Notes:

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

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

** Includes Committee chairmanships

1 Shri Prakash Maheshwari was appointed as Executive Director w.e.f. 1st April, 2015.

2 Shri J.C. Laddha was appointed as the Non-Independent Non-Executive Director by the Board w.e.f. 1st April, 2015.

3 Shri Sushil Jhunjunwala ceased to be Director w.e.f. 1st February, 2016

4 Shri Deepak Jain appointed as on Additional (Independent) Director w.e.f. 11th May, 2016

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

The last Annual General Meeting held on 25th September, 2015 was attended by Dr. Kamal Gupta, Chairman of the Audit Committee and Nomination and Remuneration Committee and Shri Prakash Maheshwari, Executive Director of the Company.

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

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

Familiarisation Programme for Independent Directors

The familiarisation programme was conducted during the year for the Independent Directors, to provide them an overview of the business, operations and business model of the Company. Independent Directors were provided with certain documents which helped them to get an overview of the Company. The presentations were made by Managing Director giving an overview of Annual Operating Plans and budgets of the Company. All Independent Directors met periodically with other Key Managerial Personnel, functional heads of the units, head of HR, IT department etc to help them understand the service and product management and other areas related to the Company.

The details on the Company's Familiarisation Programme for IDs can be accessed at: http://rswm.in/familiarization_programme.aspx

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 & 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, 2016

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	8,09,094	Nil
Shri Shekhar Agarwal	Promoter - Non-Executive	1,500	Nil
Shri J. C. Laddha	Non-Independent - Non-Executive	Nil	Nil
Dr. Kamal Gupta	Independent - Non-Executive	Nil	Nil
Shri D. N. Davar	Independent - Non-Executive	Nil	Nil
Shri A. N. Choudhary	Independent - Non-Executive	Nil	Nil
Shri P. S. Dasgupta	Independent - Non-Executive	Nil	Nil
Smt. Geeta Mathur	Independent - Non-Executive	Nil	Nil

Board-Level Committees

I) Audit Committee

As on 31st March, 2016, RSWM's Audit Committee comprised three members – all of them, including the Chairman of the Committee, are Independent Directors. The terms of reference of the Audit Committee are in conformity with those mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. In 2015-16, the Audit Committee met four times on – 8th May, 2015, 30th July, 2015, 5th November, 2015 and 1st February, 2016.

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	4	4	3,00,000
Shri D. N. Davar	Independent – Non-Executive	4	4	3,00,000
Shri A. N. Choudhary	Independent – Non-Executive	4	4	3,00,000

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, 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 other Members of the Committee have rich experience and sound accounting and financial knowledge. The Chairman of the Audit Committee attended the Annual General Meeting held on 25th September, 2015 and was available to answer shareholder queries.

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

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

The Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee

- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Internal Financial Control and its adequacy

The Company has laid down policies and procedure for ensuring the orderly and efficient conduct of its business including safeguarding of assets, prevention and detention of frauds and errors, the accuracy and completeness of the accounting records and timely preparation and disclosure of financial information.

The Cost Audit was not applicable on Textile in respect of the financial year ended 31st March, 2015. Accordingly, the Company was not required to file the Cost Audit Report for the financial year 2014-15. However, pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and Notification issued by Ministry of Corporate Affairs dated 31st December, 2014 included the Textiles for applicability of Cost Audit and, therefore, M/s. N.D. Birla & Co., Cost Accountants, was appointed as Cost Auditor for conducting the cost audit of the Company for the financial year ended 31st March, 2016. Their Report in respect of the financial year 2015-16 shall be filed with the Government before 30th September, 2016 being the due date.

II) Nomination and Remuneration Committee

a) Terms of Reference

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

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

b) Composition of Nomination and Remuneration Committee

As on 31st March, 2016, the Composition of Nomination and 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

c) Meeting and Attendance

In 2015-16, the Nomination and Remuneration Committee met one time on 1st February, 2016. The detail of attendance of the Nomination and Remuneration Committee was as under:

Name of the Member	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	1	1	75,000
Shri D. N. Davar	1	1	75,000
Shri Shekhar Agarwal	1	1	75,000

d) Nomination and Remuneration Policy

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

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes determination of salary, perquisites, commission to be paid to the Company's Managing Director(s) and whole time Directors, recommend to the Board, retirement benefits to be paid to the Managing Director(s) and whole time Directors.

The compensation terms of Executive Directors are approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and subsequently approved by the shareholders in the General Meeting. The Nomination and Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors. The non-executive directors are paid sitting fees for attending the Board meetings as well as other Committee meetings.

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

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

e) Details of Remuneration Paid or Payable to Directors for 2015-16

(₹)

Name of Director	Category	Sitting fees*	Salaries, allowances and perquisites #	Commission	Total
Shri Ravi Jhunjhunwala	Promoter - Non-Executive	3,75,000	-	-	3,75,000
Shri Shekhar Agarwal	Promoter - Non-Executive	8,25,000	-	-	8,25,000
Shri Arun Churiwal	Promoter - Executive	-	93,97,330	1,40,24,000	2,34,21,330
Shri Riju Jhunjhunwala	Promoter - Executive	-	77,06,144	1,05,18,000	1,82,24,144
Shri Prakash Maheshwari	Non-Promoter - Executive	-	1,09,44,337	56,10,000	1,65,54,337
Shri J.C. Laddha	Non Independent – Non Executive	3,75,000	-	-	3,75,000
Dr. Kamal Gupta	Independent - Non-Executive	13,50,000	-	-	13,50,000
Shri D. N. Davar	Independent - Non-Executive	11,25,000	-	-	11,25,000
Shri Sushil Jhunjhunwala	Independent - Non-Executive	75,000	-	-	75,000
Shri A. N. Choudhary	Independent - Non-Executive	6,75,000	-	-	6,75,000
Shri P. S. Dasgupta	Independent - Non-Executive	1,50,000	-	-	1,50,000
Smt Geeta Mathur	Independent - Non-Executive	4,50,000	-	-	4,50,000

* Includes sitting fees for all committee meetings.

includes retirement benefits

During the year ended the 31st March, 2016, the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option Scheme.

III) Stakeholders' Relationship Committee

As on 31st March, 2016, the Company's Stakeholders' Relationship 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 2015-16, the Committee met four times on 8th May, 2015, 30th July, 2015, 5th November, 2015 and 1st February, 2016.

a) Details of Stakeholders' Relationship Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (₹)
Dr. Kamal Gupta	Independent – Non-Executive	4	4	3,00,000
Shri Shekhar Agarwal	Promoter – Non-Executive	4	3	2,25,000
Shri Arun Churiwal	Promoter - Executive	4	3	-
Shri D. N. Davar	Independent – Non-Executive	4	4	3,00,000

The Committee mainly look into the matters pertaining to Redressal of the Stakeholders' grievances and related matters.

The Committee received 40 complaints during the financial year under review, all of which were replied/resolved to the satisfaction of the shareholders.

No Stakeholders Grievance remained unattended /pending for more than 15 days. There were no complaints pending disposal as on the 31st March, 2016. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2016.

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

Sl. No.	Nature of Query/Complaint	Pending as on 1st April, 2015	Received during the year	Addressed during the year	Pending as on 31st March, 2016
1.	Transfer / Transmission / Issue of Duplicate Share Certificate(s)	0	2	2	0
2.	Non-receipt of OCRPS	0	10	10	0
3.	Non-receipt of Dividend	0	6	6	0
4.	Non-receipt of Dividend Advice	0	0	0	0
5.	Non-receipt of Annual Report	0	0	0	0
6.	Dematerialisation/Rematerialisation of shares	0	0	0	0
7.	Complaints received from:				
	- Securities and Exchange Board of India	0	10	10	0
	- Stock Exchanges	0	12	12	0
	- Registrar of Companies/Ministry of Corporate Affairs	0	0	0	0
	Total	0	40	40	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 B.M. Sharma, Chief Financial Officer 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	19	13,703
Duplicate Share Certificates	14	2,309
Consolidated/Torn Certificates	0	0

Pursuant to Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, duly signed by the compliance officer and the authorised representative of the share transfer agent certifying that all activities

in relation to both physical and electronic share transfer facility are maintained with Registrar to an issue and share transfer agent.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges and Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on half yearly basis, have been issued by a practicing Company Secretary for due compliance of share transfer formalities by the Company.

Reconciliation of Share Capital Audit:

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

IV. Corporate Social Responsibility Committee.

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

During the year 2015-16, the Committee met three times on 8th May, 2015, 5th November, 2015 and 1st February, 2016.

The Corporate Social Responsibility Committee 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.

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

http://rswm.in/pdf/RSWM_CSR_POLICY.pdf

Details of Corporate Social Responsibility Committee

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended
Shri Riju Jhunjunwala	Promoter – Executive	3	3
Shri Arun Churiwal	Promoter– Executive	3	2
Shri A.N. Choudhary	Independent - Non- Executive	3	3

V. Independent Directors' Meeting.

Pursuant to the Code of Independent Directors and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on 1st February, 2016, without the attendance of Non-Independent Directors and members of management to inter-alia:

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

Letter of Appointment:

Each Director/KMP/Senior Official is required to sign the duplicate

copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment. During the year Smt. Geeta Mathur, Independent Director was issued Letter of Appointment after her appointment was approved by the Members at the Annual General Meeting. The duplicate copy of letter duly signed by her is available with the Company.

Performance evaluation of Independent Directors

Pursuant to the Code of Independent Directors and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors is to be done by the entire Board of Directors except the Director which is being evaluated. The criterion for the evaluation of performance is laid down in the Nomination and Remuneration policy. The evaluation of the performance is being done on an annual basis. The Company has the following Independent Directors Dr. Kamal Gupta, Shri D. N. Davar, Shri Amar Nath Choudhary, Shri Sushil Jhunjunwala, Shri P.S. Dasgupta and Smt. Geeta Mathur.

General Body Meetings

ANNUAL GENERAL MEETINGS

The details of the Last Three Annual General Meetings:

Financial Year	Date	Time	Location	Special resolution(s) passed
2012-13	19th September, 2013	12:30 P. M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	3
2013-14	16th September, 2014	11:30 A.M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	1
2014-15	25th September, 2015	11:30 A.M.	Kharigram, P. O. Gulabpura – 311 021 District Bhilwara, Rajasthan	2

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

2012-2013:

- 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 Jhunjhunwala, as Joint Managing Director of the Company.

2013-2014:

- Approval for the creation of mortgage and charges in addition to the existing mortgages, charges and hypothecations created by the Company.

2014-2015:

- Approval for the creation of mortgage and charges in addition to the existing mortgages, charges and hypothecations created by the Company.
- Approval for the creation of Second Charge subject to the First Charge of the Term Lenders on all the Immovable and Movable properties of the Company.

Postal Ballot/e-voting

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

Disclosures

a) Related Party Disclosure

As required by the Accounting Standard AS-18, the details of related party transactions are given in Note No.41 to the Annual Accounts. The transaction with related parties are in the ordinary course of business on an arm's length basis and do not have any potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the ordinary course of business were placed before the Audit Committee.

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 and Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the Listing Agreement till its applicability. The Company is also compliant with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 from its applicability from December 1, 2015. A certificate from Statutory Auditors to this effect is enclosed in the Annual Report.

Investment and Planning Committee

The Company has constituted the Investment and Planning Committee. The terms of reference of the Committee is to approve capital expenditure schemes and to recommend to the Board of Directors, capital budgets and other major capital schemes above a stipulated threshold, new business plan and capital outlays.

The Committee didn't meet during the year 2015-16.

Audit Qualifications

The Company's Financial Statements are free from any qualifications by the Auditors and Company continues to adopt best practices to move towards a regime of unqualified financial statements.

Management Discussion and Analysis

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

Senior Management personnel (Promoters, Directors, Management or relatives etc.) have made disclosure to the Board relating to all

material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large. The interested Directors neither participate in the discussion nor vote on such matters.

Whistle Blower Policy

With the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism honesty, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. The Company has adopted a framework whereby the identity of the complainant is not disclosed. During the year, the Company did not receive any Whistle Blower reference.

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

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

Shareholders

i. Appointment or Reappointment of Non Independent Directors

Six 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 Riju Jhunjunwala and Shri J.C. Laddha are retiring by rotation and being eligible, offer themselves for re-appointment in the Annual General Meeting.

Shri J. C. Laddha was co-opted as Additional Director in the capacity of Non-Independent and Non-Executive Director of the Company under Section 161 of the Companies Act, 2013 w.e.f. the 1st April, 2015. Shri J.C. Laddha was earlier serving on the Board of Director as Executive Director upto 31st March, 2015. The appointment of Shri J.C. Laddha as Director liable to retire by rotation was approved by the Shareholders at the Annual General Meeting held on 25th September, 2015.

Shri Prakash Maheshwari, who was co-opted as an Additional Director on the Board with effect from 1st April, 2015 was also designated as Executive Director with effect from same date. The appointment of Shri Prakash Maheshwari as Director liable to retire by rotation as well as his appointment as Executive Director was approved by the Members of the Company at the Annual General Meeting held on 25th September, 2015.

Shri Arun Churiwal whose term as Managing Director completed on 31st March, 2016, continued as Director on the Board of the Company as Non-Independent and Non-Executive with effect from 1st April, 2016. His term as Director liable to retire by rotation was approved at the previous Annual General Meeting of the Company held on 25th September, 2015.

Shri Riju Jhunjunwala Managing Director was appointed as Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) w.e.f. 1st April, 2016 after completion of the term of Shri Arun Churiwal as Managing Director on 31st March, 2016. Shri Arun Churiwal also ceased to be Chief Executive Officer and KMP of the Company upon completion of his term as Managing Director on 31st March, 2016. Further, Shri Riju Jhunjunwala whose term as Managing Director was

due to expire on 30th April, 2016 was also re-appointed as Managing Director of the Company w.e.f. 1st May, 2016 for a term of 5 years.

Their brief resumes are given below:

Shri J. C. Laddha (66)

Shri J. C. Laddha is FCA with rich experience in Textiles and was Executive Director of RSWM Limited. Shri J. C. Laddha possesses over four decades of experience in Textiles and was instrumental in setting up of various projects of the Company.

Shri Riju Jhunjunwala (37)

Shri Riju Jhunjunwala has been designated as Managing Director of RSWM Ltd. He is also the MD of Bhilwara Energy Ltd. Shri Riju Jhunjunwala is a graduate in Business Management Studies. Shri Jhunjunwala is an industrialist with diversified business experience.

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. Smt. Geeta Mathur was appointed as Independent Director for first term of 5 consecutive years commencing from 11th November, 2014. Her appointment as Independent Director was approved at the Annual General Meeting held on 25th September, 2015.

Shri Deepak Jain was inducted on the Board of Directors of the Company as an Additional Director (Independent) with effect from the 11th May, 2016. The Board of Directors upon recommendation of Nomination and Remuneration Committee appointed Shri Deepak Jain as an Independent Director for the first term of five years commencing from the date of induction on the Board of Directors, subject to the approval by the shareholders of the Company at the ensuing Annual General Meeting. The brief profile of Shri Deepak Jain proposed to be appointed is given below;

Shri Deepak Jain (41)

Shri Deepak Jain, is business graduate from Illinois Institute of Technology, USA with specialisation in Operations Management & International Business. He brings with him 19 years of rich experience in Industry and at present is the Managing Director of Lumax Industries Limited, a part of D. K. Jain Group.

Shri Deepak Jain has been actively involved with CII and ACMA. He is currently holding the position of Co-Chairman, Northern Region and Chairman HR/IR & Skill Development Committee of Automotive Component Manufacturers Association of India (ACMA), Vice President of Toyota Kirloskar Supplier's Association, Member of Delhi Chapter of Entrepreneurs Organisations (EO), Member of Young President's Organisations (YPO) and Past President of Supplier Club, Honda Cars India Limited".

Details of Directorship Held in Other Companies

Directors name	Name of the Company in which Directorship held*	Committee Chairmanship	Committee Membership
Shri Riju Jhunjunwala	Bhilwara Energy Limited		
	Bhilwara Green Energy Limited		
	Bhilwara Infotechnology Limited		
	Bhilwara Technical Textiles Ltd.		Audit Committee, Stakeholders' Relationship Committee
	Chango Yangthang Hydro Power Ltd.		
	HEG Limited	Stakeholders' Relationship Committee	
Shri J. C. Laddha	LNJ Power Ventures Limited		Audit Committee
	NJC Hydro Power Limited		Audit Committee
Shri Deepak Jain	Lumax Industries Limited	None	None
	Lumax Mannoh Allied Technologies Limited		Audit Committee, Stakeholder Relationship Committee
	Lumax Tours & Travels Limited		
	Lumax DK Auto Industries Limited		
	Lumax Ancillary Limited		
	SL Lumax Limited		
	Lumax Auto Technologies Limited	Stakeholder Relationship Committee	

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

Additional Shareholder Information

Annual General Meeting

Date : 27th September, 2016
 Day : Tuesday
 Time : 11.30 am
 Venue : Kharigram, P. O. Gulabpura, Bhilwara District,
 Rajasthan- 311021.

Financial Results

Financial year: 1st April, 2015 to 31st March, 2016

For the year ended 31st March, 2016, results were announced on:

- 30th July, 2015 : First quarter
- 5th November, 2015 : Second quarter and Half year
- 1st February, 2016 : Third quarter and nine months
- 11th May, 2016 : Fourth quarter and Annual.

For the year ending 31st March, 2017, 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/ Record Date

The dates of book closure are from 21st September, 2016 (Wednesday) to 27th September, 2016 Tuesday (Both days inclusive)

The Record date for the purpose of payment of Dividend on Optionally Convertible Redeemable Preference Shares would be, Tuesday the, 20th September, 2016.

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. Further, a preference dividend of 12% per annum i.e. 0.75 per Optionally

Convertible Redeemable Preference Shares (OCRPS) on pro rata basis has been recommended by the Board.

Subject to the approval of the shareholders at the Annual General Meeting, these will be paid within 30 days from the date of AGM.

Listing and Stock Codes

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Listing fee as prescribed has been paid to the BSE and NSE up to 31st March, 2016.

Further the Company has been granted in-principle approval for listing of 12% 13665435 Optionally Convertible Redeemable Preference Shares (OCRPS), allotted to the shareholders of erstwhile Cheslind Textiles Limited, by the BSE Limited vide letter No.DCS/AMAL/KS/IP/205/2015-16 dated 15th February, 2016 and National Stock Exchange of India Limited vide letter No.NSE/LIST/63012 dated 25th February, 2016. The Company after completion of Corporate Action of credit of OCRPS to the account of respective beneficiaries further applied to both the Stock Exchanges for approval of listing and trading permission for OCRPS. The Company had received the approval from both the Stock Exchanges vide their respective letters dated 27th April, 2016 and the securities of the Company comprising of OCRPS have been permitted for dealing at both the Stock Exchanges. The stock codes of both the Equity and Preference Shares of the Company at BSE and NSE are given in Table 1:

Stock Codes of the Company

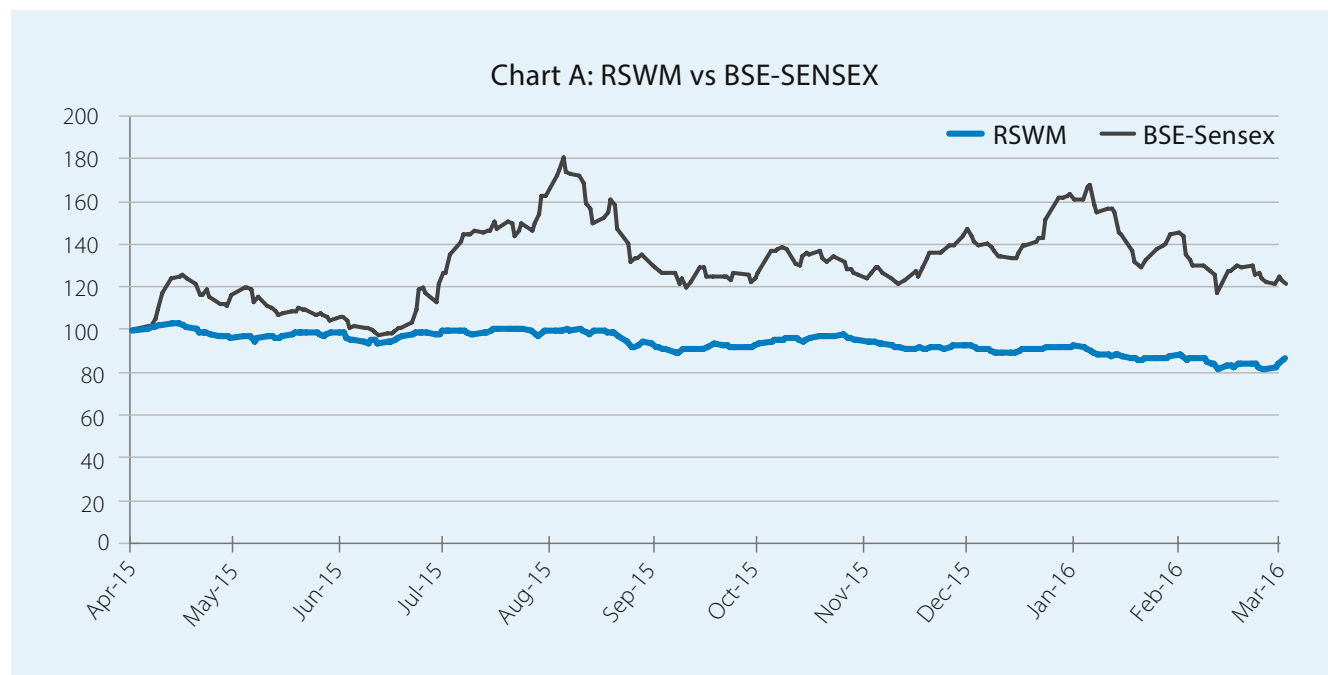
Equity Shares		Preference Shares	
Stock Exchanges	Stock Codes	Stock Exchanges	Stock Codes
BSE	500350	BSE	710054
NSE	RSWM	NSE	RSWM

Stock Data

Share Prices of RSWM at BSE/NSE in 2015-16

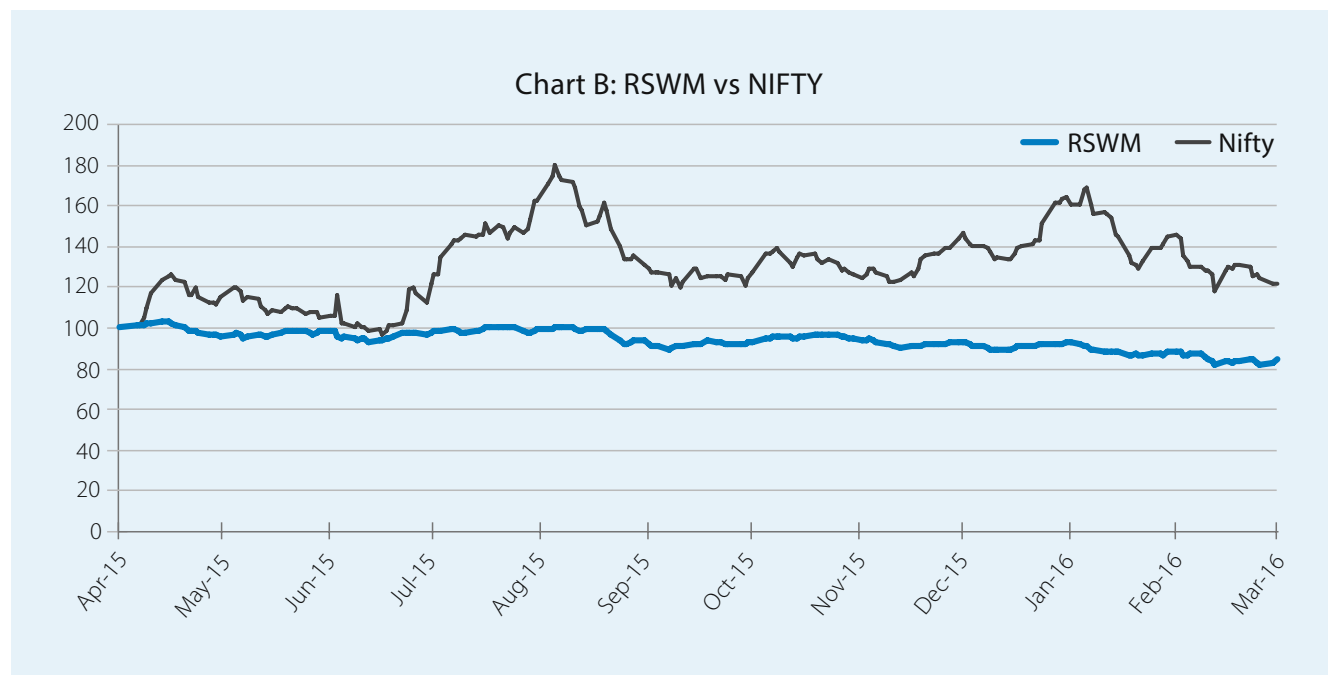
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-15	286.50	215.50	4,44,793	286.85	216.05	9,06,198
May-15	273.00	230.00	1,65,062	273.85	229.85	3,53,249
Jun-15	276.20	218.90	4,21,203	276.20	217.00	13,09,837
Jul-15	370.00	268.10	14,26,284	370.00	269.20	41,41,124
Aug-15	412.00	269.60	14,90,929	411.05	270.00	40,18,157
Sep-15	294.20	263.00	6,70,544	294.30	262.15	17,09,359
Oct-15	316.10	279.60	5,55,363	316.60	278.75	14,19,167
Nov-15	327.40	271.10	2,89,650	328.00	271.15	8,81,276
Dec-15	372.00	292.00	2,68,429	373.30	290.70	9,97,124
Jan-16	382.00	280.00	1,64,899	384.00	275.00	6,59,525
Feb-16	330.90	251.70	1,37,737	332.90	251.50	5,06,869
Mar-16	303.00	272.50	1,20,061	303.70	271.00	4,79,477

Chart A: Relative Share Price Movement of RSWM at BSE compared to BSE Sensex in 2015-16



Note: Share prices and BSE Sensex indexed to 100 as on the first working day of the financial year 2015-16 i.e. 1st April, 2015.

Chart B: Relative Share Price Movement of RSWM at NSE compared to NIFTY Index in 2015-16



Note: Share prices and Nifty indexed to 100 as on the first working day of the financial year 2015-16 i.e. 1st April, 2015

Shareholding Pattern

Shareholding Pattern by Equity Shareholders as on 31st March, 2016

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	1,19,09,820	51.45
Foreign Institutional Investors/Mutual Funds	12,56,563	5.43
Public Financial Institutions/State Financial Corporation	1,15,539	0.50
Mutual Funds (Indian)	18,41,867	7.95
Nationalised and other banks	15,630	0.07
NRIs/ Foreign Companies (Other than Promoters)	6,37,294	2.75
Public	73,71,976	31.85
Total	2,31,48,689	100.00

Shareholding Pattern of Equity Shares by Size-Class as on 31st March, 2016

Categories	No. of Shareholders	No. of shares held	Percentage
1-1,000	13,874	21,63,410	9.34
1,001-5,000	710	15,55,265	6.72
5,001-10,000	115	8,45,028	3.65
10,001 and above	143	1,85,84,986	80.29
Total	14,842	2,31,48,689	100.00

Shareholding Pattern of OCRPS as on 31st March, 2016

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	0	0.00
Foreign Institutional Investors/Mutual Funds	700	0.01
Public Financial Institutions/State Financial Corporation	20,62,500	15.09
Mutual Funds (Indian)	8,300	0.06
Nationalised and other banks	29,67,000	21.71
NRIs/ Foreign Companies (Other than Promoters)	3,60,029	2.63
Public	82,66,906	60.50
Total	1,36,65,435	100.00

Shareholding Pattern of OCRPS by Size-Class as on 31st March, 2016

Categories	No. of Shareholders	No. of shares held	Percentage
1-1,000	11,628	24,79,974	18.15
1,001-5,000	525	12,26,590	8.97
5,001-10,000	68	5,05,087	3.70
10,001 and above	79	94,53,784	69.18
Total	12,300	1,36,65,435	100.00

The OCRPS holders who exercise the conversion option in terms of Scheme of Amalgamation would be allotted Equity Shares of the Company as per scheme.

Dematerialisation of Shares

As on 31st March, 2016, 2,23,01,387 Equity Shares representing 96.34% 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.

The ISIN number for RSWM's OCRPS on NSDL and CDSL is INE611A03012.

Registrar and Transfer Agents

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

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

Share Transfer System

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 15 days from the date of receipt, if the documents are in order in all respects. As per the requirement of Regulations 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities.

Details of Public Funding Obtained in the Last Three Years

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

Outstanding Warrants and their Implications on Equity

The Company has no outstanding warrants/convertible instruments except the 12% Optionally Convertible Redeemable Preference Shares issued to the shareholders of erstwhile CTL pursuant to the Scheme of Amalgamation approved by the Hon'ble High courts of Jodhpur and Madras respectively.

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, Mordi, P.O. Banswara - 327 001, Distt. Banswara, Rajasthan (Denim, Fabric and TPP).
4. Mandpam, Distt. Bhilwara - 311025, Rajasthan
5. Kanya Kheri, Distt. Bhilwara - 311025, Rajasthan
6. Rishabhdev, Distt. Udaipur - 313 802, Rajasthan
7. Ringas, Distt. Sikar - 332 404, Rajasthan
8. B. Muduganapalli, Bagalur, Distt. Krishnagiri - 635103, Tamilnadu
9. Thirubuvanai - 605107, Puducherry

Investor Correspondence

Investor correspondence should be addressed to:

Registrar & Share Transfer Agent:

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area Phase I, New Delhi - 110 020
Phone Nos: 011-4140 6149-52, Fax No. : 011-4170 9881
E-mail: helpdeskdelhi@mcsregistrars.com

Company Secretary

RSWM Limited
Bhilwara Towers, A-12, Sector 1, Noida, Uttar Pradesh - 201301
Phone Nos. : 0120-4390000/4390300, Fax Nos. : 0120-4277841
E-mail : rswm.investor@lnjbhilwara.com

Registered Office

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 filing 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 Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company transferred 26,538 equity shares in respect of 406 shareholders in the name of "RSWM Limited – Unclaimed Suspense Account" on 9th August, 2012 and these shares were subsequently dematerialised. Thereafter, the Company received claim from 6 shareholders up-till now comprising of 167 shares, which were duly transferred in their respective names. During the year, the Company received claim from 4 shareholders in respect of 115 shares. As on the 31st March, 2016, 26,371 equity shares are still lying in the Unclaimed Suspense Account.

Riju Jhunjunwala

Managing Director

DIN: 00061060

Place: Noida (U.P.)

Dated: 11th May, 2016

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

We, Riju Jhunjhunwala, 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 our 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.

Place: Noida (U.P.)
Dated: 11th May, 2016

Riju Jhunjhunwala
*Managing Director &
Chief Executive Officer*

Brij Mohan Sharma
Chief Financial Officer

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, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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
Chartered Accountants
Firm Registration No.: 003191C

For S. S. KOTHARI MEHTA & CO
Chartered Accountants
Firm Registration No.000756N

Place : Noida (U.P.)
Date : 11th May, 2016

per Sunil Bhargava
Partner
Membership No.: 70964

per K. K. Tulshan
Partner
Membership No.: 85033

6-year Financial Highlights

(₹ in Crores)

S. No.	Description	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Gross Turnover	1,962.16	2,000.15	2,471.04	2,884.32	3,014.31	2,966.19
2	Net Turnover	1,950.59	1,987.00	2,453.29	2,870.05	3,003.36	2,954.67
1	PBIDT	340.11	160.99	331.17	388.78	377.45	420.18
2	Interest	78.74	104.04	121.29	121.76	125.22	124.38
2	PBDT	261.37	56.95	209.88	267.02	252.23	295.80
3	Depreciation (Net)	80.15	89.10	108.45	110.69	135.27	149.23
4	PBT	181.22	-32.15	101.43	156.33	116.96	146.57
5	TAX	58.26	-10.36	33.56	57.53	32.05	40.58
6	PAT	122.96	-21.79	67.87	98.80	84.91	105.99
1	EPS (in ₹)	53.08	-9.41	29.32	42.68	36.68	45.25
2	Equity	23.15	23.15	23.15	23.15	23.15	23.15
1	Total Capital Employed	1,661.17	1,733.21	1,850.46	1,854.66	2,039.39	2,057.59
2	Net Worth	310.78	286.90	328.57	395.37	445.00	516.55
3	Deferred Tax Liability (DTL)	41.78	35.27	48.57	72.03	82.78	97.29
4	Net Worth and DTL	352.56	322.17	377.14	467.40	527.78	613.84
5	Long Term Loans	592.21	815.18	711.42	605.94	669.18	553.68
6	Working Capital Loans	437.98	376.09	466.63	458.97	447.35	484.37
7	Unsecured Loans	2.11	1.70	1.23	0.36	0.00	0.00
8	Total Borrowings (5+6+7)	1,032.30	1,192.97	1,179.28	1,065.27	1,116.53	1,038.05
9	Fixed Assets (Net)	807.44	1,030.84	976.95	946.71	1,160.75	1,142.36
10	Investments	60.15	60.27	110.67	127.36	90.67	88.07
1	Operating Profit Margin %	17.44	8.10	13.50	13.55	12.57	14.22
2	Return on Capital Employed % (PBIT/ Capital Emp.)	15.65	4.15	12.04	14.99	11.88	13.17
3	Return on Sales % (PAT/ Turnover)	6.30	-1.10	2.77	3.44	2.83	3.59
4	Return on Net Worth %	39.56	-7.59	20.66	24.99	19.08	20.52
5	Debt Equity Ratio (Non Current Loans)	1.91	2.85	2.17	1.53	1.50	1.07
6	Interest Cover Ratio	4.32	1.55	2.73	3.19	3.01	3.38
7	Fixed Assets Cover Ratio	1.36	1.26	1.37	1.56	1.73	2.06

Independent Auditors' Report

To
The Members of
RSWM Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RSWM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 51 to the financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. Bhargava Associates
Chartered Accountants
Firm's Registration No. 003191C

Sunil Bhargava
Partner
Membership No. 070964

Place: Noida
Date: May 11, 2016

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

K K Tulshan
Partner
Membership No. 085033

Annexure "A" to the Independent Auditors' Report to the members of RSWM Limited, dated May 11, 2016

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

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

(₹ in lacs)

S. No.	Nature of Statutory Dues	Forum where dispute is pending	Amount involved as at 31-03-16	Amount involved as at 31-03-15
1	Excise Duty	CESTAT, New Delhi	-	8.51
2	Service Tax	CESTAT, New Delhi	217.05	217.05
3	TC Cess	Appellate Tribunal, Mumbai	17.25	17.25

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans were applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- (xii) The Company is not a Nidhi Company, hence clause (xii) of para 3 of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of para 3 of the Order is not applicable;
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

For S. Bhargava Associates
Chartered Accountants
Firm's Registration No. 003191C

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

Sunil Bhargava
Partner
Membership No. 070964

K K Tulshan
Partner
Membership No. 085033

Place: Noida
Date: May 11, 2016

Annexure “B” to the Independent Auditors’ Report to the members of RSWM Limited dated May 11, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial controls over financial reporting of RSWM LIMITED (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such

internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S. Bhargava Associates
Chartered Accountants
Firm's Registration No. 003191C

Sunil Bhargava
Partner
Membership No. 070964

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

K K Tulshan
Partner
Membership No. 085033

Place: Noida
Date: May 11, 2016

CIN L17115RJ1960PLC008216

Balance Sheet as at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	3,339.78	3,339.78
Reserves & surplus	3	47,950.16	40,940.48
		51,289.94	44,280.26
Deferred government grants	4	365.83	219.94
Non - current Liabilities			
Long term borrowings	5	55,368.06	66,917.80
Deferred tax Liabilities (net)	6	9,729.24	8,278.04
Other long term liabilities	7	676.55	718.66
Long term provisions	8	553.95	387.08
		66,327.80	76,301.58
Current Liabilities			
Short term borrowings	9	48,437.28	44,735.21
Trade payables*	10	5,009.13	8,824.46
Other current liabilities	11	30,449.54	26,514.85
Short term provisions	12	3,879.75	3,062.88
		87,775.70	83,137.40
TOTAL		2,05,759.27	2,03,939.18
ASSETS			
Non current assets			
Fixed assets			
Tangible Assets	13	1,09,982.51	1,02,777.28
Intangible assets		598.03	672.82
Capital work - in - progress		3,139.17	12,625.21
Intangible assets under development		516.46	-
		1,14,236.17	1,16,075.31
Non-current investments	14	8,807.24	9,067.16
Long-term loans and advances	15	2,927.22	2,926.78
Other non-current assets	16	79.74	433.11
		1,26,050.37	1,28,502.36
Current assets			
Inventories	17	42,693.83	39,863.92
Trade receivables	18	22,966.16	19,695.97
Cash & bank balances	19	396.31	456.80
Short term loans & advances	20	5,118.92	5,998.78
Other current assets	21	8,483.00	9,141.35
		79,658.22	75,156.82
Non - current assets held for sale	22	50.68	280.00
		79,708.90	75,436.82
TOTAL		2,05,759.27	2,03,939.18
*Trade Payable include total outstanding dues of micro and small enterprises		40.77	104.55

Accompanying notes 1 to 52 form an integral part of these financial statements

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
M.No.70964

Per K. K. TULSHAN
Partner
M.No. 085033

Place: Noida, (U.P.)
Date: 11th May, 2016

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjunwala

Chairman

DIN 00060972

Riju Jhunjunwala

Managing Director &
Chief Executive Officer

DIN 00061060

Prakash Maheshwari

Executive Director

DIN 02388988

B.M.Sharma
Surender Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in lacs)

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
Revenue			
Revenue from operations	23	2,96,619.08	3,01,430.75
Less : Excise duty		1,151.85	1,094.89
		2,95,467.23	3,00,335.86
Other income	24	2,457.81	3,156.62
Total Revenue		2,97,925.04	3,03,492.48
Expenses			
Cost of material consumed	25	1,60,542.27	1,75,154.59
Purchases of traded goods	26	2,058.40	3,234.97
Change in inventories of finished goods, work - in - progress and stock - in - trade	27	(485.48)	436.71
Employee benefit expenses	28	31,919.44	27,698.39
Finance costs	29	12,437.95	12,522.07
Depreciation, impairment & amortization expense	30	14,922.68	13,526.86
Other expenses	31	61,872.45	59,222.38
Total expenses		2,83,267.71	2,91,795.97
Profit before tax		14,657.33	11,696.51
Tax expense			
Current tax		2,872.88	2,450.35
Deferred tax		1,451.20	754.91
Tax of earlier years provided (written back)		(265.77)	-
Total Tax Expense		4,058.31	3,205.26
Profit for the period		10,599.02	8,491.25
Earnings per equity share	42		
Basic		45.25	36.68
Diluted		44.07	35.72

Accompanying notes 1 to 52 form an integral part of these financial statements

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
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Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Cash Flow Statement for the Period ended 31st March, 2016

(₹ in lacs)

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	14,657.33	11,696.51
Add / Less:		
Depreciation and Amortisation	14,922.68	13,526.86
Dividend received	(32.56)	(60.27)
Interest cost	12,437.95	12,522.07
Interest Received	(473.29)	(475.34)
Exchange Fluctuation	126.70	(2.21)
Profit/ Loss on sale of Fixed Assets	(106.26)	(44.28)
Provision for Bad & Doubtful Debts	(42.04)	54.09
Assets written off	0.60	0.58
Provision for Bad & Doubtful Advances	17.20	-
Liabilities no longer required w/back	(317.30)	(657.00)
Operating Profit Before Working Capital Changes	41,191.01	36,561.01
Inventories	(2,829.92)	1,302.81
Trade Receivables (Current & Non Current)	(3,270.20)	5,883.92
Loans and Advances (Current & Non Current)	915.58	(550.69)
Other Assets (Current & Non Current)	1,407.19	489.83
Trade payables (Current & Non Current)	(3,851.26)	1,985.36
Other Liabilities (Current & Non Current)	1,295.71	384.84
Cash Generated from operations	34,858.11	46,057.08
Direct Taxes	(2,607.11)	(2,450.35)
Net cash from operating activities	32,251.00	43,606.73
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(13,452.50)	(26,377.76)
Sale of Fixed Assets	308.18	194.05
Proceeds from /Sale of Investments (Shares)	262.55	-
Investment in Shares / Debentures	(2.63)	(1,912.05)
Interest Received	473.29	475.34
Dividend received	32.56	60.27
Net cash used in investing activities	(12,378.55)	(27,560.15)

Cash Flow Statement

For the Period ended 31st March, 2016 (Contd.)

(₹ in lacs)

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	13,120.07	18,736.92
Repayment of Long Term Borrowings	(21,601.00)	(15,505.50)
Increase/Decrease in Short Term Borrowings	3,702.07	(3,596.64)
TUF Capital Subsidy	260.72	152.92
Exchange Fluctuation	(126.70)	2.21
Dividend/Interim Dividend paid	(2,777.71)	(3,385.35)
Interest cost	(12,437.95)	(12,522.07)
Net cash from financing activities	(19,860.50)	(16,117.51)
Net Increase in Cash and Cash equivalents	11.95	(70.93)
Opening Cash and Cash equivalents	272.23	85.68
Opening Cash and Cash equivalents of amalgamated company as on 01.04.2013		168.98
Cash Flow of amalgamated company during FY 13-14		88.50
Closing Cash and Cash equivalents	284.18	272.23

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

For S.S. Kothari Mehta & Co.
Chartered Accountants
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Per SUNIL BHARGAVA
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FOR AND ON BEHALF OF BOARD OF DIRECTORS

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B.M.Sharma
Surender Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

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 Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and recommendatory Accounting Standards (AS)30, Financial Instruments, Recognition & Measurement, guidance notes and other authoritative guidance etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, on accrual basis, as adopted consistently by the Company.

USE OF ESTIMATES:

In preparation of the financial statements in confirmation with Generally Accepted Accounting Principle in India, management is required to make estimates & assumptions that affect the reported amount of assets & liabilities on the date of financial statement and reported amount of revenue & expenditure during the reporting period and the disclosures relating to contingent liabilities as at the financial reporting date. Although these estimates are based on the management's best knowledge of current event and actions, the actual results could be different from those of estimates. Any difference between actual results and estimates are recognized in the period in which the same are 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 Schedule III to the Companies Act, 2013. 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 period has been considered by the Company as its normal operating cycle for the purpose of current/ non-current classification of assets and liabilities.

II. REVENUE RECOGNITION

- a) Sales revenue is recognized 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, and stated net of sales tax, service tax, VAT but 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 (also refer accounting policy on Government Grants).
- c) Claims and refunds due from Government authorities and parties, though receivable / refundable are not recognized 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 recognized as Income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.
- e) The Interest Subsidy under Technology Up-gradation Fund Scheme (TUFs) of Government of India and Rajasthan Investment Promotion Schemes (RIPs) of Government of Rajasthan are recognized on accrual basis and adjusted against the respective expenses.
- f) Dividend from investment in shares is recognized when the right to receive dividend is established.

III. GOVERNMENT GRANTS

Government grant /subsidies are recognized on the reasonable assurance of receipt of subsidy and completion of all the conditions attached. If the grant/ subsidies is related to subvention a particular expense then in that case, it is deducted from that expense in the year of recognition government grant / subsidies .

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

The Capital Subsidy under Technology up-gradation Fund Scheme from Government(s) on specified machinery is recognized on a

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

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 realizable value whichever is lower on a consistent basis. Historical cost is determined on Actual / Weighted Average basis on relevant categories of Inventories. The net realizable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale and 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 recognize the decline. Current Investments, except current maturity of non-current investments, are carried at cost or fair value whichever is lower.

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

- a) The company is following Cost model for determining the gross carrying amount of Fixed Assets.
- b) 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, 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.
- c) 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 capitalized, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.
- d) Assets retired from active use and held for disposal are stated at the lower of their net book value and / or realizable value and are shown separately. Any subsequent revision in net realizable value is credited to statement of Profit and loss to the extent of amount written off in earlier years.
- e) Intangible Fixed assets acquired separately are measured on initial recognition at cost. Following initial reorganization, intangible assets are carried at cost less accumulated amortization and accumulated losses, if any. Internally generated Intangible assets are recognized, if and when the parameters laid down under Accounting Standard (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 recognized 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 recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognized immediately in the Statement of Profit and Loss.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

VIII. DEPRECIATION AND AMORTISATION

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

- a) For Plant and Machinery of Textile Division, Company has internally assessed the useful life considering use of the same wherever applicable on triple shift basis, which has also been evaluated by an external expert. These useful lives are amortized on Straight Line Method.
- b) For Plant and Machinery of Power Generation Division also the useful life has been internally assessed, considering these assets use as a Continuous Process Plant and the same is also evaluated by an external expert. These useful lives are amortized on Straight Line Method.
- c) All other tangible assets other than as specified above, are depreciated over its useful life specified in Schedule II of the Companies Act, 2013 by using Straight Line Method.
- d) Residual Value of All tangible and intangible assets is considered as 5%.
- e) Leased assets of the Company are amortized over the useful life/operating period of the lease following Accounting Standard (AS)-19
- f) (i) Intangible assets acquired by the Company are amortized over their useful life determined by the management on technical evaluation on straight line method.
(ii) Intangible assets arising out of irrevocable exclusive right to use under the Deposit Scheme of State Electricity Board guidelines and rules is also depreciated over its useful life determined by the management on technical evaluation /its residual period, on Straight Line Method.

As a result the useful life of the assets determined are as under:-

S. No.	Nature of Assets	Effective Useful Lives
1.	Plant & Machinery of Textile Division	9 years 2 months
2.	Plant & Machinery for Power Generation	18 years
3.	All other tangible assets	As per the Companies Act-2013
4.	Intangible Assets	
	(a)Intangible Assets acquired	6 years
	(b)Intangible Assets being right to use	18 years 4 months
	(c) Goodwill	5 years

- g) Individual assets costing less than ₹ 5000/- are depreciated in full in the year of acquisition
- h) Goodwill acquired and/or arising upon amalgamation is amortized over a period of 5 years from the date of acquisition and/or appointed date in accordance with Para 19 of Accounting Standard (AS) 14 'Accounting for Amalgamation'
- i) In case of an Asset costing ₹ 25 Lac or more, if cost of a Component of such asset is 20% or more of the total cost of such Asset, useful life of that significant part shall be determined separately and Depreciation provided accordingly, provided said component is detachable from the Asset and replaceable independently.

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

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

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 recognized 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 amortized 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 Accounting Standard (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 recognized 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 materializes, 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 Accounting Standard (AS)- 30, Financial Instruments, Recognition and Measurement
- 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 recognized 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 Accounting Standard (AS)-30, Financial Instruments, Recognition and Measurement and Para 14A.9 of Foreign Exchange Management Act, 1999.

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 neutralization of the import duties and levies.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

XII. EMPLOYEE BENEFITS

a) Defined Contribution Plan:

The Company makes defined contribution to Provident Fund and Superannuation Fund, which are accounted on accrual basis as expenses in the statement of Profit and Loss

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 Accounting Standard (AS)-15 'Employee Benefits'. 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 recognized 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 being 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 recognized subject to prudence, only if there is virtual certainty that they will be realized 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, 1961

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. EARNINGS 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).

XVI. CASH & BANK BALANCES

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

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

2. | SHARE CAPITAL

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Authorised		
60,000,000 (previous year : 60,000,000) Equity shares of ₹10 each	6,000.00	6,000.00
2,500,000 (previous year : 2,500,000) Optionally Convertible Redeemable Preference Shares of ₹150 each	3,750.00	3,750.00
50,000,000 (previous year : 50,000,000) Optionally Convertible Redeemable Preference Shares of ₹7.50 each	3,750.00	3,750.00
	13,500.00	13,500.00
Issued		
23,148,689 (previous year : 23,148,689) Equity Shares of ₹10 each	2,314.87	2,314.87
13,665,435 (previous year : Nil) 12% Optionally Convertible Redeemable Preference Shares of ₹7.50 each	1,024.91	-
Preference Shares to be allotted	-	1,024.91
	3,339.78	3,339.78
Subscribed & Fully Paid Up		
23,148,689 (previous year : 23,148,689) Equity Shares of ₹10 each	2,314.87	2,314.87
13,665,435 (previous year : Nil) 12% Optionally Convertible Redeemable Preference Shares of ₹7.50 each	1,024.91	-
Preference Shares to be allotted	-	1,024.91
Total	3,339.78	3,339.78

I. Particulars about Equity Shares

a. Reconciliation of the number of shares	As at 31st March 2016	As at 31st March 2015
Opening	2,31,48,689	2,31,48,689
Issued during the year	-	-
Deducted during the year	-	-
Closing	2,31,48,689	2,31,48,689

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 dividend, if any in Indian rupees. During the year ended 31st March 2016, the amount of per share dividend recognized as distribution to shareholders was ₹ 12.50 (previous year ₹ 10). The dividend proposed by the Board of Directors is subject to approval of 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, 2016

Notes annexed to and forming part of the financial statements

c. Shareholders holding more than 5% of equity shares

Name of the Share holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
Microbase Limited	36,50,970	15.77%	36,50,970	15.77%
IDFC Premier Equity Fund	15,60,000	6.74%	15,72,769	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%

- d. The Company shall be issuing equity shares on conversion of 12% Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each, subject to regulatory and other legal compliances, in accordance with the merger scheme of Cheslind Textiles Limited with the Company as approved by the Hon'ble High Courts and reported in the financial statements for the year ended 31st March 2015.

II. Particulars about 12% Optionally Convertible Redeemable Preference Shares (OCRPS)

a. Reconciliation of the number of shares	As at 31st March 2016	As at 31st March 2015
Opening	-	-
Issued during the year	1,36,65,435	-
Closing	1,36,65,435	-

b. Rights, preferences and restrictions attached to preference shares

Basis of allotment : The preference shares were allotted on 30th May 2015 and credited on completion of corporate action on 31st March 2016 to the erstwhile equity shareholders of Cheslind Textiles Limited (CTL) pursuant to the scheme of merger of CTL into RSWM Limited with effect from 1st April 2013, as approved by the Hon'ble High Courts of Rajasthan & Madras in the ratio of one OCRPS of RSWM Limited for every one equity share of Cheslind Textile Ltd.

Dividend rate : 12% per annum on the paid up value per share of ₹ 7.50 each

Accumulation of dividend : Cumulative

Payment of dividend : The preference shares will qualify for preferential payment of dividend from the date of allotment (30th May 2015) upto the date of redemption or conversion.

Tenure : 5 years from the date of allotment

Listing : The preference shares will, subject to the applicable laws and regulations, be listed and/or admitted to trading on the relevant stock exchange(s), where the existing shares of the Company are listed and/or admitted to trading.

"Convertibility and Conversion Price Ratio : The said preference shares will carry the right to apply for conversion into the equity shares of the Company in the ratio 1(one) equity share of ₹ 10/- (Rupees Ten) each at par of the Company credited as fully paid up for every 22 (Twenty Two) OCRPS of ₹ 7.50/- (Rupees Seven and Fifty Paise) each to be issued and allotted by the Company. The said right must be exercised by the eligible preference shareholders before the expiry of 6 months from the date of allotment of such preference shares failing which the right shall lapse. No coupons shall be issued by the Company towards any fractional entitlement and all fractional entitlements, if any, shall be ignored.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

The management estimates that 100% of OCRPS shall be converted into Equity Shares. If all the OCRPS holders opt for conversion, 6,21,156 number of Equity Shares will be issued for which adequate authorized share capital exists.

Redemption Terms : The Company shall have an option to redeem by giving not less than 3 months' notice to all the outstanding preference shares (i.e. such preference shares for which the option to convert into equity shares has not been exercised, as mentioned above) at par at any time after the expiry of the conversion period and before the expiry of 5 years from the allotment date. On closure of conversion window, company shall determine the number of remaining OCRPS to be redeemed and credit to Capital Redemption reserve Account a sum on proportionate basis as required under section 55 of the Companies Act, 2013 and rules made thereunder.

c. Shareholders holding more than 5% of Preference shares

Name of the Share holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
Tamilnadu Industrial Development Corporation	20,62,500	15.09%	-	-
PAT Financial Consultants Pvt Ltd	17,45,083	12.77%	-	-
State Bank of Mysore	11,94,400	8.74%	-	-

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

3. | RESERVE AND SURPLUS

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
Capital Reserve		
Opening balance	700.97	700.97
Addition during the year	-	-
	700.97	700.97
State Investment Subsidy		
Opening balance	70.00	70.00
Addition during the year	-	-
	70.00	70.00
Preference Share Capital Redemption Reserve		
Opening balance	5,700.00	5,700.00
Addition during the year	-	-
	5,700.00	5,700.00
Securities Premium Account		
Opening balance	8,995.23	8,995.23
Addition during the year	-	-
	8,995.23	8,995.23
Hedging Reserve		
Opening balance	65.03	188.92
Addition on merger of Cheslind Textiles Limited	-	117.42
Addition/(Deduction) during the year	17.47	(241.31)
	82.50	65.03
General Reserve		
Opening balance	4,910.27	4,910.27
Addition during the year	-	-
	4,910.27	4,910.27
Surplus in Statement of Profit & Loss		
Opening balance	20,498.98	16,524.46
Addition on merger of Cheslind Textiles Limited	-	(1,739.02)
Profit for the year	10,599.02	8,491.25
	31,098.00	23,276.69
Less : Appropriations to / for		
General Reserve	-	-
Preference Share Capital Redemption Reserve	-	-
Preference Dividend	103.16	-
Tax on Preference Dividend	21.00	-
Proposed Dividend on Equity Shares	2,893.59	2,314.87
Tax on Proposed Dividend on Equity Shares	589.06	462.84
	3,606.81	2,777.71
	27,491.19	20,498.98
Total	47,950.16	40,940.48

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

4. | DEFERRED GOVERNMENT GRANTS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
TUF Capital Investment Subsidy		
Opening balance	219.94	132.36
Additions during the year	260.72	152.92
	480.66	285.28
Adjusted against depreciation	114.83	65.34
Total	365.83	219.94

* Capital subsidy claim of ₹ 102.55 lacs (previous year ₹ 363.27 lacs) receivable under RR - TUFs is contingent upon eligibility confirmation by Textile Ministry and hence not recognized in the books of accounts as at 31st March 2016.

5. | LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Term loans		
From banks	39,548.06	50,368.32
From Financial Institutions	15,820.00	16,549.48
Total	55,368.06	66,917.80

* Term loans are secured by way of equitable mortgage of all the present and future immovable properties of the Company and hypothecation of movable assets ranking pari - passu basis with the lenders of the working capital loans.

Rate of interest & repayment terms:

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
A. Term loans carrying floating interest rate of base rate + 0.50% to 2.50% as on 31st March 2016		
i) From banks		
Current maturity	13,826.84	11,894.53
Other than current maturity	39,548.06	47,003.75
	53,374.90	58,898.28
ii) From Financial Institutions		
Current maturity	6,775.00	4,834.00
Other than current maturity	15,820.00	15,845.00
	22,595.00	20,679.00
Current maturity	20,601.84	16,728.53
Other than current maturity	55,368.06	62,848.75
Sub Total (A) (i+ii)	75,969.90	79,577.28

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

Rate of interest & repayment terms: (contd.)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
B. Term loans carrying fixed interest rate of 11.50% to 13.50% as on 31st March 2016		
i) From banks		
Current maturity	-	628.00
Other than current maturity	-	3,364.57
	-	3,992.57
ii) From Financial Institutions		
Current maturity	-	144.00
Other than current maturity	-	704.49
	-	848.49
Current maturity	-	772.00
Other than current maturity	-	4,069.06
Sub Total (B) (i+ii)	-	4,841.06
Total current maturity (A + B) (refer note 11)	20,601.84	17,500.53
Total other than current maturity (A + B)	55,368.06	66,917.81
Grand Total (A + B)	75,969.90	84,418.34

6. | DEFERRED TAX LIABILITIES (NET)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Deferred tax liability		
Depreciation	10,343.92	9,895.05
	10,343.92	9,895.05
Less : Deferred tax assets		
Disallowance under Income Tax Act, 1961	571.14	916.84
Provision for doubtful debts	43.54	428.39
	614.68	1,345.23
Deferred Tax Liability(Net)	9,729.24	8,549.82
Less : MAT available	-	271.78
Total	9,729.24	8,278.04

7. | OTHER LONG TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Security deposits	539.88	586.30
Other liabilities	136.67	132.36
Total	676.55	718.66

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

8. | LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits (refer note no. 38)	553.95	387.08
Total	553.95	387.08

9. | SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Loans repayable on demand		
From banks	44,937.28	38,893.70
From Financial Institutions	3,500.00	5,841.51
Total	48,437.28	44,735.21

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 from 8.55% to 11.90% per annum, computed quarterly.

10. | TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Trade payables - related parties (refer note 40)	122.84	126.03
Trade payable - others	4,886.29	8,698.43
Total	5,009.13	8,824.46

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

Principal amount remaining unpaid	35.98	104.55
Principal amount remaining unpaid above 45 days*	4.79	-
Total of above included in Trade Payable - Others	40.77	104.55
Interest due on above	0.03	-
Interest paid in terms of section 16 of MSMED Act	-	-
Interest due & payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	-	-
Interest due & payable in succeeding years	0.03	-

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

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

11. | OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Current maturities of long-term debt (refer note 5)	20,601.84	17,500.54
Current maturities of deferred payment liabilities*	-	32.49
Interest accrued but not due on borrowings	286.93	299.76
Unpaid dividend	100.45	78.22
Security deposits	418.53	347.28
Advance from customers	948.77	1,243.61
Liability towards staff and worker	2,729.96	2,167.75
Government dues	701.98	725.85
Other payables	23.17	25.39
Commission, discounts, etc. payable on sales	2,092.81	1,963.25
Other liabilities for expenses	2,545.10	2,130.71
Total	30,449.54	26,514.85

* under sales tax deferment scheme 1987 of State Government

12. | SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits	272.94	285.17
Others		
Proposed dividend on equity shares	2,893.59	2,314.87
Tax on dividend	589.06	462.84
Dividend on preference shares	103.16	-
Tax on dividend of preference shares	21.00	-
Total	3,879.75	3,062.88

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

13. | FIXED ASSETS

Particulars	Gross Block					Depreciation / Impairment/ Amortization					Net Block		
	As at 01st April 2015	Additions during the year	Acquisition on CTL amalgamation	Deductions / Disposals*	As at 31st March 2016	As at 01st April 2015	For the year	Acquisition on CTL amalgamation	Impairment loss/refer note 43)	Deductions /Disposals **	Classified as "held for sale"	As at 31st March 2016	As at 31st March 2015
Tangible Assets													
Land -Freehold	4,419.94	3.71	-	-	4423.65	-	-	-	-	-	-	4423.65	4419.94
Land -Leasehold	387.78	-	-	-	387.78	19.81	2.34	-	-	-	-	365.63	367.97
Buildings including roads ***	36688.28	6,138.43	-	39.74	42,786.97	8088.28	1,272.77	-	740.76	2603	-	32,711.19	28600.00
Plant & machinery	165,772.01	14,299.32	-	1,209.15	1,78,250.71	1,04,139.96	10,877.28	-	323.15	1,095.61	559.87	64,565.80	61,632.05
Furniture fixture and others	3,917.11	321.69	-	34.92	4,203.88	1,894.91	371.95	-	-	31.73	-	1,968.75	2,022.20
Vehicles	1,640.54	260.14	-	232.33	1,668.35	661.17	173.88	-	-	169.32	-	1,002.62	979.37
Office Equipments	1,661.73	268.54	-	107.10	1,823.17	965.33	187.31	-	-	98.16	-	768.69	696.40
Electric fittings, water supply & installations	8,381.57	1,088.46	-	0.86	9469.17	4,322.22	887.03	-	84.55	0.81	-	4,176.18	4,059.35
As at 31st March 2016	2,22,868.96	22,380.29	-	1,624.10	2,43,013.68	1,20,091.68	13,772.56	-	1,148.46	1,421.66	559.87	1,09,982.51	1,02,777.28
As at 31st March 2015	1,85,618.54	15,130.06	23,284.73	1,164.37	2,22,868.96	92,994.16	13,540.11	14,571.68	-	1,014.27	-	1,02,777.28	92,624.38
Intangible Assets													
Computer software	775.65	41.79	-	2.92	814.52	694.72	39.28	-	-	2.92	-	83.44	80.93
Enabling assets	696.53	-	-	-	696.53	142.44	39.50	-	-	-	-	514.59	554.09
Goodwill on amalgamation	62.99	-	-	-	62.99	25.20	9.45	-	28.34	-	-	-	37.79
As at 31st March 2016	1,535.17	41.79	-	2.92	1,574.04	862.36	88.23	-	28.34	2.92	-	598.03	672.81
As at 31st March 2015	1,426.15	32.98	76.44	0.40	1,535.17	778.42	64.31	20.03	-	0.40	-	672.81	647.73
Capital work in- progress													
Building under construction	3,159.77	3,733.64	-	5,729.28	1,164.13	-	-	-	-	-	-	1,164.13	3,159.77
Plant & machinery under erection /commissioning	8,897.91	5,756.00	-	12,720.66	1,933.25	-	-	-	-	-	-	1,933.25	8,897.91
Pre-operative expenses under allocation	567.53	355.55	-	881.29	41.79	-	-	-	-	-	-	41.79	567.53
As at 31st March 2016	12,625.21	9,845.19	-	19,331.23	3,139.17	-	-	-	-	-	-	3,139.17	12,625.21
As at 31st March 2015	1,398.54	16,589.35	-	5,362.68	12,625.21	-	-	-	-	-	-	12,625.21	1,398.54
Intangible assets under development													
ERP Software	-	516.46	-	-	516.46	-	-	-	-	-	-	516.46	-
As at 31st March 2016	-	516.46	-	-	516.46	-	-	-	-	-	-	516.46	-
As at 31st March 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total													
As at 31st March 2016	2,37,029.34	32,783.73	-	20,958.25	611.47	2,48,243.35	13,860.79	-	1,176.80	1,424.58	559.87	1,14,236.17	1,16,075.30
As at 31st March 2015	1,88,443.23	31,752.39	23,361.17	6,527.45	2,37,029.34	93,772.58	13,604.42	14,591.71	-	1,014.67	-	1,16,075.30	94,670.66

1. * Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/ Lease hold rights written off.

2. ** Deduction in depreciation ₹1424.58 Lac (previous Year ₹1014.67 Lac) represents adjustment on account of Sale/Transfer/Discarding of fixed assets classified as held for sale

3. *** Roads and Buildings includes value of irrevocable Licensing right to use of a flat in New Delhi ₹ 10.00 Lac.

4. Depreciation for the year 2015-16 includes ₹114.83 Lac (Previous Year ₹65.34 Lac) against amortisation of government capital grants and ₹nil (Previous Year ₹12.22 Lac) against capitalisation of assets for ongoing projects

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

14. | NON CURRENT INVESTMENTS (OTHER THAN TRADE - AT COST)*

Particulars	No. of Securities		(₹ in lacs)	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Quoted				
Other than subsidiaries, joint ventures and associates				
Equity shares of ₹10/- each (unless stated otherwise) fully paid up				
BSL Limited	31,396	31,396	0.50	0.50
Graphite India Limited (of ₹2/-each)	775	775	0.03	0.03
HEG Limited	9,78,000	9,78,000	34.94	34.94
Punjab National Bank(of ₹2/-each)	4,715	4,715	3.68	3.68
State Bank of Bikaner & Jaipur	8,600	8,600	14.72	14.72
Tata Construction & Project Limited	150	150	0.02	0.02
Vardhman Holding Limited	30	30	-	-
Vardhman Special Steel Limited	36	36	-	-
Vardhman Textiles Limited	180	180	0.01	0.01
Whirlpool India Limited (of ₹1/- each)	372	372	0.01	0.01
			53.91	53.91
Unquoted				
Associates				
LNJ Power Ventures Limited:				
- Equity Shares of ₹10/-each	2,60,000	2,60,000	26.00	26.00
- 13.54% Compulsorily Convertible Debentures of ₹ 1,00,000/- each @	3,200	3,200	3,200.00	3,200.00
			3,226.00	3,226.00
Others				
Equity Shares of ₹10/-each				
Asian Wind Energy Private Limited	16,000	13,000	1.60	1.30
Bhilwara Energy Limited	2,94,63,559	2,94,63,559	5,514.88	5,514.88
Ind Eco Ventures Limited	-	26,25,000	-	262.55
Indowind Power Private Limited	50,000	50,000	5.00	5.00
OPG Power Generation Private Limited	51,800	32,000	5.70	3.52
Perpetual Power Private Limited	1,500	-	0.15	-
			5,527.33	5,787.25
Total Value of Unquoted Non-Traded Investments			8,753.33	9,013.25
Total Cost of Investments			8,807.24	9,067.16
Aggregate market value of Quoted Investments			1,434.24	2,201.86

* All investments have been classified as non - trade investments based on the management's business assessment, relied upon by the auditors.

@ the compulsorily convertible debentures are to be compulsorily converted into equity shares, based on the fair market valuation to be done by an independent agency at the end of 20th year from 21st March 2013. However, subject to the consent of the senior lender of the LNJ Power Venture Limited and with a prior notice of 6 months, the Company has the right to put option (i) @ 25% each from 15th to 18th year or (ii) 100% at any date after the 16th year. Similarly, subject to consent of senior lender, promoters of LNJ Power Venture Limited also has the right to exercise call option at any time.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

15. | LONG TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good		
Advances Against Supply of Capital Goods	2,038.23	2,108.79
Security deposits	826.29	766.15
Other loans and advances		
Officers & staff of the Company	62.36	50.90
Others	0.34	0.94
Total	2,927.22	2,926.78

16. | OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good unless otherwise stated		
Non Current doubtful trade receivables	97.00	1,260.35
Less:Provision for doubtful debts	(97.00)	(1,260.35)
	-	-
Others		
Duty claims and other receivables	78.06	99.79
Bank deposits with more than 12 months maturity	1.68	0.18
Others	-	333.14
	79.74	433.11
Total	79.74	433.11

17. | INVENTORIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Raw Material		
Fibre*	19,223.83	17,109.11
Yarn*	776.43	835.55
Grey fabric	0.14	-
Others-Dyes & chemicals	468.31	665.17
	20,468.71	18,609.83
Work in Progress		
Yarn	6,942.62	6,314.50
Fabric	1,405.18	1,315.65
Fibre	196.68	280.56
	8,544.48	7,910.71

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

17. | INVENTORIES (Contd.)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Finished Goods		
Yarn	6,940.13	7,649.91
Fabric	3,893.48	2,857.20
Garment	43.53	90.29
Fibre	-	5.88
	10,877.14	10,603.28
Traded Goods		
Fabric	171.10	290.02
Garment	5.72	7.70
	176.82	297.72
Stores & spares*	2,419.92	2,216.78
Loose tools	92.38	94.92
Others-Waste	114.38	130.68
Total	42,693.83	39,863.92

* includes in transit

Fibre	437.08	157.93
Yarn	3.96	-
Stores & spares	153.87	2.97

18. | TRADE RECEIVABLES*

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good		
Trade receivables	22,923.43	19,678.95
Due from related parties (refer Note No. 40)	42.73	17.02
Total	22,966.16	19,695.97

* Includes exceeding six months from due date

212.99	105.28
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19. | CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Cash & cash equivalents		
Current accounts	165.17	177.15
Cheques, drafts in hand	48.35	17.28
Cash in hand	63.55	67.58
Bank deposits within 3 months maturity	7.11	10.22
	284.18	272.23
Bank Balances		
Unpaid dividend account*	100.45	78.22
Margin money account	1.03	97.08
Bank deposits above 3 months but within 12 months maturity	10.65	9.27
	112.13	184.57
Total	396.31	456.80

* earmarked for unpaid dividends (refer note 11)

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

20. | SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
(Unsecured considered good)		
Loans & advances		
Related parties (refer Note No. 40)	727.93	974.30
Other loans & advances		
Security deposit	9.11	14.61
Advance tax *	1,146.36	846.27
Advance against supply	1,813.45	3,113.83
Others	1,422.07	1,049.77
	4,390.99	5,024.48
Total	5,118.92	5,998.78
*Net of Tax Provisions	9,928.83	7,360.59

21. | OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Duties, claims & other receivables	2,584.99	2,705.51
Subsidies receivable	3,760.86	2,677.25
DEPB, DBK & Advance license receivable	483.96	1,668.78
Export growth entitlement receivable	347.32	735.62
SHIS scheme benefit receivable (refer note no 32)	97.54	12.29
Excise rebate claim receivable	823.29	1,190.66
Interest receivable from trade debtors	385.04	151.24
Total	8,483.00	9,141.35

22. | NON CURRENT ASSETS HELD FOR SALE

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Tangible fixed assets - held for sale		
at lower of carrying value or net realizable value	50.68	280.00
Total	50.68	280.00

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

23. | REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Sale of Products		
Manufactured goods		
Yarn	2,44,095.44	2,48,028.69
Fabric	43,529.58	43,628.51
Garment	272.32	365.05
Fibre	497.00	-
	2,88,394.34	2,92,022.25
Traded goods		
Yarn	106.61	91.22
Fabric	1,817.96	2,735.92
Garment	76.18	109.33
	2,000.75	2,936.47
	2,90,395.09	2,94,958.72
Sale of services		
Job & processing charges	2,280.81	2,347.20
Other services	22.20	17.47
	2,303.01	2,364.67
Other operating revenue		
Gain on utilization of SHIS purchase	126.95	674.06
Sale of waste	3,794.03	3,433.30
	3,920.98	4,107.36
	2,96,619.08	3,01,430.75
Less: Excise Duty	1,151.85	1,094.89
	2,95,467.23	3,00,335.86
Total	2,95,467.23	3,00,335.86

24. | OTHER INCOME

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Interest income	1,079.75	1,202.65
Dividend from other than Subsidiary Companies	32.56	60.27
Other non-operating income		
Rent	457.51	640.97
Consultancy fee	20.54	17.96
Provision/Liability no longer required written back @	341.51	657.00
Insurance & other claims received	44.52	63.99
Profit/Loss on sale of fixed assets(Net)	106.26	44.28
Miscellaneous Receipts	370.98	409.26
Net gain/loss on foreign currency translation & transaction(other than considered as finance cost)	-	54.76
Prior period income	4.18	5.48
Total	2,457.81	3,156.62

@ Net of Bad & Doubtful Debts Written Off

1,121.31

26.89

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

25. | COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Raw Materials		
Opening stock	18,609.83	15,896.84
Add: Opening stock of Cheslind Textiles on Amalgamation	-	2,755.55
	18,609.83	18,652.39
Add: Purchases	1,69,900.88	1,81,176.88
	1,88,510.71	1,99,829.27
Less: Returns, adjustments etc.	7,499.73	6,064.85
	1,81,010.98	1,93,764.42
Less: Closing stock	20,468.71	18,609.83
Total	1,60,542.27	1,75,154.59
Raw material consumption under broad heads:		
Synthetic fibres		
Polyester	48,227.08	69,241.42
Viscose	28,170.47	26,751.92
Others	4,301.80	4,371.70
	80,699.35	1,00,365.04
Natural fibre		
Cotton	59,058.42	61,267.77
Yarn		
Synthetic	2,501.41	1,806.81
Cotton	2,565.54	3,969.52
Others	856.16	-
	5,923.11	5,776.33
Grey Fabric	101.97	274.91
Coal	15.84	16.90
Dyes & chemicals	7,533.79	7,181.57
PET bottle consumption	7,209.79	272.07
Total	1,60,542.27	1,75,154.59

26. | PURCHASES OF TRADED GOODS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Fabric	1,903.49	3,047.95
Garment	61.13	98.49
Yarn	93.78	88.53
Total	2,058.40	3,234.97

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

27. | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Closing inventory		
Finished goods	11,053.96	10,901.00
Waste	114.38	130.69
Stock in process	8,544.48	7,910.70
	19,712.82	18,942.39
Less : Opening inventory (includes transfer from trial run)		
Finished goods	10,973.93	11,843.00
Waste	152.67	123.64
Stock in process	8,100.74	7,412.46
	19,227.34	19,379.10
(Increase) / Decrease in Inventory	(485.48)	436.71

28. | EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, wages and bonus	27,441.47	23,839.58
Contribution to provident & other funds	3,805.14	3,364.88
Workmen & staff welfare	672.83	493.93
Total	31,919.44	27,698.39

29. | FINANCE COSTS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Interest expenses*	11,763.60	11,876.75
Other borrowing costs	215.21	176.40
Bank charges	459.14	468.92
Total	12,437.95	12,522.07

* Net of TUFs / RIPS subsidy received / receivable

2,918.24

2,633.08

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

30. | DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Tangible Assets		
Depreciation	13,780.78	13,515.54
Impairment (refer note 43)	1,148.46	-
	14,929.24	13,515.54
Less:		
Amortization - Government Capital Grants	114.83	65.34
Excess depreciation written back	0.08	0.25
	114.91	65.59
	14,814.33	13,449.95
Intangible Assets		
Amortization - Goodwill	9.45	12.60
Impairment - Goodwill (refer note 43)	28.34	-
Amortization - Other Intangible Assets	70.56	64.31
	108.35	76.91
Total	14,922.68	13,526.86

31. | OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Manufacturing expenses		
Stores and spares consumed*	8,204.95	7,040.90
Power and fuel	28,983.16	26,842.26
Packing expenses	4,396.71	4,334.45
Processing and job charges	1,197.71	1,546.53
Research and development	246.08	172.00
Repairs & maintenance - building	670.31	728.60
Repairs & maintenance - plant & machinery	2,119.42	1,669.10
Repair and maintenance - others	339.67	349.41
	46,158.01	42,683.25
Administrative Expenses		
Rent	142.26	134.72
Insurance @	483.92	410.26
Rates and taxes	86.12	104.37
Lease Rent	22.23	21.30
Director's remuneration and fees	638.00	737.06
Director's travelling	141.02	130.21
Charity and donation	82.00	18.60
Payment to statutory auditors		
As statutory auditors	74.51	51.13
For other services	8.48	5.19
For reimbursement of expenses	15.88	11.07

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

31. | OTHER EXPENSES (Contd.)

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Integrated Skill Development Scheme #	85.32	-
Other miscellaneous expenses	2,376.26	2,302.52
	4,156.00	3,926.43
Selling expenses		
Commission	728.92	747.73
Brokerage	313.62	306.14
Incentives and discount	1,908.64	1,915.54
Claims and rebates	126.12	130.22
Freight, forwarding and octroi	1,660.66	1,486.07
Expenses on export sale		
Ocean freight	2,990.58	3,965.31
Commission	1,586.20	1,720.64
Others	350.10	729.20
Advertisement	516.13	277.79
Foreign travelling expenses	259.69	189.32
Other selling expenses	890.72	748.97
	11,331.38	12,216.93
Other expenses		
Net loss on foreign currency transaction and translation (other than considered as finance cost)	126.70	52.55
Bad debts and provision for doubtful debts and advances	-	54.67
Entry Tax	80.41	103.15
Loss on sale of stores/raw material (net)	4.33	180.24
Prior period expenses	15.62	5.16
	227.06	395.77
Total	61,872.45	59,222.38
# Net of reimbursement	197.30	-
* net of scrap sales	590.60	481.73
@ net of recovery	73.30	70.70

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

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

During the year, Company purchased SHIS scrips of a face value of ₹456.68 lac at a price of ₹300.04 lac. Out of available scrips face value of ₹348.12 Lac (Cost ₹214.80 lac) were utilized for payment of applicable duty. Scrip face value ₹5.58 Lacs (cost ₹1.86 Lacs) could not be used on account of the expiry of validity. Difference of face value of scrips used and its cost of acquisition amounting to ₹126.91 Lac has been recognized as Other Income.

SHIS scrip purchased for the face value of ₹145.42 lac (Cost ₹97.54 lac), are in hand as on 31st March, 2016.

- 33 |** The Company has incurred expenditure on implementation of Spinning Project at Kanyakheri and Sheet Dyeing Project at LNJ Denim, Mordì, which have been considered as Pre-operative Expenses thereon pending capitalisation as detailed here under :-

(₹ in lac)

Particulars	Opening Balance	Additions	Deductions	Closing Balance
Raw Material	21.64	744.49	766.13	-
Payment to and provision for Employees	142.27	136.46	268.65	10.08
Professional & Consultancy Charges	49.67	-	49.02	0.65
Interest & Financial Expenses (As per Accounting Standard (AS) 16: Borrowing Cost)	345.04	250.79	564.77	31.06
Misc and Other Expenses	8.91	3.35	12.26	-
	567.53	1135.09	1660.83	41.79
Less: Recoveries/Recoverable	-	779.54	779.54	-
TOTAL	567.53	355.55	881.29	41.79

*The Company during the year on 1st June, 2015 commenced the commercial operations of it's Spinning Project at Kanyakheri.

- 34 |** The Company has adopted Accounting Standard (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 ₹82.50Lacs as on 31/03/2016, (Previous year ₹65.03 lac) and Loss of ₹17.96 Lacs on ineffective portion of hedge is taken into Statement of Profit & Loss (Previous year gain ₹54.76 lac). (also Refer Note No. 45)

- 35 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.

- 35 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.

- 36 |** In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate.

- 37 |** 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 Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

ACCOUNTING STANDARD DISCLOSURES

38 | Accounting Standard (AS)-15 'Employee Benefits'

The company has complied with Accounting Standard 15 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

(₹ in lacs)

Particulars	2015-16		2014-15	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(i) Reconciliation of opening and closing balances of defined benefit obligation				
(a) At the beginning of the year	3415.19	802.65	3226.97	717.42
(b) Current Service Cost	467.24	180.01	430.29	188.55
(c) Interest Cost	274.86	63.25	274.29	60.98
(d) Actuarial Gain/loss	(219.00)	(12.95)	(219.75)	(74.49)
(e) Benefits paid	(2.54)	(96.49)	(296.61)	(89.81)
(f) Settlement Cost	-	-	-	-
(g) Defined Benefits obligations at the year end	3935.75	936.47	3415.19	802.65
(ii) Reconciliation of opening and closing balances of fair value of plan assets				
(a) At the beginning of the year	3154.57	676.20	2671.07	624.69
(b) Expected Return on plan assets	319.81	54.10	267.11	49.98
(c) Actuarial Gain/loss	(116.29)	(0.09)	(42.91)	(1.39)
(d) Employer Contribution	247.15	76.34	555.90	92.73
(e) Benefits paid	(2.54)	(90.97)	(296.61)	(89.81)
(f) Fair Value of the plan assets at the year end	3602.70	715.57	3154.57	676.20
(iii) Reconciliation of the present value of the defined benefit obligation & the fair value of the plan assets to the assets & Liabilities recognized in the Balance Sheet.				
(a) Present value of obligation as at 31.03.2016	3935.75	936.47	3415.19	802.65
(b) Fair value of Plan Assets as at 31.03.2016	3602.70	715.57	3154.57	676.20
(c) Amount Recognized in Balance Sheet (a-b)	333.05	220.90	260.63	126.45
(iv) The total Expense recognized in the statement of Profit & Loss during the year.				
(a) Current Service Cost	472.76	180.01	430.29	188.55
(b) Interest Cost	274.86	63.25	274.29	60.98
(c) Expected return on plan assets	(319.81)	(54.10)	(267.11)	(49.98)
(d) Actuarial Gain/loss	(94.76)	31.73	(176.84)	(73.10)
(e) Others	-	-	-	-
Net Cost (a+b+c+d+e)	333.05	220.90	260.63	126.45

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

(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	2015-16	2014-15
(1) Gratuity	Rajasthan Spinning Staff Gratuity fund trust	0000036	ICICI Prudential Life Insurance Co. Ltd.	76%	67%
		300786114	Bajaj Allianz Life Insurance Company Ltd.	-	8%
		GR000225	Kotak Mahindra Old Mutual Life Insurance Limited	-	9%
		NEB02426342	Aviva Life Insurance Company Limited	-	2%
		40001274	Reliance Life Insurance Company Limited	24%	14%
(2) 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) Principal actuarial Assumptions at the Balance sheet date

(₹ in lacs)

Particulars	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
(a) Discount Rate	8.00%	8.00%	8.00%	8.00%
(b) Expected Rate of Return on plan assets	10.00%	8.00%	10.00%	8.00%
(c) Mortality Index used by the actuary	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)

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	159.99	227.27	657.32	621.42
(b) Earned leave	54.00	48.59	184.81	154.84

(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 Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

(ix) Experience Adjustment

(₹ in lacs)

Particulars	31st March, 2016		31st March, 2015		31st March, 2014		31st March, 2013		31st March, 2012	
	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefit Obligation	3,899.97	936.47	3,415.19	802.65	3,226.97	717.42	2,854.20	662.87	2,402.10	556.47
Plan Assets	3,562.06	715.57	3,154.57	676.20	2,671.08	624.69	2,273.33	540.50	2,005.82	522.46
Surplus/Deficit	(337.91)	(220.90)	(260.63)	(126.45)	(555.89)	(92.73)	(580.87)	(122.37)	(396.28)	(34.01)
Experience adjustment on plan assets	(155.73)	(0.89)	(42.91)	(1.39)	(46.51)	(2.82)	(6.10)	(0.15)	(18.22)	9.81
Experience adjustment on plan liabilities	258.09	16.59	215.74	73.63	(128.73)	49.24	(245.04)	1.39	(159.57)	56.30

b) Defined contribution plans

The company has recognized the following amount as an expense in statement of Profit & Loss and included in the Note No. 28 "Contribution to Provident and other Funds"

(₹ in lacs)

	This Year	Previous Year
(i) Employer's Contribution to Provident Fund	1,633.10	1,361.07
(ii) Employer's Contribution to Superannuation	240.81	244.96

The Guidance Note on Implementation of AS-15, "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.

39 | Accounting Standard (AS)-17, Segment Reporting

The Company's operations predominantly relate to manufacturing of Yarn and Fabric & Denim. On the basis of assessment of the risk and return differential in terms of Accounting Standard (AS)-17, 'Segment Reports' 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.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

A. BUSINESS SEGMENTS

(₹ in lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015
Segment Revenue								
External Sales / Other Operating Income	2,49,222.69	2,53,606.43	47,696.61	48,606.28	21.84	85.17	2,96,941.14	3,02,297.88
Inter Segment Transfers	9,773.79	9,262.31	0.23	0.20	-	-	9,774.02	9,262.51
Gross Revenue	2,58,996.48	2,62,868.74	47,696.84	48,606.48	21.84	85.17	3,06,715.16	3,11,560.39
Segment Result	23,587.13	20,629.68	4,975.18	4,266.67	-	-	28,562.31	24,896.35
Less: Interest (net)	-	-	-	-	-	-	(12,437.95)	(12,522.07)
Unallocable expenses Net of Unallocable Income)	-	-	-	-	-	-	(1,467.03)	(677.77)
Profit Before Tax	-	-	-	-	-	-	14,657.33	11,696.51
Less: Taxation	-	-	-	-	-	-	(4,058.31)	(3,205.26)
Net profit for the year	-	-	-	-	-	-	10,599.02	8,491.25
Other Information	-	-	-	-	-	-	-	-
Segment Assets	1,49,060.08	1,41,594.22	34,367.63	32,466.12	22,331.56	29,878.84	2,05,759.27	2,03,939.18
Segment Liabilities	12,222.08	15,349.31	3,602.07	3,397.41	4,142.93	3,226.17	19,967.08	21,972.89
Capital Employed	1,36,838.00	1,26,244.91	30,765.56	29,068.71	18,188.63	26,652.67	1,85,792.19	1,81,966.29
Capital Expenditure incurred during the year	8,875.97	23,319.70	3,378.42	1,871.57	1,127.55	60.23	13,381.94	25,251.50
Impairment	1,176.80	-	-	-	-	-	1,176.80	-
Depreciation & Amortization	10,270.37	10,059.48	3,321.45	3,155.77	154.06	311.61	13,745.88	13,526.86
Other Non Cash Expenses	-	-	-	-	-	-	-	-

B. GEOGRAPHICAL SEGMENTS

Particulars		India	Europe	Middle East	America	Other Countries	Total
Segments Revenue							
Based on location of the customers	This Year	2,06,520.08	34,883.00	3,932.00	1,156.00	50,450.06	2,96,941.14
	Previous Year	2,01,232.70	37,557.08	7,825.00	1,159.00	54,524.10	3,02,297.88
Segment Assets							
Based on location of the assets	This Year	2,01,579.93	1,859.20	135.00	22.00	2,163.14	2,05,759.27
	Previous Year	1,99,461.71	1,837.19	239.08	269.00	2,132.20	2,03,939.18
Capital Expenditure							
Based on location of the assets	This Year	13,381.94	-	-	-	-	13,381.94
	Previous Year	25,251.50	-	-	-	-	25,251.50

* Includes captive & Standby Power

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

40 | ACCOUNTING STANDARD (AS)-18 'RELATED PARTY DISCLOSURES'

Related Party Relationships as per paragraph 3 of AS- 18		Name of related party
a	Enterprises that directly, or indirectly through one or more intermediaries:	
	- controls RSWM Limited	None
	- are controlled by RSWM Limited	None
	- are under common control with RSWM Limited	None
b	Associates and joint ventures of RSWM Limited	Associates: LNJ Power Ventures Limited
		Joint Venture: None
	Investing party or venture in respect of which the RSWM Limited is an associate or a joint venture	None
c	Individuals owning, directly or indirectly, an interest in the voting powers of RSWM Limited that gives them control or significant influence over RSWM Limited and relatives of such individual	None
d	Key management personnel	Shri Ravi Jhunjunwala Shri Shekhar Agarwal Shri Arun Churiwal Shri Riju Jhunjunwala Shri Prakash Maheshwari Shri B M Sharma Shri Surender Gupta
	Relatives of Key Managerial personnel	See Table A below
e	Enterprises over which any person described in(c) or (d) above is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.	See Table A below

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

40 | ACCOUNTING STANDARD (AS)-18 'RELATED PARTY DISCLOSURES' (Contd.)

Table A

Key Managerial Personnel	Relatives of KMP		Enterprises where KMP & their relatives exercises significant influence
	Relationship	Name of the relative	
Shri Ravi Jhunjhunwala	Father Mother Spouse Brother Sister Son Daughter	Shri L N Jhunjhunwala Smt. Mani Devi Jhunjhunwala Smt. Rita Jhunjhunwala - Smt. Shashi Agarwal Shri Riju Jhunjhunwala Shri Rishabh Jhunjhunwala -	-Investors India Limited -Kalati Holdings Pvt. Ltd. -Raghav Commercial Limited -Shashi Commercial Co. Ltd. -Giltedged Industrial Securities Ltd. -Purvi Vanijya Niyojan Limited -Nivedan Vanijya Niyojan Ltd. -India TexFab Marketing Ltd. -Veronia tie-up Private Ltd. -Nikita Electrotrades Pvt. Ltd. -Bhilwara Services Pvt. Ltd. -Bhilwara Energy Limited. -LNJ Financial Services Limited -Malana Power Company Limited -AD Hydro Power Limited -Maral Overseas Ltd. -BSL Limited -Zongoo Commercial Co. Pvt. Ltd. -Modify Distributors Pvt. Ltd -Glorious Commodeal Pvt. Ltd. (They hold managerial position) 1. HEG Limited (– CMD) 2. Malana Power Company Ltd (– CMD)
Shri Shekhar Agarwal	Father Mother Spouse Brother Sister Son Daughter	Deceased Deceased Smt. Shashi Agarwal Deceased Smt. Bindu Saraogi Shri Shantanu Agarwal Shuchi Agarwal	- Maral Overseas Limited - Essay Marketing Co. Ltd. - Jyoti Knits Pvt Ltd - Mayur Knits Pvt Ltd - Raghav Knits & Textiles Pvt Ltd - BMD Renewable Energy Pvt. Ltd. - Aadi Marketing Company Pvt. Ltd. - Agarwal Trademart Pvt. Ltd. - BMD Private Limited - Ultramarine Impex Pvt. Ltd. -Apeksha Vyapar Pvt. Ltd. -Diplomat Leasing & Finance Pvt Ltd -Agarwal Finestate Private Ltd
Shri Arun Churiwal	Father Mother Spouse Brother Sister Son Daughter	Deceased Smt. Shakuntala Churiwal Smt. Sudha Churiwal Shri Vinay Churiwal Shri Atul Churiwal Smt. Vina Agarwal Shri Nivedan Churiwal -	- Churiwala Properties & Investments Pvt. Ltd. - PRC Niyojan Pvt. Ltd. - Mandawa Niyojan Pvt. Ltd. - Mandapam Vikas Pvt. Ltd. - Prapti Apparels Company Pvt.Ltd.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

40 | ACCOUNTING STANDARD (AS)-18 'RELATED PARTY DISCLOSURES' (Contd.)

Table A

Key Managerial Personnel	Relatives of KMP		Enterprises where KMP & their relatives exercises significant influence
	Relationship	Name of the relative	
Shri Riju Jhunjhunwala	Father Mother Spouse Brother Sister Son Daughter	Shri Ravi Jhunjhunwala Smt. Rita Jhunjhunwala Smt. Amrita Jhunjhunwala Shri Rishabh Jhunjhunwala - Master Jawahar Jhunjhunwala	- Bhilwara Energy Ltd.(MD) - Bhilwara Green Energy Ltd. - Investors India Limited - Purvi Vanijiya Niyojan Ltd. - Veronia Tie-up Pvt Ltd - Zongoo Commercial Co. Pvt. Ltd. - Modified Distributors Private Ltd. - Glorious Commodeal Pvt. Ltd. - Chango Yangthang Hydro Power Ltd. - Bhilwara Services Private Ltd. - NJC Hydro Power Ltd.
Shri Prakash Maheshwari	Father Mother Spouse Brother Sister Son Daughter	Deceased Deceased Smt. Manju Maheshwari Shri S L Mundra Smt Sita Devi Maheshwari Smt. Chanda Kala Smt. Poonam Bhattar. Sh Abhinav Maheshwari Smt. Anjali Mehta	None
Shri B. M. Sharma	Father Mother Spouse Brother Sister Son Daughter	Deceased Smt. Vimla Sharma Smt. Amita Sharma Sh. Ashok Sharma Sh. Mukut Sharma - Sh. Mahim Sharma Smt. Manuja Sharma	None
Shri Surender Gupta	Father Mother Spouse Brother Sister Son Daughter	Deceased Smt. Bimla Gupta Smt. Puja Gupta Sh. Manish Gupta - Master Vinayak Gupta Ms. Bhavya Gupta Ms. Ramya Gupta	None

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

40 | ACCOUNTING STANDARD (AS)-18 'RELATED PARTY DISCLOSURES' (Contd.)

(₹ in lacs)

Transaction	Associates		Key Management Personnel		Enterprises over which any person described in (e) or (f) able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise & enterprise that have a member of key management in common with the reporting enterprise.	
	As at / Year ended 31st March 2016	As at / Year ended 31st March 2015	As at / Year ended 31st March 2016	As at / Year ended 31st March 2015	As at / Year ended 31st March 2016	As at / Year ended 31st March 2015
	(a)		(b)		(c)	
Sale of Finished Goods					3209.72	3247.61
Sales of Raw Material					19.45	38.18
Purchases of Raw Material & Finished Goods					1979.80	1226.19
Sale of Stores items					0.26	2.12
Purchase of Stores Items					18.67	7.56
Rent Received					270.34	330.54
Rent Paid					89.44	79.07
Reimbursement received of revenue expenditure	7.99	6.86			476.39	330.73
Reimbursement made of revenue expenditure					95.98	16.50
Job Charges Received					267.15	423.03
Job Charges Paid					44.85	42.21
Commission on Sale of IEX Power received					25.34	19.48
Interest received	473.30	475.34			0.59	5.60
Purchase of Cement					22.50	
Investment in Shares of BEL						1908.52
Purchase of Wind Power	1639.58	2321.29				
Remuneration and other perquisites			577.46	687.80		
Director Sitting Fees			7.50	9.65		
Total	2120.87	2803.49	584.96	697.45	6520.48	7677.36
Trade Receivable					42.73	17.02
Other Receivable	425.96	432.70			301.97	540.63
Trade Payable	122.84	119.50				6.52

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

41 | ACCOUNTING STANDARD (AS) –19 'LEASES'

There is no disclosure under Accounting Standard (AS) 19, as there are no cancellable lease.

42 | ACCOUNTING STANDARD (AS) –20 'EARNING PER SHARE'

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	2015-16	2014-15
I) Calculation of Basic EPS			
a) Net Profit after Tax	₹ in Lac	10,599.02	8,491.25
b) Dividened on Optionally Convertible Redeemable Preference Share (OCRPS)	₹ in Lac	124.16	-
c) Net Profit available to Equity Share (a - b)	₹ in Lac	10,474.86	8,491.25
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic Earning Per Share	₹	45.25	36.68
II) Calculation of Diluted EPS			
a) Diluted Potential Equity Shares (No. of Equity share resulting from conversion of OCRPS)	Nos.	621,156	621,156
b) Total number of equity share used to compute diluted EPS	Nos.	2,37,69,845	2,37,69,845
c) Diluted Earning Per Share #	₹	44.07	35.72
Nominal Value of Equity Share	₹	10.00	10.00

The Company shall be issuing equity shares on conversion of 12% Optionally Convertible Redeemable Preference Shares of ₹7.50 each, subject to regulatory and other legal compliances, in accordance with the merger scheme of Cheslind Textiles Limited with the Company as approved by the Hon'ble High Courts and reported in the financial statements for the year ended 31st March 2015. The management estimates that 100% of OCRPS shall be converted into Equity Shares. If all the OCRPS holders opt for conversion, 6,21,156 number of Equity Shares will be issued.

43 | IMPAIRMENT OF ASSETS (AS 28)

The Company based on both external & internal source of information, more particularly the market value and economic performance of the assets has recognized in its statement of profit & loss under the line item 'depreciation, impairment & amortization expense' an impairment loss of ₹1176.80 lacs in one of its cash generating unit (CGU) being a plant of its 'yarn' reportable segment as per paragraph 87 – 89 of the Accounting Standard (AS) – 28, Impairment of Assets on its goodwill (₹28.34 lacs), buildings (₹740.76 lacs), plant & machinery (₹323.15 lacs) & other assets (₹84.55 lacs) as disclosed in note no. 13 of fixed assets and note no. 39 on segment reporting based on the net selling price of the individual assets as per an external valuation report.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

44 | PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29) :

(₹ in lac)

S. No.	Particulars	Carrying amount as at 31.03.15	Additional provisions during the year	Amt used during the year	Unused & reverted during the year	Carrying amount as at 31.03.16
A.	PROVISIONS	672.25	1,124.54	969.90		826.89
B.	CONTINGENT LIABILITY NOT PROVIDED FOR:					
(a)	Claims against the company not acknowledged as debt	8.99				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 Ltd.	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	1,743.28	483.61	1,230.53		996.36
(iv)	Bills Discounted with Banks	15,760.70	14,113.39	15,760.70		14,113.39
(c)	Other money for which the company is contingently liable.					
(i)	Excise & Customs Duties, Sales tax and Other demands disputed by the Company.	391.00	2.15	15.46		377.69
(ii)	Future Export Obligation Against EPCG		611.53			611.53
C.	COMMITMENTS OUTSTANDING:					
(i)	Estimated Value of contracts remaining to be executed on Capital Accounts and not provided for	4,604.98	2,785.17	4,499.65	1,261.09	1,629.41
(ii)	Commitment in 2012-13 to buy 350 lacs unit per year of wind power 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 17 years)	34,212.00		2,013.00		32,199.00

- D. 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.

Supreme Court in May 2015 dismissed appeal filed by HZL, RTMA and others challenging constitutional validity of Notification issued in 2007 and thereafter.

Based on Legal Opinion taken, company is not exposed to Renewal Power Obligation in view of setting-up of Wind Power Unit in 2011-12 & Waste Heat Recovery for use as Steam in our Unit. The management does not foresee any possible liability in this regards.

- E. TNEB limited the electricity supply to all their HT consumers based on their previous three years consumption and introduced cross subsidy surcharge for the unutilized portion of "units quota" so fixed, whenever Power was purchased by a consumer from 3rd party or from Energy Exchange. On being legally challenged, Supreme Court by its order dated 20.07.2015 directed that the status quo has to be maintained i.e. no cross subsidy charges to be collected. Therefore, management does not foresee any possible liability in this regards.
- F. The Payment of Bonus Act, 1965 was amended with retrospective effect from 01-4-2014 vide notification no. 06/2016 published in the Official Gazette dated 01.01.2016. On the basis of the legal opinion obtained by the Company, such amendment with retrospective operation is illegal, arbitrary and contrary to the Article 14, 19(1)(g) and 300A of the Constitution of India.

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

44 | PROVISIONS & CONTINGENT LIABILITIES AND COMMITMENTS (AS 29) : (Contd.)

Applicability of the amendment notification retrospectively was challenged in various High Courts including the Rajasthan High Court, which in case of the civil writ petition filed by Employers' Association of Rajasthan, has granted interim stay against the applicability of the amendment notification retrospectively by giving direction that it would take effect only from the financial year 2015-16.

In view of the stay granted and the direction given by the Rajasthan High Court together with the aforementioned legal opinion, the management doesn't foresee any possible obligation in future for payment of bonus as per amended act for the period 01/04/2014 to 31/03/2015. However pending final judgement of the Court, the Company is contingently liable of ₹116.94 Lacs for the aforesaid period.

- G. There is no other present obligations requiring provisions, in accordance with the guiding principles as enunciated in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities & Contingent Assets" other than provided in the books of accounts. (Also see note 51 on litigation)

45 | ACCOUNTING STANDARD (AS)-32 FINANCIAL INSTRUMENT DISCLOSURES-'HEDGE ACCOUNTING'

- (a) The Company hedges its realizations 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, 2016 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, 2016

(in lacs)

S. No.	Particulars	Type of Hedge	For the year ended March 31, 2016		For the year ended March 31, 2015	
			Fair value in booking currency	Fair Value in INR	Fair value in booking currency	Fair Value in INR
1.	Plain Vanilla Forwards					
	1(a) Sell					
	-USD/INR forward contracts	Cash Flow Hedge	206.63	13,690.27	218.70	14,007.00
	-EUR/INR forward contracts	Cash Flow Hedge	13.95	1,051.76	17.10	1,268.00
	1(b) Buy					
	-USD/INR forward contracts	Cash Flow Hedge	30.50	2,020.78	7.50	485.00
	-EUR/INR forward contracts	Cash Flow Hedge	16.32	1,230.45		
2.	Cross Currency Forwards					
	-EUR/USD forward contracts	Cash Flow Hedge	3.50	263.88	5.00	336.00
3.	Options	Not Applicable				
	Total			18,257.14		16,096.00

- (c) The periods during which the cash flows from the cash flow hedges outstanding as at March 31, 2016 are expected to occur and affect the statement of P&L are disclosed as under:

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

45 | ACCOUNTING STANDARD (AS)-32 FINANCIAL INSTRUMENT DISCLOSURES-'HEDGE ACCOUNTING'

Periods during which cash flow hedges outstanding as at March 31, 2016 are expected to occur and affect the statement of P & L

(in lacs)

S. No.	Period During Which Cash Flows Are Expected To Occur And Affect Profit And Loss	Fair value in booking currency			
		Buy - USD/INR	Buy - EUR/INR	Sell - USD/INR	Sell -EUR/INR
1	Quarter ending June 30, 2016	11.00	16.32	109.53	7.75
2	Quarter ending September 30, 2016	19.50		97.10	6.20
3	Quarter ending December 31, 2016				
4	Quarter ending March , 2017				
	Total	30.50	16.32	206.63	13.95

- (d) The movement in hedging reserve during the year ended March 31, 2016 for derivatives designated as cash flow hedge is as follows:

(₹ in lacs)

Particulars	Year ended March 31st, 2016	Year ended March 31st, 2015
Balance at the beginning of the year	65.03	188.92
Additions on account of Changes in the fair value of effective portion cash flow hedge		
For transactions of expected sales in foreign currency	49.20	(124.80)
For transactions of import of goods in foreign currency	(31.73)	0.91
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	82.50	65.03

- (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:

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

45 | ACCOUNTING STANDARD (AS)-32 FINANCIAL INSTRUMENT DISCLOSURES-'HEDGE ACCOUNTING' (Contd.)

(in lac)

Particulars	Currency	As At 31.03.2016		As At 31.03.2015	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade receivables	USD	36.96	2448.78	11.17	698.13
	Euro	4.19	315.91	1.64	110.19
	GBP			0.95	87.85
Commission payable	USD	10.06	666.63	13.60	850.00
	Euro	0.20	15.08	0.34	22.84
	GBP				
Advance from customer	USD	18.14	1201.86	16.25	1014.27
	Euro	1.00	75.18	0.39	26.37
	GBP	0.04	3.82	0.06	5.21
Import creditors	USD	0.09	5.96		
	Euro			0.31	20.58
	chf	0.02	1.38		
Import creditors (debit balance)	USD	1.04	68.91		
	Euro	1.15	86.70		
	chf	0.02	1.38		
	JPY	10.84	6.39		
	GBP	0.01	1.17		
Secured Loans (BUYERS & SUPPLIERS CREDIT)	USD			9.15	571.97
	Euro				

46 | VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF:

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(i) Raw Materials	6,787.11	5,570.54
(ii) Components and Spare Parts	1,960.03	1,367.46
(iii) Capital Goods	157.76	6,752.50
Total	8,904.90	13,690.50

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

47 | VALUE OF RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED:

Particulars	Year ended March 31st, 2016		Year ended March 31st, 2015	
	(₹ in lacs)	Percentage	(₹ in lacs)	Percentage
Raw Materials :				
a) Imported	6,930.23	4.32	5,657.57	3.23
b) Indigenous	1,53,612.05	95.68	1,69,497.03	96.77
Total	1,60,542.28	100.00	1,75,154.59	100.00
Components and Spare Parts:				
a) Imported	1,845.59	22.49	1,533.94	20.05
b) Indigenous	6,359.34	77.51	6,116.73	79.95
Total	8,204.94	100.00	7,650.67	100.00

48 | EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
i) Travelling Expenses	197.92	179.44
ii) Commission/Claims		
a) Commission	1,336.94	1,429.42
b) Claim	31.71	283.37
Total	1,566.57	1,892.23
iii) Others	28.71	21.00
Total	1,595.28	1,913.23

49 | EARNING IN FOREIGN CURRENCY

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
FOB Value of Export	88,407.73	96,136.26

50 | REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND / INTERIM DIVIDEND

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Year to which Dividend relates	2014-15	2013-14
Number of non-resident shareholders to whom dividend remitted	5	5
Number of shares on which remittance was made	53,53,270	53,53,270
Amount remitted (₹ in lacs)	535.33	669.16

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

51 | LEGAL CASES

Against the Company

(₹ in lac)

S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liability	Amount Deposited Under Protest	Claims not acknowledged as debt
1	Indirect Taxation	287.72 (493.17)	178.39 (170.47)	19.76 (232.05)		89.57 (90.65)
2	Direct Taxation	2,387.72 (2,216.88)				2387.72 (2,216.88)
3	State Dues / levies	15.00 (15.00)		15.00 (15.00)		
4	Labour laws	102.14 (99.99)		2.15		99.99 (99.99)
5	Commercial matters	11.99 (14.79)		4.25 (7.05)	7.74 (7.74)	(7.74)
6	Others	27.04 (23.53)	17.25 (17.25)	8.99 (6.19)		0.80 (0.09)
7	Total	2,831.61 (2,863.36)	195.64 (187.72)	50.15 (260.29)	7.74 (7.74)	2,578.08 (2,415.35)

By the Company

(₹ in lac)

S. No.	Nature of Dispute	Amount Involved	Provision Made	Disclosed as Contingent Liability	Amount Decreed in favour of the Company	Remarks
1	Indirect Taxation	718.96 (455.36)	148.11 (143.16)	239.72 (123.36)		
2	Direct Taxation	676.40 (671.01)	5.39 (-)			
3	Labour laws	7.95 (3.95)				
4	Commercial matters	780.04 (378.02)	35.31 (35.31)	96.82 (-)		
5	Others	1283.50 (1,173.01)	55.06 (981.82)			
6	Total	3,466.85 (2,681.35)	243.87 (1,160.29)	336.54 (123.36)		

Figures in brackets in aforesaid note represent previous year figures

Notes to Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

52 | The Company has incurred ₹199.29 Lacs (previous year: ₹150.41 Lacs) as corporate social responsibility expenditure pursuant to section 135 of the Companies Act, 2013.

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

Per SUNIL BHARGAVA
Partner
M.No.70964

Place: Noida, (U.P.)
Date: 11th May, 2016

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

Per K. K. TULSHAN
Partner
M.No. 085033

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjhunwala

Chairman

DIN 00060972

Riju Jhunjhunwala

Managing Director &
Chief Executive Officer
Executive Director

DIN 00061060

Prakash Maheshwari

DIN 02388988

B.M.Sharma
Surender Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Independent Auditors' Report

To
The Members of
RSWM Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RSWM LIMITED (hereinafter referred to as "the Investor Company") and its associates (the Investor Company and its associate together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Investor Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Investor Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required

to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Investor Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements 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, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements includes the Investor Company's share of net loss of Rs. 47.12 lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements,

in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Investor Company as on 31st

March, 2016 taken on record by the Board of Directors of the Investor Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Investor company and its associate company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Investor Company and its associate company and the operating effectiveness of such controls refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 51 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Investor Company and its associate company incorporated in India.

For S. Bhargava Associates
Chartered Accountants
Firm's Registration No. 003191C

Sunil Bhargava
Partner
Membership No. 070964

Place: Noida
Date: May 11, 2016

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

K K Tulshan
Partner
Membership No. 085033

Annexure “A” to the Independent Auditors’ Report to the members of RSWM Limited (Investor Company) dated 11th May 2016 on its Consolidated Financial Statements

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1(f) of ‘Report on Other Legal and Regulatory Requirements’ section of our report referred above

In conjunction with our audit of the consolidated financial statements of the Investor Company and its associate as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of RSWM Limited (hereinafter referred to as “the Investor Company”) and its associate company (collectively referred as ‘Group’), which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Investor Company and its associate company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Investor Company and its associate company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Investor Company and its associate company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Investor Company and its associate considering the essential components of internal control stated in the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of the associate company incorporated in India.

For S. Bhargava Associates
Chartered Accountants
Firm's Registration No. 003191C

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

Sunil Bhargava
Partner
Membership No. 070964

K K Tulshan
Partner
Membership No. 085033

Place: Noida
Date: May 11, 2016

CIN L17115RJ1960PLC008216

Consolidated Balance Sheet As at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	3,339.78	3,339.78
Reserves & surplus	3	47,987.89	41,025.33
		51,327.67	44,365.11
Deferred Government Grants	4	365.83	219.94
Non-Current liabilities			
Long-term borrowings	5	55,368.06	66,917.80
Deferred tax liabilities (net)	6	9,729.24	8,278.04
Other long-term liabilities	7	676.55	718.66
Long-term provisions	8	553.95	387.08
		66,327.80	76,301.58
Current liabilities			
Short-term borrowings	9	48,437.28	44,735.21
Trade payables*	10	5,009.13	8,824.46
Other current liabilities	11	30,449.54	26,514.85
Short-term provisions	12	3,879.75	3,062.88
		87,775.70	83,137.40
TOTAL		2,05,797.00	2,04,024.03
ASSETS			
Non-Current assets			
Fixed assets			
Tangible Assets	13	1,09,982.51	1,02,777.28
Intangible assets		602.17	676.95
Capital work - in - progress		3,139.17	12,625.21
Intangible assets under development		516.46	-
		1,14,240.31	1,16,079.44
Non-current investments	14	8,840.83	9,147.87
Long-term loans and advances	15	2,927.22	2,926.78
Other non-current assets	16	79.74	433.11
		1,26,088.10	1,28,587.20
Current assets			
Inventories	17	42,693.83	39,863.92
Trade receivables	18	22,966.16	19,695.97
Cash & bank balances	19	396.31	456.80
Short-term loans & advances	20	5,118.92	5,998.78
Other current assets	21	8,483.00	9,141.35
		79,658.22	75,156.82
Non-current assets held for sale	22	50.68	280.00
		79,708.90	75,436.82
TOTAL		2,05,797.00	2,04,024.03
*Trade Payables includes total outstanding dues of micro & small enterprises		40.77	104.55

Accompanying notes 1 to 52 form an integral part of these financial statements

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
M.No.70964

Per K. K. TULSHAN
Partner
M.No. 085033

Place: Noida, (U.P.)
Date: 11th May, 2016

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjunwala

Chairman

DIN 00060972

Riju Jhunjunwala

Managing Director &
Chief Executive Officer
Executive Director

DIN 00061060

Prakash Maheshwari

Chief Financial Officer
Company Secretary

DIN 02388988

B.M.Sharma
Surender Gupta

M.No. FCA 35012
M.No. FCS 2615

CIN L17115RJ1960PLC008216

Consolidated Statement of Profit and Loss For the Year ended 31st March, 2016

(₹ in lacs)

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
Revenue			
Revenue from operations	23	2,96,619.08	3,01,430.75
Less : Excise duty		1,151.85	1,094.89
		2,95,467.23	3,00,335.86
Other income	24	2,457.81	3,156.62
Total Revenue		2,97,925.04	3,03,492.48
Expenses			
Cost of material consumed	25	1,60,542.27	1,75,154.59
Purchases of traded goods	26	2,058.40	3,234.97
Change in inventories of finished goods, work - in - progress and stock - in - trade	27	(485.48)	436.71
Employee benefit expenses	28	31,919.44	27,698.39
Finance costs	29	12,437.95	12,522.07
Depreciation, impairment & amortization expense	30	14,922.68	13,526.86
Other expenses	31	61,872.45	59,222.38
Total expenses		2,83,267.71	2,91,795.97
Profit before tax		14,657.33	11,696.51
Tax expense			
Current tax		2,872.88	2,450.35
Deferred tax		1,451.20	754.91
Tax of earlier years provided (written back)		(265.77)	-
Total Tax Expense		4,058.31	3,205.26
Profit for the period		10,599.02	8,491.25
Share in results of Associates		(47.12)	143.46
Profit for the period		10,551.90	8,634.71
Earnings per equity share			
Basic	42	45.05	37.30
Diluted		43.87	36.33
Accompanying notes 1 to 52 form an integral part of these financial statements			

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
M.No.70964

Per K. K. TULSHAN
Partner
M.No. 085033

Place: Noida, (U.P.)
Date: 11th May, 2016

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjunwala

Chairman

DIN 00060972

Riju Jhunjunwala

Managing Director &
Chief Executive Officer
Executive Director

DIN 00061060

Prakash Maheshwari

DIN 02388988

B.M.Sharma
Sunder Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Consolidated Cash Flow Statement

For the Period ended 31st March, 2016

(₹ in lacs)

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	14,610.21	11,839.97
Add / Less:		
Depreciation and Amortisation	14,922.68	13,526.86
Dividend received	(32.56)	(60.27)
Interest cost	12,437.95	12,522.07
Interest Received	(473.29)	(475.34)
Exchange Fluctuation	126.70	(2.21)
Profit/ Loss on sale of Fixed Assets	(106.26)	(44.28)
Provision for Bad & Doubtful Debts	(42.04)	54.09
Assets written off	0.60	0.58
Provision for Bad & Doubtful Advances	17.20	0.00
Liabilities no longer required w/back	(317.30)	(657.00)
Operating Profit Before Working Capital Changes	41,143.89	36,704.47
Inventories	(2,829.92)	1,302.81
Trade Receivables (Current & Non Current)	(3,270.20)	5,883.92
Loans and Advances (Current & Non Current)	915.58	(550.69)
Other Assets (Current & Non Current)	1,407.19	489.83
Trade payables (Current & Non Current)	(3,851.26)	1,985.36
Other Liabilities (Current & Non Current)	1,295.71	384.84
Cash Generated from operations	34,810.99	46,200.54
Direct Taxes	(2,607.11)	(2,450.35)
Net cash from operating activities	32,203.88	43,750.19
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(13,452.50)	(26,377.76)
Sale of Fixed Assets	308.18	194.05
Proceeds from /Sale of Investments (Shares)	309.67	0.00
Investment in Shares / Debentures	(2.63)	(2,055.51)
Interest Received	473.29	475.34
Dividend received	32.56	60.27
Net cash used in investing activities	(12,331.43)	(27,703.61)

Consolidated Cash Flow Statement

For the Period ended 31st March, 2016 (Contd.)

(₹ in lacs)

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	13,120.07	18,736.92
Repayment of Long Term Borrowings	(21,601.00)	(15,505.50)
Increase/Decrease in Short Term Borrowings	3,702.07	(3,596.64)
TUF Capital Subsidy	260.72	152.92
Exchange Fluctuation	(126.70)	2.21
Dividend/Interim Dividend paid	(2,777.71)	(3,385.35)
Interest cost	(12,437.95)	(12,522.07)
Net cash from financing activities	(19,860.50)	(16,117.51)
Net Increase in Cash and Cash equivalents	11.95	(70.93)
Opening Cash and Cash equivalents	272.23	85.68
Opening Cash and Cash equivalents of amalgamated company as on 01.04.2013		168.98
Cash Flow of amalgamated company during FY 13-14		88.50
Closing Cash and Cash equivalents	284.18	272.23

As per our report of even date

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
M.No.70964

Per K. K. TULSHAN
Partner
M.No. 085033

Place: Noida, (U.P.)
Date: 11th May, 2016

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjunwala

Chairman

DIN 00060972

Riju Jhunjunwala

Managing Director &
Chief Executive Officer
Executive Director

DIN 00061060

Prakash Maheshwari

DIN 02388988

B.M.Sharma
Surender Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the Consolidated Financial Statements

1A | SIGNIFICANT ACCOUNTING POLICIES FOR CONSOLIDATION

I. BASIS AND PRINCIPLES OF ACCOUNTING

The Consolidated Financial Statements (CFS) of the Company and its Associate are prepared under historical and convention and on the Accounting Principles of going concern, in accordance with the Generally accepted Accounting Principles (GAAP) applicable in India. Investment in Associate is accounted using Equity Method.

II. COMPONENT CONSIDERED

The Following Component Considered in preparation of the Consolidated Financial Statement
Investment in Associates

Name	Country	Ownership %	Period Considered	Audited/Board approved
LNJ Power Venture Limited	India	26%	01-04-2015 to 31-03-2016	Un-Audited

III. ACCOUNTING POLICIES

The Accounting policies of the Parent and of its associates are similar and in line with the Generally Accepted Accounting Principles (GAAP) in India and in the same manner as the Company has followed for its separate Financial Statements.

IV. GOODWILL

The Excess of cost to the Company of its investment in the Associate over the Parent's portion of Equity of the Associate at the date on which investment was made, is described as Goodwill on Consolidation and recognised as an asset in the Consolidate Financial Statements.

1B | OTHER ACCOUNTING POLICY

Please refer Notes No. 1 annexed to Standalone Financial Statements

2. | SHARE CAPITAL

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Authorised		
6,00,00,000 (previous year : 6,00,00,000) Equity shares of ₹ 10 each	6,000.00	6,000.00
25,00,000 (previous year : 25,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 150 each	3,750.00	3,750.00
5,00,00,000 (previous year : 5,00,00,000) Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each	3,750.00	3,750.00
	13,500.00	13,500.00
Issued		
2,31,48,689 (previous year : 2,31,48,689) Equity Shares of ₹ 10 each	2,314.87	2,314.87
1,36,65,435 (previous year : Nil) 12% Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each	1,024.91	-
Preference Shares to be allotted	-	1,024.91
	3,339.78	3,339.78
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
1,36,65,435 (previous year : Nil) 12% Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each	1,024.91	-
Preference Shares to be allotted	-	1,024.91
Total	3,339.78	3,339.78

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

I. Particulars about Equity Shares

a.	Reconciliation of the number of shares	As at 31st March, 2016	As at 31st March, 2015
	Opening	2,31,48,689	2,31,48,689
	Issued during the year	-	-
	Deducted during the year	-	-
	Closing	2,31,48,689	2,31,48,689

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 dividend, if any in Indian rupees. During the year ended 31st March 2016, the amount of per share dividend recognized as distribution to shareholders was ₹ 12.50 (previous year ₹ 10). The dividend proposed by the Board of Directors is subject to approval of 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.

c. Shareholders holding more than 5% of equity shares

Name of the Share holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
Microbase Limited	36,50,970	15.77%	36,50,970	15.77%
IDFC Premier Equity Fund	15,60,000	6.74%	15,72,769	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%

- d. The Company shall be issuing equity shares on conversion of 12% Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each, subject to regulatory and other legal compliances, in accordance with the merger scheme of Cheslind Textiles Limited with the Company as approved by the Hon'ble High Courts and reported in the financial statements for the year ended 31st March 2015.

II. Particulars about 12% Optionally Convertible Redeemable Preference Shares (OCRPS)

a.	Reconciliation of the number of shares	As at 31st March, 2016	As at 31st March, 2015
	Opening	-	-
	Issued during the year	1,36,65,435	-
	Closing	1,36,65,435	-

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

b. Rights, preferences and restrictions attached to preference shares

Basis of allotment : The preference shares were allotted on 30th May 2015 and credited on completion of corporate action on 31st March, 2016 to the erstwhile equity shareholders of Cheslind Textiles Limited (CTL) pursuant to the scheme of merger of CTL into RSWM Limited with effect from 1st April 2013, as approved by the Hon'ble High Courts of Rajasthan & Madras in the ratio of one OCRPS of RSWM Limited for every one equity share of Cheslind Textile Ltd.

Dividend rate : 12% per annum on the paid up value per share of ₹ 7.50 each

Accumulation of dividend : Cumulative

Payment of dividend : The preference shares will qualify for preferential payment of dividend from the date of allotment (30th May 2015) upto the date of redemption or conversion.

Tenure : 5 years from the date of allotment

Listing : The preference shares will, subject to the applicable laws and regulations, be listed and/or admitted to trading on the relevant stock exchange(s), where the existing shares of the Company are listed and/or admitted to trading.

"Convertibility and Conversion Price Ratio : The said preference shares will carry the right to apply for conversion into the equity shares of the Company in the ratio 1(one) equity share of ₹10/- (Rupees Ten) each at par of the Company credited as fully paid up for every 22 (Twenty Two) OCRPS of ₹7.50/- (Rupees Seven and Fifty Paise) each to be issued and allotted by the Company. The said right must be exercised by the eligible preference shareholders before the expiry of 6 months from the date of allotment of such preference shares failing which the right shall lapse. No coupons shall be issued by the Company towards any fractional entitlement and all fractional entitlements, if any, shall be ignored.

The management estimates that 100% of OCRPS shall be converted into Equity Shares. If all the OCRPS holders opt for conversion, 6,21,156 number of Equity Shares will be issued for which adequate authorized share capital exists.

Redemption Terms : The Company shall have an option to redeem by giving not less than 3 months' notice to all the outstanding preference shares (i.e. such preference shares for which the option to convert into equity shares has not been exercised as mentioned above) at par at any time after the expiry of the conversion period and before the expiry of 5 years from the allotment date.

c. Shareholders holding more than 5% of Preference shares

Name of the Share holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Percentage Holding	No. of Shares	Percentage Holding
Tamilnadu Industrial Development Corporation	20,62,500	15.09%	-	-
PAT Financial Consultants Pvt Ltd	17,45,083	12.77%	-	-
State Bank of Mysore	11,94,400	8.74%	-	-

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

3. | RESERVE AND SURPLUS

(₹ in lacs)

	As at 31st March 2016	As at 31st March 2015
Capital Reserve		
Opening balance	700.97	700.97
Addition during the year	-	-
	700.97	700.97
State Investment Subsidy		
Opening balance	70.00	70.00
Addition during the year	-	-
	70.00	70.00
Preference Share Capital Redemption Reserve		
Opening balance	5,700.00	5,700.00
Addition during the year	-	-
	5,700.00	5,700.00
Securities Premium Account		
Opening balance	8,995.23	8,995.23
Addition during the year	-	-
	8,995.23	8,995.23
Hedging Reserve		
Opening balance	65.03	188.92
Addition on merger of Cheslind Textiles Limited	-	117.42
Addition/(Deduction) during the year	17.47	(241.31)
	82.50	65.03
General Reserve		
Opening balance	4,910.27	4,910.27
Addition during the year	-	-
	4,910.27	4,910.27
Surplus in Statement of Profit & Loss		
Opening balance	20,498.98	16,524.46
Addition on merger of Cheslind Textiles Limited	-	(1,739.02)
Profit for the year	10,599.02	8,491.25
	31,098.00	23,276.69
Less : Appropriations to / for		
General Reserve	-	-
Preference Share Capital Redemption Reserve	-	-
Preference Dividend	103.16	-
Tax on Preference Dividend	21.00	-
Proposed Dividend on Equity Shares	2,893.59	2,314.87
Tax on Proposed Dividend on Equity Shares	589.06	462.84
	3,606.81	2,777.71
	27,491.19	20,498.98
Total	47,950.16	40,940.48
Share in Reserve of Associates		
Opening balance of Profit & Loss Account	84.85	(58.61)
Addition during the year	(47.12)	143.46
	37.73	84.85
Total	47,987.89	41,025.33

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

4. | DEFERRED GOVERNMENT GRANTS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
TUF Capital Investment Subsidy		
Opening balance	219.94	132.36
Additions during the year	260.72	152.92
	480.66	285.28
Adjusted against depreciation	114.83	65.34
Total	365.83	219.94

* Capital subsidy claim of ₹ 102.55 lacs (previous year ₹ 363.27 lacs) receivable under RR - TUFS is contingent upon eligibility confirmation by Textile Ministry and hence not recognized in the books of accounts as at 31st March 2016.

5. | LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Term loans		
From banks	39,548.06	50,368.32
From Financial Institutions	15,820.00	16,549.48
Total	55,368.06	66,917.80

* Term loans are secured by way of equitable mortgage of all the present and future immovable properties of the Company and hypothecation of movable assets ranking pari - passu basis with the lenders of the working capital loans.

Rate of interest & repayment terms:

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
A. Term loans carrying floating interest rate of base rate + 0.50% to 2.50% as on 31st March 2016		
i) From banks		
Current maturity	13,826.84	11,894.53
Other than current maturity	39,548.06	47,003.75
	53,374.90	58,898.28
ii) From Financial Institutions		
Current maturity	6,775.00	4,834.00
Other than current maturity	15,820.00	15,845.00
	22,595.00	20,679.00
Current maturity	20,601.84	16,728.53
Other than current maturity	55,368.06	62,848.75
Sub Total (A) (i+ii)	75,969.90	79,577.28

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

Rate of interest & repayment terms: (contd.)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
B. Term loans carrying fixed interest rate of 11.50% to 13.50% as on 31st March 2016		
i) From banks		
Current maturity	-	628.00
Other than current maturity	-	3,364.57
	-	3,992.57
ii) From Financial Institutions		
Current maturity	-	144.00
Other than current maturity	-	704.49
	-	848.49
Current maturity	-	772.00
Other than current maturity	-	4,069.06
Sub Total (B) (i+ii)	-	4,841.06
Total current maturity (A + B) (refer note 11)	20,601.84	17,500.53
Total other than current maturity (A + B)	55,368.06	66,917.81
Grand Total (A + B)	75,969.90	84,418.34

6. | DEFERRED TAX LIABILITIES (NET)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Deferred tax liability		
Depreciation	10,343.92	9,895.05
	10,343.92	9,895.05
Less : Deferred tax assets		
Disallowance under Income Tax Act, 1961	571.14	916.84
Provision for doubtful debts	43.54	428.39
	614.68	1,345.23
Deferred Tax Liability(Net)	9,729.24	8,549.82
Less : MAT available	-	271.78
Total	9,729.24	8,278.04

7. | OTHER LONG TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Security deposits	539.88	586.30
Other liabilities	136.67	132.36
Total	676.55	718.66

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

8. | LONG TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits (refer note no. 38)	553.95	387.08
Total	553.95	387.08

9. | SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Loans repayable on demand		
From banks	44,937.28	38,893.70
From Financial Institutions	3,500.00	5,841.51
Total	48,437.28	44,735.21

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 from 8.55% to 11.90% per annum, computed quarterly.

10. | TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Trade payables - related parties (refer note 40)	122.84	126.03
Trade payable - others	4,886.29	8,698.43
Total	5,009.13	8,824.46

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

Principal amount remaining unpaid	35.98	104.55
Principal amount remaining unpaid above 45 days*	4.79	-
Total of above included in Trade Payable - Others	40.77	104.55
Interest due on above	0.03	-
Interest paid in terms of section 16 of MSMED Act	-	-
Interest due & payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	-	-
Interest due & payable in succeeding years	0.03	-

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

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

11. | OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Current maturities of long-term debt (refer note 5)	20,601.84	17,500.54
Current maturities of deferred payment liabilities*	-	32.49
Interest accrued but not due on borrowings	286.93	299.76
Unpaid dividend	100.45	78.22
Security deposits	418.53	347.28
Advance from customers	948.77	1,243.61
Liability towards staff and worker	2,729.96	2,167.75
Government dues	701.98	725.85
Other payables	23.17	25.39
Commission, discounts, etc. payable on sales	2,092.81	1,963.25
Other liabilities for expenses	2,545.10	2,130.71
Total	30,449.54	26,514.85

* under sales tax deferment scheme 1987 of State Government

12. | SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits	272.94	285.17
Others		
Proposed dividend on equity shares	2,893.59	2,314.87
Tax on dividend	589.06	462.84
Dividend on preference shares	103.16	-
Tax on dividend of preference shares	21.00	-
Total	3,879.75	3,062.88

13. | FIXED ASSETS

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

(₹ in lacs)

Particulars	Gross Block					Depreciation / Impairment/ Amortization					Net Block		
	As at 01st April 2015	Additions during the year	Acquisition on CTL amalgamation	Deductions / Disposals *	Classified as "held for Sale"	As at 31st March 2016	For the year	Acquisition on CTL	Impairment loss / refer note 43	Deductions / Disposals **	Classified as "held for sale"	As at 31st March 2016	As at 31st March 2015
Tangible Assets													
Land -Freehold	4,419.94	3.71	-	-	-	4,423.65	-	-	-	-	-	4,423.65	4,419.94
Land -Leasehold	387.78	-	-	-	-	387.78	2.34	-	-	-	-	365.63	367.97
Buildings, including roads ***	36,688.28	6,138.43	-	39.74	-	42,786.97	1,272.77	-	740.76	26.03	-	32,711.19	28,600.00
Plant & machinery	1,65,772.01	14,299.32	-	1,209.15	611.47	1,78,250.71	10,877.28	-	323.15	1,095.61	559.87	64,565.80	61,632.05
Furniture fixture and others	3,917.11	321.69	-	34.92	-	4,203.88	371.95	-	-	317.3	-	1,968.75	2,022.20
Vehicles	1,640.54	260.14	-	232.33	-	1,668.35	173.88	-	-	169.32	-	1,002.62	979.37
Office Equipments	1,661.73	268.54	-	107.10	-	1,823.17	187.31	-	84.55	98.16	-	768.69	696.40
Electric fittings, water supply & installations	8,381.57	1,088.46	-	0.86	-	9,469.17	887.03	-	-	0.81	-	4,176.18	4,059.35
As at 31st March 2016	2,22,868.96	22,380.29	-	1,624.10	611.47	2,43,013.68	13,772.56	1,148.46	1,421.66	1,421.66	559.87	1,09,982.51	1,02,777.28
As at 31st March 2015	1,85,618.54	15,130.06	23,284.73	1,164.37	-	2,22,868.96	13,540.11	14,571.68	-	1,014.27	-	1,02,777.28	92,624.38
Intangible Assets													
Computer software	775.65	41.79	-	2.92	-	814.52	39.28	-	-	2.92	-	83.44	80.93
Enabling assets	696.53	-	-	-	-	696.53	39.50	-	-	-	-	514.59	554.09
Goodwill on amalgamation	62.99	-	-	-	-	62.99	9.45	-	28.34	-	-	-	37.79
Goodwill on Consolidation	4.14	-	-	-	-	4.14	-	-	-	-	-	4.14	4.14
As at 31st March 2016	1,539.31	41.79	-	2.92	-	1,574.04	88.23	20.03	28.34	2.92	-	602.17	676.95
As at 31st March 2015	1,430.29	32.98	76.44	0.40	-	1,539.31	64.31	-	-	0.40	-	676.95	651.87
Capital work in- progress													
Building under construction	3,159.77	3,733.64	-	5,729.28	-	11,641.3	-	-	-	-	-	1,164.13	3,159.77
Plant & machinery under erection /commissioning	8,897.91	5,756.00	-	12,720.66	-	19,332.5	-	-	-	-	-	1,933.25	8,897.91
Pre-operative expenses under allocation	567.53	355.55	-	881.29	-	41.79	-	-	-	-	-	41.79	567.53
As at 31st March 2016	12,625.21	9,845.19	-	19,331.23	-	31,391.7	-	-	-	-	-	3,139.17	12,625.21
As at 31st March 2015	1,398.54	16,589.35	-	5,362.68	-	12,625.21	-	-	-	-	-	12,625.21	1,398.54
Intangible assets under development													
ERP Software	-	516.46	-	-	-	516.46	-	-	-	-	-	516.46	-
As at 31st March 2016	-	516.46	-	-	-	516.46	-	-	-	-	-	516.46	-
As at 31st March 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total													
As at 31st March 2016	2,37,033.48	32,783.73	-	20,958.25	611.47	2,48,243.35	13,860.79	-	1,176.80	1,424.58	559.87	1,14,240.31	1,16,079.44
As at 31st March 2015	1,88,447.37	31,752.39	23,361.17	6,527.45	-	2,37,033.48	13,604.42	14,591.71	-	1,014.67	-	1,16,079.44	94,674.80

1. * Deduction from Gross Block represents Sale/Transfer/Discarding of Fixed Assets/ Lease hold rights written off.

2. ** Deduction in depreciation Rs.1,424.58 Lac (previous Year Rs.10,14.67 Lac) 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 Rs. 10.00 Lac.

4. Depreciation for the year 2015-16 includes Rs.114.83 Lac (Previous Year Rs.65.34 Lac) against amortisation of government capital grants and Rs nil (Previous Year Rs.12.22 Lac) against capitalisation of assets for ongoing projects

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

14. | NON CURRENT INVESTMENTS (OTHER THAN TRADE - AT COST)*

Particulars	No. of Securities		(₹ in lacs)	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Quoted				
Other than subsidiaries, joint ventures and associates				
Equity shares of ₹ 10/- each(unless stated otherwise)fully paid up of				
BSL Limited	31,396	31,396	0.50	0.50
Graphite India Limited (of ₹ 2/-each)	775	775	0.03	0.03
HEG Limited	9,78,000	9,78,000	34.94	34.94
Punjab National Bank(of ₹ 2/-each)	4,715	4,715	3.68	3.68
State Bank of Bikaner & Jaipur	8,600	8,600	14.72	14.72
Tata Construction & Project Limited	150	150	0.02	0.02
Vardhman Holding Limited	30	30	-	-
Vardhman Special Steel Limited	36	36	-	-
Vardhman Textiles Limited	180	180	0.01	0.01
Whirlpool India Limited (of ₹ 1/-each)	372	372	0.01	0.01
			53.91	53.91
Unquoted				
Associates				
LNJ Power Ventures Limited:				
- Equity Shares of ₹ 10/-each	2,60,000	2,60,000	26.00	26.00
- 13.54% Compulsarily Convertible Debentures of ₹ 1,00,000/- each @	3,200	3,200	3,200.00	3,200.00
			3,226.00	3,226.00
Others				
Equity Shares of ₹10/-each				
Asian Wind Energy Private Limited	16,000	13,000	1.60	1.30
Bhilwara Energy Limited	2,94,63,559	2,94,63,559	5,514.88	5,514.88
Ind Eco Ventures Limited	-	2,625,000	-	262.55
Indowind Power Private Limited	50,000	50,000	5.00	5.00
OPG Power Generation Private Limited	51,800	32,000	5.70	3.52
Perpetual Power Private Limited	1,500	-	0.15	-
			5,527.33	5,787.25
Total Value of Unquoted Non-Traded Investments			8,753.33	9,013.25
Total Cost of Investments			8,807.24	9,067.16
Increase in Value of Investment in Associates				
Pre-acquisition goodwill			(4.14)	(4.14)
Surplus in Statement of Profit & Loss Account				
Opening Balance			84.85	(58.61)
Add - During the year			(47.12)	143.46
Closing Balance			33.59	80.71
Total Cost of Investments			8,840.83	9,147.87
Aggregate market value of Quoted Investments			1,434.24	2,201.86

* All investments have been classified as non - trade investments based on the management's business assessment, relied upon by the auditors.

@ the compulsorily convertible debentures are to be compulsorily converted into equity shares, based on the fair market valuation to be done by an independent agency at the end of 20th year from 21st March 2013. However, subject to the consent of the senior lender of the LNJ Power Venture Limited and with a prior notice of 6 months, the Company has the right to put option (i) @ 25% each from 15th to 18th year or (ii) 100% at any date after the 16th year. Similarly, subject to consent of senior lender, promoters of LNJ Power Venture Limited also has the right to exercise call option at any time.

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

15. | LONG TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good		
Advances Against Supply of Capital Goods	2,038.23	2,108.79
Security deposits	826.29	766.15
Other loans and advances		
Officers & staff of the Company	62.36	50.90
Others	0.34	0.94
Total	2,927.22	2,926.78

16. | OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good unless otherwise stated		
Non Current doubtful trade receivables	97.00	1,260.35
Less: Provision for doubtful debts	(97.00)	(1,260.35)
	-	-
Others		
Duty claims and other receivables	78.06	99.79
Bank deposits with more than 12 months maturity	1.68	0.18
Others	-	333.14
Total	79.74	433.11

17. | INVENTORIES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Raw Material		
Fibre*	19,223.83	17,109.11
Yarn*	776.43	835.55
Grey fabric	0.14	-
Others-Dyes & chemicals	468.31	665.17
	20,468.71	18,609.83
Work in Progress		
Yarn	6,942.62	6,314.50
Fabric	1,405.18	1,315.65
Fibre	196.68	280.56
	8,544.48	7,910.71

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

17. | INVENTORIES (Contd.)

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Finished Goods		
Yarn	6,940.13	7,649.91
Fabric	3,893.48	2,857.20
Garment	43.53	90.29
Fibre	-	5.88
	10,877.14	10,603.28
Traded Goods		
Fabric	171.10	290.02
Garment	5.72	7.70
	176.82	297.72
Stores & spares*	2,419.92	2,216.78
Loose tools	92.38	94.92
Others-Waste	114.38	130.68
Total	42,693.83	39,863.92

* includes in transit

Fibre	437.08	157.93
Yarn	3.96	-
Stores & spares	153.87	2.97

18. | TRADE RECEIVABLES*

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good		
Trade receivables	22,923.43	19,678.95
Due from related parties (refer Note No. 40)	42.73	17.02
Total	22,966.16	19,695.97

* Includes exceeding six months from due date

	212.99	105.28
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19. | CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Cash & cash equivalents		
Current accounts	165.17	177.15
Cheques, drafts in hand	48.35	17.28
Cash in hand	63.55	67.58
Bank deposits within 3 months maturity	7.11	10.22
	284.18	272.23
Bank Balances		
Unpaid dividend account*	100.45	78.22
Margin money account	1.03	97.08
Bank deposits above 3 months but within 12 months maturity	10.65	9.27
	112.13	184.57
Total	396.31	456.80

* earmarked for unpaid dividends (refer note 11)

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

20. | SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered good		
Loans & advances		
Related parties (refer Note No. 40)	727.93	974.30
Other loans & advances		
Security deposit	9.11	14.61
Advance tax *	1,146.36	846.27
Advance against supply	1,813.45	3,113.83
Others	1,422.07	1,049.77
	4,390.99	5,024.48
Total	5,118.92	5,998.78
* Net of tax provisions	9,928.83	7,360.59

21. | OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Duties, claims & other receivables	2,584.99	2,705.51
Subsidies receivable	3,760.86	2,677.25
DEPB, DBK & Advance license receivable	483.96	1,668.78
Export growth entitlement receivable	347.32	735.62
SHIS scheme benefit receivable (refer note no 32)	97.54	12.29
Excise rebate claim receivable	823.29	1,190.66
Interest receivable from trade debtors	385.04	151.24
Total	8,483.00	9,141.35

22. | NON CURRENT ASSETS HELD FOR SALE

(₹ in lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Tangible fixed assets - held for sale		
at lower of carrying value or net realizable value	50.68	280.00
Total	50.68	280.00

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

23. | REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Sale of Products		
Manufactured goods		
Yarn	2,44,095.44	2,48,028.69
Fabric	43,529.58	43,628.51
Garment	272.32	365.05
Fibre	497.00	-
	2,88,394.34	2,92,022.25
Traded goods		
Yarn	106.61	91.22
Fabric	1,817.96	2,735.92
Garment	76.18	109.33
	2,000.75	2,936.47
	2,90,395.09	2,94,958.72
Sale of services		
Job & processing charges	2,280.81	2,347.20
Other services	22.20	17.47
	2,303.01	2,364.67
Other operating revenue		
Gain on utilization of SHIS purchase	126.95	674.06
Sale of waste	3,794.03	3,433.30
	3,920.98	4,107.36
	2,96,619.08	3,01,430.75
Less: Excise Duty	1,151.85	1,094.89
	2,95,467.23	3,00,335.86
Total	2,95,467.23	3,00,335.86

24. | OTHER INCOME

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Interest income	1,079.75	1,202.65
Dividend from other than Subsidiary Companies	32.56	60.27
Other non-operating income		
Rent	457.51	640.97
Consultancy fee	20.54	17.96
Provision/Liability no longer required written back @	341.51	657.00
Insurance & other claims received	44.52	63.99
Profit/Loss on sale of fixed assets(Net)	106.26	44.28
Miscellaneous Receipts	370.98	409.26
Net gain/loss on foreign currency translation & transaction(other than considered as finance cost)	-	54.76
Prior period income	4.18	5.48
Total	2,457.81	3,156.62

@ Net of Bad & Doubtful Debts Written Off

1,121.31

26.89

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

25. | COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Raw Materials		
Opening stock	18,609.83	15,896.84
Add: Opening stock of Cheslind Textiles on Amalgamation	-	2,755.55
	18,609.83	18,652.39
Add: Purchases	1,69,900.88	1,81,176.88
	1,88,510.71	1,99,829.27
Less: Returns, adjustments etc.	7,499.73	6,064.85
	1,81,010.98	1,93,764.42
Less: Closing stock	20,468.71	18,609.83
	1,60,542.27	1,75,154.59
Total	1,60,542.27	1,75,154.59
Raw material consumption under broad heads:		
Synthetic fibres		
Polyester	48,227.08	69,241.42
Viscose	28,170.47	26,751.92
Others	4,301.80	4,371.70
	80,699.35	1,00,365.04
Natural fibre		
Cotton	59,058.42	61,267.77
Yarn		
Synthetic	2,501.41	1,806.81
Cotton	2,565.54	3,969.52
Others	856.16	-
	5,923.11	5,776.33
Grey Fabric	101.97	274.91
Coal	15.84	16.90
Dyes & chemicals	7,533.79	7,181.57
PET bottle consumption	7,209.79	272.07
Total	1,60,542.27	1,75,154.59

26. | PURCHASES OF TRADED GOODS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Fabric	1,903.49	3,047.95
Garment	61.13	98.49
Yarn	93.78	88.53
Total	2,058.40	3,234.97

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

27. | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Closing inventory		
Finished goods	11,053.96	10,901.00
Waste	114.38	130.69
Stock in process	8,544.48	7,910.70
	19,712.82	18,942.39
Less : Opening inventory		
Finished goods	10,973.93	11,843.00
Waste	152.67	123.64
Stock in process	8,100.74	7,412.46
	19,227.34	19,379.10
(Increase) / Decrease in Inventory	(485.48)	436.71

28. | EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, wages and bonus	27,441.47	23,839.58
Contribution to provident & other funds	3,805.14	3,364.88
Workmen & staff welfare	672.83	493.93
Total	31,919.44	27,698.39

29. | FINANCE COSTS

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Interest expenses*	11,763.60	11,876.75
Other borrowing costs	215.21	176.40
Bank charges	459.14	468.92
Total	12,437.95	12,522.07

* Net of TUFs / RIPS subsidy received / receivable

2,918.24

2,633.08

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

30. | DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Tangible Assets		
Depreciation	13,780.78	13,515.54
Impairment (refer note 43)	1,148.46	-
	14,929.24	13,515.54
Less:		
Amortization - Government Capital Grants	114.83	65.34
Excess depreciation written back	0.08	0.25
	114.91	65.59
	14,814.33	13,449.95
Intangible Assets		
Amortization - Goodwill	9.45	12.60
Impairment - Goodwill (refer note 43)	28.34	-
Amortization - Other Intangible Assets	70.56	64.31
	108.35	76.91
Total	14,922.68	13,526.86

31. | OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Manufacturing expenses		
Stores and spares consumed*	8,204.95	7,040.90
Power and fuel	28,983.16	26,842.26
Packing expenses	4,396.71	4,334.45
Processing and job charges	1,197.71	1,546.53
Research and development	246.08	172.00
Repairs & maintenance - building	670.31	728.60
Repairs & maintenance - plant & machinery	2,119.42	1,669.10
Repair and maintenance - others	339.67	349.41
	46,158.01	42,683.25
Administrative Expenses		
Rent	142.26	134.72
Insurance @	483.92	410.26
Rates and taxes	86.12	104.37
Lease Rent	22.23	21.30
Director's remuneration and fees	638.00	737.06
Director's travelling	141.02	130.21
Charity and donation	82.00	18.60
Payment to statutory auditors		
As statutory auditors	74.51	51.13
For other services	8.48	5.19
For reimbursement of expenses	15.88	11.07
Integrated Skill Development Scheme #	85.32	-
Other miscellaneous expenses	2,376.26	2,302.52
	4,156.00	3,926.43

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

31. | OTHER EXPENSES (Contd.)

(₹ in lacs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Selling expenses		
Commission	728.92	747.73
Brokerage	313.62	306.14
Incentives and discount	1,908.64	1,915.54
Claims and rebates	126.12	130.22
Freight, forwarding and octroi	1,660.66	1,486.07
Expenses on export sale		
Ocean freight	2,990.58	3,965.31
Commission	1,586.20	1,720.64
Others	350.10	729.20
Advertisement	516.13	277.79
Foreign travelling expenses	259.69	189.32
Other selling expenses	890.72	748.97
	11,331.38	12,216.93
Other expenses		
Net loss on foreign currency transaction and translation (other than considered as finance cost)	126.70	52.55
Bad debts and provision for doubtful debts and advances	-	54.67
Entry Tax	80.41	103.15
Loss on sale of stores/raw material (net)	4.33	180.24
Prior period expenses	15.62	5.16
	227.06	395.77
Total	61,872.45	59,222.38
# Net of reimbursement	197.30	-
* net of scrap sales	590.60	481.73
@ net of recovery	73.30	70.70

NOTE 32 to 38 | Please refer notes on accounts annexed to Standalone Financial Statements

39 | Accounting Standard (AS)-17, Segment Reporting

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 Accounting Standard (AS)-17, "Segment Reports" 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.

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

A. BUSINESS SEGMENTS

(₹ in lacs)

Particulars	Yarn*		Fabric, Denim		Other Items		Total	
	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015
Segment Revenue								
External Sales / Other Operating Income	2,49,222.69	2,53,606.43	47,696.61	48,606.28	21.84	85.17	2,96,941.14	3,02,297.88
Inter Segment Transfers	9,773.79	9,262.31	0.23	0.20			9,774.02	9,262.51
Gross Revenue	2,58,996.48	2,62,868.74	47,696.84	48,606.48	21.84	85.17	3,06,715.16	3,11,560.39
Segment Result	23,587.13	20,629.68	4,975.18	4,266.67			28,562.31	24,896.35
Less: Interest (net)							(12,437.95)	(12,522.07)
Unallocable expenses Net of Unallocable Income							(1,514.15)	(534.31)
Profit Before Tax							14,610.21	11,839.97
Less: Taxation							(4,058.31)	(3,205.26)
Net profit for the year							10,551.90	8,634.71
Other Information								
Segment Assets	1,49,060.08	1,41,594.22	34,367.63	32,466.12	22,369.29	29,963.69	2,05,797.00	2,04,024.03
Segment Liabilities	12,222.08	15,349.31	3,602.07	3,397.41	4,142.93	3,226.17	19,967.08	21,972.89
Capital Employed	1,36,838.00	1,26,244.91	30,765.56	29,068.71	18,226.36	26,737.52	1,85,829.92	1,82,051.14
Capital Expenditure incurred during the year	8,875.97	23,319.70	3,378.42	1,871.57	1,127.55	60.23	13,381.94	25,251.50
Impairment	1,176.80	-	-	-	-	-	1,176.80	-
Depreciation & Amortization	10,270.37	10,059.48	3,321.45	3,155.77	154.06	311.61	13,745.88	13,526.86
Other Non Cash Expenses	-	-	-	-	-	-	-	-

B. GEOGRAPHICAL SEGMENTS

Particulars		India	Europe	Middle East	America	Other Countries	Total
Segments Revenue							
Based on location of the customers	This Year	2,06,520.08	34,883.00	3,932.00	1,156.00	50,450.06	2,96,941.14
	Previous Year	2,01,232.70	37,557.08	7,825.00	1,159.00	54,524.10	3,02,297.88
Segment Assets							
Based on location of the assets	This Year	2,01,617.66	1,859.20	135.00	22.00	2,163.14	2,05,797.00
	Previous Year	1,99,546.56	1,837.19	239.08	269.00	2,132.20	2,04,024.03
Capital Expenditure							
Based on location of the assets	This Year	13,381.94	-	-	-	-	13,381.94
	Previous Year	25,251.50	-	-	-	-	25,251.50

* Includes captive & Standby Power

Notes to Consolidated Financial Statement As at 31st March, 2016

Notes annexed to and forming part of the financial statements

NOTE 40 to 41 | Please refer notes on accounts annexed to Standalone Financial Statements

42 | ACCOUNTING STANDARD (AS) –20 'EARNING PER SHARE'

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	2015-16	2014-15
I) Calculation of Basic EPS			
a) Net Profit after Tax	₹ in Lac	10,551.90	8,634.71
b) Dividend on Optionally Convertible Redeemable Preference Share (OCRPS)	₹ in Lac	124.16	-
c) Net Profit available to Equity Share (a - b)	₹ in Lac	10,427.74	8,634.71
d) Weighted Average Equity Share outstanding during the Year	Nos.	2,31,48,689	2,31,48,689
e) Basic Earning Per Share	₹	45.05	37.30
II) Calculation of Diluted EPS			
a) Diluted Potential Equity Shares (No. of Equity share resulting from conversion of OCRPS)	Nos.	6,21,156	6,21,156
b) Total number of equity share used to compute diluted EPS	Nos.	2,37,69,845	2,37,69,845
c) Diluted Earning Per Share #	₹	43.87	36.33
Nominal Value of Equity Share	₹	10.00	10.00

The Company shall be issuing equity shares on conversion of 12% Optionally Convertible Redeemable Preference Shares of ₹ 7.50 each, subject to regulatory and other legal compliances, in accordance with the merger scheme of Cheslind Textiles Limited with the Company as approved by the Hon'ble High Courts and reported in the financial statements for the year ended 31st March 2015. The management estimates that 100% of OCRPS shall be converted into Equity Shares. If all the OCRPS holders opt for conversion, 6,21,156 number of Equity Shares will be issued.

NOTE 43 to 52 | Please refer notes on accounts annexed to Standalone Financial Statements

As per our report of even date

For S. Bhargava Associates
Chartered Accountants
Firm Regn. No. 003191C

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

Per SUNIL BHARGAVA
Partner
M.No.70964

Per K. K. TULSHAN
Partner
M.No. 085033

Place: Noida, (U.P.)
Date: 11th May, 2016

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ravi Jhunjunwala

Chairman

DIN 00060972

Riju Jhunjunwala

Managing Director &
Chief Executive Officer
Executive Director

DIN 00061060

Prakash Maheshwari

DIN 02388988

B.M.Sharma
Sunder Gupta

Chief Financial Officer
Company Secretary

M.No. FCA 35012
M.No. FCS 2615

Notes

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Corporate information

L. N. Jhunjhunwala Chairman-Emeritus

BOARD OF DIRECTORS

Ravi Jhunjhunwala	Chairman
Shekhar Agarwal	Vice Chairman
Riju Jhunjhunwala	Managing Director
Arun Churiwal	Director
Kamal Gupta	Director
D. N. Davar	Director
A. N. Choudhary	Director
P. S. Dasgupta	Director
Geeta Mathur	Director
J. C. Laddha	Director
Deepak Jain	Director
Prakash Maheshwari	Executive Director

KEY MANAGERIAL PERSONNEL

Riju Jhunjhunwala	Managing Director & Chief Executive Officer
Surender Gupta	Company Secretary
B. M. Sharma	Chief Financial Officer

BUSINESS HEAD AND KEY EXECUTIVES

Prakash Maheshwari	Chief Executive (Yarn & TPP)
S. C. Garg	Chief Executive (Mélange Yarn)
Prabir Bandyopadhyay	Chief Executive (Denim & Fabric)
T. Dev Joshi	President (Corporate HR & OD)
M. L. Jhunjhunwala	President, Mumbai Office

AUDITORS

S. Bhargava Associates
S. S. Kothari Mehta & Co.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

BANKERS

Bank of Baroda
Central Bank of India
Dena Bank
Export-Import Bank of India
HDFC Bank
ICICI Bank Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Mysore
Syndicate Bank
Union Bank of India
Yes Bank

PLANT LOCATIONS

- Kharigram, P.O. Gulabpura - 311 021
Dist. Bhilwara, Rajasthan
- LNJ Nagar, Mordī, Dist. Banswara - 327 001, Rajasthan
(Denim, Fabric and TPP)
- Mayur Nagar, Lodha, Dist. Banswara - 327 001, Rajasthan
- Mandpam, Dist. Bhilwara - 311 001, Rajasthan
- Kanya Kheri, Dist. Bhilwara - 311 025, Rajasthan
- Rishabhdev, Dist. Udaipur - 313 802, Rajasthan
- Ringas, Dist. Sikar - 332 404, Rajasthan
(Green Fibre and Spinning)
- B. Muduganapalli, Bagalur, Hosur Taluk
Dist. Krishnagiri - 635 103, Tamil Nadu
- No.26/8, Perumal Kovil Street,
Thirubuvanai, Puducherry - 605 107



Registered Office

Kharigram, P.O. Gulabpura - 311 021

Dist. Bhilwara (Rajasthan), India

Website: www.rswm.in/www.lnjbhilwara.com

CIN: L17115RJ1960PLC008216



RSWM LIMITED

CIN: L17115RJ1960PLC008216

Registered Office: Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan
Phone: +91-1483-223144 to 223150, 223478, Fax: +91-1483-223361, 223479

Corporate Office: Bhilwara Towers, A-12, Sector – 1, Noida – 201 301 (U.P)
Phone: +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-Fifth Annual General Meeting of the members of the Company will be held on Tuesday the 27th day of September, 2016 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 businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) for the financial year ended the 31st March, 2016 and the Report of Directors and Auditors thereon.
2. To declare the Dividend on 12% Optionally Convertible Redeemable Preference Shares for the financial year ended 31st March, 2016.
3. To declare the Dividend on Equity Shares for the financial year ended 31st March, 2016.
4. To appoint a Director in place of Shri J.C. Laddha (DIN: 00118527) who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Riju Jhunjunwala (DIN : 00061060) who retires by rotation and being eligible, offers himself for reappointment.
6. To re-appoint M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C) as the Joint Statutory Auditor of the Company, and in this connection, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s S. Bhargava Associates, Chartered Accountants (Firm Registration No. 003191C), the retiring Auditors of the Company be and are hereby re-appointed as the Joint Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration".
7. To ratify the appointment of M/s S. S. Kothari Mehta & Co. Chartered Accountants (Firm Registration No. 000756N) as the Joint Statutory Auditor of the Company and in this connection, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Company hereby ratifies the appointment of M/s S. S. Kothari Mehta & Co. Chartered Accountants (Firm Registration No. 000756N), as the Joint Statutory Auditor of the Company who were appointed as the auditors to hold office for a term of 5 years from the conclusion of Fifty third Annual general Meeting till the conclusion of Fifty eight Annual General Meeting subject to ratification of the appointment by the members at every

Annual General Meeting, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

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 ("the Act") and the Rules made thereunder, read with Schedule IV to the Act, Shri Deepak Jain (DIN :00004972), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 11th May, 2016 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for first term of 5 (five) consecutive years up to 10th May, 2021."
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 Section 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to such approval as may be necessary, approval of the members be and is hereby accorded to the re-appointment of Shri Riju Jhunjunwala, (DIN : 00061060) as Managing Director of the Company for a period of five years w.e.f. 1st May, 2016.
RESOLVED FURTHER THAT the remuneration payable to Shri Riju Jhunjunwala (DIN: 00061060) be and is hereby fixed for a period of two years as set out in the Explanatory Statement.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby also authorised to:
 - i) Agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to Shri Riju Jhunjunwala.
 - ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT

- a) pursuant to the provisions of Section 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to such approval as may be necessary, approval of the members be and is hereby accorded to the increase in remuneration of Shri Prakash Maheshwari (DIN:02388988) as Executive Director of the Company by enhancing the commission payable not more than 0.50% as against 0.40% of the net profit of the Company with effect from the financial year 2016-17 as set out in the Explanatory Statement annexed hereto.
- b) The Board of Directors of the Company be and is hereby also authorised to :
 - i) Agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to Shri Prakash Maheshwari.
 - ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."

11. 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:

- Oriental Bank of Commerce (Oriental Bank) in connection with Term Loan of ₹ 39.00 crore.
- Oriental Bank of Commerce (Oriental Bank) in connection with Term Loan of ₹ 31.20 crore.

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 Oriental Bank under the Loan Agreement entered into by the Company in respect of the said borrowing."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with Oriental 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."

12. 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 to the Board of Directors of the Company in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the creation of Second Charge subject to the First Charge of the Term Lenders on all the immovable and movable properties of the Company, wheresoever situated, 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:

- The consortium Banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Union Bank of India, ICICI Bank Ltd. and HDFC Bank Limited for granting to the Company Working Capital Facilities to the extent of ₹968.50 crore (Rupees Nine Hundred Sixty Eight crore and Fifty lacs only) or to any enhancements in the limits in future from time to time.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lenders 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."

13. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), M/s N. D. Birla & Co. Cost Accountants (Firm Registration No. 000028) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration of ₹6,00,000/- (Rupees Six lac only) plus service tax and out of pocket expenses that may be incurred by them during the course of audit.

For RSWM LIMITED

Surender Gupta

Company Secretary
M. No. FCS - 2615

Place: Noida
Date : 9th August, 2016

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 on poll 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 Wednesday, the 21st September, 2016 to Tuesday, the 27th September, 2016 (both days inclusive).
5. 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.
6. The dividend on Optionally Convertible Redeemable Preference Shares (OCRPS) will be paid on pro-rata basis for the period 30th May, 2015 to 31st March, 2016, to the holder of OCRPS whose name appeared on the Company's Register of OCRPS on 20th September, 2016.

7. 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.
8. Members are requested to bring their attendance slip with their copy of Annual Report to the meeting.
9. 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.
10. 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.
11. 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.
12. 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.
13. Members may please note that the unclaimed dividends for the financial years 1996-97 to 2008-09, if any, have already been transferred to the Investor Education and Protection Fund.
14. 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 2016 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.
15. The Annual Report of the Company will also be available on the website of the Company, www.rswm.in.
16. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
17. In case of transfer of Shares, transferee is requested to furnish a copy of the of PAN card to the RTA for registration of transfer of shares in physical form.
18. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The member may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).

The instructions for remote 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 remote e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for remote 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 remote e-voting appears. Click on remote 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 mkg1999@gmail.com with a copy marked to evoting@nsdl.co.in.
- (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 remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- (d) The remote e-voting period commences at 9.00 A.M. on Saturday, the 24th September, 2016 and will end at 5.00 P.M. on Tuesday, the 26th September, 2016. During this period, Members of the Company holding shares either in

physical form or in dematerialized form, as on the cut-off date of 20th September, 2016, may cast their vote electronically. The remote 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) A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20th September, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2016.
- (f) In case a person has become the Member of the Company after the dispatch of Notice but on or before the cut-off date i.e. 20th September, 2016, may write to M/s MCS Share Transfer Agent Ltd. on the e-mail ID: helpdeskdelhi@mcsmregistrars.com or admin@mcsdel.com or mcssta@rediffmail.com or evoting@nsdl.co.in. After receipt of the above credentials, please follow the instructions for e-voting to cast the vote. If the member is already registered with NSDL remote e-voting platform then he can use his/her existing User ID and Password for casting the vote through remote e-voting.
- (g) Shri Mahesh Gupta, Practicing Company Secretary (Membership No. FCS 2870), has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- (h) The Scrutinizer, after scrutinizing the votes cast at the meeting, will not later than three days of conclusion of

the Meeting, makes a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith. The scrutinizer shall unblock the votes in the presence of at least two witnesses not in the employment of the Company.

- (i) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 27th September, 2016.
- (j) 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 and communicated to the BSE Limited and National Stock Exchange of India Limited for placing the same on their respective website.
- (k) Members, who are not casting their vote electronically, may cast their vote at the Annual General meeting by means of ballot.
- (l) Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

By Order of the Board
For RSWM LIMITED

Surender Gupta
Company Secretary
M. No. FCS - 2615

Place: Noida
Date : 9th August, 2016

ANNEXURES TO THE NOTICE **EXPLANATORY STATEMENT PURSUANT TO SECTION 102** **OF THE COMPANIES ACT, 2013**

ITEM NO. 8

Shri Deepak Jain was co-opted as an Additional Director of the Company with effect from 11th May, 2016 and he ceases to hold office from the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount proposing the candidature of Shri Deepak Jain for the office of the Director of the Company.

The Company has received consent in writing from Shri Deepak Jain to act as Director and intimation to the effect that he is not disqualified from being a Director under Section 164 of the Companies Act, 2013.

The Company has received a declaration from Shri Deepak Jain that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Shri Deepak Jain fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013, and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the Management. A copy of draft letter of Appointment, setting out the terms and conditions is available for inspection by

members during normal business hours at the Registered Office of the Company.

The resolution seeks the approval of members for appointment of Shri Deepak Jain as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder to hold office for first term of 5 (five) consecutive years up to 10th May, 2021.

Your Directors recommend the Ordinary Resolution under item no. 8 of the Notice.

Except Shri Deepak Jain and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolution.

ITEM NO. 9

The term of appointment of Shri Riju Jhunjunwala, Managing Director expired on 30th April, 2016. The Board of Directors at their meeting held on 1st February, 2016 had, upon recommendation of Nomination and Remuneration Committee, reappointed Shri Riju Jhunjunwala as Managing Director of the Company for a period of five years w.e.f. the 1st May, 2016 in accordance with the provisions of the Companies Act, 2013 read with Schedule V thereto on the following terms and conditions for the first two years of his appointment.

- Salary : ₹ 8,34,000 per month.
- Commission : Not more than 2% of the net profits of the Company as computed in the manner laid down in applicable provisions of the Companies Act, 2013.
- Perquisites : In addition to salary and commission Shri Riju Jhunjunwala shall be entitled to the following perquisites.

Category 'A'

- i) Housing:
- The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely 60% of the salary, over and above 10% payable by him, or
 - In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company, or
 - In case no accommodation is provided by the Company, house rent allowance subject to a ceiling laid down in (a) above shall be paid.
- The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income Tax Rules, 1962 and will be subject to a ceiling of 10% of the salary.
- ii) Medical Reimbursement:
- Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession:
- For self and family once in a year in accordance with the rules specified by the Company.
- iv) Club fees:
- Fees for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.
- v) Personal Accident Insurance:
- Of an amount, the annual premium of which not to exceed ₹10,000/-.
- For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

- i) Provident Fund:
- Company's contribution to Provident Fund shall be as per the scheme of the Company.
- ii) Superannuation/Annuity Funds:
- Company's contribution to Superannuation/Annuity fund shall be in accordance with the scheme of the Company.
- iii) Gratuity:
- Payable as per the rules of the Company.

Category C

- i) Car:
- Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.
- ii) Telephone:
- Telephone at residence. Personal long distance calls shall be billed by the Company.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary hereinabove contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Managing Director by way of salary, personal pay, perquisites and allowances not exceeding the sum specified in Para 1(A) of Section II of Part II of the Schedule V of the Companies Act, 2013.

The reappointment of Shri Riju Jhunjunwala as Managing Director of the Company and payment of remuneration to him requires the approval by the Company in General Meeting by Ordinary Resolution in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act. The Resolution set out in the notice at item No.9 is intended for the purpose.

Your Directors recommend the Resolution under item No. 9 of the Notice.

Except Shri Riju Jhunjunwala and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolution.

ITEM NO. 10

The terms of remuneration of Shri Prakash Maheshwari, Executive Director of the Company be and is hereby amended as follows with effect from the financial year 2016-17.

- Salary : ₹ 3,05,000/- per month.
- Commission : Not more than 0.50% of the net profits of the Company as computed in the manner laid down in the applicable provisions of the Companies Act, 2013.
- Personal Pay : ₹ 4,53,350/- per month.
- Perquisites : In addition to the salary, commission and personal pay, Shri Prakash Maheshwari shall be entitled to the following perquisites:

Category 'A'

- i) Housing:
- The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the basic salary, over and above 10% payable by him, or
 - In case the accommodation is owned by the Company 10% of the basic salary shall be deducted by the Company, or
 - In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling laid down in (a) above shall be paid.

The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income Tax Rules, 1962 and shall be subject to a ceiling of 10% of the salary.

- ii) Medical Reimbursement:
- Expenditure incurred for the Executive Director and his family, subject to a ceiling of ₹ 1250/- per month.
- iii) Leave Travel Concession:
- For the self and family once in a year incurred subject to a ceiling of ₹ 5833/- per month.
- iv) Club fees:
- Fees for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.
- v) Medical Insurance and Personal Accident Insurance:
- As per the Policy of the Company.
- For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

- i) Provident Fund:
- Company's contribution to Provident Fund shall be as per the scheme of the Company
- ii) Superannuation/Annuity Funds:
- Company's contribution to Superannuation /Annuity fund

shall be in accordance with the scheme of the Company.

iii) Gratuity:

Payable as per the rules of the Company.

iv) Leave and other benefits etc. as applicable to other Employees of the Company.

Category 'C'

i) Car:

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

ii) Telephone:

Telephone at residence. Personal long distance calls shall be billed by the Company.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein above contained, where, in any financial year during the currency of the tenure of the Executive Director, the Company had no profits or had inadequate profits, the Company will pay remuneration to the Executive Director by way of salary, personal pay, perquisites and allowances not exceeding the sum specified in Para 1(A) of Section II of Part II of the Schedule V of the Companies Act, 2013.

The revision of remuneration of Shri Prakash Maheshwari, Executive Director of the Company requires the approval by the Company in General Meeting by Ordinary Resolution in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act. The Resolution set out in the notice at item No.10 is intended for the purpose.

Your Directors recommend the Resolution under item No. 10 of the Notice.

Except Shri Prakash Maheshwari and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the proposed resolution.

ITEM NO. 11

The Company had approached Oriental Bank of Commerce (Oriental Bank), for financial assistances in the form of Rupee Term Loans of ₹ 39.00 crore for setting up of Denim Sheet Dyeing facility comprising of processing Machinery along with utility equipments, and ₹ 31.20 crore for technology up gradation and debottlenecking of existing processes. The above financial assistance(s) are to be secured by mortgage/charge of the assets of 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 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 Oriental Bank may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

Copies of sanction letters received from the lender and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the Special Resolution under item No.11 of the Notice.

None of the Directors and Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested, financially or otherwise, in the said Resolution.

ITEM NO.12

The Company is availing working capital facilities from the consortium of banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Union Bank of India, ICICI Bank Ltd. and HDFC Bank to the extent of ₹ 968.50 crore (Rupees Nine Hundred Sixty Eight crore and Fifty lacs only).

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 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 creation of second charge by the Company on its fixed assets may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

Copies of sanction letters received from these Banks and copies of relevant documents/correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

Your Directors recommend the Special Resolution under item No.12 of the Notice.

None of the Directors and Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested, financially or otherwise, in the said Resolution.

ITEM NO. 13

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, 2017, 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. Accordingly, the resolution under item No. 13 is proposed for the purpose.

None of the Directors & Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board
For RSWM LIMITED

Surender Gupta
Company Secretary
M. No. FCS - 2615

Place: Noida
Date : 9th August, 2016

ANNEXURES TO NOTICE

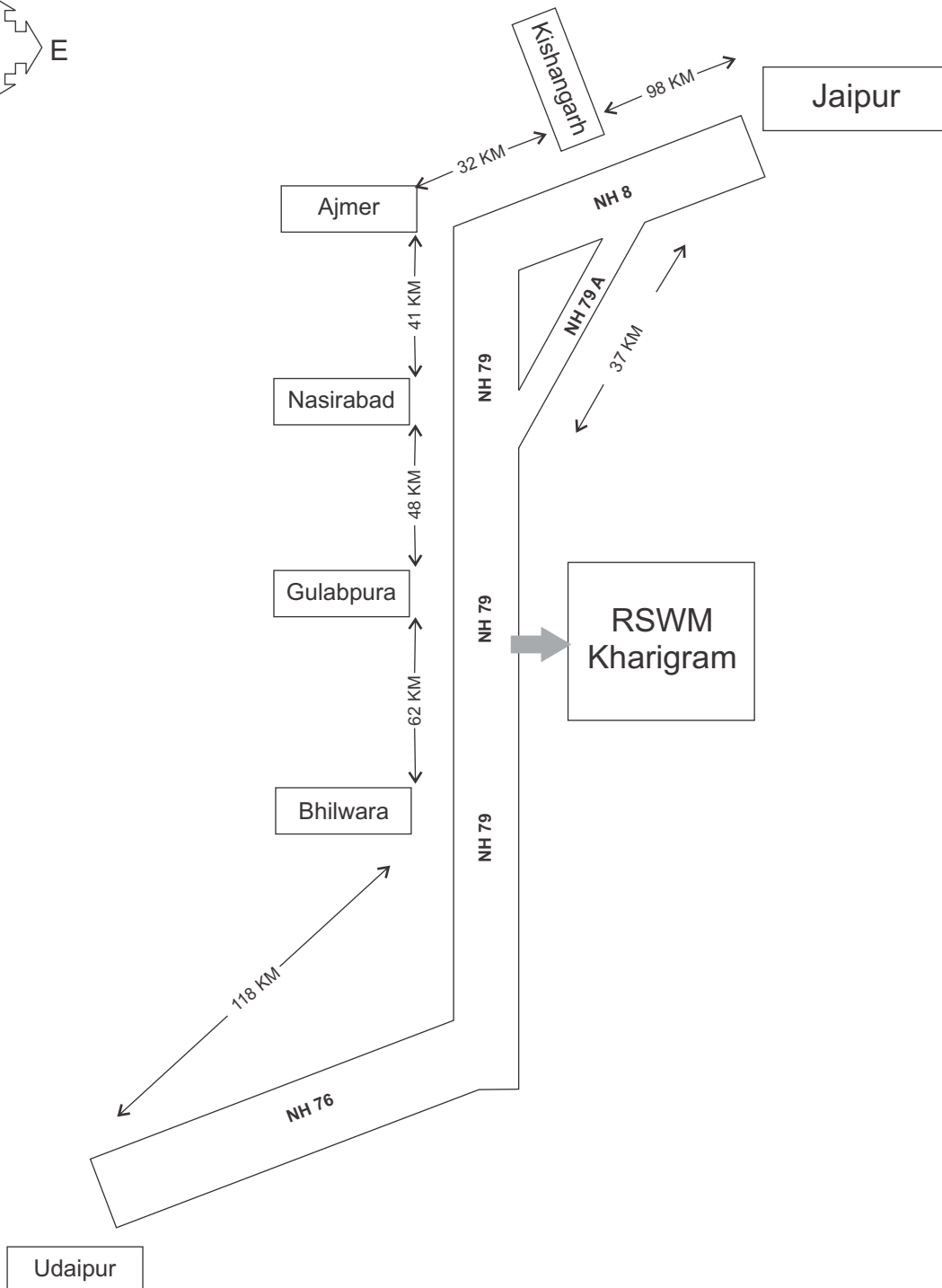
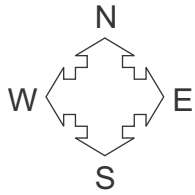
In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Shri Deepak Jain	Shri Riju Jhunjunwala	Shri J.C. Laddha
Category	Independent - Non Executive	Promoter - Executive	Non Independent - Non Executive
Interse relationship	N.A.	Son of Shri Ravi Jhunjunwala	N.A.
Date of Birth	6th April, 1975	13th January, 1979	12th December, 1949
Date of Appointment	11th May, 2016	1st May, 2013	1st January, 1990
Qualification	Business Graduate of Illinois Institute of Technology, USA with specialisation in Operations Management & International Business	Graduate in Business Management Studies	B.Com. FCA
Expertise in specific functional areas	Possesses rich experience in Auto Industry	Industrialist with diversified business experience.	Possesses rich experience in Textile Industry
List of Other Public Companies in which Directorships held#	1. Lumax Industries Limited 2. Lumax Mannoh Allied Technologies Limited 3. Lumax Tours & Travels Ltd. 4. Lumax DK Auto Industries Ltd. 5. Lumax Ancillary Ltd. 6. SL Lumax Ltd. 7. Lumax Auto Technologies Ltd.	1. Bhilwara Energy Limited 2. Bhilara Green Energy Limited 3. Bhlwara Infotechnology Limited 4. Bhilwara Technical Textiles Ltd. 5. Chango Yangthang Hydro Power Ltd. 6. HEG Limited 7. LNJ Power Ventures Limited 8. NJC Hydro Power Limited	None
Chairman/Member of the Committee of the Board of Directors of the Company	None	None	None

Chairman/Member of the Committees of Directors of other Companies:

a) Audit Committee	1. Lumax Industries Limited-Member	1. Bhilwara Technical Textiles Ltd. - Member	None
b) Stakeholders' Relationship Committee	1. Lumax Industries Limited - Member 2. Lumax Auto Technologies Ltd. - Chairman	1. Bhilwara Technical Textiles Ltd. - Member 2. HEG Limited - Chairman	None
No. of Equity Shares held in the Company	Nil	175,000	Nil

Excludes Directorships in Private Limited Companies, Foreign Companies, membership of Management Committee of various chambers/Bodies and Section 8 Companies.



**Route Map of RSWM
Kharigram**



ATTENDANCE SLIP

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

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

DPI d*

Folio No

Client Id*

No. of Share(s) held

Name and address of the Shareholders :

I hereby record my presence at the 55th Annual General Meeting of the Company to be held on Tuesday, September 27, 2016 at 11.30 a.m. at the Registered Office of the Company at Kharigram, P.O. Gulabpura – 311 021, Distt. Bhilwara, Rajasthan.

* Applicable for members holding Shares in electronic form

** Strike out whichever is not applicable

Notes: _____ Signature of the Shareholder/Proxy/Representative**

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.



PROXY FORM

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

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies {Management and Administration} Rules, 2014]

Name of Member(s) : Email ID :

Registered Address : Folio No. / Client ID :

*DP ID :

I/We being the member(s) of _____ shares of the above named Company hereby appoint :

(1) Name:.....Address:.....

E-mail ID:.....Signature:....., or failing him;

(2) Name:.....Address:.....

E-mail ID:.....Signature:....., or failing him;

(3) Name:.....Address:.....

E-mail ID:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on Tuesday, 27th September, 2016, 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:

* Applicable for members holding Shares in electronic form

** I wish my above proxy to vote in the manner as indicated in the box below:





Resolution Number	Resolutions	For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements(including Audited Consolidated Financial Statements) and the Report of Directors and Auditors thereon.		
2	To declare the Dividend on 12% Optionally Convertible Redeemable Preference Shares for the financial year ended 31st March, 2016.		
3	To declare the Dividend on Equity Shares for the financial year ended 31st March, 2016.		
4	To appoint a Director in place of Shri J.C. Laddha (DIN: 00118527) who retires by rotation and, being eligible, offers himself for reappointment.		
5	To appoint a Director in place of Shri Riju Jhunjunwala (DIN : 00061060) who retires by rotation and being eligible, offers himself for reappointment.		
6	Re-appointment of M/s. S. Bhargva Associates, Chartered Accountants (Firm Registration No. 003191C) Chartered Accountant as Joint Statutory Auditor and to fix their remuneration.		
7	To ratify the appointment of M/s S. S. Kothari Mehta & Co. Chartered Accountants (Firm Registration No. 000756N) as the Joint Statutory Auditor and to fix their remuneration.		
Special Business			
8	Appointment of Shri Deepak Jain (DIN :00004972), as Independent Director for first term of 5 (five) consecutive years upto 10th May, 2021.		
9	Re-appointment of Shri Riju Jhunjunwala, (DIN : 00061060) as Managing Director of the Company for a period of five years w.e.f. 1st May, 2016.		
10	Increase in remuneration of Shri Prakash Maheshwari (DIN:02388988) as Executive Director of the Company.		
11	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: • Oriental Bank of Commerce (Oriental Bank) in connection with Term Loan of ₹ 39.00 crore. • Oriental Bank of Commerce (Oriental Bank) in connection with Term Loan of ₹ 31.20 crore.		
12	Special Resolution under Section 180 (1)(a) for the creation of Second Charge subject to the First Charge of the Term Lenders on all the immovable and movable properties of the Company to or in favour of : • The consortium Banks viz. State Bank of Bikaner & Jaipur, Punjab National Bank, State Bank of India, Bank of Baroda, Export-Import Bank of India, State Bank of Mysore, Union Bank of India, ICICI Bank Ltd. and HDFC Bank Limited for granting to the Company Working Capital Facilities to the extent of ₹ 968.50 crore.		
13	Approval of the remuneration payable to M/s. N. D. Birla & Co., Cost Accountants (Firm Registration No. 000028) as Cost Auditor of the Company for the financial year ending 31st March, 2017.		

Signed this _____ day of _____ 2016

Signature of Shareholder_____

Signature of Proxy holder(s)_____

Affix
Revenue
Stamp

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' or '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 the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 55th Annual General Meeting.