SKP SECURITIES LTD
creating prosperity

December 13, 2022

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051

Re: Rights issue of up to 2,35,50,842 fully paid-up equity shares of face value of ₹ 10 each (the "Rights Equity Shares") of RSWM Limited (the "Company") for cash at a price of ₹ 100 per Rights Equity Share (including a premium of ₹ 90 per Rights Equity Share) aggregating up to ₹ 23,550.84 lakhs on a rights basis to the eligible equity shareholders of the Company in the ratio of 1 (One) Rights Equity Shares for every 1 (One) equity shares held by the eligible equity shareholders of the Company on the record date, that is on Friday, December 16, 2022 ("Record Date", and such issue, the "Issue"), in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018, as amended ("SEBI ICDR Regulations") and various applicable circulars that have been issued by the Securities and Exchange Board of India ("SEBI") from time to time

Dear Sir/ Madam,

The Company is proposing to undertake the Issue in accordance with the SEBI ICDR Regulations, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or such other amendments / circulars as may be issued by SEBI / BSE / NSE from time to time ("**ASBA Circulars**").

In connection with the Issue, the Company has appointed SKP Securities Limited as the lead manager to the Issue (the "**Lead Manager**").

The Company has obtained in-principle approval from the National Stock Exchange of India Limited ("**NSE**"), for the listing of the Rights Equity Shares vide its letter dated November 21, 2022.

The Company is making the Issue by way of a 'fast track issue' in terms of Regulation 99 of the SEBI ICDR Regulations, and in compliance with Part B of Schedule VI of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars.

Key terms of the Issue are:

Rights Equity Shares being offered by the Company	Up to **2,35,50,842** Equity Shares
Rights Entitlement Ratio*	1 (One) Rights Equity Shares for every 1 (One) Equity Shares held on the Record Date
Record Date	Friday, December 16, 2022
Date of approval for the Issue by the board of directors of the Company	Friday, May 27, 2022
Face Value per Rights Equity Share	₹ 10 each
Issue Price	₹ 100 per Rights Equity Share (including a premium of ₹ 90 per Rights Equity Share)
Issue Size	Up to ₹ 23,550.84 lakhs
Issue Opens on	Friday, December 23, 2022
Last date for on market renunciation*	Monday, January 02, 2023
Issue Closes on#	Friday, January 06, 2023

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

 # The Board of Directors of the Company or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

SKP Securities Ltd. Kolkata-107 * Biowonder-789, Anandapur *

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Kolkata 700107 India
+91 33 66777000
contact@skpsecurities.com
skpsecurities.com

NSE & BSE : INZ000199335 | NSDL & CDSL : IN-DP-155-2015 | Research Analyst : INH300002902
MB : INM000012670 | PMS : INP000006509 | AMFI : ARN 0006 | CIN : L74140WB1990PLC049032

In connection with the Issue, we hereby submit the soft copy of the letter of offer dated December 13, 2022 ("**Letter of Offer**") in ".pdf" format.

Furthermore, in accordance with Regulation 71(8) of the SEBI ICDR Regulations, the Letter of Offer shall simultaneously be filed online with SEBI.

We request you to take the above on record.

Should you require any further information from us, we would be pleased to furnish the same.

Please feel free to contact the following official from the Lead Manager if you require any information or clarification:

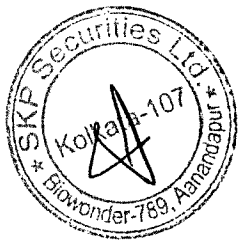
Contact Person	Telephone	Email
Anup Kumar Sharma	+91 033 6677 7008 +91 9831315376	contact@skpsecurities.com

All capitalised terms not specifically defined in this letter will have the same meanings ascribed to such terms in the Letter of Offer.

Thanking you.

Sincerely

For **SKP Securities Limited**



Authorised Signatory

Name: Anup Kumar Sharma
Designation: Head – Merchant Banking
Contact Number: +91 98313 15376
Email: contact@skpsecurities.com

Place: Kolkata
Date: December 13, 2022

Enclosed: As above

RSWM LIMITED

RSWM Limited ("**Company**" or the "**Issuer**") was originally incorporated as 'Rajasthan Spinning and Weaving Mills Limited' on October 17, 1960, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the Registrar of Companies, West Bengal at Calcutta. Our Company received the certificate of commencement of business from the Registrar of Companies, West Bengal at Calcutta on December 29, 1960. Subsequently, the name of our Company was changed to 'RSWM Limited' pursuant to which a fresh certificate of incorporation was granted on July 31, 2006 by the Registrar of Companies, Rajasthan at Jaipur ("**RoC**"). For further details in relation to changes in the registered office of our Company, see "*General Information*" on page 37.

Registered Office: Kharigram, P.O Gulabpura – 311 021, Bhilwara, Rajasthan
Corporate Office: Bhilwara Towers, A-12, Sector - 1, Noida – 201 301, Uttar Pradesh, India
Contact Person: Surender Gupta, Company Secretary and Compliance Officer
Tel: +91 120 439 00000 | **E-mail**: rswm.investors@lnjbhilwara.com | **Website**: www.rswm.in
Corporate Identity Number: L17115RJ1960PLC008216

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF RSWM LIMITED ONLY
PROMOTERS OF OUR COMPANY: LAKSHMI NIWAS JHUNJHUNWALA AND RAVI JHUNJHUNWALA

ISSUE OF UP TO 2,35,50,842 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 100 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 90 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 23,550.84 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 1 (ONE) EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS, ON DECEMBER 16, 2022 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 190.
** Assuming full subscription*

WILFUL DEFAULTERS

Neither our Company, nor the Promoters, nor any of the Directors have been or are categorized as a wilful defaulter and/or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or a consortium thereof, in accordance with the guidelines on wilful defaulters and/or fraudulent borrower issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the section "*Risk Factors*" on page 16.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated November 24, 2022 and November 21, 2022, respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SKP Securities Limited 1702-03, BioWonder, 789 Anandapur, E M Bypass Kolkata - 700 107, West Bengal, India **Tel**: +91 6677 7000 **E-mail:** contact@skpsecurities.com **Investor Grievance E-mail**: grievance.cell@skpsecurities.com **Website:** www.skpsecurities.com **Contact Person**: Anup Kumar Sharma **SEBI Registration No**.: INM000012670	**KFin Technologies Limited** *(formerly known as KFin Technologies Private Limited)* Selenium, Tower B, Plot No. 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Tel:** +91 40 6716 2222 / 1800 309 4001 **E-mail:** rswm.rights@kifntech.com **Investor grievance E-mail:** einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Muralikrishna **SEBI Registration No**: INR000000221

ISSUE SCHEDULE#	
ISSUE OPENS ON	FRIDAY, DECEMBER 23, 2022
LAST DATE FOR ON MARKET RENUNCIATION*	MONDAY, JANUARY 2, 2023
ISSUE CLOSES ON#	FRIDAY, JANUARY 6, 2023

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
#Our Board will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider while reading the information contained herein. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Information" on pages 53 and 79, respectively, shall have the meanings given to such terms in the respective sections.

Company related terms

Term	Description
"Company" or "our Company" or "the Company" "the Issuer" or "We" or "Our" or "Us"	RSWM Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office situated at Kharigram, P.O Gulabpura – 311 021, Bhilwara, Rajasthan
"Articles of Association" or "Articles" or "AoA"	The articles of association of our Company, as amended
"Annual Audited Financial Statements"	The audited consolidated financial statements of our Company as at and for the financial year ended March 31, 2022 and March 31, 2021, which comprises the consolidated balance sheet as at March 31, 2022 and March 31, 2021, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Associate Companies	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards
"Board of Directors" or "Board"	Board of directors of our Company or a duly constituted committee thereof
Corporate Office	Corporate office of our Company situated at Bhilwara Towers, A-12, Sector - 1, Noida – 201 301, Uttar Pradesh, India
Director(s)	Any or all the directors on our Board, as may be appointed from time to time
Equity Shareholder(s)	A holder of Equity Share(s) of our Company, from time to time
Equity Shares	The equity shares of our Company each having a face value of ₹ 10 each, unless otherwise specified
Financial Information	Annual Audited Financial Statements and the Unaudited Interim Financial Results. For details, see "*Financial Information*" on page 79
Joint Statutory Auditors	Collectively, M/s. S. S. Kothari Mehta & Co., Chartered Accountants and M/s. Lodha & Co, Chartered Accountants
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended from time to time
Promoters and Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations
Promoters	The Promoters of our Company, namely Lakshmi Niwas Jhunjhunwala and Ravi Jhunjhunwala
Promoter Group	Unless the context requires otherwise, the entities and persons forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company, located at Kharigram, P.O Gulabpura - 311 021, Bhilwara, Rajasthan

Term	Description
"Registrar of Companies" or "RoC"	Registrar of Companies, Rajasthan at Jaipur
Unaudited Interim Financial Results	Unaudited interim condensed consolidated financial results of our Company as at and for the six months ended September 30, 2022 (which will include the comparative figures included therein for the six months ended September 30, 2021)

Issue related terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
"Allot" or "Allotment" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Allotment Account Bank(s), into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being ICICI Bank Limited
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor, who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
"Application Form" or "Common Application Forms" or "CAF(s)"	Form in terms of which an Applicant shall make an application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper applications under the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained by an Investor with an SCSB which will be blocked by such SCSB to the extent of the amount payable on application in the ASBA Account
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, or such other amendments / circulars as may be issued by SEBI / BSE / NSE from time to time
Banker(s) to the Issue	Collectively, the Allotment Account Bank(s) and the Refund Bank(s) to the Issue, in this case being ICICI Bank Limited
Banker to the Issue Agreement	Agreement dated December 9, 2022 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker(s) to the Issue
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "*Terms of the Issue*" beginning on page 190
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Branches	Such branches of the SCSBs which shall collect the CAFs or the plain paper Application, as the case may be, used by the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI

Term	Description
ICRA Report	Report titled '*Indian Cotton Spinning Industry: Trends & Outlook*' dated June 2022 issued by ICRA Limited
Issue	Issue of up to 2,35,50,842 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 100 per Rights Equity Share (including a premium of ₹ 90 per Rights Equity Share) aggregating up to ₹ 23,550.84 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Shares for every 1 (One) Equity Shares held by the Eligible Equity Shareholders of our Company as on the Record Date
Issue Agreement	Agreement dated December 13, 2022 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Friday, January 6, 2023
Issue Opening Date	Friday, December 23, 2022
Issue Materials	This Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and any other offering material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 100 per Rights Equity Share (including a premium of ₹ 90 per Rights Equity Share.
"Issue Proceeds" or "Gross Proceeds"	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 23,550.84 lakhs
Lead Manager	SKP Securities Limited
"Letter of Offer" or "LOF"	This letter of offer dated December 13, 2022 filed with the SEBI and the Stock Exchanges
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated November 7, 2022 entered into between the Company and the Monitoring Agency
Multiple Application Forms	More than one Application form submitted by an Eligible Shareholder / Renouncee in respect of the same Rights Entitlements available in their demat account. However additional applications in relation to additional Rights Equity Shares with / without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "*Objects of the Issue*" on page 46
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Monday, January 2, 2023
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Friday, December 16, 2022
Refund Bank	The Banker(s) to the Issue with whom the Refund Accounts will be opened, in this case being ICICI Bank Limited
"Registrar to the Issue" or "Registrar"	KFin Technologies Limited
Registrar Agreement	Agreement dated December 9, 2022, entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Renouncee(s)	Any person(s) who has / have acquired Rights Entitlements, in accordance with the SEBI ICDR Regulations
Renunciation Period	The period during which the Investors can renounce or transfer or sell their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Monday, January 2, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement / RE	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 1 (One) Rights Equity Shares for every 1 (One) Equity Shares held by the Eligible Equity Shareholder on the Record Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders

Term	Description
Rights Equity Shares	Equity Shares to be Allotted pursuant to the Issue
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard
SCSB(s)	Self certified syndicate bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at the website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	Working day means all days on which commercial banks in New Delhi are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in New Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional or general terms and abbreviations

Term / Abbreviation	Description / Full Form
₹ / Rs. / Rupees / INR	Indian Rupee
AIF	Alternative investment fund
AS / Accounting Standards	Accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CCI	Competition Commission of India
CIN	Corporate identification number
Companies Act, 1956	Companies Act, 1956
"Companies Act, 2013" or "Companies Act"	Companies Act, 2013
Competition Act	Competition Act, 2002
COVID-19	A public health emergency of international concern as declared by the WHO on January 30, 2020 and a pandemic on March 11, 2020
Depositories Act	Depositories Act, 1996
Depository / DP	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DIN	Director identification number
FCNR Account	Foreign Currency Non Resident account
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCIs	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GDP	Gross domestic product
GIR	General index registrar
Government / GoI	Central Government and/or the State Government, as applicable
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IMF	International Monetary Fund
India	Republic of India
Ind AS	Indian accounting standards as notified by the MCA *vide* Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015
ISIN	International securities identification number allotted by the Depository

Term / Abbreviation	Description / Full Form
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / N/A	Not applicable
NCR	National Capital Region, encompassing Delhi and several districts surrounding it from the states of Haryana, Uttar Pradesh and Rajasthan
NEFT	National Electronic Fund Transfer
Non Resident / NR	Persons resident outside India, as defined in FEMA
NRE Account	Non Resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non Resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body being a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
PAN	Permanent account number
RBI	Reserve Bank of India
Registered Foreign Portfolio Investors / Foreign Portfolio Investors	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulation S under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI ILDS Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended
State Government	Government of a state of India
STT	Securities transaction tax
U.S. / USA / United States	United States of America, including its territories or possessions, any state of the United States, and the District of Columbia
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organisation

Business and Industry related terms

Term	Description
IT	Information Technology
RoDTEP	Remission of Duties and Taxes on Exported Products
TPA	Tonne per annum
TUFS	Technology Upgradation Fund Scheme
YoY	Year-on-year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and any other offering material and the issue of Rights Entitlements and the Rights Equity Shares (collectively, the "**Issue Materials**") to persons outside India is restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer or any other Issue Materials may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer / the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer, shall not be sent this Letter of Offer or any other Issue Materials.

Further, this Letter of Offer will be provided to those who make a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch, on a reasonable efforts basis, this Letter of Offer and other applicable Issue Materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges.

Our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. In particular, the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**"). For the selling restrictions in certain other jurisdictions, see "*Restrictions on Purchases and Resales – Selling Restrictions*" on page 216. The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Any person who makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that they are authorised to acquire the Rights Entitlements (if applicable) and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in their jurisdiction without requirement for our Company or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Restrictions on Purchases and Resales*" on page 216.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from a person located in the United States or other jurisdictions where the offer and sale of the Rights

Equity Shares is not permitted under the laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved, disapproved or recommended by the securities authorities of any jurisdiction or any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the sale of the Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Neither the receipt of this Letter of Offer nor any sale of the Rights Equity Shares hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable; and (ii) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Page numbers

Unless stated otherwise, all reference to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Information. For details, see "*Financial Information*" on page 79.

Our Financial Year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

We have prepared our Financial Information in accordance with relevant Ind AS, Companies Act, 2013 and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Rupees lakhs. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Unless otherwise stated, the financial numbers stated in this Letter of Offer are derived from Annual Audited Financial Statements and the Unaudited Interim Financial Results.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakh Rupees. One lakh represents 1,00,000.

Market and industry data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and our Company does not make any representation as to the accuracy of that information. Further, the information has also been derived from the ICRA Report dated June 2022. For risks in relation to the report, see "*Risk Factors – Industry information included in this Letter of Offer has been derived from a third party industry report and such other third party sources. There can be no assurance that such third- party statistical, financial and other industry information is complete, reliable or accurate"* on page 29. Accordingly, no investment decision should be made on the basis of such information.

This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, and thus we have relied on internally developed estimates.

The extent to which the market and industry data used in this Letter of Offer is meaningful is dependent on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no

standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 16. Accordingly, investors should not place undue reliance on this information.

Disclaimer of ICRA Report

This Letter of Offer contains data and statistics from the report titled "*Indian Cotton Spinning Industry: Trends & Outlook*" dated June 2022 by ICRA Limited, which is subject to the following disclaimer:

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that maybe inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Currency of presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India; and
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America.

Non-Ind AS measures

Certain non-Ind AS financial measures and certain other statistical information relating to our operations and financial performance such as net worth, return on net worth, net asset value per equity share, ratio of non-current liabilities-borrowings (including current maturities) / total equity (excluding non-controlling interest), ratio of total borrowings / total equity (excluding non-controlling interest), EBITDA, have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to the financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Exchange rates

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for or as of the end of the periods indicated:

(in ₹)

Name of the Currency	As of September 30, 2022	As of March 31, 2022
1 USD	81.55	75.81

Source: www.fbil.org.in

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute forward-looking statements. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and prospects are forward-looking statements. These forward-looking statements include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party) involve known and unknown risks, uncertainties, assumptions and other factors that may significantly affect the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All such forward-looking statements are based on our current plans and expectations and are subject to such risks, uncertainties and assumptions about our Company that could significantly affect our current plans and expectations and thereby cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business being dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process;
- A significant portion of our sales being attributable to our yarn vertical;
- Lack of firm commitment long-term agreements with our customers;
- Our working capital requirements and requirements of additional financing to meet those requirements;
- Our dependance on limited suppliers for our raw materials;
- Volatility in the supply and pricing of our raw materials; and
- Our ability to identify and understand evolving industry trends.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*" on page 16.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of

operations or financial condition could differ materially from that may be described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

This section is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections titled *"Risk Factors"*, "*Objects of the Issue*", *"Capital Structure"*, *"Industry Overview", "Our Business", "Outstanding Litigation and Defaults*" and "*Financial Information*" beginning on pages 16, 46, 43, 58, 66, 178 and 79 respectively of this Letter of Offer.

Summary of primary business

Our Company is a manufacturer of high-quality cotton, melange, synthetic and novelty yarns, along with knitted and denim fabric. Our Company is engaged in business-to-business (B2B) transactions as the products manufactured by our Company needs further processing before it reaches the final consumer. Our customers consist of fabric manufacturers and wholesalers.

Objects of the Issue

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in lakhs)
Repayment or pre-payment, in full or part, of certain borrowings availed by the Company, including interest thereon	13,410.00
Funding our working capital requirements	7,000.00
General corporate purposes[*]	2,766.21
Total Net Proceeds[**]	23,167.21

[*] *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
[**] *Assuming full subscription and Allotment of the Equity Shares with respect to the Rights Equity Shares.*

Subscription to the Issue by our Promoters and members of our Promoter Group

Our Promoters and Promoter Group have agreed to: (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the other Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

Our Promoters and certain members of our Promoter Group have also confirmed that they may apply for and subscribe to additional Rights Equity Shares. Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in our Company.

The above subscription of Rights Equity Shares shall be made to the extent that it does not result in any obligation on our Promoters and Promoter Group to give an open offer in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Summary of Outstanding Litigation and Material Developments

Type of Proceedings	Number of cases	Total amount* (₹ in lakhs)
Cases involving our Company		
Issues involving moral turpitude or criminal liability	Nil	-
Material violations of statutory regulations	Nil	-
Economic offences where proceedings have been initiated against our Company	Nil	-
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	4	3,004.77
Total	**4**	**3,004.77**

** To the extent quantifiable.*

For details, please refer to the section titled "*Outstanding Litigation and Defaults*" beginning on page 178.

Risk Factors

Please refer to the section titled "*Risk Factors*" beginning on page 16 for details about the risk factors.

Contingent Liabilities

For details of our contingent liabilities as at March 31, 2022, please refer to the section titled "*Financial Information*" beginning on page 79.

Related Party Transactions

For details of our related party transactions as per Ind AS 24 as reported in the Financial Information, please see "*Financial Information*" on page 79.

Details of Equity Shares Issued for Consideration other than Cash in last one year

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of the filing of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Offer. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. See section "Forward-Looking Statements" beginning on page 12.

To obtain a complete understanding about us, prospective investors should read this section in conjunction with the section "Our Business" on page 66, as well as the other financial and statistical information contained in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Annual Audited Financial Statements and the Unaudited Interim Financial Results.

INTERNAL RISK FACTORS

1. *Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of manufacturing operations or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition and result of operations.*

Our business is dependent on our ability to manage our manufacturing operations, which are subject to various operating risks and factors including, among others, breakdown and/or failure of equipment or industrial accidents which may entail significant repair and maintenance costs, increases in raw materials, consumables and manpower costs, challenges in achieving targeted utilization levels at our manufacturing facilities, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, such as the COVID-19 pandemic, natural calamities, labor disputes, civil disruptions and changes in the regulations and policies of the states or local governments where our manufacturing facilities are located. Although we have not experienced any material instances of such disruptions, we cannot assure you that we will not be subject to these risks in the future. Any of the foregoing could cause delays in our operations or require us to shut down the affected manufacturing facility.

In addition, we may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved. Any material disruption at our manufacturing facilities, including but not limited to power failure, fire, strikes, lockouts and unexpected mechanical failure of equipment, could reduce our ability to meet the conditions of our business contracts and earnings for the affected period. Although we have not experienced such material disruptions in the past, we cannot assure you that our manufacturing facilities will be able to operate smoothly in the future. In addition, if we are unable to obtain raw materials and equipment on commercially acceptable terms, or at all, or if our third-party suppliers fail to deliver the raw materials and equipment to us within a reasonable stipulated time, it could lead to disruptions, slowdown or shutdown of operations at our manufacturing facilities and R&D centers. Our inability to effectively respond to any such disruption, slowdown or shutdown, and rectify any disruption in a timely manner and at an acceptable

cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

2. *The recent novel coronavirus ("COVID-19") outbreak has impacted our business, results of the operations and financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.*

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be reintroduced in the future. The rapid spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses.

Currently, there is medical uncertainty regarding COVID-19 and till any cure is found, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. While the Government of India and other governments in the world have initiated COVID-19 vaccination drives, there is still uncertainty relating to the impact of the COVID-19 pandemic on the global and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. Accordingly, if the uncertainty relating to the impact of the COVID-19 pandemic continues, our business operations may be impacted adversely. Any risks arising on account of a fresh round of COVID-19 such as in relation to lockdown, slowdown of economic activities, loss of life and debilitation of key personnel can have an adverse effect on our business, results of operations, cash flows and financial condition. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition. We are not able to predict the duration and severity of the economic conditions arising out of a fresh outbreak of COVID-19 pandemic and as a consequence, our financial results for a particular period are difficult to predict.

Our Company resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. In the event, further lockdowns are implemented, the resumption of operations of the factories and stores could be slowed down. Furthermore, in the event any member or members of our management or operations team contract COVID-19, it may potentially affect our operations. Our Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available in determination of the recoverability and carrying value of property, plant and equipment, goodwill and other intangible assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare our Financial Information. Our Company will continue to closely monitor any material changes to future economic conditions.

3. *A significant portion of our sales comes from our yarn vertical. If there is a decrease in the demand for products forming part of this vertical or a decrease in the average selling prices of such products, our operating profits could be adversely affected.*

A significant portion of our revenue is attributed to sales of the yarn vertical which accounted for 77.30%, 82.33%, 80.84% and 84.12% of revenue from operations during the six months ended September 30, 2022, six months ended September 30, 2021, and for the Fiscal 2022 and Fiscal 2021, respectively. Demand for these products forming part of this vertical is affected by, among other things, average selling prices, changes in trends and user preferences. If such demand were to decrease, or average selling prices were to decrease further, our results of operations could be materially adversely affected. We cannot assure you that we would be in a position to be able to service our customers if the selling price of such products to our customer decreases in the future.

4. *We do not have firm commitment long-term agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.*

We do not have firm commitment long-term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of our sales of products, from our customers. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled

prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules.

Additionally, certain customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand, among others, price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than-expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase staffing, increase capacity and incur other expenses to meet the anticipated demand of our customers, which could cause reductions in our margins if an order gets delayed or cancelled or modified.

5. ***We have high working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our business, results of operations and financial condition.***

Our Company requires working capital to finance the purchase of materials and for the manufacture and other related work before payment is received from customers. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes and additional market developments and new opportunities in the textile industry. Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

6. ***Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have an adverse effect on our business, results of operations and financial condition.***

The principal raw materials used in our manufacturing process include polyester, viscose and cotton, among others. Our cost of raw materials consumed for the six months ended September 30, 2022, six months ended September 30, 2021, Fiscal 2022 and Fiscal 2021 was ₹ 1,19,592.20 lakhs, ₹ 94,219.27 lakhs, ₹ 210,799.26 lakhs and ₹ 1,21,247.15 lakhs, which represented 60.47%, 55.59%, 55.22% and 52.13% of our revenue from operations, respectively. We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import

duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

Further, any change in the supplying pattern of our raw materials can adversely affect our business and profits. We use third parties for the supply of our raw materials. Any delay in the supply or delivery of raw materials to us by our suppliers may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business and results of operations. Additionally, transportation strikes have in the past and could in the future have an adverse effect on our supplies from particular facilities on a timely and cost efficient basis. An increase in freight costs or the unavailability of adequate transportation for our raw materials to us may have an adverse effect on our business and results of operations.

7. ***Our Company as well as our customers operate in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.***

Some of our Company's competitors in the industry may have greater manufacturing and financial capabilities, or superior resources. Our customers evaluate the product suppliers based on, among other things, manufacturing capabilities, quality, flexibility, and costs. Therefore, we are exposed to risks of our competitors having access to better resources than us.

Further, manufacturers continuously seek to reduce cost. Therefore, our ability to be cost efficient is a critical factor in being preferred by our customers. The competitive nature of the industry may result in substantial price competition. From time to time, the markets for our products have experienced periods of increased imports or capacity additions, which have resulted in oversupply and declines in product prices and margins in the domestic market.

Our Company's customers may opt to transact with our competitors instead of our Company or if the Company fails to develop and provide the technology and skills required by its customers at a rate comparable to its competitors. There can be no assurance that we will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to establish a compelling advantage over our competitors.

8. ***We depend on limited suppliers for the supply of certain raw materials. The loss of one or more such suppliers could adversely affect our business, results of operations, financial condition and cash flows.***

We currently rely on limited suppliers to provide certain raw materials, including polyester and viscose. We do not have long-term agreements with such suppliers, and the loss of one or more of our significant suppliers or a reduction in the amount of raw materials we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows, until such time that we procure alternate suppliers for such raw materials. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Our suppliers could fail to meet their obligations, which may have an adverse impact on our business and results of operations. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we will be unable to meet our production schedules and customer orders in a timely manner, which will adversely affect our sales and customer relations. In the absence of long-term supply contracts, there can be no assurance that a particular supplier will continue to supply our products in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits.

9. ***In the event we fail to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity expansions, it may have an adverse effect on our business, cash flows, financial condition and results of operations.***

We maintain a high level of inventory of raw materials, work in progress and finished goods. We plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability. As of September 30, 2022, our inventory of raw materials and finished goods (including traded goods) amounted to ₹ 16,217.87 lakhs and ₹ 20,813.70 lakhs, respectively. Our high level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Further, we do not have firm commitment long-term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products. As our customers are not obliged to purchase our products or provide us with a binding long-term commitment, there can be no assurance that customer demand will match our production levels. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations.

10. ***Our inability to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our business.***

Changes in consumer preferences, regulatory or industry trends or requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through research and development or through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete.

To compete effectively in the textile industry, we must be able to develop, upgrade and manufacture new products to meet our customers' demand in a timely manner. In order to do so, we need to identify and understand the key market trends and address our customers' evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of products to meet the demands of our customers. We cannot assure you, however, that we will be able to install and commission the equipment needed to manufacture products for our customers on time. Our failure to successfully and timely develop and manufacture new products in order to cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

11. ***We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer***

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalised. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

12. ***We may be subject to financial and reputational risks due to product quality and liability issues which may have an adverse effect on our business, financial condition and results of our operations.***

In the event that we are not able to meet the regulatory quality standards, or strict quality standards imposed by our customers, which are applicable to our products, it could have an adverse effect on our business, financial condition, and results of operations. To the extent that our products do not, or are not deemed to, satisfy such

warranties, we may be held responsible for replacing any defective products, or, in certain circumstances, for any consequential damages. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

The possibility of future product failures could cause our Company to incur substantial expense to replace defective products, provide refunds or resolve disputes with our customers through litigation, arbitration or other means. There can be no assurance that we will be able to recover any losses incurred as a result of product liability in the future from any third party, or that defects in the products sold by us, regardless of whether we are responsible for such defects, would not adversely affect our standing and reputation in the marketplace and customer relationships, result in monetary losses and have a material adverse effect on our business, financial condition and results of operations.

13. ***We may face protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our financial condition and results of operations.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales or limiting our opportunities for growth.
Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on us in the future. In the event that such protective trade restrictions are imposed on us, our exports could decline. Moreover, India is our largest market and we do not currently impose such restrictions. Foreign textile manufacturers may, as a result of trade restrictions in other regions or other factors, attempt to increase their sales in India thereby causing increased competition in our largest market. A decrease in exports from India or an increase in textile imports to India as a result of protective trade restrictions could have a negative impact on our business, financial condition and results of operations.

14. ***We have incurred significant indebtedness. Our indebtedness and the conditions and restrictions imposed by our lenders may restrict our ability to conduct our business and operations.***

As at September 30, 2022, we had total outstanding debt of ₹ 1,02,837.03 lakhs. Our indebtedness may have several important consequences, including to:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to continue dedicating a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions, joint ventures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- limit our ability to obtain financing in the future for working capital, capital expenditures, acquisitions or other purposes on acceptable terms, on a timely basis or at all.

Several of the existing agreements with our lenders contain restrictive covenants that require us to obtain the prior written consent of our lenders to take certain actions, including alteration of capital structure, making changes to constitutional documents, issuing additional securities, among others. In addition, certain of our financing arrangements may include covenants to maintain certain liquidity ratios and solvency ratios, and there can be no assurance that such financial covenants will not hinder business development and growth.

Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. There can be no assurance that we will generate sufficient cash to enable us to service our existing or proposed borrowings, comply with covenants or fund other liquidity needs. Furthermore, adverse developments in the Indian and global credit markets or a reduced perception of our creditworthiness in the credit markets could increase our debt service costs and the overall cost of our funds. If we fail to meet our debt service obligations or financial covenants required under the financing documents, our lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations,

enforce the security interest, take possession of our assets or substitute themselves or their nominees under any document in relation to the project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our business, results of operations and cash flows.

15. ***Increases in interest rates may materially impact our results of operations.***

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. We are exposed to interest rate risk in respect of contracts for which we have not entered into any swap or interest rate hedging transactions. We may further be unable to pass any increase in interest expense to our existing customers. Any such increase in interest expense may have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, if we decide to enter into agreements to hedge our interest rate risk, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us fully against our interest rate risk.

16. ***Our business is dependent on adequate and uninterrupted availability of electrical power and water. We may also face certain risks with regard to the operation of our captive power plant in Rajasthan. Any shortages or any prolonged interruption of power and water or increase in the cost of power, could adversely affect our business, result of operations and financial conditions.***

Adequate and uninterrupted supply of electrical power and water is critical to our operations. We also need to ensure that the supply of power is at rates that are cost effective. Our Company operates ten manufacturing facilities and one thermal power plant. In Fiscal 2022 and Fiscal 2021, our Company met 53.49% and 83.85%, respectively, of the power requirements through captive sources. Although we source power from our captive power plants, we still rely on the various state electricity boards through a power grid for the supply of electricity to ensure uninterrupted operations. While we have not faced any material issues in relation to uninterrupted power supply in the recent past, there can be no assurance that there will be no disruptions in production in cases of prolonged power failures.

Further, our power and fuel costs represent a significant portion of our revenue and for the six months ended September 30, 2022, six months ended September 30, 2021, Fiscal 2022 and 2021, represented 10.82%, 10.61%, 10.16% and 11.09%, respectively, of our revenue from operations. If the per unit cost of electricity is increased by the state electricity boards, our power costs will increase. Also, if fuel costs or the costs of operating our power generation plants increase, our cost of generation of electricity through our captive power plants will rise. In the six months ended September 30, 2022, six months ended September 30, 2021, Fiscal 2022 and Fiscal 2021, power and fuel expenses accounted for 11.29%, 11.21%, 10.88% and 10.93%, respectively, of our Company's total expenses.

In addition, power generation at our solar power units in Mordi, Kharigram, Mandapam and Kanyakheri is dependent on various factors beyond our control. Unfavourable weather conditions could impair the effectiveness of such plants, reduce their output beneath their rated capacity, and may also require the shutdown of key equipments. Any such interruptions may impede our ability to source power from our captive power plants, and may compel us to fulfil a greater share of our requirements from state electricity boards, at an increased cost. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. A prolonged interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. Further, any change in the applicable regulatory regime, which results in stricter laws and regulations, may impose new liabilities on us or result in the need for additional investment in equipment, either of which could adversely affect our business or financial condition.

Our operations and manufacturing facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. There can be no assurance that we will always have access to sufficient supplies of water in the future to accommodate our production requirements and planned growth. In addition to the production losses that we would incur during production shutdowns in the absence of supply of water, we would not be able to immediately return to full production volumes following such interruptions, however brief.

17. ***We own a large range of equipment and have a large number of workmen, resulting in increased costs to our Company. In the event we are not able to generate adequate cash flows it may have a material adverse impact on our operations.***

We operate in a labor-intensive industry and accordingly, are required to employ labor as well contractual labor. This results in a significant labor as well as contractual labor costs for our Company. Our dependence on our workmen (including our contract labor) may result in significant risks for our operations, relating to the availability and skill of such contract laborers, as well as contingencies affecting availability of such contract labor during peak periods in labor intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates at all times, particularly during major festivals and seasonal crop harvests.

Additionally, we own a large range of sophisticated and modern equipment, resulting in increased fixed costs to our Company. We have neither historically used nor currently use second-hand equipment to undertake our business. Accordingly, the cost of maintaining and keeping such capital equipment in proper working condition constitutes a significant portion of our operating expenses. In the event, we are unable to generate or maintain adequate revenues by successfully bidding for projects or recover payments from our customers in a timely manner or at all, it could have a material adverse effect on our financial condition and operations.

18. ***Under-utilization of our manufacturing capacities could have an adverse effect on our business and financial performance.***

Our capacity utilization is affected by the availability of raw materials, industry / market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials and procure sufficient demand, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we have made certain investments for the expansion of our manufacturing capacities. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacity efficiently.

Our Company's overall capacity utilization is dependent on various factors, including demand for our products, availability of raw materials, customer preferences, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

19. ***The geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business, results of operations and financial conditions.***

We presently operate through our ten manufacturing facilities and one captive thermal power plant which are present in Rajasthan. Due to the geographic concentration of our manufacturing operations, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, financial condition and results of operations.

20. ***Customer consolidation and takeovers could adversely impact our financial position, results of operations and cash flows.***

Customers in our markets, including the customers in the textile sector, may consolidate or be acquired in a manner that could affect their relationship with us. For instance, if one of our customers is acquired by any other company, its management may get reshuffled which may affect our relationship with such customer, and we may not be able to retain any favourable terms that we agreed to in the past and may even lose that acquired customer's business. Additionally, if our customers become larger and more concentrated, they could exert pressure in pricing and payment terms on all suppliers, including us. Accordingly, our ability to maintain or raise prices in the future may

be limited, including during periods of increase in the price of raw materials and other costs. If we are forced to reduce prices or maintain prices during periods of increased costs, or if we lose customers because of their acquisition, pricing or other methods of competition, our financial position, results of operations and cash flows may be adversely affected.

21. *We are subject to stringent labor laws or other industry standards and any strike, labor unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.*

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on September 30, 2022, we have 16,468 permanent employees and 1,221 contractual workmen. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force including work stoppages or increased wage demands, which may adversely affect our business.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

22. *We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.*

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax, labour and municipal authorities in India. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows. For details of our material approvals for which applications are pending before relevant authorities, see "*Government and Other Approvals*" on page 180.

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Letter of Offer, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

23. ***In the event we plan to expand into new territories, delay in schedule of our expansion into new territories may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.***

Our Company may face risks relating to the commissioning of any new manufacturing facilities in newer territories or failure to expand our manufacturing capacity to meet future demand for our products on account of reasons including but not limited to changes in the general economic and financial conditions in India. We may also encounter various setbacks such as adverse weather conditions, delay in receiving required government approvals, construction defects and delivery failures by suppliers, unexpected delays in obtaining permits and authorizations, or legal actions brought by third parties. Further as and when we commission our planned manufacturing facilities, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new manufacturing facilities as well as in realigning our management and other resources and managing our consequent growth.

24. ***Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology ("**IT**") solutions and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, accounting and other business functions. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

25. ***Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.***

Our profitability and competitiveness are in large part dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other textile manufacturing companies and other methods of manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. If we are unable to adapt in a

timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

26. ***We face foreign exchange risks, which may adversely affect our cash flows and results of operations.***

There has been considerable volatility in foreign exchange rates in recent years. To the extent that we incur costs in one currency and generate sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies.

We may be exposed to the risks arising from timing and quantum mismatches of inflows and outflows in foreign currency. While we enter into hedging arrangements to manage our exposure to interest rates and foreign exchange risks to a certain extent, changes in exchange rates may still have a material adverse effect on our results of operations and financial condition.

Further, hedging contracts may, at times, restrict us from realizing the full potential of a favourable movement in the currency markets on receivables as well as payables. Additionally, risk hedging contracts are regulated by the RBI and any change in its policies with respect to such hedging contracts may impact our ability to adequately hedge our foreign currency exposure. Changes in exchange rates could materially and adversely affect our cash flow, business, financial condition and results of operations.

27. ***Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.***

We intend to use the Net Proceeds for the purposes described under "*Objects of the Issue*" on page 46. The Objects of the Issue include repayment of all or a portion of certain borrowings availed by our Company amounting to approximately ₹ 13,410.00 lakhs, funding our working capital requirements amounting to approximately ₹ 7,000.00 lakhs and general corporate purposes. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Furthermore, any variation in the objects would require a special resolution to be passed by the shareholders of our Company and the promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects in accordance with the Articles of Association of our Company and as may otherwise be prescribed by SEBI.

Further, our management will have significant flexibility in temporarily investing the Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary investments.

28. ***We have entered into a number of related party transactions and may continue to enter into such transactions under Ind AS 24, in the future, and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have, in the past, entered into related party transactions with various parties aggregating to ₹ 7,117.66 lakhs, ₹ 6,338.26 lakhs, ₹ 13,474.02 lakhs and ₹ 10,761.41 lakhs for the six months ended September 30, 2022, six months ended September 30, 2021, Fiscal 2022 and Fiscal 2021, respectively, in the ordinary course of our business. For further details, see "*Financial Information*" beginning on page 79.

There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations. Further, the transactions with our related parties may potentially involve conflicts of interest. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

29. ***Internal or external fraud or misconduct by our employees could adversely affect our reputation and our results of operations.***

We may be subject to instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. Further, we employ third parties for certain operations and accordingly, we are exposed to the risk of theft and embezzlement. Our businesses are accordingly exposed to the risk of fraud, misappropriation or unauthorized acts by our representatives and employees responsible for dealing with our operations. In addition, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misconduct by our representatives and employees, which could adversely affect our goodwill. Any instances of such fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

30. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have declared dividend in the past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by our Board and approved by the Equity Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Equity Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

31. ***Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our senior management may have an adverse effect on our business prospects.***

Our experienced senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be able to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, designers, and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our services because of our inability to successfully hire and retain qualified personnel. For every new product we expand into, we require suitably skilled personnel.

Such skilled personnel may also not be easily available in the market. In addition, as some of our key personnel approach retirement age, we need to have appropriate succession plans in place and to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

32. ***Our insurance coverage may not adequately protect us against all material hazards.***

Our Company has obtained coverage under insurance policies against certain risks. The main insurance policies obtained by us consist of fire and special perils insurance with add on cover for earthquakes and in certain cases, for our manufacturing facilities, machinery and other equipment.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. Our Company had obtained insurance policies adequate to cover its total assets which include plant and machinery, tools and dyes, furniture and fixture, office equipment, building and stock, cash in transit and cash in safe. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected.

33. ***Our contingent liabilities could adversely affect our financial condition if they materialize.***

We have created provisions for certain contingent liabilities in our Annual Audited Financial Statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see the sections titled "*Financial Information*" on page 79 and "*Summary of Letter of Offer"* on page 14.

34. ***Our Company is involved in certain legal and other proceedings and there can be no assurance that our Company will be successful in any of these legal actions. In the event our Company are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.***

Our Company is impleaded in a number of legal and regulatory proceedings that, if determined against our Company could have an adverse effect on our business, results of operations, cash flows and financial condition.

A summary of material outstanding legal proceedings involving our Company, identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Type of Proceedings	Number of cases	Total amount* (₹ in lakhs)
Cases involving our Company		
Issues involving moral turpitude or criminal liability	Nil	-
Material violations of statutory regulations	Nil	-
Economic offences where proceedings have been initiated against our Company	Nil	-
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	4	3,004.77
Total	**4**	**3,004.77**

** To the extent quantifiable.*

For details, see "*Outstanding Litigation and Defaults*" on page 178. We are, and may in the future be, party to litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects.

35. ***Our Company has availed certain unsecured loans which are repayable on demand.***

Our Company has availed certain unsecured loans in the ordinary course of business from members of our promoter group, namely Bharat Investment Growth Ltd. and Bhilwara Infotechnology Limited amounting to ₹ 15,000.00 lakhs and ₹ 900.00 lakhs, which is repayable on demand. As on the date of this Letter of Offer, the total outstanding amount of the unsecured loans availed by our Company is ₹ 13,410.00 lakhs. In the event that these lenders seek a repayment of such loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

36. ***Industry information included in this Letter of Offer has been derived from a third party industry report and such other third party sources. There can be no assurance that such third- party statistical, financial and other industry information is complete, reliable or accurate.***

We have not independently verified data obtained from industry publications and other external sources referred to in this Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the financial services industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

EXTERNAL RISK FACTORS

1. ***Purchases of cloth and yarn merchandise are generally subject to discretion of the people to buy clothes or apparel or any other goods involving use of yarn and a decline in the economic conditions may cause a decline in consumer spending which could adversely affect our business and financial performance.***

Our operations and performance depend significantly on worldwide economic conditions and their impact on levels of consumer spending, particularly in discretionary areas, such as apparel. Our business and financial performance, including our sales may be adversely affected by the current decrease and any future decrease in economic activity in the country that could potentially cause a decline in consumer spending. Consumers are generally more willing to make discretionary purchases, including purchases of cloth and yarn, during periods in which favourable economic conditions prevail. A decrease in consumer discretionary spending as a result of the volatile economic conditions may decrease the demand for our products. In addition, reduced consumer spending may cause us to lower prices, suffer significant product returns from our customers or drive us to offer additional products at promotional prices, any of which would have a negative impact on our profits. Our ability to meet customers' demands depends, in part, on our ability to obtain timely and adequate delivery of materials from our suppliers. The current volatile global financial situation may materially adversely affect the ability of our suppliers to obtain financing for significant purchases and operations. If certain key suppliers were to become capacity constrained or insolvent as a result of the financial crisis, it could result in a reduction or interruption in supplies or a significant increase in the price of supplies which in case is passed on to the consumers may adversely impact consumer spending and therefore our financial results. Reduced revenues as a result of decreased consumer spending may also reduce our working capital for planned improvements and provide our best services in the manner that we have in the past. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition, cash flows and operating results. In addition, as a result of decreased revenues and working capital, we may be required to seek additional financing which may not be available on acceptable terms or at all. There can be no assurance that government responses disruptions in financial markets restore confidence, stabilize such markets or increase liquidity and the availability of credit to consumers and businesses.

2. ***Our infrastructure and operations may be vulnerable to civil disturbances, terrorist attacks, war involving India and other countries, extremities of weather, regional conflict, political instability and other unforeseen events that may affect our business, financial condition, cash flows and results of operations and other unforeseen damage for which its insurance may not provide full coverage.***

Any significant event such as earthquake, fire, floods and similar natural calamities or man-made disasters, civil unrest or terrorist attacks, may cause interruption in our business and operations. Other social, ethnic, economic or political disturbances or communal tensions could also have a materially adverse impact on our businesses and financial performance. Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might

result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

While all of our assets are covered under insurance vis-a-vis the total assets (calculated as the sum of gross block value of total property, plant and equipment (excluding land and vehicles) and capital work in-progress on consolidated basis) of our Company, as on September 30, 2022, we may not have insurance against all the contingencies, or our insurance may not be adequate to cover all losses from these events. If any of these events were to occur, it could cause limited or severe disruption in operations, which could result in reduced revenues. Any interruption in operations, could materially or adversely affect our business, financial condition, cash flows and results of operations.

3. ***Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations, may adversely affect our business results of operations, cash flows and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. Tax and other levies imposed in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Any new regulations and policies and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

4. ***A slowdown in economic growth in the markets in which we operate could adversely affect our business and operations.***

Our performance and growth are dependent on the health of the economy of the markets in which we operate. Various factors may lead to a slowdown in the Indian or world economy, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

5. ***Enforcement of foreign judgments against our Company or our management may not be possible or may require additional legal proceedings.***

Our Company is a limited liability company incorporated under the laws of India. All of our Company's directors and executive officers are residents of India and a substantial portion of our assets and the assets of these directors and executive officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a

judgment in such a jurisdiction against our Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

6. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business*.

The Competition Act, 2002 (hereinafter referred to as Competition Act) regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

7. *Differences exist between Ind AS and other accounting principles, such as IFRS and Indian GAAP, which may be material to investors' assessments of our financial condition.*

We have adopted Ind AS with effect from April 1, 2016. Ind AS and other accounting standards like IFRS differ in certain respects including first time adoption choices available. We have not attempted to quantify the impact of IFRS on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of Ind AS with IFRS.

Accordingly, the degree to which the financial statements prepared under earlier Indian GAAP, Ind AS and other accounting principles, such as IFRS, will provide meaningful information is entirely dependent on the reader's level of familiarity with these standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

8. *Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.*

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Equity Shares trade or on which the Equity Shares are proposed to be listed. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring

countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

9. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

10. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business, results of operation, financial condition and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing at favourable interest rates and other commercial terms. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

11. ***Financial instability, economic developments and volatility in securities markets may cause the price of the Equity Shares to decline.***

The volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges may have negative impact on the market conditions in which our Equity Shares trade. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of the various Indian stock exchanges have from time-to-time imposed restrictions on trading in certain securities, limitations on price movements and constraints on the margin requirements. Previously, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which may have negatively impacted the market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

The Indian financial markets and the Indian economy are also influenced by the economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on our business, financial results and the trading price of the Equity Shares.

12. ***Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Currently prices of securities listed on Indian exchanges are displaying signs of volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have from time-to-time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

13. ***Our Company is subject to risks arising from exchange rate fluctuations that could adversely affect our results of operations and cash flows.***

A substantial portion of the equipment we use is imported and requires payments in foreign currencies. Imports are subject to Government regulations and approvals, the availability of foreign exchange credit and the levy of customs duties. Where there is no local alternative, delays in obtaining required approvals, changes in customs duties or foreign exchange rates or adverse movements in the value of the Rupee could lead to a delay in the acquisition of necessary equipment and adverse financial implications due to price movements thereof, which could have an adverse effect on our business, and results of operations.

The exchange rate between the Rupee and the US Dollar has changed substantially in recent years and may continue to fluctuate substantially in the future. Accordingly, our operating and financial results would be negatively affected if the Rupee depreciates against the US Dollar. We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations on our results of operations.

Any adverse movements in the value of Rupee against the US Dollar, may increase our cost of borrowings and increase depreciation cost, which could have an adverse effect on the value of our Equity Shares and Rights Equity Shares and on our business, results of operations and cash flows.

14. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

One of the direct adverse impacts of the global financial crisis on India has been the reversal of capital inflows and a decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee vis- à-vis the U.S. dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

15. ***The Indian economy has sustained periods of high interest rates and inflation.***

The majority of our direct costs are incurred in India, which has experienced high levels of inflation. We tend to experience inflation-driven increases in certain of our costs, such as salaries and related allowances that are linked to general price levels in India. However, we may not be able to increase the prices that we charge for our goods sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our costs and decrease our operating margins, which could have an adverse effect on our business and results of operations.

A portion of our borrowings are denominated in Rupees and are linked to floating Indian interest rates. Any increase, especially over a prolonged period, in Indian interest rates would increase our costs of borrowing and adversely affect our financial results and might make additional borrowing to fund investment uneconomic and/or unaffordable.

Risks relating to the Issue and the Equity Shares

1. ***Our Company will not distribute the Letter of Offer, Abridged Letter of Offer and Application Form to overseas shareholders who have not provided an address in India for service of documents.***

We will dispatch the Letter of Offer, Abridged Letter of Offer and Application Form (the "**Issue Materials**") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

2. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

3. ***Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, including a preferential allotment, or through exercise of employee stock options may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of the Equity Shares by our Promoters or other major shareholders of our Company or a dilution of the post-Issue shareholding of our Promoters and Promoter Group, pursuant to a part renunciation in the Issue by our Promoters, may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

4. ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and Rights Entitlements.***

Under current Indian tax laws and regulations, capital gains arising from the sale of the Equity Shares in an Indian company are generally taxable in India. Section 10(38) of the IT Act which exempted capital gains arising on sale of listed equity shares held for more than 12 months has been withdrawn w.e.f. April 1, 2018. The Finance Act, 2018 has introduced section 112A wherein such capital gains, as exceeding Rs. 1 lakh, arising on sale of listed equity shares held for more than 12 months is subject to capital gains tax at the rate of 10% if STT has been paid on both, purchase and sale of shares (except in certain cases notified by the Central Board of Direct Taxes vide Notification No. 60/2018 dated October 1, 2018).

Further, the Finance Act, 2019 (the "**Finance Act**") has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, however these came into effect from July 1, 2020.

Additionally, if the shareholder is a domestic company and holds the shares as stock-in-trade, it shall have the option to be taxed at a lower corporate tax under the new corporate tax regime introduced by the 2019 Amendment Act subject to the fulfilment of the conditions mentioned therein. For further details, see "*Statement of Special Tax Benefits*" beginning on page 53.

5. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the

Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

6. *You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for them. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Further, since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

7. *Foreign investors are subject to foreign investment restriction under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI and such transaction is within the sectoral cap prescribed for foreign investment. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under an exception, then the prior approval of the RBI or the appropriate authorities will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection / tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Additionally, as an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

8. *Your ability to acquire Rights Entitlements and Rights Equity Shares and sell the Rights Entitlements and Rights Equity Shares is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.*

No actions have been taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares offered in the Issue in any jurisdiction except India. Further, your ability to acquire Rights Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see "*Notice to Investors*" and "*Restrictions on Purchases and Resales*" on pages 8 and 216, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and our Company will not be obligated to recognize any acquisition, transfer or resale of the Rights Equity Shares made other than in compliance with applicable law.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on May 27, 2022, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue, including the Record Date and the Rights Entitlement, have been approved by a resolution passed by the Rights Issue Committee on December 12, 2022.

Following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "*Terms of the Issue*" on page 190.

Brief Issue details	
Rights Equity Shares being offered by our Company	Up to 2,35,50,842 Rights Equity Shares
Rights Entitlement	1 (One) Rights Equity Shares for every 1 (One) Equity Shares held on the Record Date
Record Date	Friday, December 16, 2022
Issue Price per Rights Equity Share	₹ 100 (including a premium of ₹ 90 per Rights Equity Share)
Face Value per Rights Equity Share	₹ 10
Issue Size	Aggregating to ₹ 23,550.84 lakhs (assuming full subscription)
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Equity Shares subscribed, paid-up and outstanding prior to the Issue	2,35,50,842 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	4,71,01,684 Equity Shares
Rights Entitlement ISIN	INE611A20016
Security Codes for the Equity Shares	ISIN for Equity Shares: INE611A01016 BSE Code: 500350 NSE Code: RSWM
Terms of the Issue	See "*Terms of the Issue*" on page 190
Use of Issue Proceeds	See "*Objects of the Issue*" on page 46
Terms of Payment	The full amount is payable on Application

GENERAL INFORMATION

Our Company was originally incorporated as 'Rajasthan Spinning and Weaving Mills Limited' on October 17, 1960, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the Registrar of Companies, West Bengal at Calcutta. Our Company received the certificate of commencement of business from the Registrar of Companies, West Bengal at Calcutta on December 29, 1960. Subsequently, the name of our Company was changed to 'RSWM Limited' pursuant to which a fresh certificate of incorporation was granted on July 31, 2006 by the RoC.

Registered Office & Corporate Office, CIN and registration number of our Company

Registered Office:

RSWM Limited
Kharigram, P.O Gulabpura – 311 021
Bhilwara, Rajasthan
Tel: +91 1483 223144 to 223150 / 223478
E-mail: rswm.investors@lnjbhilwara.com
Website: www.rswm.in
CIN: L17115RJ1960PLC008216
Registration Number: 008216

Corporate Office:
Bhilwara Towers, A-12
Sector - 1, Noida - 201301
Uttar Pradesh, India

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of its incorporation:

Date of change	Details of change in the registered office
July 25, 1970	The address of our registered office changed from West Bengal to Rajasthan.
May 18, 1973	The address of our registered office changed from Rajasthan to M-104, Greater Kailash, New Delhi.
April 11, 1994	The address of our registered office changed from M-104, Greater Kailash, New Delhi to Kharigram, P.O Gulabpura – 311 021, Bhilwara, Rajasthan.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Rajasthan at Jaipur, situated at the following address:

Registrar of Companies, Rajasthan
C/6-7, 1st Floor
Residency Area, Civil Lines
Jaipur - 302001
Rajasthan, India

Board of Directors

The following table sets out the details of the Board of Directors as on the date of this Letter of Offer:

Name and Designation	DIN	Address
Riju Jhunjhunwala Chairman and Managing Director & CEO	00061060	63, Friends Colony East, New Delhi – 110 025 Delhi, India
Ravi Jhunjhunwala Non-Executive Non-Independent Director	00060972	63, Friends Colony East, New Delhi – 110 025 Delhi, India

Name and Designation	DIN	Address
Shekhar Agarwal Non-Executive Non-Independent Director	00066113	7, Sadhana Enclave, New Delhi – 110 017 Delhi, India
Brij Mohan Sharma Joint Managing Director	08195895	302, Dheeraj Gaurav Heights III CHS Ltd, Mourya Estate Road, Off Link Road, Andheri West, Mumbai – 400 053 Maharashtra, India
Arun Kumar Churiwal Non-Executive Non-Independent Director	00001718	4, National Library Avenue, Alipore, Kolkata – 700 027 West Bengal, India
Kamal Gupta Independent Director	00038490	N-23, Sector-11, Gautam Buddha Nagar, Noida - 201 301 Uttar Pradesh, India
Amar Nath Choudhary Independent Director	00587814	8C, Alipore Road, Alipore, Kolkata – 700 027 West Bengal, India
Priya Shankar Dasgupta Independent Director	00012552	J-1810, Chittaranjan Park, Delhi - 110 019 Delhi, India
Deepak Jain Independent Director	00004972	23, Silver Oak Farms, Road No. 1, Ghitorni, Gadaipur, Delhi – 110 030 Delhi, India
Archana Capoor Independent Director	01204170	S-268, 2nd Floor, Panchsheela Park, Malviya Nagar, New Delhi – 110 017 Delhi, India

Company Secretary and Compliance Officer

Surender Gupta is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Surender Gupta
Company Secretary and Vice President - Legal
Bhilwara Towers, A-12
Sector - 1, Noida - 201301
Uttar Pradesh, India
Tel: +91 120 439 0000
E-mail: rswm.investors@lnjbhilwara.com

Lead Manager to the Issue

SKP Securities Limited
1702-03, BioWonder,
789 Anandapur, E M Bypass
Kolkata - 700 107
West Bengal, India
Tel: +91 6677 7000
E-mail: contact@skpsecurities.com
Investor Grievance E-mail: grievance.cell@skpsecurities.com
Website: www.skpsecurities.com
Contact Person: Anup Kumar Sharma
SEBI Registration No.: INM000012670

Indian Legal Counsel to the Issue

Khaitan & Co
Max Towers, 7th & 8th Floors
Sector 16B, Noida – 201301
Uttar Pradesh, India
Telephone: +91 (120) 479 1000

Special International Legal Counsel to the Lead Manager

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore - 049318
Telephone: +65 6311 0030

Email: jbenson@duanemorrisselvam.com

Joint Statutory Auditors of our Company

Name: Lodha & Co, Chartered Accountants
Address: 12, Bhagat Singh Marg Delhi 110001
Tel: +91 11 2372 2568
Email address: delhi@lodhaco.com
Contact person: N K Lodha
Firm registration no: 301051E
Peer review certificate number: 012976

Name: S S Kothari Mehta & Company, Chartered Accountants
Address: Plot No. 68, Okhla Industrial Area, Phase III, New Delhi, 110020
Tel: +91 11 4670 8888
Email address: delhi@sskmin.com
Contact person: Yogesh Gupta
Firm registration no: 000756N
Peer review certificate number: 014441

Registrar to the Issue

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium, Tower B, Plot No. 31 and 32
Financial District Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032 Telangana, India
Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: rswm.rights@kifntech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Muralikrishna
SEBI Registration No: INR000000221

Investor Grievances

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs for grievances related to the ASBA process, giving full details such as name, address of the applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For further details on the ASBA process, please refer to the section titled "*Terms of the Issue*" beginning on page 190.

Experts

Our Company has received consents from its Joint Statutory Auditors, M/s. S. S. Kothari Mehta & Co., Chartered Accountants and M/s. Lodha & Co, Chartered Accountants through their letter dated December 13, 2022 to include their name in this Letter of Offer in respect of the Financial Information and as an "expert" as per the Companies Act, 2013 to the extent and in its capacity as the Joint Statutory Auditors and in respect of the reports issued by it and the Statement of Possible Special Tax Benefits included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer. However, the terms "expert" and "consent" thereof shall not be construed to mean an "expert" or "consent" under the U.S. Securities Act.

Statement of Responsibilities

SKP Securities Limited is the sole Lead Manager to the Issue, and accordingly, there is no *inter se* allocation of responsibilities in the Issue. The details of major responsibilities of the Lead Manager, are as follows:

S. No.	Activity
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.
2.	Coordination for drafting and design of this Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI
3.	Assist in drafting, design and distribution of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter, memorandum containing salient features of this Letter of Offer, etc.
4.	Selection of various agencies connected with Issue, such as Registrar, Escrow Bank / Banker(s) to the Issue, printers, advertising agencies, etc., as may be applicable and finalisation of the respective agreements
5.	Assist in drafting and approval of all statutory advertisements
6.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.
7.	Formulation and co-ordination of international marketing strategy
8.	Formulation and co-ordination of domestic institutional marketing strategy
9.	Co-ordination with Stock Exchanges and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit
10.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies; • Finalising collection centres; and • Follow-up on distribution of publicity and offer material including Application Form, Letter of Offer
11.	Post-issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, SCSBs, etc., coordination of underwriting arrangement, and co-ordination for filing of media compliance report and release of 1% security deposit, if any

Banker to the Issue

ICICI Bank Limited
Capital Market Division, 1st Floor
5th Floor, HT Parekh Marg
Churchgate, Mumbai – 400 020
Telephone: +91 22 6805 2182
E-mail: sagar.welekar@icicibank.com, ipocmg@icicibank.com
Website: www.icicibank.com
Contact person: Sagar Welekar

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. Further, details relating to designated branches of SCSBs collecting the Application forms are available at the above-mentioned link. On Allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Applicants / Investors are mandatorily required to use the ASBA process to make an application in the Issue.

All grievances relating to the Issue may be addressed to the Registrar, with a copy to the SCSB, giving full details such as name, address of the Applicant, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form was submitted. For more details please refer to the section titled "*Terms of the Issue*" on page 190.

Issue Schedule

Last Date for credit of Rights Entitlements	Thursday, December 22, 2022
Issue Opening Date	Friday, December 23, 2022
Last Date for On Market Renunciation#:	Monday, January 2, 2023
Issue Closing Date*	Friday, January 6, 2023

Finalisation of Basis of Allotment (on or about)	Thursday, January 12, 2023
Date of Allotment (on or about)	Friday, January 13, 2023
Date of credit (on or about)	Monday, January 16, 2023
Date of listing (on or about)	Wednesday, January 18, 2023

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
**Our Board will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date or such other time as may be permitted as per applicable law.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than Tuesday, January 3, 2023, i.e., two Working Days prior to the Issue Closing Date to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by Thursday, January 5, 2023 i.e., at least one day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.rswm.in).

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see "*Terms of the Issue*" on page 190.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar (*i.e.,* https://rights.kfintech.com) after keying in their respective details along with other security control measures implemented thereat. For details, see "*Terms of the Issue*" on page 190.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for the Rights Equity Shares offered under the Issue.

Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Credit Rating

As the Issue is a rights issue of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is a rights issue of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed ICRA Limited as the Monitoring Agency, to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. As required under the SEBI Listing

Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Offer. Our Company will disclose the utilisation of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our balance sheet for the relevant Fiscal Years. The details of the Monitoring Agency are as follows:

ICRA Limited
Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase II, Gurugram 122 002
Haryana, India
Telephone: 0124 4545 300
E-mail: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L Shivakumar

Underwriting

The Issue shall not be underwritten.

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously do an online filing with SEBI through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and through email at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*".

Minimum Subscription

As the object of the Issue does not involve financing of capital expenditure and our Promoters, together with members of the Promoter Group have confirmed their intention to subscribe to their rights entitlement in the Issue and not renounce their rights entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer is set forth below:

(in ₹ lakhs unless stated otherwise)

	Aggregate value at face value	Aggregate value at Issue Price
Authorized Share Capital	**13,500.00**	
600,00,000 Equity Shares of ₹ 10 each	6,000.00	-
25,00,000 optionally convertible redeemable preference shares of ₹ 150 each	3,750.00	
5,00,00,000 optionally convertible redeemable preference shares of ₹ 7.50 each	3,750.00	
Issued, subscribed and paid-up share capital prior to the Issue		
2,35,50,842 Equity Shares of ₹ 10 each	2,355.08	-
Present Issue in terms of this Letter of Offer[(1)]		
Up to 2,35,50,842 Equity Shares at a premium of ₹ 90, i.e., at a price per Equity Share of ₹ 100	2,355.08	23,550.84
Issued, subscribed and paid-up share capital after the Issue		
Up to 4,71,01,684 Equity Shares [(2)] of ₹ 10 each	4,710.17	-
Securities premium account		
- Prior to the Issue		9,618.56
- After the Issue		30,814.32[(3)]

(1) The Issue has been authorised by our Board in its meeting held on May 27, 2022.

(2) Assuming full subscription for and Allotment of the Rights Entitlement.

(3) Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.

Notes to the Capital Structure

1. **Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**

   (i) The details of the shareholding pattern of our Company as on September 30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/rswm-ltd/rswm/500350/shareholding-pattern/ and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RSWM&tabIndex=equity.

   (ii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500350&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RSWM&tabIndex=equity.

   (iii) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on September 30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500350&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RSWM&tabIndex=equity.

   (iv) The statement showing holding of Equity Shares shareholding pattern of the Non Promoter- Non Public shareholder as on September 30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=500350&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RSWM&tabIndex=equity.

   (v) None of the Equity Shares held by our Promoters or members of our Promoter Group have been locked-in, pledged or encumbered as on the date of this Letter of Offer.

(vi) No securities have been acquired by the Promoters or members of our Promoter Group in the one year immediately preceding the date of filing of this Letter of Offer.

2. **Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer**

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

3. **Subscription to the Issue by our Promoters and members of our Promoter Group**

Our Promoters and Promoter Group have agreed to: (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the other Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

Our Promoters and certain members of our Promoter Group have also confirmed that they may apply for and subscribe to additional Rights Equity Shares. Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in our Company.

The above subscription of Rights Equity Shares shall be made to the extent that it does not result in any obligation on our Promoters and Promoter Group to give an open offer in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

4. The ex-rights price of the Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 213.32 per Equity Share.

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.

6. At any given time, there shall be only one denomination of the Equity Shares.

7. All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. For further details on the terms of the Issue, see "*Terms of the Issue*" on page 190.

8. **Employee Stock Option Scheme**

As on the date of this Letter of Offer, our Company has no Employee Stock Option Scheme.

9. **Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on September 30, 2022:

Name of Shareholder	Number of Equity Shares held	Percentage of Equity Shares held
Microbase Limited	3,650,970	15.50%
LNJ Financial Services Limited	2,383,370	10.12%
Purvi Vanijya Niyojan Limited	1,468,077	6.23%
Microlight Investments Limited	1,085,000	4.61%
Nivedan Vanijya Niyojan Limited	865,074	3.67%
Bharat Investments Growth Limited	844,300	3.59%
Finquest Securities Private Limited	558,196	2.37%
Investors India Limited	529,955	2.25%
PAT Financial Consultants Private Limited	350,000	1.49%

Name of Shareholder	Number of Equity Shares held	Percentage of Equity Shares held
Raghav Commercial Limited	347,800	1.48%
Ravi Jhunjhunwala	282,410	1.20%
N. R. Finvest Private Limited	240,000	1.02%

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Repayment, in full or part, of certain borrowings availed by the Company, including interest thereon;

2. Funding our working capital requirements

3. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to undertake: (i) our existing business activities; and (ii) activities for which borrowings were availed and which are proposed to be repaid from the Net Proceeds.

Net Proceeds

The details of the proceeds from the Issue are summarised in the following table:

Particulars	Estimated amount (₹ in lakhs)
Gross Proceeds of the Issue[*]	23,550.84
(Less) Estimated Issue related expenses in relation to the Issue	374.63
Net Proceeds	23,176.21

[*] *Assuming full subscription and Allotment of the Rights Equity Shares.*

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in lakhs)
Repayment, in full or part, of certain borrowings availed by the Company, including interest thereon	13,410.00
Funding our working capital requirements	7,000.00
General corporate purposes[*]	2,766.21
Total Net Proceeds[**]	23,176.21

[*] *Subject to the finalization of the Basis of Allotment, the Allotment of the Equity Shares and the adjustment of the interest accrued on the borrowings proposed to be repaid. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
[**] *Assuming full subscription and Allotment of the Equity Shares with respect to the Rights Equity Shares.*

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in lakhs)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment in Fiscal 2023
Repayment, in full or part, of certain borrowings availed by the Company, including interest thereon	13,410.00	13,410.00
Funding our working capital requirements	7,000.00	7,000.00
General corporate purposes*	2,766.21	2,766.21
Total[**]	23,176.21	23,176.21

[*] *Subject to the finalization of the Basis of Allotment, the Allotment of the Equity Shares and the adjustment of the interest accrued on the borrowings proposed to be repaid. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
[**] *Assuming full subscription and Allotment of the Equity Shares with respect to the Rights Equity Shares.*

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2023. However, if the Net Proceeds are not completely utilised for the objects stated above by Fiscal 2023 due to various factors beyond our control, such as market conditions, competitive environment, etc., the same would be utilised (in part or full) in Fiscal 2024.

Means of Finance

The funding requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and other commercial and technical factors and have not been appraised by any bank, financial institution or any other external agency. They are based on the current circumstances of our business and our Company may have to revise these estimates from time to time on

account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds, identifiable internal accruals and debt. Further, as per Regulation 62(1)(c) of the SEBI ICDR Regulations, firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue or through existing identifiable internal accruals, is only required in case of capital expenditure for a specific project and the same is not contemplated in the present Issue. Therefore, our Company is not required to make such firm arrangements of finance through verifiable means.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, debt and/or additional fund raising through issuance of securities, as required. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

I. Repayment, in full or part, of certain borrowings availed by the Company, including interest thereon

Our Company has availed certain unsecured inter corporate deposits ("**ICDs**") from members of our promoter group, namely Bharat Investments Growth Limited and Bhilwara Infotechnology Limited amounting to ₹ 15,000.00 lakhs and ₹ 900.00 lakhs. As on October 31, 2022, the total outstanding amount of the ICDs (fund based) availed by our Company is ₹ 13,410.00 lakhs. The ICDs availed by our Company are repayable on demand as per the tenure agreed between the parties. The details of these borrowings have been set out below:

S. No.	Name of the lender	Nature of borrowing and date of the document	Purpose	Amount sanctioned	Amount outstanding as on October 31, 2022	Rate of interest / coupon rate	Pre-payment / repayment penalty	Repayment date / schedule
				(in ₹ lakhs)				
1.	Bharat Investments Growth Limited	Term loan pursuant to the facility agreement dated December 19, 2019	To repay / return the high cost debts and to meet the working capital requirement of the Company	15,000.00	12,690.00	2.30% per annum over and above SBI 3-month MCLR benchmark rate	The prepayment penalty is 2% of the amount prepaid in case prepayment is done on any other date other than the reset date, This penalty will be waived off if the loan is repaid within 120 days from the date of amendment letter vide dated December 5, 2022	Door to door tenor of about seven years, including two years of moratorium: 3rd year – 1,500 lakhs 4th year – 3,000 lakhs 5th year – 3,000 lakhs 6th year – 3,000 lakhs 7th Year – 4,500 lakhs
2.	Bhilwara Infotechnolgy Limited	Term loan pursuant to the facility agreement	To repay the debts or to meet the working capital	900.00	720.00	SBI one year MCLR Benchmark Rate	No prepayment penalty if prepayment is done on	Door to door tenor of about 5 years including 1 year of Moratorium 2nd year –90 lakhs

S. No.	Name of the lender	Nature of borrowing and date of the document	Purpose	Amount sanctioned	Amount outstanding as on October 31, 2022	Rate of interest / coupon rate	Pre-payment / repayment penalty	Repayment date / schedule
				(in ₹ lakhs)				
		dated July 7, 2020	requirement of the Company				the reset date, The penalty will be waived off if the loan is repaid within 120 days from the date of amendment letter vide dated December 6, 2022	3rd year – 180 lakhs 4th year – 270 lakhs 5th year – 360 lakhs
			Total	**15,900.00**	**13,410.00**			

As per the certificate dated December 13, 2022, issued by the Joint Statutory Auditors, the ICDs availed by our Company have been utilised for the purposes for which it was availed.

Our Company proposes to repay or prepay up to ₹ 13,410.00 lakhs of total outstanding amount in respect of the ICDs., from the Net Proceeds.

In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs and unsecured loans. In such cases or in case any of the ICDs or unsecured loans are paid or further ICDs or unsecured loans are availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards prepayment of such additional indebtedness.

II. Funding our working capital requirements

Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from various lenders. As at March 31, 2022, the aggregate amount outstanding under the fund based and non-fund based working capital facilities of the Company are ₹ 52,522.23 lakhs and ₹ 6,293.13 lakhs, respectively. We intend to utilise ₹ 7,000.00 lakhs from the Issue Proceeds to fund working capital requirements of our Company.

Basis of estimation of working capital requirement

The details of our Company's composition of net current assets or working capital as at March 31, 2022, March 2021, March 2020 and source of funding the same are as set out in the table below:

(in ₹ lakhs)

S. No.	Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
I.	**Current Assets**			
1.	Inventories (Excluding Store Spares and Waste)	48,677.39	42,809.30	45,612.51
a.	Raw material	25,025.63	25,369.90	20,076.38
b.	Work-in-progress	11,406.54	8,403.66	10,154.95
c.	Finished goods (Include Traded Goods)	12,245.22	9,035.74	15,381.18
2.	Trade receivables	53,646.12	37,892.14	34,172.38
3.	Cash and bank balances	868.45	742.64	677.49
4.	Loans and advances	86.36	36.50	103.27
5.	Other current assets	26,515.19	17,113.85	24,858.42
	Total Current Assets (A)	**1,29,793.51**	**98,594.43**	**1,05,424.07**
II.	**Current Liabilities**			
1.	Trade payable	16,471.50	13,723.18	10,936.79
2.	Other current liabilities and provisions	20,078.16	15,045.43	13,479.89
	Total Current Liabilities (B)	36,549.66	28,768.61	24,416.68
III.	**Total Working Capital Requirements**			

S. No.	Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
	Total Current Assets (A) less Total Current Liabilities (B)	93,243.85	69,825.82	81,007.39
IV.	**Funding Pattern**			
1.	Working capital funding from banks	52,522.23	42,919.39	56,792.90
2.	Internal accruals/ other sources	40,721.62	26,906.43	24,214.49

Our Company expects that the funding pattern for its working capital requirements for Fiscal 2023 will primarily funded by its working capital facilities, internal accruals and the Net Proceeds. On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, as approved by the board of directors of the Company in its meeting dated December 12, 2022, the Company's expected working capital requirements as at March 31, 2023 and proposed funding of such working capital requirements are as set out in the table below:

(in ₹ lakhs)

S. No.	Particulars	Fiscal 2023
I.	**Current Assets**	
1	Inventories	
(a)	Raw material	57,084.00
(b)	Work-in-progress	13,330.00
(c)	Finished goods	16,535.00
2	Trade receivables	64,276.00
3	Cash and bank balances	500.00
4	Loans and advances	3,500.00
5	Other current assets	28,229.00
	Total Current Assets (A)	**1,83,454.00**
II.	**Current Liabilities**	
1	Trade payable	17,500.00
2	Other current liabilities and provisions	22,100.00
3	Short-term provisions	
	Total Current Liabilities (B)	**39,600.00**
III.	**Total Working Capital Requirements**	
	Total Current Assets (A) less Total Current Liabilities (B)	1,43,854.00
IV.	**Funding pattern**	
	Working capital funding from lender	86,500.00
	Funding from the Issue	7,000.00
	Internal accruals/ other sources	50,354.00

Assumptions for working capital requirements

Holding levels and justifications for holding period levels

Holding levels

S. No.	Particulars	For Fiscal 2022 (Actual)	For Fiscal 2021 (Actual)	For Fiscal 2020 (Actual)
1.	Inventories			
(a)	Raw material	41 days	75 days	46 days
(b)	Work-in-progress	13 days	15 days	15 days
(c)	Finished goods	13 days	14 days	20 days
2.	Debtors	51 days	59 days	44 days
3.	Creditors	26 days	38 days	23 days

Inventory days

As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
67	104	81

Receivables Days

As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
51	59	44

Creditors Days

As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
26	38	23

Projected holding levels

S. No.	Particulars	For the Fiscal 2022	For the Fiscal 2023
1.	Raw material	41 days	83 days
2.	Work-in-progress	13 days	13 days
3.	Finished goods	13 days	15 days
4.	Debtors	51 days	55 days
5.	Creditors	26 days	24 days

Justification for holding period levels

Raw Materials	Raw Materials days are computed from Annual Audited Financial Statements (consumption of materials). Our Company has assumed the holding level of raw materials as 83 days of the consumption of materials for Fiscal 2023. Among other raw materials, we are also using cotton. Cotton is a seasonal agriculture commodity where the availability, quality and prices are comfortable during the cotton season. During fiscal 2022, the Company has not stored cotton due to its high prices. During Fiscal 2021, we had stored cotton and 131 days stock was held as on 31st March 2021. In light of the increase in price last year, we assumed 150 days cotton storage in the next season.
Work in progress	Work in Progress days are computed from Annual Audited Financial Statements (consumption of materials). Our Company has assumed the holding level of work in progress as 13 days of the consumption of materials for Fiscal 2023.
Finished Goods	Finished Goods days are computed from Annual Audited Financial Statements (consumption of materials). Our Company has assumed the holding level of Finished Goods as 15 days of the sales for Fiscal 2023.
Debtors	Debtors are computed from Annual Audited Financial Statements (revenue from operations). Our Company has assumed the holding level of Debtors as 55 days of the Revenue from Operations for Fiscal 2023.
Creditors	Creditors are computed from Annual Audited Financial Statements (consumption of materials and materials purchase). Our Company has assumed the holding level of Creditors as 24 days of the consumption of materials and materials purchase for Fiscal 2023.

Our Company proposes to utilize ₹ 7,000.00 lakhs of the Net Proceeds in the Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement will be arranged from internal accruals and borrowings from the banks.

III. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 2,766.21 lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Gross Proceeds, *inter alia*, include maintenance capex, cash flow mismatches, payments to suppliers / vendors, strategic initiatives and meeting exigencies, meeting expenses incurred by our Company, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to the compliance with necessary provisions of the Companies Act, 2013. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ 374.63 lakhs. The estimated Issue related expenses are as under:

Activity	Estimated expenses (in ₹ lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue size#
Fees of the intermediaries (including Lead Manager, Registrar, legal advisors, other professional service providers)	254.00	67.80	1.08
Advertising, marketing expenses, shareholder outreach, etc.	50.00	13.35	0.21
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	40.00	10.68	0.17
Printing and distribution of issue stationery	11.78	3.14	0.05
Brokerage, selling commission and upload fees	7.07	1.89	0.03
Other expenses (including miscellaneous expenses)	11.78	3.14	0.05
Total estimated Issue expenses *^	**374.63**	**100.00**	**1.59**

** Subject to finalisation of Basis of Allotment and Allotment of Equity Shares. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.*

^ Excluding taxes

 # Assuming full subscription.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company has appointed ICRA Limited as the monitoring agency in accordance with Regulation 82 of the SEBI ICDR Regulations. The monitoring agency will monitor the utilisation of the Net Proceeds, excluding proceeds reserved for General Corporate Purposes, and submit the report required under Regulation 82(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilized and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on a quarterly basis, submit to the Stock Exchanges, the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before our Audit Committee for review before its submission to Stock Exchanges.

Pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the Net Proceeds raised through this Issue has been fully utilized. The statement shall be certified by the Joint Statutory Auditors. Furthermore, our Company shall furnish to the Stock Exchanges any comments or report received from the Monitoring Agency, in accordance with Regulation 32(6) of the SEBI Listing Regulations, and such report of the Monitoring Agency shall be placed before the Audit Committee promptly upon its receipt, in accordance with Regulation 32(7) of the SEBI Listing Regulations.

Other Confirmations

Other than as disclosed above, our Promoters or members of the Promoter Group or our Directors are not interested in the Objects of the Issue.

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Directors, Key Managerial Personnel and our Associate Company.

Strategic or financial partners

There are no strategic or financial partners to the objects of the Issue.

Government approvals

There are no material pending government or regulatory approvals pertaining to the objects of the Issue.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, require appraisal from any agency in terms of the applicable law.

STATEMENT OF SPECIAL TAX BENEFITS

Date: December 13, 2022

To

The Board of Directors
RSWM Limited
Bhilwara Tower, A-12
Sector 1, Noida - 201301
Uttar Pradesh, India

(the "**Company**")

Dear Sirs / Madams

Re: Statement of possible special tax benefits (the "Statement") available to RSWM Limited ("the Company") and its shareholders, prepared in accordance with the requirement under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), for the proposed rights issue of equity shares of ₹ 10 each (the "Equity Shares") of the Company (the "Issue")

We, Lodha & Co, Chartered Accountants and S.S. Kothari Mehta & Company, Chartered Accountants, the joint statutory auditors of the Company, hereby confirm that the enclosed Annexure states the possible special tax benefits available to the Company and its shareholders under direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which are based on the business imperatives the Company may face and accordingly the Company or its shareholders may or may not choose to fulfill.

The contents stated in the Annexure are based on the information and explanations obtained from the Company. We are informed that the Annexure is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his / her / their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor advising the investor to invest money based on this statement.

The contents of the Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met'
- The revenue authorities/courts will concur with the views expressed herein.

This report is addressed to and is provided to enable the board of directors of the Company to include this report in the Letter of Offer, prepared in connection with the Issue and to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges and in any other material used in connection with the Issue.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the Offer Documents for the proposed right issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the Offer Documents.

Limitations

Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the proposed Issue relying on the statement. This statement has been prepared solely in connection with the proposed Issue by the Company under the SEBI ICDR Regulations.

Yours faithfully

For
Lodha & Co, Chartered Accountants
ICAI Firm Registration No: 301051E

N.K. Lodha
Partner
Membership No.: 085155
Place: Ayodhya
Date: December 13, 2022

UDIN: 22085155BFITTN9925

For
S.S. Kothari Mehta & Company, Chartered Accountants
ICAI Firm Registration No: 000756N

Yogesh K. Gupta
Partner
Membership No.: 093214
Place: New Delhi
Date: December 13, 2022

UDIN: 22093214BFISFO3161

Annexure 'A'
STATEMENT OF DIRECT TAX BENEFITS AVAILABLE TO RSWM LIMITED ("THE COMPANY") AND IT'S SHAREHOLDERS

A. Special Tax Benefits to the Company

1. Lower corporate tax rate under section 115BAA of the Act

Section 115BAA was inserted vide the Taxation Laws (Amendment Act) 2019 w.e.f. 1 April 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus 10% surcharge and 4% cess), provided such companies do not avail specified exemptions/ incentives and comply with other conditions specified in section 115BAA of the Act. However, if the company opts for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub – section (1) of section 32 (Additional depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub clause (ii) or sub - clause (iia) or sub clause (iii) of sub - section (1) or sub - section (2AA) or sub - section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI - A other than the provisions of section 80JJAA or section 80M.
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set off of any loss or allowance for unabsorbed deprecation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn. Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

2. Deduction under section 80M

Where the Company receives dividend from another domestic company or a foreign company or a business trust, it is eligible to claim deduction under section 80M of the Act on the amount of dividend distributed by it from its dividend income on or before the due date. The said deduction is restricted to the amount of dividend distributed in turn by the Company and is allowable from the gross total income of the Company computed in accordance with the provisions of the Act. The 'due date' means the date one month prior to the date for furnishing the return of income under section 139(1).

3. Deduction under section 80JJAA

Deduction under this section is available, while computing income under the head business and profession, in case of a company to whom section 44AB applies (i.e. tax audit). Section provides for additional deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business for three assessment years subject to fulfilment of the conditions specified therein.

B. Special Tax Benefits available to Shareholders

1. Dividend taxation

With respect to a resident corporate shareholder, deduction under section 80M of the Act is available to the extent of dividend received or distributed by the shareholder, whichever is lower from the shareholder's gross total income computed in accordance with the provisions of the Act.

With respect to non-resident shareholder, the provision of the Agreement for Avoidance of Double Taxation (tax treaty) entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident. Accordingly, non-resident shareholder may, subject to conditions, be subject to tax at a concessional rate for divided income, if any, provided under the relevant tax treaty.

2. Tax deducted at Source

The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.

3. Shareholders may be subject to India taxes on the capital gains arising out of the sale of Right Shares and Right Entitlements ('REs')

As per section 112A of the Act, long-term capital gains (exceeding Rs. 1 lakhs) from sale of equity shares of a company listed on a recognized stock exchange is taxable at the rate of 10% (plus surcharge and cess) provided securities transaction tax ('STT') is paid on acquisition as well as transfer, while continuing to exempt the unrealized capital gains earned upto 31 January 2018. Long term capital gains to be taxed at aforesaid 10% without indexation benefit and without foreign currency fluctuation benefit. Further, as per section 111A of the Act, short-term capital gain (i.e. where the period of holding of shares is 12 months or less) on sale of aforesaid shares is taxable at the rate of 15%. STT will be levied on and collected by a recognized stock exchange on which such equity shares are transacted.

In case of transfer of shares where capital gains are not covered under section 112A and 111A above, long term capital gain is taxable at the rate of 20% with indexation (inflation adjustment) or 10% without indexation whichever is more beneficial. The aforesaid exemption of INR 1 lakhs shall not be available in such case. Short term capital gain arising in case of transfer of shares which are not chargeable to STT is taxable at applicable slab rates to individuals and in case of corporate shareholder at the applicable corporate tax rate.

In respect of REs, it is possible for the shareholders to either sell such REs, exercise REs or let the REs relapse. Therefore, REs being a separate 'security' traded on a stock exchange may be subject to short term capital gains on transfer

Indirect Tax

C. Special tax benefits available to the Company

1. Refund of unutilised Input Tax credit on account of inverted duty structure

A registered person may claim a refund of unutilised Input Tax Credit (ITC), where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council. Exceptions where the refund of the unutilised input tax credit cannot be claimed, are as follows:

- Output supplies are nil rated or fully exempt supplies except for supplies of goods or services or both as may be notified by the Government on the recommendations of the GST Council.
- If the goods exported out of India are subject to export duty.
- If supplier claims refund of output tax paid under IGST Act.
- If the supplier avails duty drawback or refund of IGST on such supplies.

2. Remission of Duties and Taxes on Exported Products Scheme (RoDTEP)

The RoDTEP scheme was announced by Government of India on 14 September 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. The scheme has been applicable with effect from January 2021.The Company has been availing benefit of this scheme on products exported out of India as per

rates prescribed.

3. Benefits available to the company Integrated Goods and Services Tax Act 2017 (IGST Act)

Under the IGST Act, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent. On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC. There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

D. Special tax benefits available to the shareholders under indirect taxation

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- The above statement covers only certain relevant benefits under the Act and does not cover benefits under any other law.
- In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic law.
- Several of the above tax benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
- Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information

Economic outlook

Global Economy

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies.

Risks to the outlook remain unusually large and to the downside. Monetary policy could miscalculate the right stance to reduce inflation. Policy paths in the largest economies could continue to diverge, leading to further US dollar appreciation and cross-border tensions. More energy and food price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress. Halting gas supplies by Russia could depress output in Europe. A resurgence of COVID-19 or new global health scares might further stunt growth. A worsening of China's property sector crisis could spill over to the domestic banking sector and weigh heavily on the country's growth, with negative cross-border effects. And geopolitical fragmentation could impede trade and capital flows, further hindering climate policy cooperation. The balance of risks is tilted firmly to the downside, with about a 25 percent chance of one-year-ahead global growth falling below 2.0 percent—in the 10th percentile of global growth outturns since 1970.

Warding off these risks starts with monetary policy staying the course to restore price stability. As demonstrated in Chapter 2, front-loaded and aggressive monetary tightening is critical to avoid inflation de-anchoring as a result of households and businesses basing their wage and price expectations on their recent inflation experience. Fiscal policy's priority is the protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost of living crisis felt across the globe. But its overall stance should remain sufficiently tight to keep monetary policy on target. Addressing growing government debt distress caused by lower growth and higher borrowing costs requires a meaningful improvement in debt resolution frameworks. With tightening financial conditions, macro prudential policies should remain on guard against systemic risks. Intensifying structural reforms to improve productivity and economic capacity would ease supply constraints and in doing so support monetary policy in fighting inflation. Policies to fast-track the green energy transition will yield long-term payoffs for energy security and the costs of ongoing climate change.

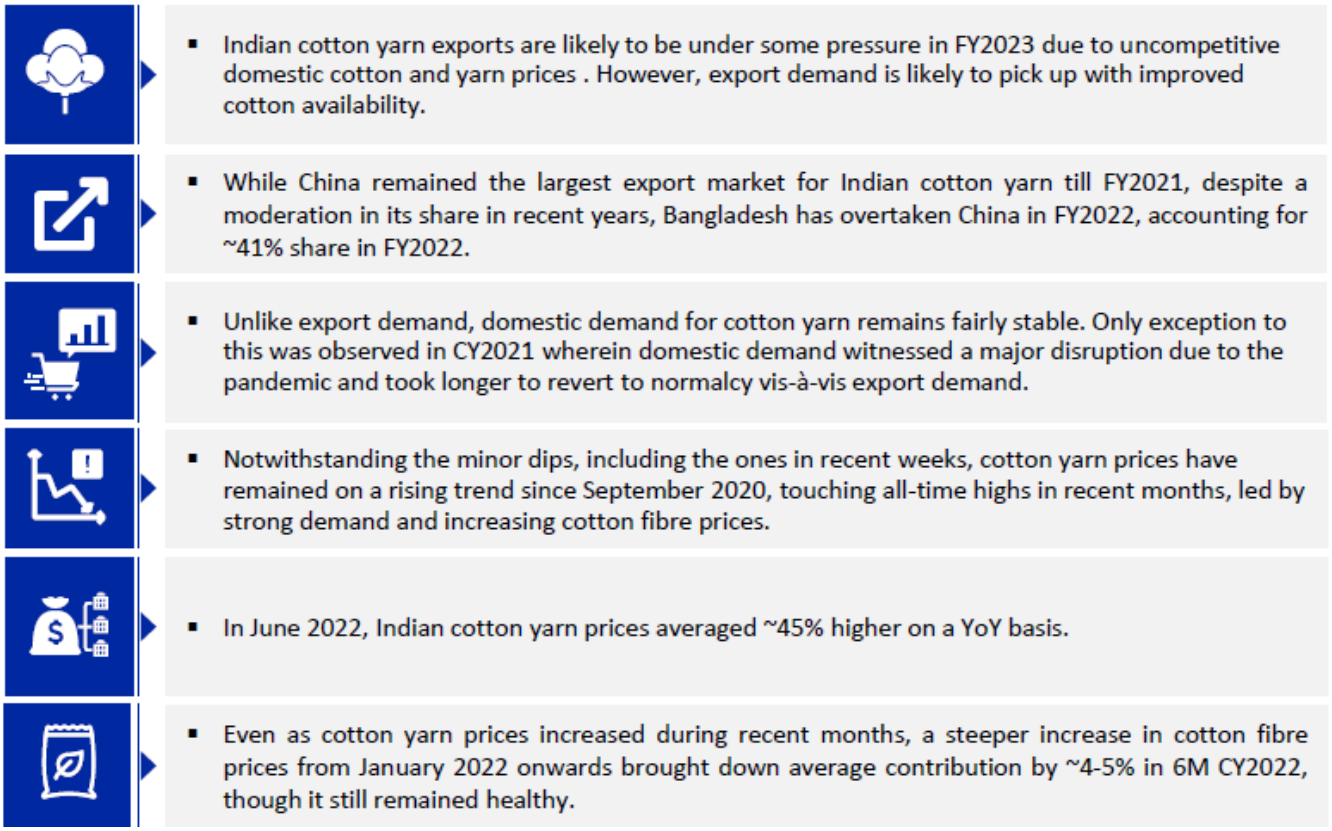
Source: https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022

Indian Economy

Right when the global economy seemed to be at the cusp of witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. It is, therefore, no surprise that the war in Ukraine and its potential economic impact have forced several economic forecasters to go back to their drawing boards and revise their growth projections for this year—most now point to less-than-expected growth in 2022. Understandably, the crisis has clouded India's growth outlook as well. Crude oil prices are lingering above US$100 per barrel, wheat has gone up by 50% in the last two weeks, and edible oil prices are up 20%—all of which are critical imports from the two warring nations. which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth. On the health front, a large, vaccinated population will likely help contain the impact of subsequent infections waves, if any. On the back of these factors, we expect India to grow at 8.3–8.8% during FY2021–22, followed by equally strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively.

Source: https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html

Indian Cotton and Manmade Yarn - Industry Overview



- Sharp surge in cotton fibre prices is likely to result in continued moderation in profit margins, with more severe impact likely in Q2 FY2023 after the cotton stocks from previous harvest season get extinguished. Companies which had stocked the cotton at lower cost in the previous fiscal are less likely to be impacted.

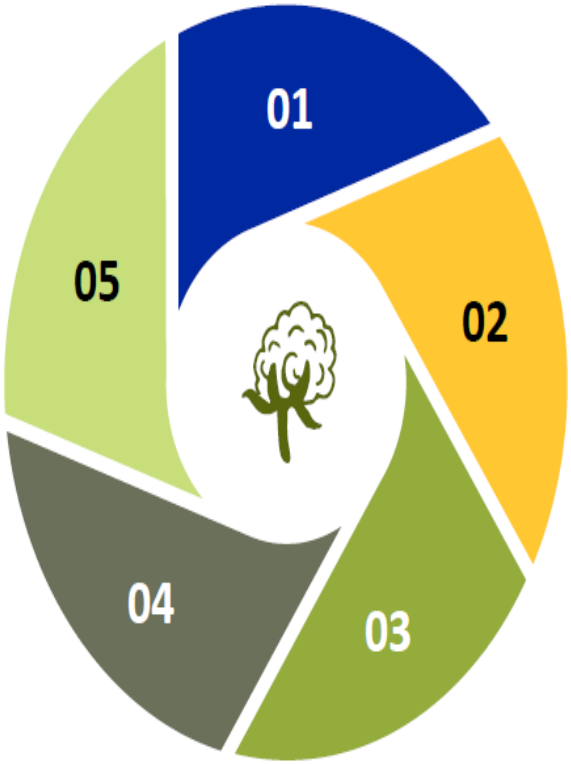
- Inclusion of all cotton yarn exports under the RoDTEP scheme from January 2021 onwards (as notified in August 2021) is supporting margins (upside of ~180-380 bps in profitability) as well as price competitiveness in international markets.

- ICRA expects domestic spinners to report volume growth from FY2024 onwards, amid shift in preference away from Chinese cotton & competitive domestic cotton prices. Barring near-term disruptions due to increased raw material costs and inability to pass on the same, domestic demand is fundamentally expected to stay healthy.

- ICRA expects the spinners to report healthy revenue growth in FY2023, supported by higher realisations, even as the volumes are expected to decline.

- Improved financial flexibility is driving an increase in debt-funded capex. Together with higher working capital borrowings and decline in profit margins, this is likely to result in a moderation in capitalisation and coverage metrics.

Exhibit: ICRA Outlook on key variables for cotton spinning sector for the next 12-15 months



EXPORT DEMAND

Uncompetitive domestic cotton and yarn prices to exert some pressure on export demand in the near term; likely to pick up with improved cotton availability

DOMESTIC DEMAND

Barring near-term disruptions due to increased raw material costs and inability to pass on the same, domestic demand is fundamentally expected to stay healthy, led by expectations of strong domestic consumption and healthy export demand for downstream companies

COTTON PRICES

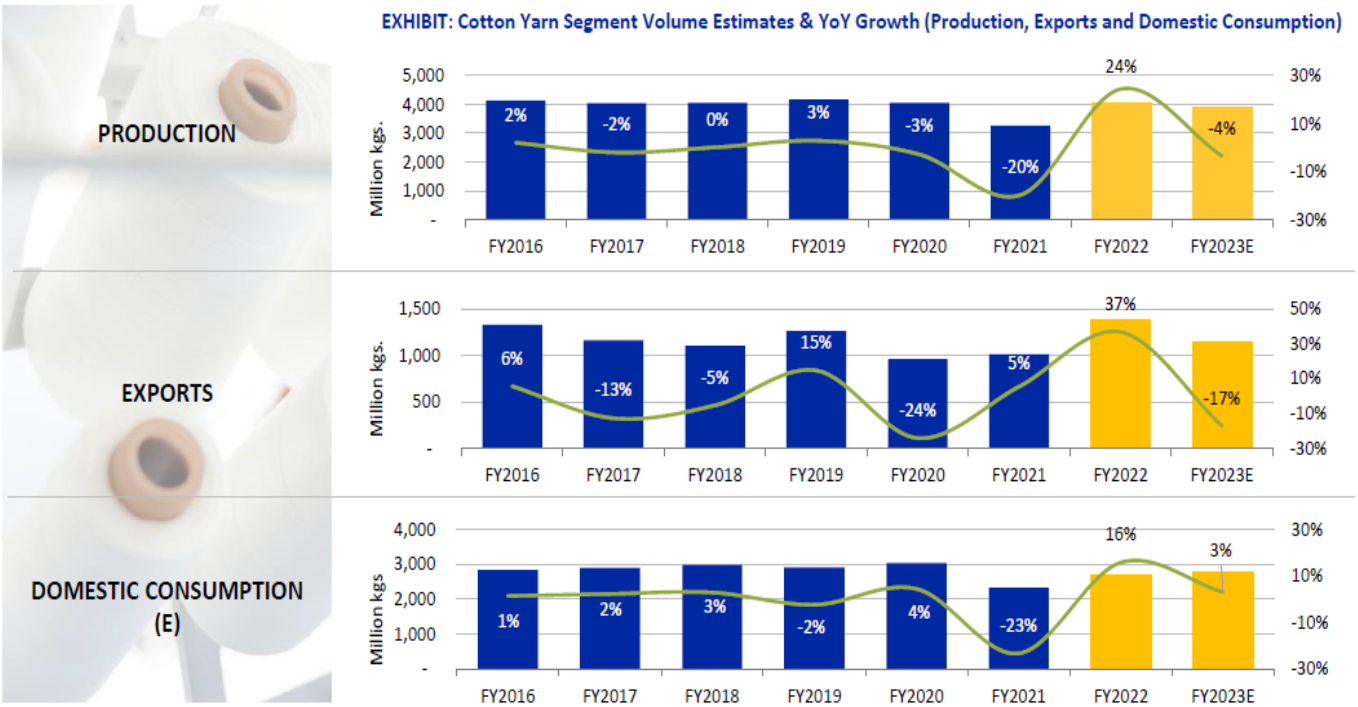
While a decline in prices from current levels is expected with fresh cotton arrivals, reduced global stock levels are expected to prevent a sharp decline

CONTRIBUTION MARGINS

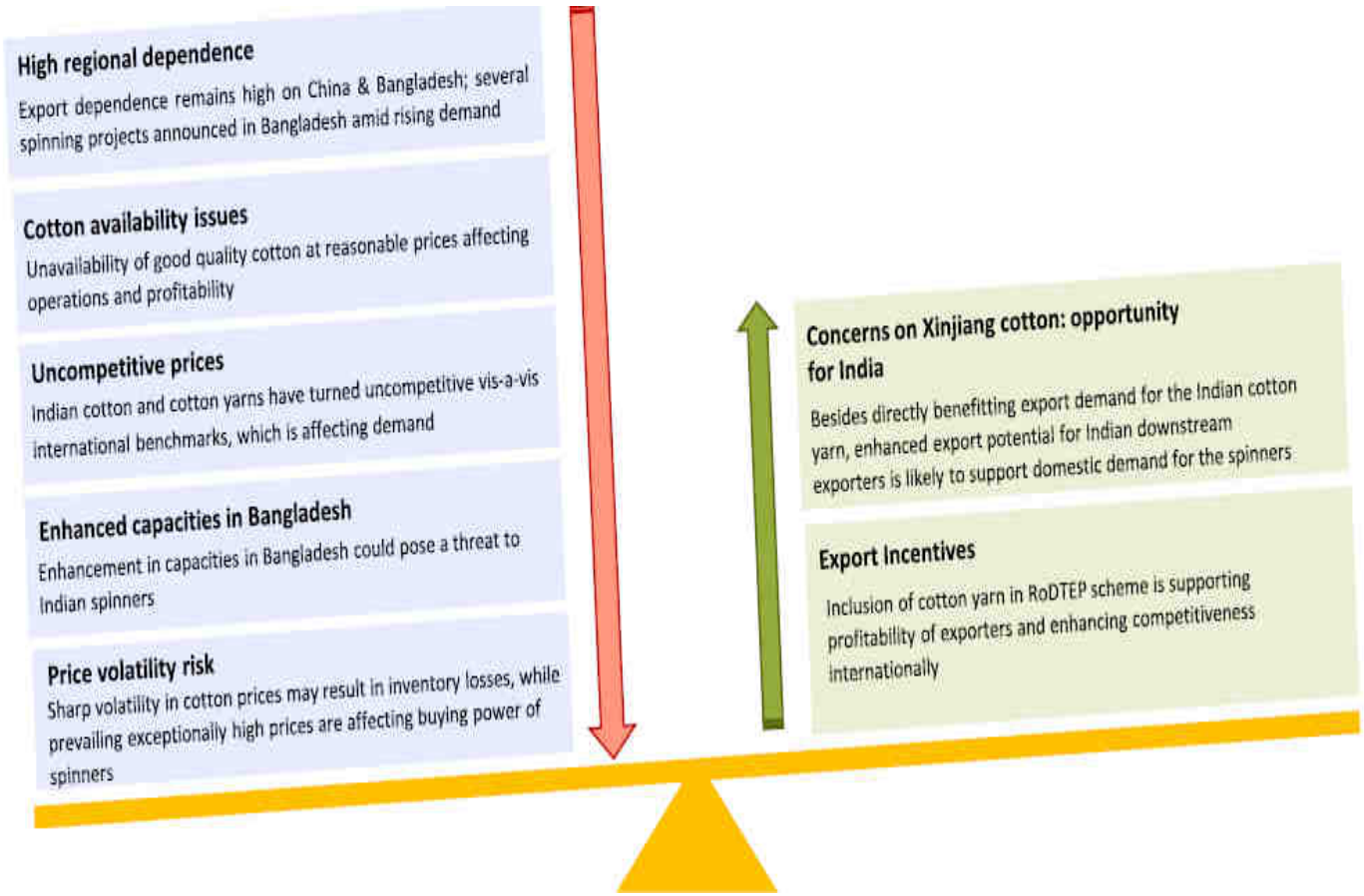
While some moderation is likely from FY2022 robust levels, these are likely to remain comfortable in FY2023 led by high realisations

COTTON YARN PRICES

Projected to largely move in tandem with cotton fiber prices; moderation likely from current levels amid resistance from downstream players and correction likely in cotton prices on fresh crop arrival



Headwinds outweigh tailwinds for the spinners for the near term



Cotton Spinners - Triggers for outlook revision



**Baseline indicator is defined as average for the past three to five years.*

Key Estimated Metrics (FY2023)

DEMAND	*VOLUME*	*OPM*	*DEBT/EBIDTA*	*INTEREST COVER*
STABLE	*~2-3% Decline*	*~10-11%*	*~3X*	*~6-7x*
Barring near-term disruptions and some decline in volumes estimated in H1 FY2023, demand outlook remains comfortable for domestic as well as export markets.	While the cotton yarn volumes are projected to moderate in FY2023 from high base in FY2022 led by moderation in exports, the same are expected to remain close to average of the past five years	Even as realisations are projected to improve, steeper increase in commodity prices, is likely to impact the contribution level of the spinners and hence the operating margin; however, operating profits are likely to remain healthy in absolute terms	Increased term debt for the likely capital outlay, higher working capital borrowings and moderation in margins, to result in an increase from FY2022 levels	Healthy profitability to support coverage metrics

Exhibit: Comparison of Indian Cotton Yarn Prices with International Prices



Exhibit: Trend in India's Annual Cotton Yarn Exports

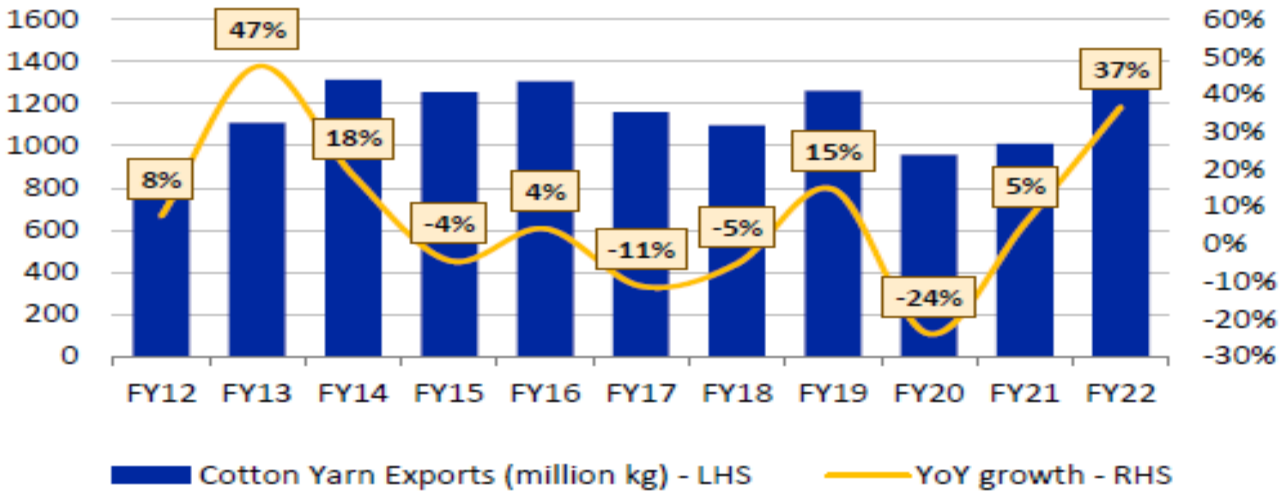
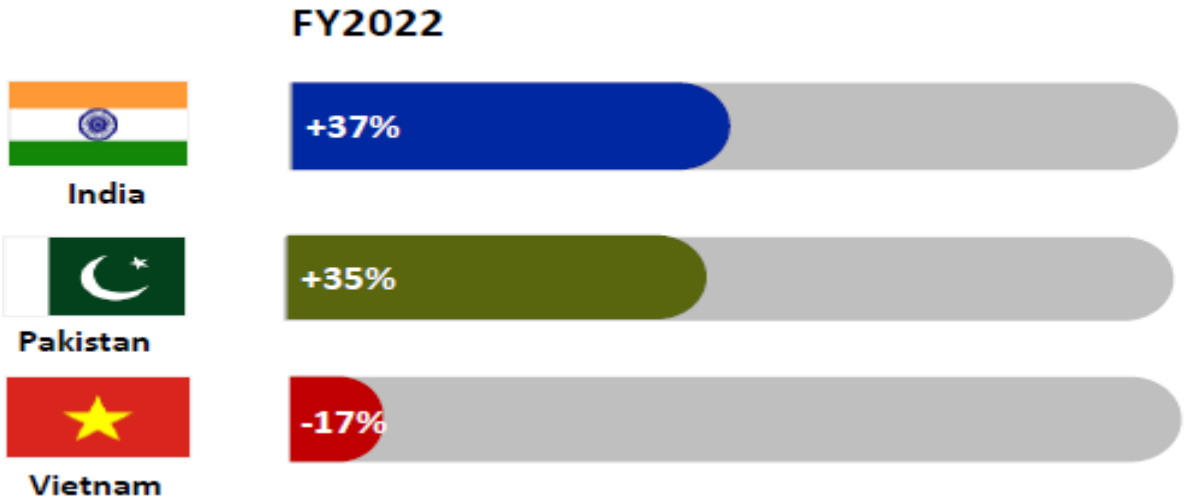


Exhibit: YoY increase/ (decrease) in cotton yarn exports of key exporting regions



Following a 5% growth in FY2021 despite the pandemic impact, India's cotton yarn exports surged~37%YoY in FY2022 led by~143%YoY increase in exports to Bangladesh. Besides competitive Indian cotton and cotton yarn prices in the international markets, concerns on Xinjiang cotton and healthy growth in Bangladesh's apparel exports drove export demand for Indian cotton yarn.

In comparison to other key cotton yarn export nations, India has exhibited healthy YoY growth in the recent months.

Overall, in FY2022, while Vietnam reported 17% decline in cotton yarn exports to Bangladesh, India and Pakistan reported 37% and 35% growth, respectively.

Challenges remain for domestic spinners



- China and Bangladesh together accounted for ~58% of India's cotton yarn exports in FY2022, resulting in high dependence on these markets. Other major markets in the recent years have been Egypt, Peru, Vietnam and Portugal, with a share of~3-5% each in FY2022.

- Exports to Pakistan were suspended from September 2019 onwards owing to geopolitical tensions.

- Vietnam has a competitive edge over China in terms of duty structure. It enjoys a duty-free access vis-a-vis~5-6% duty on Indian cotton yarn exports. Similarly, Pakistan also has duty-free access to export cotton yarn to China under the second phase of its free trade agreement with China, effective from July 2019 onwards. This has resulted in the loss of India's market share in China in recent years.

- With Bangladesh reporting a strong growth in its apparel exports, there are reports of increasing focus on enhancing domestic spinning as well as fabric capacities there. While India's access to cotton fibre remains a strength and Bangladesh would remain dependent on imports for its cotton/cotton yarn requirements, increased backward integration in Bangladesh could affect demand for India's cotton yarn market in the medium to long term.

Source: ICRA Report

OUR BUSINESS

Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. An investment in the Equity Shares involves a high degree of risk. For a discussion of risks in connection with an investment in the Equity Shares, see, "Risk Factors" on page 16. Please also refer to "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 79 and 150, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our Financial Information included in this Letter of Offer have been prepared under Ind AS, in accordance with the requirements of the Companies Act. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Overview

Our Company is a part of the LNJ Bhilwara Group, which is engaged in various sectors such as graphite electrode production, textile, power generation and IT services, among others. Our Company is a manufacturer of high-quality cotton, melange, synthetic and novelty yarns, along with knitted and denim fabric. Our Company was originally incorporated as 'Rajasthan Spinning and Weaving Mills Limited' on October 17, 1960. Our Company is engaged in business-to-business (B2B) transactions as the products manufactured by our Company needs further processing before it reaches the final consumer. Our customers consist of fabric manufacturers and wholesalers.

Our product portfolio can be broadly classified into the following verticals:

- **Yarn**: Yarn is a continuous length of interlocked fibres and are suitable for use in the various applications, including manufacturing of textiles, sewing, weaving, embroidery, or ropemaking. We manufacture and market our yarns, primarily under the 'Ultima', Melantra' and 'RSWM EDGE' brands. Our yarn vertical can be further divided into synthetic yarn and cotton yarn.
    - ***Synthetic yarn***: Our synthetic yarns are yarns that are made by combining synthetic fibres made out of polyester, acrylic, rayon, viscose etc., and cotton, wool and / or bamboo fibres, in varying pre-determined ratios, depending on the intended end use. The synthetic yarn that we manufacture are broadly divided into the following categories:
        - ***Griege yarn***: We provide griege or grey yarn (which are essentially uncoloured / undyed) in a wide range of counts of single, double, and multi-fold. These yarns are suitable for weaving, knitting, sewing and industrial applications.
        - ***Dyed yarn***: We also provide dyed yarn, that are available in wide variety of colours to suit the various requirements that our customers may have.
    - ***Cotton yarn***: Our cotton yarn is manufactured from the combining cotton fibres. The cotton yarn that we manufacture are broadly divided into the following categories:
        - ***Grey yarn***: Grey yarn refers to the natural cotton yarn that has not been dyed or otherwise subject to any colouring process.
        - ***Melange yarn***: Melange yarn is a cotton yarn that is produced by combining two or more fibres, usually of different colours. It is considered a premium yarn that is generally used for casual wear, business suits, bed linen, decorative fabrics and other premium home furnishings.
- **Fabric**: We manufacture denim which we sell to various domestic and foreign clothing companies.

In addition to the above, we have recently forayed into the manufacturing of knitted fabrics, which is elastic, porous fabric, created by interlocking yarns by means of needles.

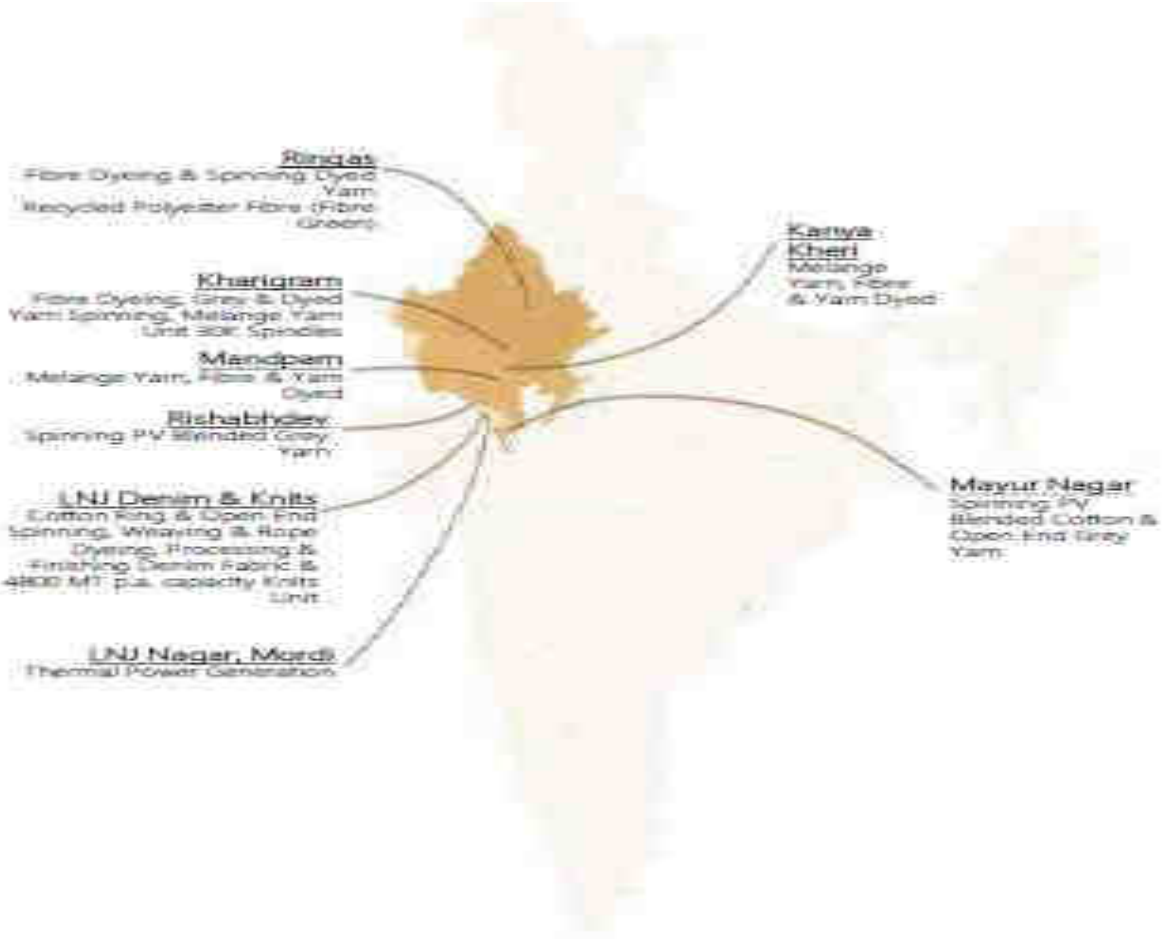
The table below sets out our revenue across our product verticals for the period indicated:

(*₹ in lakhs*)

S. No.	Product vertical	For the year ended March 31, 2022
1.	Yarn	3,08,599.01
2.	Fabric	73,143.29

Our Manufacturing Facilities

We have ten manufacturing facilities which are strategically located in the state of Rajasthan, the details of which have been set out below:



All of our manufacturing facilities have been accredited with quality management systems, environmental management systems and occupational health & safety management system certificates for compliance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 requirements respectively. As of September 30, 2022, our aggregate yarn manufacturing capacity was 1,45,500 tonne per annum (TPA), comprising 4,94,680 spindles and 4,800 rotors, and our aggregate denim fabric manufacturing capacity was 27 lakh meter/month, and our aggregate knitted fabric manufacturing capacity was 4,800 tonne per annum (TPA),and our capacity utilisation for the year ended March 31, 2022 and the six months ended September 30, 2022 was 94.52% and 89.94% of our aggregate yarn manufacturing capacity respectively, and 95.48% and 92.50% of our aggregate denim fabric manufacturing capacity respectively.

Our Competitive Strengths

Modern manufacturing capabilities supported by a global supplier network, with a focus on vertical integration

We currently operate through ten manufacturing facilities and one captive power plant, that are supported by 16,615 permanent employees and 1,432 persons employed as contract labour as on March 31, 2022. Our manufacturing facilities are strategically located to allow us to cater to our export requirements. Our cost competitive approach along with our expertise enable us to meet the stringent requirements of our customers. We make use of technology and manufacturing execution systems enhance our workflows and manufacture quality and reliable products. In addition, our ability to rapidly implement design or manufacturing process improvements grants us the flexibility to optimize the use of our manufacturing facilities.

Strong and diversified supplier base for sourcing of raw materials

Our Company has, over the years, developed a robust supply chain for the sourcing of the raw materials used in the manufacture of our products. The essential raw materials used in our manufacturing facilities include cotton, polyester, Viscose, acrylic etc. Given that raw material expenses constitute a significant portion of our overall cost, we benefit majorly from a spread out and diversified supplier base. This enables us to negotiate favourable terms and even avail better discounts. Additionally, we believe that our diversified supplier base helps us in minimizing supplier risk on account of low supplier dependency.

Our cost of materials consumed, for the Fiscal 2022 and the six months ended September 30, 2022 was ₹ 2,10,799.26 lakhs and ₹ 1,19,592.20 lakhs, which represented 55.22% and 60.47%, of our revenue from operations, respectively. We do not have any long-term contracts with any of our raw material suppliers, however, we have maintained long term relationships with our major suppliers. We believe our strong relationships with our raw material suppliers enable us to obtain good quality raw materials within the required timelines.

Our raw material prices vary from market to market, and our procurement team accordingly analyses the arbitrage in different markets to take possible advantages of such variations by purchasing more from the cheaper source. The final cost of our products is dependent on our ability to source raw materials at acceptable prices and to maintain a stable and sufficient supply of our raw materials. To this effect, we also maintain a robust database of our suppliers. We have a stringent vendor qualification process which enables us to keep a periodic check on our suppliers with regard to the quality of materials supplied and the corresponding prices. We use these details for negotiating purchases in the future and for quality claims, which we believe is a very important aspect of our business operations.

Track record of growth in financial performance

We have been able to increase our total income from ₹ 2,36,542.62 lakhs in Fiscal 2021 to ₹ 3,84,954.21 lakhs in Fiscal 2022. Our total income in the six months ended September 30, 2022 was ₹ 2,01,841.11 lakhs. Our revenue from operations in Fiscals ended 2021 and 2022 and in the six months ended September 30, 2022 was ₹ 2,32,601.67 lakhs, ₹ 3,81,742.30 lakhs and ₹ 1,97,761.82 lakhs, respectively. In the Fiscals ended 2021 and 2022 and in the six months ended September 30, 2022, we reported EBITDA of ₹ 21,418.95 lakhs, ₹ 47,041.11 lakhs and ₹ 23,293.81 lakhs, respectively. In the Fiscals ended 2021 and 2022 and in the six months ended September 30, 2022, our return on capital employed was for 4.91%, 16.29% and 15.80% respectively. Further, as on March 31, 2022 and as on September 30, 2022, our debt equity ratio was 1.06 and 0.98, respectively.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations but also the effectiveness of the administrative and cost management initiatives that we have implemented. Among other things, our strong financial position and results of operations have enabled us to invest in our manufacturing infrastructure.

Experienced promoters supported with senior management team with proven track record of performance

We are led by a management team with extensive experience in the textile sector with a proven track record of performance. Our Board comprises eminent individuals with significant experience across various industries and functions. Our Chairman, Managing Director and CEO, Mr. Riju Jhunjhunwala, has over 18 years of experience in this industry and provides valuable guidance on all strategic matters. In addition, members of our management team, which comprises a mix of homegrown talent and lateral talent from leading multinational companies and firms, possess complementary skills and have extensive experience and knowledge of our business.

Our management team has developed strong working relationships with our employees, which adds to our stability and long-term growth. Our highly experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions. As of March 31, 2022, we had 16,615 full-time employees.

Our Business Strategies

Solidify and strengthen our core competitiveness

We intend to continue to invest in our infrastructure to enable further technical innovation, improve our operational efficiencies, increase customer satisfaction and improve our sales and profitability. We intend to further develop our infrastructure and technical know-how, to improve on our existing manufacturing capabilities.

In addition, we will focus on optimizing and automating our manufacturing processes. We constantly endeavour to reduce the costs of our operations while ensuring the quality of our products.

In addition, we intend to strengthen our presence in compact cotton yarn industry by expanding our yarn manufacturing capacity. Further, we have recently forayed into the knitted fabric business and have expanded our manufacturing capacity of melange yarn and denim to keep up with the growing demand.

Continue to strive for operational efficiencies, supply chain rationalisation and effective planning

We intend to continue to maintain or improve upon our benchmarks for cost structure. This cost structure sustainability shall be achieved over the years through emphasis on economies of scale, and a robust supply chain developed for sourcing of raw materials. This has been possible through adoption of lean practices including in respect of supply chain and design as well as through reduction of operational costs. Further, we intend to leverage technology for effective utilization of our machinery through digital solutions which would enable effective monitoring of the machine status and study of our processes thereby allowing us to address the bottlenecks and to improve our output efficiency.

Focus on deepening and strengthening our relationships with our existing customers as well as catering to new customers

We have over the years established long-term relationships with our customers and we plan to continue to focus on customers with whom we have long-standing relationships in order to develop and supply more sophisticated, higher margin products. We believe that our customer retention levels reflect our ability to provide high quality products, and our consistent customer servicing standards have enabled us to increase our customer dependence on us. We continue to strive to understand our customers' business requirements and provide products that maximize their returns. We anticipate that our product offerings, the quality thereof and leadership in key product segments will help us in increasing our share of business amongst our existing customers as well as increase our customer base.

Grow our manufacturing capacity and increase market share.

We intend to strengthen our market position in the textile manufacturing sector in India and achieve better economies of scale by establishing and acquiring additional facilities and expanding our existing manufacturing capacities. Over the years, we have grown our manufacturing infrastructure through internal accruals. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We believe our expansion plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply growing markets more efficiently and drive profitability.

Description of our plant and machinery

As of September 30, 2022, our aggregate yarn manufacturing capacity was 1,45,500 tonne per annum (TPA), comprising 4,94,680 spindles and 4,800 rotors, and our aggregate denim fabric manufacturing capacity was 27 lakh meter/month, and our aggregate knitted fabric manufacturing capacity was 4,800 tonne per annum (TPA), and our capacity utilisation for the year ended March 31, 2022 and the six months ended September 30, 2022 was 94.52% and 89.94% of our aggregate yarn manufacturing capacity respectively, and 95.48% and 92.50% of our aggregate denim fabric manufacturing capacity respectively.

Description of our manufacturing process

Our manufacturing processes are as set out below:

Yarn Manufacturing Process:

- *Procurement of material*: The main raw material is fibre which includes polyester, viscose, cotton, acrylic, flex, nylon, bamboo fibre etc. Other key raw materials include dyes & chemicals and packing material.

- *Dyeing***:** For dyed yarn, grey fibre requires to be dyed and before dyeing, the fibre needs to be untied loosely. This helps make sure the fibre gets dyed evenly and soaks up all the color. After the fibre is processed through this process, dyed fibre is dried in continuous dryer machine. The dyed fibre becomes raw material for dyed yarn spinning process.

- *Spinning Process*:

    - Blending & blow room: When various fibres of different or same grades are kept together then it is termed as blending. In the opening process, this is the basic operation in the spinning of yarn from raw fibres. Opening is the process of reducing compressed fibres from a bale into smaller-fibre tufts and get mixed uniformly. It removes the particles of dirt, dust and other impurities by using spiked rollers to form uniform lap of specific length. After this process, the fibre will be transferred for carding process.

    - Carding: After blending and opening, laps are transferred to a carding machine. Carding is performed by opposing sets of teeth or small wire hooks. The cylinder and the flats may rotate in the same or opposing directions but at different speeds to tease the fibre tufts into a thin, filmy web, which is then collected into a loose rope-like structure called a sliver, which is coiled, and deposited in cans. Carding further opens the fibre tufts and extracts any fine particles. The drawing frame uses a series of rollers arranged in pairs and rotating at different speeds. Slivers are passed between the rollers and combined. The fibres will be well parallelized and mixed after going through this process

    - Draw Frame (also called drafting): In yarn manufacturing process of attenuating the loose assemblage of fibres called sliver by passing it through a series of rollers, thus straightening the individual fibres and making them more parallel. Each pair of rollers spins faster than the previous one. Drawing reduces a soft mass of fibre to a firm uniform strand of usable size. In the production of fibres, drawing is a stretching process applied to fibres, increasing orientation and reducing size.

    - Simplex: The main function of the simplex frame is the attenuation of sliver. Insertion of protective twist in order to hold the fine strand of sliver. Winding of roving into a package that can be transported, sorted, donned on ring spinning machine. The output of the simples frame is fed to the ring frame spindles

    - Ring frame: The conversion of roving in to yarn is called the spinning process. This is usually done in a roller drafting system that will have some means of fibre control. Twist is imparted to the fibre strands to prevent slippage through the ring and traveller. The yarn is then wound onto suitable bobbins known as ring cops for further processing.

    - Autoconer / Winding: During this process bigger package from ring bobbin in order to get continuous length of yarn on cones for further process, yarn faults are also removed.

    - Cheese Winding / Doubling, Two for one twisting (TFO): The process of twisting is a means of improving certain yarn properties and satisfying textile requirements that cannot be fulfilled by the single yarns. The method of twisting two or more single yarns is called doubling. Such yarns are designated as doubled yarn, folded yarn and the machines intended for the purpose are called doublers or two-for-one (TFO) twisters.

    - Packing & warehouse: Yarn is packed as per customer requirement, three type of packing category we are following, and that exclusively depends upon customer need and as per pre-agreed conditions, either it is packed in cartons/bags or in pallets, yarn in packed form shifted to warehouse for despatch.

    - Quality Assurance in our laboratory, Quality is ensured at every level of process, it starts from testing of raw material, dyes, chemicals, packing material. In production process, two samples are collected and tested to ensure quality and finished products also have to undergo process of quality checking.

Denim Manufacturing Process:

- *Spinning:* Different varieties of cotton bales purchased from market are laid down at blow room for opening and cleaning of cotton. In the next carding process further trash is removed, and fibre to fibre separation is done. Following this, draw frame fibre parallelisation is done by straightening fibre hooks. The yarn is manufactured by one of two ways – (i) open end spinning, and (ii) ring spinning.

  In open end spinning process, yarn is manufactured directly from draw frame sliver and wound on packages suitable for next process for warping or weaving for in-house denim fabric manufacturing. Our yarn is also sold in open market.

In ring spinning process, draw frame sliver is taken on a speed frame machine to convert from sliver can to roving bobbin form. These roving bobbin are used on ring frame machine to manufacture yarn and wound on small ring bobbins. These small ring bobbins are converted into big packages at subsequent processes called as winding. Winding yarn packages are used for the subsequent process of manufacturing denim yarn. This yarn is also sold in open market.

- *Dyeing:* There are two types of dyeing processes: (i) rope dyeing and (ii) sheet dyeing.

    - Rope dyeing: Under this process, warping balls are prepared from yarn packages. These balls are taken through rope dyeing machine to carry out indigo dyeing process and then yarn is collected in big cans. These big cans are taken to next process called LCB (Long chain Beamer) to convert into beam form. These beams are taken on a sizing machine to add starch on yarn and convert into weavers beams suitable for weaving on looms.

    - Sheet dyeing: Under this process, yarn is wound on warpers beams. These beams are taken on sheet dyeing machines to carry out the indigo dyeing process and add starch to yarn. The dyed yarn is wound on beams suitable for weaving on loom.

- *Weaving*: The weavers beam produced on sheet dyeing/ Rope Dyeing are loaded on looms to convert into fabric form. The weaving is done on Rapier and Airjet looms by inserting weft yarn and Grey Fabric is manufactured.

- *Processing*: The grey fabric is processed to achieve dimensional stability by different processes such as, (i) singeing, (ii) desizing, (iii) mercerizing, (iv) heat setting, and (v) wet finishing. Lastly, the finished fabric is checked, packed and dispatched.

Knitted fabrics manufacturing process:

- *Yarn procurement & storage*: According to our requirements, we purchase premium quality yarn, which goes through certain quality check processes and thereafter, stored count and shade wise.

- *Yarn creeling:* Count wise and shade wise package are placed on creel as per fabric structured on Knitting Machine with the help of compressed air suction devices.

- *Knitting:* Circular knitting machines are having specified needles and feeders for different structures of fabric. As per our requirement of loop length and grams per square meter of fabric, loop formation is prepared with the help of needles and circulation of dial gauge of machine is initiated

- *Fabric rolls cut*: Our machines have a counter system based on revolution for required roll weight. After completion of the given counter, fabric rolls are removed from the machine.

- *Inspection*: After removing the fabric rolls from knitting machine, the fabric is passed through surrounded lights inspection table to check faults therein.

- *Greige batching:* After knit fabric inspection, fabric rolls clubbed as per requirement of shade and making a batch.

- *Dyeing and finishing:* Batched fabric goes in different types of process like heat set, de-oil, dyeing, chemical finishing and compacting to achieve targeted shade, feel and physical parameters.

- *Finished fabric inspection and quality assurance:* The fabric undergoes inspection where the fabric is inspected on the inspection machine and their fabric checked with a four point grading system, and one fabric cutting machine. It is also sent for physical parameter checks like GSM, fastness, shrinkage etc. based on the customer requirements.

- *Packing*: After completion of our inspection, fabric rolls are packed into polythene bags to avoid any damage and pasted with a tag with proper weight indication and total information about the fabric construction.

Research and development

We spent approximately ₹ 1,586.96 lakhs in Fiscal 2022 on research and development activities, which we believe, has in improvement of our existing products, new product developments, optimisation in process and production, which yielded us better results and an edge over our competitors.

Sales and Marketing

We have pre-defined internal processes for demand generation, quote process and order procurement and program management. Our senior management oversee and conduct regular reviews of new business development initiatives of our Company. Our sales and marketing team comprise of 106 employees as on March 31, 2022.

Human Resources

As on March 31, 2022, our Company employed by 16,615 permanent employees and 1,432 persons employed as contract labour as on March 31, 2022. The following table provides information about our full-time employees, as on March 31, 2022:

Department	No. of employees
Management	11
Commercial	230
Corporate Functions	55
General Administration	70
Human Resources	121
Information Technology	35
Marketing	106
Production Planning Cell	23
Production & Supporting service department	15964
Total	**16,615**

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire and accidents. We typically maintain standard fire and special perils for our offices and manufacturing facilities. Our Company also maintains group mediclaim insurance, commercial general liability insurance, and machinery insurance, among others. Our insurance policies are subject to customary exclusions and deductibles. Our Company believes that the amount of insurance cover presently maintained by us represent the appropriate level of coverage required to insure our businesses. For further details, see "*Risk Factors – Our insurance coverage may not adequately protect us against all material hazards*" on page 27.

Property

Our registered office is situated at Kharigram, P.O Gulabpura – 311 021, Bhilwara, Rajasthan and is held by our Company on a leasehold basis. For details of the location of each of our manufacturing facilities, see "- *Our Manufacturing Facilities*" on page 67.

Corporate Social Responsibility

We are actively engaged in corporate social responsibility activities that we believe are vital towards fulfilling critical societal need gaps in the communities we operate in. Our Company has constituted a corporate social responsibility committee in compliance with applicable law, comprising of Arun Kumar Churiwal, Riju Jhunjhunwala and Amar Nath Choudhary. Our corporate social responsibility committee responsible for monitoring the expenditure incurred on our CSR activities and formulate an annual budget for these activities.

Our Company incurred ₹ 62.82 lakh in Fiscal 2022 on account of CSR activities, which includes:

(i) ₹ 42.65 lakh towards eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water,

(ii) ₹ 12.95 lakh towards promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects,

(iii) ₹ 2.46 lakh towards 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,

(iv) ₹ 2.42 lakh towards 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, and

(v) ₹ 2.34 lakh towards training to promote rural sports, nationally recognized sports, paralympics sports and olympic sports.

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and Articles of Association of our Company and the requirements of the applicable laws. In terms of Companies Act, 2013, read with Articles of Association of our Company, the minimum number of Directors in our Company shall be not be less than three, while unless otherwise determined by a special resolution of our shareholders, the maximum number of Directors shall be 15.

The composition of the Board and the various committees of the Board are in conformity with the Companies Act, 2013 and the SEBI Listing Regulations, as applicable. As of the date of this Letter of Offer, our Company has ten Directors, of which two Directors are Executive Directors and eight Directors are Non-Executive Directors, including five Independent Directors.

The following table sets forth details regarding the Board as on the date of this Letter of Offer:

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1.	**Riju Jhunjhunwala** *Designation*: Chairman and Managing Director & CEO *Date of birth*: January 13, 1979 *Address*: 63, Friends Colony East, New Delhi – 110 025 Delhi, India *Occupation*: Business *Period of directorship:* Director of the Company since October 23, 2003 *Term*: Five years with effect from May 1, 2021 *DIN*: 00061060	43	*Foreign companies:* • Balephi Jalbidhyut Company Limited, Nepal • Bhilwara Infotech Inc. *Indian companies:* • Bhilwara Energy Limited • HEG Limited • Bhilwara Infotechnology Limited • Bhilwara Technical Textiles Limited • NJC Hydro Power Limited • Chango Yangthang Hydro Power Limited • Bhilwara Services Private Limited • Rajspin Officers Welfare Foundation Private Limited • Replus Engitech Private Limited
2.	**Brij Mohan Sharma** *Designation*: Joint Managing Director *Date of birth*: November 8, 1957 *Address*: 302, Dheeraj Gaurav Heights III CHS Ltd, Mourya Estate Road, Off Link Road, Andheri West, Mumbai – 400 053 Maharashtra, India *Occupation*: Service *Period of directorship:* Director of the Company since August 7, 2018 *Term*: Two years with effect from August 7, 2022 *DIN*: 08195895	64	Nil
3.	**Ravi Jhunjhunwala** *Designation*: Non-Executive Non-Independent Director	66	• HEG Limited • Malana Power Company Limited • Maral Overseas Limited

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Date of birth: October 28, 1955 *Address*: 63, Friends Colony East, New Delhi – 110 025 Delhi, India *Occupation*: Industrialist *Period of directorship:* Director of the Company since May 18, 1979 *Term*: Liable to retire by rotation *DIN*: 00060972		• Bhilwara Energy Limited • AD Hydro Power Limited • BSL Limited • India Glycols Limited • JK Lakshmi Cement Limited • BMD Private Limited • RLJ Family Trusteeship Private Limited • SKLNJ Family Trustee Private Limited • RANDR Trustee Private Limited • RRJ Family Trsutee Private Limited • Sabhyata Foundation
4.	**Shekhar Agarwal** *Designation*: Non-Executive Non-Independent Director *Date of birth*: October 9, 1952 *Address*: 7, Sadhana Enclave, New Delhi - 110 017 Delhi, India *Occupation*: Industrialist *Period of directorship:* Director of the Company since February 13, 1984 *Term*: Liable to retire by rotation *DIN*: 00066113	69	• HEG Limited • Maral Overseas Limited • Bhilwara Technical Textiles Limited • MG Marketing and Trading Private Limited • BSL Limited • BMD Private Limited • Agarwal Finestate Private Limited • BMD Renewable Energy Private Limited • BMD Power Private Limited • Rajspin Officers Welfare Foundation Private Limited • SSSA Family Private Limited • PHD Chamber of Commerce and Industry
5.	**Arun Kumar Churiwal** *Designation*: Non-Executive Non-Independent Director *Date of birth*: May 15, 1950 *Address*: 4, National Library Avenue, Alipore, Kolkata – 700 027 West Bengal, India *Occupation*: Industrialist *Period of directorship:* Director of the Company since October 23, 2003 *Term*: Liable to retire by rotation *DIN*: 00001718	72	• LNJ Financial Services Limited • Churiwala Properties & Investment Private Limited • BSL Limited • La Opala RG Limited • Akunth Textile Processors Private Limited • RLJ Family Trusteeship Private Limited • SKLNJ Family Trustee Private Limited • RANDR Trustee Private Limited • RRJ Family Trustee Private Limited
6.	**Kamal Gupta** *Designation*: Independent Director *Date of birth*: February 12, 1946 *Address*: N-23, Sector-11, Gautam Buddha Nagar, Noida - 201 301 Uttar Pradesh, India *Occupation*: Consultant	76	• HEG Limited • Maral Overseas Limited • Malana Power Company Limited • AD Hydro Power Limited • Bhilwara Energy Limited

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Period of directorship: Director of the Company since December 26, 1987 *Term*: Five years with effect from September 16, 2019 *DIN*: 00038490		
7.	**Amar Nath Choudhary** *Designation*: Independent Director *Date of birth*: March 6, 1944 *Address*: 8C, Alipore Road, Alipore, Kolkata – 700 027 West Bengal, India *Occupation*: Professional *Period of directorship:* Director of the Company since July 24, 2009 *Term*: Five years with effect from September 16, 2019 *DIN*: 00587814	78	• Vitarich Agro Food (India) Limited • BSL Limited • Tinsukia Estate Private Limited • Elapara Investment Private Limited • Hooghly Chamber of Commerce & Industry • Texmart Creations Private Limited
8.	**Priya Shankar Dasgupta** *Designation*: Independent Director *Date of birth*: June 30, 1955 *Address*: J-1810, Chittaranjan Park, Delhi - 110 019 Delhi, India *Occupation*: Professional *Period of directorship:* Director of the Company since July 24, 2013 *Term*: Five years with effect from September 16, 2018 *DIN*: 00012552	67	• Cummins India Limited • Otis Elevator Co (India) Limited • Maral Overseas Limited • Vindhya Telelinks Limited • Ester Industries Limited • Interstar Financial Services Limited • Timken India Limited • Snap-on Tools Private Limited • SSSA Family Private Limited • Dasgupta Consulting Private Limited • Interstar Edu-Serve Private Limited • NDLO Business Consulting Private Limited • Sarvpratham Shiksha Foundation • NDLO Secretarial Services Private Limited • Shugan Chandra Kothari Educational Foundation
9.	**Deepak Jain** *Designation*: Independent Director *Date of birth*: April 6, 1975 *Address*: 23, Silver Oak Farms, Road No. 1, Ghitorni, Gadaipur, Delhi – 110 030 Delhi, India *Occupation*: Business *Period of directorship:* Director of the Company since May 11, 2016 *Term*: Five years with effect from May 11, 2021	47	• Lumax Auto Technologies Limited • Lumax Mannoh Allied Technologies Limited • Lumax Industries Limited • Lumax Cornagila Auto Technologies Private Limited • Lumax Jopp Allied Technologies Private Limited • Lumax Ituran Telematics Private Limited • Lumax Finance Private Limited • Backcountry Estates Private Limited • SL Lumax Limited

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	DIN: 00004972		• Lumax Alps Alpine India Private Limited • Talbros Automotive Components Limited
10.	**Archana Capoor** *Designation*: Independent Director *Date of birth*: September 17, 1958 *Address*: S-268, 2nd Floor, Panchsheela Park, Malviya Nagar, New Delhi – 110 017 Delhi, India *Occupation*: Consultant *Period of directorship:* Director of the Company since February 13, 2018 *Term*: Five years with effect from February 13, 2018 *DIN*: 01204170	63	• Maral Overseas Limited • Birla Cable Limited • S Chand and Company Limited • Uniproducts (India) Limited • Sandhar Technologies Limited • Vikas Publishing House Private Limited

Except for Ravi Jhunjhunwala, who is the father of Riju Jhunjhunwala, none of the Directors are related to each other.

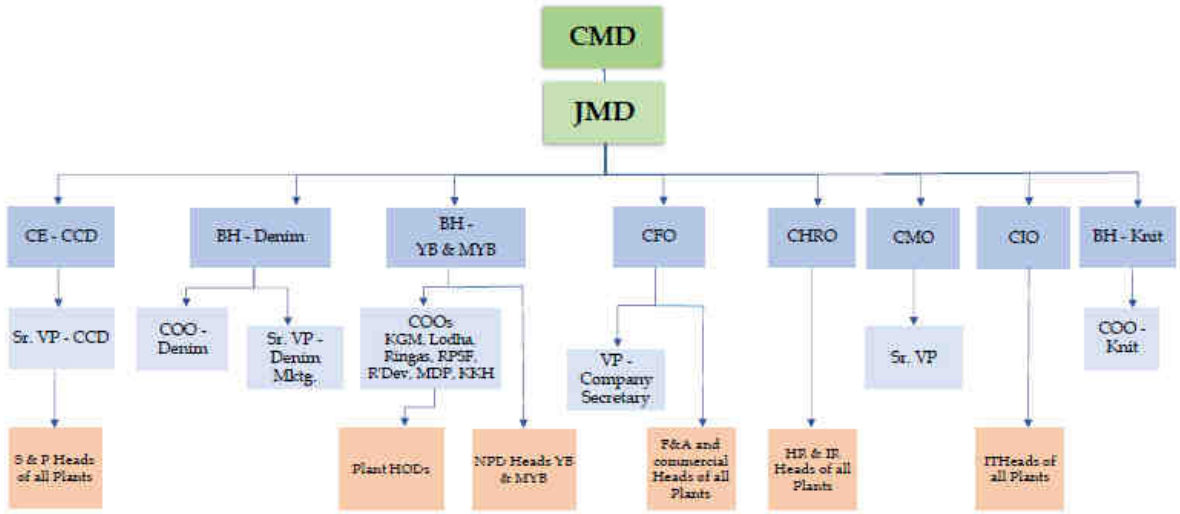
Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.

2. Except as set out below, none of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer:

S. No.	Name of the company	Name of the stock exchange(s) on which the company was listed	Date of delisting on stock exchange	Whether the delisting was compulsory or voluntary delisting	Reasons for delisting	Whether the company has been relisted	Date of relisting, in the event the company is relisting	Term of directorship in the company
Arun Kumar Churiwal								
1.	LNJ Financial Services Limited	BSE	May 18, 2018	Voluntary	Voluntary delisting from inactive stock exchanges	No	NA	Director since August 7, 1976

Management organisation chart



Note: Please refer below for the definitions of the abbreviations referred to in the chart above:

CMD	*Chairman & Managing Director*
JMD	*Joint Managing Director*
CE-CCD	*Chief Executive - Corporate Commercial Department*
BH	*Business Head*
CFO	*Chief Financial Officer*
CHRO	*Chief Human Resource Officer*
CMO	*Chief Marketing Officer*
CIO	*Chief Information Officer*
VP	*Vice President*
COO	*Chief Operating Officer*
S & P	*Stores & Purchases*
HOD	*Head of the department*
NPD	*New Product Development*
YB	*Yarn Business*
MYB	*Melange Yarn Business*
F & A	*Finance & Accounts*
HR & IR	*Human Resources & Industrial Relations*
IT	*Information Technology*

Details of key management personnel and senior management personnel

S. No.	Name	Designation	Date of joining our Company
1.	Avinash Bhargava	Chief Financial Officer	July 10, 2006
2.	Surender Gupta	Company Secretary and Vice President - Legal	January 25, 1989
3.	Prakash Maheshwari	Chief Executive – Corporate Affairs & TPP	April 1, 2003
4.	Vimal Banka	President – Corporate Office	April 1, 1990
5.	Suketu Shah	Chief Executive – Denim	December 3, 2018
6.	Sukesh Sharma	Business Head – Yarn	February 8, 2003
7.	Arvind Gupta	President & CMO	February 17, 2020
8.	Manoj Sharma	CHRO	April 9, 2019

SECTION V: FINANCIAL INFORMATION

FINANCIAL INFORMATION

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Lodha & Co
Chartered Accountants
12, Bhagat Singh Marg,
New Delhi – 110 001

S S Kothari Mehta & Company
Chartered Accountants
Plot No-68, Okhla Industrial Area, Phase III,
New Delhi -110020

Independent Auditor's Review Report on Quarterly and Half Yearly ended Standalone Unaudited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of RSWM Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of RSWM Limited ('the Company') for the quarter and half year ended 30th September, 2022(the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34, "Interim Financial Reporting" prescribed u/s 133 of the Companies Act, 2013 (as amended) read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

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

4. Based on our review conducted as above , nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the applicable Accounting Standards i.e. India Accounting Standards ('Ind AS') prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Lodha & Co.
Chartered Accountants
Firm's Registration No. 301051E

(Gaurav Lodha)
Partner
M. No. 507462
UDIN: 22507462BDBFOU7513
Place: Noida
Date: 14.11.2022

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

(Yogesh K. Gupta)
Partner
M. No. 093214
UDIN:
Place: Noida
Date: 14.11.2022

UDIN: 22093214BDBPVP7615

Lodha & Co.
Chartered Accountants
12, Bhagat Singh Marg,
New Delhi – 110 001

SS Kothari Mehta & Company
Chartered Accountants
Plot No-68, Okhla Industrial Area,
Phase III, New Delhi -110020

Independent Auditor's Review Report on the Quarterlyand Half Year EndedConsolidated Unaudited Financial Results of RSWM Limited pursuant to the Regulation 33of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board ofDirectors of RSWM Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of RSWM Limited (herein after referred to as "the company") and its share of net profit/(loss) after tax and total comprehensive income/(loss) of its associates for the quarter and Half Year Endedended September 30, 2022 ("the statement"),attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,("the Listing Regulations ").

2. This Statement, which is the responsibility of the Company's Management and approved by the company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the following associates:
   a) Bhilwara Energy Limited (BEL)
   b) LNJ Skills & Rozgar Private Limited (LNJ SKILLS)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian accounting standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.





6. Material Uncertainty Related to Going Concern of a Subsidiary of an Associate

In case of ChangoYangthang Hydro Power Limited (CYHPL), a subsidiary of an associate "Bhilwara Energy Limited (BEL)",the board of directors of CYHPL had decided and surrendered the ChangoYangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse the ,CHYPL has written off Capital Work in progress during the year 2017-18 amounting to ₹ 27.13 crores (Company indirect share of ₹ 2.05 Crores). These events or conditions, along with other matters, indicate that there exists material uncertainty that may cast significant doubt on the CYHPL's ability to continue as a going concern since the CYHPL'swas incorporated as a Special Purpose Vehicle for this particular project. This matter was reported under heading "Material uncertainty related to Going Concern" in the auditor's report on Consolidated Financial results of an associates (BEL).

Our conclusion is not modified in respect of this matter.

7. Emphasis of matter:

Attention is drawn to:

a) In case CYHPL, the CYHPL has surrendered ChangoYangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of ₹ 37.89 Crores (Company indirect share of ₹ 2.86 Crores) and Security Deposit of ₹ 1.80 Crores (Company indirect share of ₹ 0.14 Crores) with interest since the project is not executable purely on account of various social-legal issues neither in the control of the CYHPL nor in the control of local administration/authorities.

GoHP has formed a committee to deal with the issues of various projects which includes ChangoYangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW ChangoYangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CHYPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

In View of this, CHYPL has reiterated its demand for refund of money along with the Interest and the management of CYHPL is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full.

b) In case of Malana Power Company Limited(MPCL), a subsidiary of an associate (BEL), the below matter which describes the uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL):

On April 27, 2019, MPCL has received provisional net demand of ₹ 80.69 Crores (Company indirect share of ₹ 3.11 Crores) in relation to wheeling charges for the period

April 1, 2008 to March 31, 2019 from Himachal Pradesh State Electricity Board Limited (HPSEBL) based on an order passed by the Himachal Pradesh Electricity Regulatory Commission(HPERC),. In this regard the MPCL has paid under protest an amount of ₹ 28.17 Crores (Company indirect share of ₹ 1.09 Crores). Based on the legal opinion obtained, the MPCL is of the view that demand is not legally tenable and would not result in any material liability on the MPCL for the period on or before March, 2019 and accordingly has filed an appeal before ElectricityAppellate tribunal (APTEL),on April 24,2019 at New Delhi, which is pending adjudication with APTEL.

c) In case of A.D. Hydro Power Limited (ADHPL), a step down subsidiary of an associate (BEL), the below matter which describes the uncertainty relating to the effects of outcome of litigation with three parties using the transmission line:

On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of AD Hydro Power Limited for three parties using the transmission line for transmitting the energy in which CERC stated the following:

(i) With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at ₹ 238.92 Crores (indirect share of Company ₹ 9.21 Crores) as against the capital cost submitted by ADHPL of ₹ 416.61 Crores (indirect share of Company ₹16.06 Crores)(on the date of COD)/ ₹452.84Crores (indirect share of Company ₹17.46 Crores)((with additional capitalization)and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-12 to 2018-19. Accordingly, ADHPL determined the amount invoiced over and above the amount which should have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period amounting to ₹96.68 Crores (indirect share of Company ₹ 3.73 Crores). The management of ADHPL is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations ("regulations") for the period 2009-14 and 2014-19 and Electricity Act, 2003.

(ii) With respect to matter detailed in (i) above, ADHPL had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated 17 October 2019 stayed the CERC's order so far as raising adjustment of bills was concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. ADHPL has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income.

(iii) Accordingly, in the financials of ADHPL, trade receivables aggregating to ₹29.22Crores (indirect share of Company ₹ 1.13 Crores) related to the aforesaid amount are considered good and fully recoverable and in the opinion of the Management of ADHPL, no provision is required in respect of possible exposure aggregating to ₹67.46 Crores (indirect share of Company ₹ 2.60 Crores) towards amount already collected from the users of Dedicated Transmission Line till September 30, 2022.

Pending litigation and final decision on the appeal by APTEL, the Management of ADHPL, based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on ADHPL.

(iv) With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by ADHPL as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Dispatch Centre (NRLDC) to re-compute the same which is presently under stay. However, the management of ADHPL is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial results.

d) In case of BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL) where the Power Purchase Agreement (PPA) with DISCOM has expired on March 31, 2019. BG Wind Power Limited, subsidiary of associate is pursuing for Power Purchase Agreement (PPA) with DISCOM @ ₹ 3.14 per kwh as per RERC third amendment regulation dated 5th March 2019 for the entire duration of the project.The DISCOM has yet not renewed the PPA.During the period, BGWPL has continued to recognise Revenue from Sale of Power of ₹1.64 Crores and Generation Based Incentive (GBI) of ₹0.26 Crores (Company indirect share of ₹0.14 Crores) and shown under Unbilled Revenue as the Management of the BGWPL believes that PPA will be signed. BGWPL has filed the writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

e) In case of NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), where the project of is on hold for quite some time due to suspension of environment clearance by Hon'ble National Green Tribunal and thereafter Wildlife Institute of India (WII) in its report has mentioned that project could not be undertaken at the project site.

As per directions of Hon'ble Supreme Court, arbitration notice was sent to GoAP and have also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations.

As the project is not doable any more, the management of NHPL has decided not to implement the project and sought the refund of upfront premium of ₹ 25.47 Crores (Company indirect share of ₹ 1.93 Crores) from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP.

Accordingly, the Board of Directors of NHPL on dated 15th June 2022 decided to write-off Capital Work-in-Progress (CWIP) including pre-operative expenses net of waiver of loan from Holding Company (Bhilwara Energy Limited (BEL)) charged to the statement of profit & loss during the previous quarter except the upfront premium paid.

The above Emphasis of matters were reported in the review report of consolidatedfinancialresults of an associate (BEL).The opinion of the auditor of the associate company is not modified in respect of matters stated above. Our conclusion is not modified in respect of above matters.





Lodha & Co.
Chartered Accountants
12, Bhagat Singh Marg,
New Delhi – 110 001

SS Kothari Mehta & Company
Chartered Accountants
Plot No-68, Okhla Industrial Area,
Phase III, New Delhi -110020

8. Other Matters

We did not review the interim financial results and other financial information in respect of 2 associates included in the consolidated financial results, whose interim financial results/information reflect total net profit/(loss) of ₹ 6.39 Croresand 10.50 Crores .and total comprehensive Income/ (loss) of ₹ 6.39 Croresand 10.50 Crores for the quarter and half year ended September 30, 2022 respectively as considered in the consolidated unaudited financial results. The interim financial results have been reviewed by other auditors whose reports are furnished to us by the management and our conclusion on the statement, in so far as it relates to the amounts and disclosure included in respect of these associates is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matter.

For LODHA & CO.
Chartered Accountants
Firm's Registration No. 301051E

(GAURAVLODHA)
Partner
M. No. 507462
UDIN: 22507462BDBGFD7241
Place: Noida
Date: 14.11.2022

ForSSKothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

(YOGESH K. GUPTA)
Partner
M. No. 093214
UDIN: 22093214BDBQCP9620
Place: Noida
Date: 14.11.2022

RSWM LIMITED

CIN:L17115RJ1960PLC008216

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Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

PART I *(₹ in Crore)*

Sr. No.	Particulars	Standalone Quarter Ended			Standalone Half Year Ended		Standalone Financial Year Ended	Consolidated Quarter Ended			Consolidated Half Year Ended		Consolidated Financial Year Ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**												
	a) Revenue from operations	953.79	1,023.83	953.07	1,977.62	1,694.99	3,817.42	953.79	1,023.83	953.07	1,977.62	1,694.99	3,817.42
	b) Other income	9.48	31.36	6.83	40.79	14.68	32.12	9.48	31.36	6.83	40.79	14.68	32.12
	Total Income (a + b)	963.27	1,055.19	959.90	2,018.41	1,709.67	3,849.54	963.27	1,055.19	959.90	2,018.41	1,709.67	3,849.54
2	**Expenses**												
	a) Cost of materials consumed	580.29	615.63	501.22	1,195.92	942.19	2,107.99	580.29	615.63	501.22	1,195.92	942.19	2,107.99
	b) Purchase of traded goods	29.45	26.79	14.65	56.24	23.69	88.72	29.45	26.79	14.65	56.24	23.69	88.72
	c) Change in inventories of finished goods, stock in trade and work in progress	(40.79)	(55.82)	15.01	(96.61)	(51.55)	(60.73)	(40.79)	(55.82)	15.01	(96.61)	(51.55)	(60.73)
	d) Employee benefits expenses	109.95	108.71	101.74	218.66	199.40	401.40	109.95	108.71	101.74	218.66	199.40	401.40
	e) Finance cost	18.51	18.60	16.85	37.11	35.24	67.61	18.51	18.60	16.85	37.11	35.24	67.61
	f) Depreciation and amortization expenses	34.77	27.44	28.84	62.21	59.91	113.08	34.77	27.44	28.84	62.21	59.91	113.08
	g) Power & fuel	103.61	110.29	94.58	213.90	179.86	387.83	103.61	110.29	94.58	213.90	179.86	387.83
	h) Other expenses	99.13	108.78	121.80	207.86	215.59	460.16	99.13	108.78	121.80	207.86	215.59	460.16
	Total Expenses	934.92	960.42	894.69	1,895.29	1,604.33	3,566.06	934.92	960.42	894.69	1,895.29	1,604.33	3,566.06
3	Profit(+)/Loss (-) before Tax, Exceptional items & Share of Profit(+)/Loss ( ) of Associates (1 - 2)	28.35	94.77	65.21	123.12	105.34	283. 8	28.35	94.77	65.21	123.12	105.34	283.48
4	Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-
5	Profit(+)/Loss (-) before tax & Share of Profit(+)/Loss (-) of Associates (3 +/- 4)	28.35	94.77	65.21	123.12	105.34	283.48	28.35	94.77	65.21	123.12	105.34	283.48
6	Share of Profit(+)/Loss (-) of Associates	-	-	-	-	-	-	6.39	4.11	2.39	10.50	2.02	6.24
7	Profit (+)/Loss (-) before tax (5-6)	28.35	94.77	65.21	123.12	105.34	283.48	34.74	98.88	67.60	133.62	107.36	289.72
8	Less: Tax Expense												
	Current Tax	4.95	16.56	11.36	21.51	18.34	49.37	4.95	16.56	11.36	21.51	18.34	49.37
	Tax of earlier year provided/(written back)	-	-	-	-	(11.78)	(11.78)	-	-	-	-	(11.78)	(11.78)
	Deferred Tax	9.66	10.96	11.50	20.62	19.14	5.91	9.66	10.96	11.49	20.62	19.14	5.91
9	Net Profit (+)/Loss (-) for the Period (7-8)	13.74	67.25	42.35	80.99	79.64	239.98	20.13	71.36	44.75	91.49	81.66	246.22
10	Other Comprehensive Income												
	a) i Item that will not be reclassified to profit or loss	2.15	(12.14)	1.77	(9.99)	24.81	(3.23)	2.15	(12.14)	1.77	(9.99)	24.81	(3.23)
	ii Income tax relating to Item that will not be reclassified to profit or loss	-	-	(0.16)	-	(2.78)	0.32	-	-	(0.16)	-	(2.78)	0.32
	iii Share in OCI of Associates that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	0.01	(0.01)
	b) i Item that will be reclassified to profit or loss	(1.10)	(1.72)	(0.71)	(2.82)	(0.81)	0.48	(1.10)	(1.72)	(0.71)	(2.82)	(0.81)	0.48
	ii Income tax relating to Item that will be reclassified to profit or loss	0.38	0.60	0.25	0.98	0.28	(0.17)	0.38	0.60	0.25	0.98	0.28	(0.17)
11	Other Comprehensive Income/(Loss) for the period	1.43	(13.26)	1.15	(11.83)	21.50	(2.60)	1.43	(13.26)	1.15	(11.83)	21.51	(2.61)
12	Total Comprehensive Income for the period (9 +/- 11)	15.17	53.99	43 0	69.16	101.14	237.38	21.56	58.10	45.90	79.66	103.17	243.61
13	Paid up Equity Share Capital (Face Value ₹ 10/- per Share)	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55
14	Other Equity						974.99	-	-	-	-	-	1,011.90
15	Earnings Per Share (of ₹ 10 each) in ₹ (for the quarters not annualised)												
	a) Basic	5.83	28.56	17.98	34.39	33.82	101.90	8.55	30.30	19.00	38.85	34.67	104.55
	b) Diluted	5.83	28.56	17.98	34.39	33.82	101.90	8.55	30.30	19.00	38.85	34.67	104.55

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

LODHA & CO. New Delhi Chartered Accountants

RSWM LIMITED

RSWM LIMITED

CIN:L17115RJ1960PLC008216

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Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

PART II *(₹ in Crore)*

Sr. No.	Particulars	Standalone Quarter Ended			Standalone Half Year Ended		Standalone Financial Year Ended	Consolidated Quarter Ended			Consolidated Half Year Ended		Consolidated Financial Year Ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**												
	a) Yarn	846.11	886.62	830.05	1,732.73	1,512.43	3,334.65	846.11	886.62	830.05	1,732.73	1,512.43	3,334.65
	b) Fabric	222.13	227.18	185.32	449.31	299.49	731.74	222.13	227.18	185.32	449.31	299.49	731.74
	Total	1,068.24	1,113.80	1,015.37	2,182.04	1,811.92	4,066.39	1,068.24	1,113.80	1,015.37	2,182.04	1,811.92	4,066.39
	Less : - Inter Segment Revenue	114.45	89.97	62.30	204.42	116.94	248.97	114.45	89.97	62.30	204.42	116.94	248.97
	Net Sales /Income from Operations	953.79	1,023.83	953.07	1,977.62	1,694.98	3,817.42	953.79	1,023.83	953.07	1,977.62	1,694.98	3,817.42
2	**Segment Result**												
	Profit (+)/Loss (-) before tax and Interest from each Segment)												
	a) Yarn	49.32	79.60	84.45	128.92	146.54	359.43	49.32	79.60	84.45	128.92	146.54	359.43
	b) Fabric	(5.57)	5.13	(7.65)	(0.44)	(17.03)	(22.39)	(5.57)	5.13	(7.65)	(0.44)	(17.03)	(22.39)
	Total	43.75	84.73	76.80	128.48	129.51	337.04	43.75	84.73	76.80	128.48	129.51	337.04
	Less :- i. Interest	18.51	18.60	16.85	37.11	35.24	67.60	18.51	18.60	16.85	37.11	35.24	67.60
	ii Other un-allocable expenditure net off unallocable income	(3.11)	(28.64)	(5.26)	(31.75)	(11.07)	(14.04)	(3.11)	(28.64)	(5.26)	(31.75)	(11.07)	(14.04)
	Profit(+)/Loss(-) before Tax & Profit(+)/Loss(-) of Associates	28.35	94.77	65.21	123.12	105.34	283.48	28.35	94.77	65.21	123.12	105.34	283.48
	Share of Profit(+)/Loss(-) of Associates	-	-	-	-	-	-	6.39	4.11	2.39	10.50	2.02	6.24
	Profit(+)/Loss(-) before Tax	28.35	94.77	65.21	123.12	105.34	283.48	34.74	98.88	67.60	133.62	107.36	289.72
3 (a)	**Segment Assets**												
	a) Yarn	1,789.09	1,935.31	1,558.32	1,789.09	1,558.32	1,892.09	1,789.09	1,935.31	1,558.32	1,789.09	1,558.32	1,892.09
	b) Fabric	493.16	476.75	343.12	493.16	343.12	434.97	493.16	476.75	343.12	493.16	343.12	434.97
	Total	2,282.25	2,412.06	1,901.44	2,282.25	1,901.44	2,327.06	2,282.25	2,412.06	1,901.44	2,282.25	1,901.44	2,327.06
	Un-allocated	210.80	203.31	245.22	210.80	245.22	209.75	256.67	244.33	277.91	256.67	277.91	246.66
	Total Segment Assets	2,493.05	2,615.37	2,146.66	2,493.05	2,146.66	2,536.81	2,538.92	2,656.39	2,179.35	2,538.92	2,179.35	2,573.72
3 (b)	**Segment Liabilities**												
	a) Yarn	1,131.94	1,200.72	951.62	1,131.94	951.62	1,171.64	1,131.94	1,200.72	951.62	1,131.94	951.62	1,171.64
	b) Fabric	192.68	210.60	149.26	192.68	149.26	222.16	192.68	210.60	149.26	192.68	149.26	222.16
	Total	1,324.62	1,411.32	1,100.88	1,324.62	1,100.88	1,393.80	1,324.62	1,411.32	1,100.88	1,324.62	1,100.88	1,393.80
	Un-allocated	159.61	151.52	183.48	159.61	183.48	144.47	159.61	151.52	183.48	159.61	183.48	144.47
	Total Segment liabilities	1,484.23	1,562.84	1,284.36	1,484.23	1,284.36	1,538.27	1,484.23	1,562.84	1,284.36	1,484.23	1,284.36	1,538.27
3 (c)	**Capital Employed**	1,008.82	1,052.53	862.30	1,008.82	862.30	998.54	1,054.69	1,093.55	894.99	1,054.69	894.99	1,035.45

Notes:

1 The above financial results have been reviewed by the Audit Committee and subsequently approved and taken on record by the Board of Directors at its meeting held on November 14, 2022. The Limited Review for the quarter and half year ended September 30, 2022 results as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been carried out by the Statutory Auditors.

2 The Other Comprehensive Loss (OCI) that will not be reclassified to profit or loss in the Statement of Profit and Loss, includes unrealized loss on fair valuation of equity investments amounting to ₹ 9.99 Crore (previous year ₹ 2.31 Crore) and loss of remeasurements of the defined benefit plans of ₹ NIL (previous year ₹ 0.92 Crore).

By Order of the Board
For RSWM Limited

RSWM LIMITED

B M Sharma
Joint Managing Director
DIN : 03195895

Place: Noida (U. P.)
Date: November 14, 2022

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

LODHA & CO. New Delhi Chartered Accountants

RSWM LIMITED

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STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2022

(₹ in Crore)

S. No.	Particulars	Standalone			Consolidated		
		As at September 30, 2022	As at September 30, 2021	As at March 31, 2022	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
		Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
A	**ASSETS**						
I	*Non Current Assets*						
	Property, Plant & Equipment	1,102.65	862.77	924.66	1,102.65	862.77	924.66
	Capital Work in Progress	47.01	37.85	143.31	47.01	37.85	143.31
	Investment Property	9.20	8.26	10.90	9.20	8.25	10.90
	Other Intangible Assets	5.56	9.50	7.55	5.56	9.50	7.55
	Financial Assets						
	i Investments	79.28	116.79	89.27	125.15	149.49	126.18
	ii Other Financial Assets	7.37	16.78	12.11	7.37	16.78	12.11
	Other Non Current Assets	58.63	64.14	51.07	58.63	64.14	51.07
II	*Current Assets*						
	Inventories	520.99	447.68	509.07	520.99	447.68	509.07
	Financial Assets						
	i Trade Receivables	445.84	415.15	536.46	445.84	415.15	536.46
	ii Cash & Cash Equivalents	9.81	2.01	5.88	9.81	2.01	5.88
	iii Bank Balance Other than (ii) Above	10.63	3.06	2.80	10.63	3.06	2.80
	iv Loans	0.72	0.32	0.87	0.72	0.32	0.87
	v Other Financial Assets	58.48	36.98	60.35	58.48	36.98	60.35
	Other Current Assets	136.85	112.00	136.04	136.85	112.00	136.04
III	Assets Classified as Held for Sale	0.03	13.37	46.47	0.03	13.37	46.47
	TOTAL ASSETS	**2493.05**	**2146.66**	**2536.81**	**2538.92**	**2179.35**	**2573.72**
B	**EQUITY & LIABILITIES**						
I	*Equity*						
	(a) Equity Share Capital	23.55	23.55	23.55	23.55	23.55	23.55
	(b) Other Equity	985.27	838.75	974.99	1,031.14	871.44	1,011.90
II	*Liabilities*						
	Non Current Liabilities						
	Financial Liabilities						
	i Long term Borrowings	460.50	275.89	461.68	460.50	275.89	461.68
	ia Lease Liabilities	0.09	2.25	0.13	0.09	2.25	0.13
	ii Other Financial Liabilities	2.86	3.29	5.94	2.86	3.29	5.94
	Deferred tax Liabilities (net)	83.41	79.66	63.77	83.41	79.66	63.77
	Deferred Government Grants	9.79	0.68	0.42	9.79	0.68	0.42
	Other Non Current Liabilities	-	1.03	-	-	1.03	-
	Current liabilities						
	Financial Liabilities						
	i Borrowings	567.87	604.62	640.84	567.87	604.62	640.84
	ia Lease Liabilities	0.21	1.00	0.32	0.21	1.00	0.32
	ii Trade Payables						
	a Total Outstanding dues of micro enterprises and small enterprises	15.62	13.05	25.34	15.62	13.05	25.34
	b Total Outstanding dues of creditors other than micro enterprises and small enterprises	110.88	100.95	139.37	110.88	100.95	139.37
	iii Other Financial Liabilities	99.51	86.37	74.62	99.51	86.37	74.62
	Provisions	0.18	1.84	0.30	0.18	1.84	0.30
	Deferred Government Grants	1.24	0.53	0.53	1.24	0.53	0.53
	Current Tax Liabilities (Net)	7.56	6.23	4.07	7.56	6.23	4.07
	Other Current Liabilities	124.51	106.97	120.91	124.51	106.97	120.91
	Liabilities Classified as Held for Sale	-	-	0.03	-	-	0.03
	TOTAL EQUITY AND LIABILITIES	**2,493.05**	**2,146.66**	**2,536.81**	**2,538.92**	**2,179.35**	**2,573.72**

By Order of the Board
For RSWM Limited

B M Sharma
Joint Managing Director
DIN : 08195895

Place: Noida, (U.P.)
Date: November 14, 2022

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

LODHA & CO. New Delhi Chartered Accountants

RSWM LIMITED

CIN:L17115RJ1960PLC008216

Regd. Office: Khanigram, P.O. Gulabpura, Distt. Bhilwara, Rajasthan - 311021

Phone: +91-1483-223144 to 223150, Fax: +91-1483-223361, 223479

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

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

STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Crore)

Particulars	For the Half Year ended September 30, 2022 Unaudited	For the Half Year ended September 30, 2021 Unaudited	For the year ended March 31, 2022 Audited
A. Cash Flow From Operating Activities			
Profit / (Loss) Before Tax	123.12	105.34	283.48
Adjustments for:			
Depreciation and Amortization Expenses	62.13	59.91	113.08
Net Gain / Loss on Sale of Property, Plant & Equipment	(9.72)	1.14	(6.61)
Provisions Written Back	(1.32)	(1.09)	(3.11)
Allowances for Impairment Loss Allowance	0.18	(0.94)	(1.91)
Finance Costs	37.10	35.47	68.07
Interest Income	(4.68)	(5.64)	(6.75)
Dividend Income from Investments	(1.29)	(0.11)	(0.11)
Forex Fluctuation on translation of Assets and Liabilities	(0.86)	(0.10)	(0.09)
Operating Profit/(Loss) before Working Capital Changes	**204.66**	**193.98**	**446.05**
(Increase)/Decrease in Trade Receivables	90.62	(37.10)	(157.54)
(Increase)/Decrease in Current Financial Assets - Loans	(2.68)	(0.76)	(0.02)
(Increase)/Decrease in Other Current Financial Assets	(2.27)	6.47	(3.16)
(Increase)/Decrease in Other Non Current Financial Assets	4.74	(6.98)	(2.31)
(Increase)/Decrease in Other Current Assets	(0.99)	(24.71)	(47.78)
(Increase)/Decrease in Other Non Current Assets	(11.82)	(0.11)	0.52
(Increase)/Decrease in Inventories	(11.77)	2.73	(60.09)
Increase/(Decrease) in Trade Payables	(38.21)	(23.23)	27.48
Increase/(Decrease) in Other Current Financial Liabilities	24.81	14.88	3.17
Increase/(Decrease) in Other Non Current Financial Liabilities	(3.08)	(0.61)	2.03
Increase/(Decrease) in Other Current Liabilities	4.79	32.89	31.49
Increase/(Decrease) in Other Non Current Liabilities	-	(0.40)	(1.95)
Cash generated from/(used in) Operations before Tax	**258.80**	**157.05**	**237.89**
Net Direct Taxes paid	(18.02)	4.99	(28.20)
Net Cash Flow from/(used in) Operating Activities	**240.78**	**162.04**	**209.69**
B. Cash Flow From Investing Activities			
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(128.32)	(97.96)	(355.81)
Proceeds from Sale of Property, Plant & Equipment	58.53	6.90	26.88
Movement of Fixed Deposit	(0.02)	1.40	1.39
Interest Received	1.87	4.89	9.87
Dividend Received	1.29	0.11	0.11
Net Cash Flow from/(used in) Investing Activities	**(66.65)**	**(84.66)**	**(317.56)**
Net Cash from/(used in) Operating and Investing Activities	**174.13**	**77.38**	**(107.87)**
C. Cash Flow From Financing Activities			
Repayment of Borrowings	(58.56)	(77.68)	(158.79)
Proceeds from Borrowings	57.18	-	242.85
Proceeds / (Repayment) of Short Term Borrowings	(72.77)	35.76	96.03
Payment of Dividend	(58.88)	-	-
Repayment of Lease Liabilities	(0.16)	(0.51)	(0.77)
Finance Costs	(37.01)	(35.88)	(68.51)
Net Cash from/(used in) Financing Activities	**(170.20)**	**(78.31)**	**110.81**
Net Cash from/(used in) Operating, Investing & Financing Activities	**3.93**	**(0.93)**	**2.94**
Opening balance of Cash and Cash Equivalents	**5.88**	**2.94**	**2.94**
Closing balance of Cash and Cash Equivalents	**9.81**	**2.01**	**5.88**
Cash and Cash Equivalents included in the Statement of Cash Flow comprise of the following:			
i) Cash on Hand	0.11	0.20	0.09
Ii) Balance with Banks :			
- On Current Accounts	9.67	1.81	5.79
- Cheques, Drafts on Hand	0.03	-	-
Total	**9.81**	**2.01**	**5.88**

By Order of the Board
For RSWM Limited

B M Sharma
Joint Managing Director
DIN : 08195895

Place: Nolda, (U.P.)
Date: November 14, 2022

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

LODHA & CO. New Delhi Chartered Accountants

RSWM LIMITED

RSWM LIMITED

CIN:L17115RJ1960PLC008216

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Crore)

Particulars	For the Half Year ended September 30, 2022 Unaudited	For the Half Year ended September 30, 2021 Unaudited	For the year ended March 31, 2022 Audited
A. Cash Flow From Operating Activities			
Profit / (Loss) Before Tax	133.62	107.36	289.72
Adjustments for:			
Share in (Profit)/Loss of Associates	(10.50)	(2.02)	(6.24)
Depreciation and Amortization Expenses	62.13	59.91	113.08
Net Gain / Loss on Sale of Property, Plant & Equipment	(9.72)	1.14	(6.61)
Provisions Written Back	(1.32)	(1.09)	(3.11)
Allowances for Impairment Loss Allowance	0.18	(0.94)	(1.91)
Finance Costs	37.10	35.47	68.07
Interest Income	(4.68)	(5.64)	(6.75)
Dividend Income from Investments	(1.29)	(0.11)	(0.11)
Forex Fluctuation on translation of Assets and Liabilities	(0.86)	(0.10)	(0.09)
Operating Profit/(Loss) before Working Capital Changes	**204.66**	**193.98**	**446.05**
(Increase)/Decrease in Trade Receivables	90.62	(37.10)	(157.54)
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Net Cash from/(used in) Operating, Investing & Financing Activities	**3.93**	**(0.93)**	**2.94**
Opening balance of Cash and Cash Equivalents	**5.88**	**2.94**	**2.94**
Less: Transfer of Cash due to loss of control of Subsidiary			
Closing balance of Cash and Cash Equivalents	**9.81**	**2.01**	**5.88**
Cash and Cash Equivalents included in the Statement of Cash Flow comprise of the following:			
i) Cash on Hand	0.11	0.20	0.09
ii) Balance with Banks :			
- On Current Accounts	9.67	1.81	5.79
- Cheques, Drafts on Hand	0.03	-	-
Total	**9.81**	**2.01**	**5.88**

By Order of the Board
For RSWM Limited

RSWM LIMITED

B M Sharma
Joint Managing Director
DIN : 08195895

Place: Noida, (U.P.)
Date: November 14, 2022

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

LODHA & CO. New Delhi Chartered Accountants

Independent Auditor's Report

To the Members of RSWM LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **RSWM Limited** (hereinafter referred to as "the Company") and its associates, comprising the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of associates, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associates as at March 31, 2022, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

Relating to Subsidiary of an Associate

In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associates "Bhilwara Energy Limited (BEL)", as stated in Note 48 (ii) b) of the Consolidated Financial Statements for the year ended 31st March 2022, the board of directors of CYHPL decision to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licenses lapse the ,CHYPL has written off Capital Work in progress during the year 2017-18 amounting to ₹ 2,713.18 lakhs(Company indirect share of ₹ 205.12 Lakhs). These events or conditions, along with other matters, indicate that there exists material uncertainty that may cast significant doubt on the CYHPL's ability to continue as a going concern since the CYHPL's was incorporated as a Special Purpose Vehicle for this particular project. This matter was reported under heading "Material uncertainty related to Going Concern" in the auditor's report on Consolidated Financial statements of an associate (BEL).

Our opinion is not modified in respect of this matter.

Emphasis of matter:
Relating to Subsidiaries of an Associates

Attention is drawn to:

a) In case of Chango Yangthang Hydro Power Limited (CYHPL), a subsidiary of an associate (BEL), as stated in Note-48 (ii) b) of the consolidated financial statements regarding pending refund of upfront premium of ₹3,789.45 Lakhs and security deposit of ₹180.00 Lakhs (Company indirect share of ₹300.09 Lakhs) with interest since the project is not executable purely on account of various social-legal issues neither in the control of the CYHPL nor in the control of local administration/authorities.

   GoHP has formed a committee to deal with the issues of various projects which includes ChangoYangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW ChangoYangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CHYPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

   In View of this, CYHPL has reiterated its demand for refund of money along with the Interest and the management of CYHPL is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full.

b) In case of Malana Power Company Limited (MPCL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (d) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

c) In case of AD Hydro Power Limited (ADHPL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (e) of the consolidated Financial Statements which describes the uncertainty relating to the effects of outcome of litigation with three parties using the transmission line.

d) In case of BG Wind Power Limited (BGWPL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (f) of the consolidated Financial Statements where the Power Purchase Agreement (PPA) with DISCOM has expired dated March 31, 2019. BG Wind Power Limited, subsidiary of associate is pursuing for Power Purchase Agreement (PPA) with DISCOM @ ₹3.14 per kwh as per RERC third amendment regulation dated 5th March 2019 for the entire duration of the project. The DISCOM has yet not renewed the PPA. BGWPL has continued to recognise Revenue from Sale of Power of ₹310.11 Lakhs and Generation Based Incentive (GBI) of ₹50.34 Lakhs (Company indirect share of ₹27.25 Lakhs) and shown under Unbilled Revenue as the Management of the BGWPL believes that PPA will be signed. BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

e) In case of NJC Hydro Power Limited (NHPL), a subsidiary of an associates (BEL), as stated in Note 48 (ii) (c) to consolidated financial

statements which describes the uncertainty relating to the effects of outcome of petition filled by the NHPL with Hon'ble Guwahati High Court for seeking refund of upfront premium as per provisions of MoA, in view of the WII report recommending no construction of Nyamjnag Chhu HEP at site and arbitration notice sent by the company for invoking arbitration as per the directions of the Hon'ble Supreme Court. The auditor of Associates (BEL) reported in their consolidated Audit Report that they are unable to comment on the financial implications and future operations of the NHPL till the final outcome.

The above Emphasis of matters were reported in the auditor's report on consolidated financial statements of an associates (BEL). Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Director is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associates are responsible for assessing the ability of the Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Consolidated financial statements include the Company's share of net profit of ₹624.29 lakhs and total comprehensive Income of ₹623.57 lakhs for the year ended 31st March 2022 as considered in the consolidated financial statements in respect of two associates, whose financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associates and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on financial statements and other financial information of associates, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013.

   e) On the basis of the written representations received from the directors of the Company as on March 31,2022 taken on record by the Board of Directors of the Company and the reports of the other Statutory Auditors of its Associates covered under the Act, none of the directors of the Company and its Associates covered under the Act, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated financial reporting.

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

      i. The Consolidated Financial Statements disclosed the impact of pending litigations on the Consolidated financial position of the Company and its Associates – Refer Note No. 37 ,45 and 48 to the consolidated financial statements;

ii. The Company and its associates have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 and there were no amount which were required to be transferred to the Investor Education and Protection Fund by its Associates incorporated in India.

iv. a) The respective management of the Company and its Associates Company have represented that to the best of his knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company and its Associates Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company and its Associates Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

b) The respective management of the Company and its Associates Company has represented that, to the best of it's knowledge and belief, no funds have been received by the Company and its Associates Company has from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its Associates Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.

v. (i) The Company and its Associates Company have not paid any dividend during the year.

(ii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors, refer to in other matter paragraph, on financial statements of its Associates, we report that the managerial remuneration has been paid/ provided for by the Company and its Associates to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For Lodha & Co.
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
M. No. 085155
UDIN: 22085155AJTXAV1882

Place : Noida
Date : May 27, 2022

For S S Kothari Mehta & Company
Chartered Accountants
FRN : 000756N

Yogesh K. Gupta
Partner
M. No. 093214
UDIN: 22093214AJUCKS7421

Place : Noida
Date : May 27, 2022

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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of paragraph 3(xxi) and 4 of the CARO 2020, in case of following companies remarks as stated by the respective auditors in CARO 2020, included in the consolidated financial statements of the holding company are as under:

Sr. No.	Name	CIN	Holding Company/Associates	Clause number of the CARO report
1	RSWM Limited	CIN L17115RJ1960PLC008216	Holding Company	3(i)(d), 3(iii)(c)

For Lodha & Co.
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
M. No. 085155
UDIN: 22085155AJTXAV1882

Place : Noida
Date : May 27, 2022

For S S Kothari Mehta & Company
Chartered Accountants
FRN : 000756N

Yogesh K. Gupta
Partner
M. No. 093214
UDIN: 22093214AJUCKS7421

Place : Noida
Date : May 27, 2022

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls With reference to consolidated financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial Statement of RSWM Limited (hereinafter referred to as "the Company") and its two associates, which are the Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its associates company which is the company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control with reference to consolidated financial statement based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial control and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statement and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statement.

Meaning of Internal Financial Controls with reference to consolidated financial Statement

A company's internal financial control with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial Statement

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors, the Company and its associates, which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial Statement and such internal financial controls with reference to consolidated financial Statement were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to consolidated financial Statement established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial Statement insofar as it relates to two (2) associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Lodha & Co.
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
M. No. 085155
UDIN: 22085155AJTXAV1882

Place : Noida
Date : May 27, 2022

For S S Kothari Mehta & Company
Chartered Accountants
FRN : 000756N

Yogesh K. Gupta
Partner
M. No. 093214
UDIN: 22093214AJUCKS7421

Place : Noida
Date : May 27, 2022

CIN L17115RJ1960PLC008216

CONSOLIDATED **BALANCE SHEET**

AS AT MARCH 31, 2022

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
ASSETS					
1 Non-current Assets					
a Property, Plant and Equipment	3a		92,466.13		90,124.56
b Capital Work-in-Progress	3b		14,331.37		740.28
c Investment Property	3c		1,090.16		823.16
d Other Intangible Assets	3d		755.39		1,143.32
e Financial Assets					
i) Investments	4	12,617.65		12,225.49	
ii) Other financial assets	8	1,210.87	13,828.52	980.23	13,205.72
f Other Non-current Assets	11		5,106.80		2,231.13
2 Current Assets					
a Inventories	9		50,906.91		45,041.07
b Financial Assets					
i) Trade receivables	6	53,646.12		37,892.14	
ii) Cash and cash equivalents	7	588.35		293.68	
iii) Bank balances other than (ii) above	7	280.10		448.96	
iv) Loans	5	86.36		36.50	
v) Other financial assets	8	6,034.97	60,635.90	4,170.50	42,841.78
c Current Tax Assets (Net)	10		-		532.10
d Other Current Assets	11		13,604.00		8,634.76
3 Assets Classified as Held for Sale	3e		4,646.70		1,544.72
TOTAL ASSETS			**257,371.88**		**206,862.60**
EQUITY AND LIABILITIES					
Equity					
a Equity Share Capital	12		2,355.08		2,355.08
b Other Equity	13		101,188.89		76,827.51
Liabilities					
1 Non-current Liabilities					
a Financial Liabilities					
i) Borrowings	14	46,168.38		33,444.57	
ia) Lease Liabilities	15a	13.48		276.20	
ii) Other financial liabilities	17	594.11	46,775.97	390.52	34,111.29
b Deferred Tax Liabilities (Net)	20		6,376.84		5,800.87
c Deferred Government Grants	21		41.64		97.00
d Other Non-current Liabilities	22		-		103.38
2 Current Liabilities					
a Financial Liabilities					
i) Borrowings	15	64,083.80		58,798.86	
ia) Lease Liabilities	15b	31.98		99.95	
ii) Trade payables					
- Total outstanding dues of micro and small enterprises	16	2,534.46		1,620.64	
- Total outstanding dues of creditors other than micro and small enterprises	16	13,937.04		12,102.54	
iii) Other financial liabilities	17	7,461.53	88,048.81	7,189.10	79,811.09
b Provisions	18		30.06		401.94
c Deferred Government Grants	21		53.29		55.86
d Current Tax Liabilities (Net)	10		407.07		-
e Other Current Liabilities	22		12,091.06		7,298.58
3 Liabilities Classified as Held for Sale	3e		3.17		-
TOTAL EQUITY AND LIABILITIES			**257,371.88**		**206,862.60**

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

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

Yogesh K. Gupta
Partner
M. No. 093214

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director and CEO
DIN 00061060

B M Sharma
Joint Managing Director
DIN 08195895

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

Place: Noida, (U.P.)
Date: May 27, 2022

CIN L17115RJ1960PLC008216

CONSOLIDATED STATEMENT OF **PROFIT & LOSS**

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue From Operations	23	381,742.30	232,601.67
Other Income	24	3,211.91	3,940.95
Total Income		**384,954.21**	**236,542.62**
Expenses			
Cost of Materials Consumed	25	210,799.26	121,247.15
Purchase of Traded Goods	26	8,872.45	552.28
Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	27	(6,073.24)	8,224.84
Employee Benefit Expenses	28	40,139.46	31,233.20
Finance Cost	29	6,760.48	8,303.17
Depreciation and Amortization Expenses	30	11,307.92	12,767.94
Other Expenses	31	84,799.46	53,787.78
Total Expenses		**356,605.79**	**236,116.36**
Profit/(Loss) Before exceptional items and tax		**28,348.42**	**426.26**
Exceptional items		-	-
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates		**28,348.42**	**426.26**
Share of Profit/ (Loss) of Associates		624.29	(78.42)
Profit/(Loss) Before Tax		**28,972.71**	**347.84**
Tax Expense			
Current Tax	19	4,936.98	70.63
Tax of earlier year provided/(written back)	19	(1,178.06)	(1,022.21)
Deferred Tax	19	591.45	(783.55)
Profit/(Loss) for the Period		**24,622.34**	**2,082.97**
Other Comprehensive Income	32		
a) (i) Items that will not be reclassified to Profit or Loss		(323.33)	3,350.83
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		32.12	(63.58)
(iii) Share in OCI of Associates that will not be reclassified to Profit or Loss		(0.72)	3.17
b) (i) Items that will be reclassified to Profit or Loss		47.61	126.31
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(16.64)	(44.14)
Other Comprehensive Income/(Loss) for the year		**(260.96)**	**3,372.59**
Total Comprehensive Income/(Loss) for the year		**24,361.38**	**5,455.56**
Profit for the year attributable to:-			
- Owners of the parent		24,622.34	2,082.97
- Non-controlling interest		-	-
		24,622.34	**2,082.97**
Other comprehensive income / (expense) for the year attributable to:-			
- Owners of the parent		(260.96)	3,372.59
- Non-controlling interest		-	-
		(260.96)	**3,372.59**
Total comprehensive income for the year attributable to:-			
- Owners of the parent		24,361.38	5,455.56
- Non-controlling interest		-	-
		24,361.38	**5,455.56**
Earnings per Equity Shares of ₹10/- each	33		
1) Basic (in ₹)		104.55	8.84
2) Diluted (in ₹)		104.55	8.84

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

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

Yogesh K. Gupta
Partner
M. No. 093214

Place: Noida, (U.P.)
Date: May 27, 2022

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director and CEO
DIN 00061060

B M Sharma
Joint Managing Director
DIN 08195895

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

CIN L17115RJ1960PLC008216

CONSOLIDATED STATEMENT OF **CASH FLOW**

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash Flow From Operating Activities				
Profit / (Loss) Before Tax		28,972.71		347.84
Adjustments for:				
Share in (Profit)/Loss of Associates	(624.29)		78.42	
Depreciation and Amortization Expenses	11,307.92		12,767.94	
Net Gain / Loss on Sale of Property, Plant & Equipment	(661.46)		(1,614.31)	
Provisions Written Back	(310.84)		(113.79)	
Allowances for Impairment Loss Allowance	(190.80)		(69.36)	
Finance Costs	6,806.98		8,373.41	
Interest Income	(675.46)		(1,170.12)	
Dividend Income from Investments	(10.67)		(0.02)	
Forex Fluctuation on translation of Assets and Liabilities	(9.25)	15,632.13	237.95	18,490.12
Operating Profit/(Loss) before Working Capital Changes		**44,604.84**		**18,837.96**
(Increase)/Decrease in Trade Receivables	(15,753.98)		(3,719.76)	
(Increase)/Decrease in Current Financial Assets - Loans	(2.25)		193.08	
(Increase)/Decrease in Non Current Financial Assets - Loans	-		1.80	
(Increase)/Decrease in Other Current Financial Assets	(315.95)		(153.27)	
(Increase)/Decrease in Other Non Current Financial Assets	(230.64)		254.64	
(Increase)/Decrease in Other Current Assets	(4,778.44)		3,633.72	
(Increase)/Decrease in Other Non Current Assets	51.73		99.05	
(Increase)/Decrease in Inventories	(6,008.60)		5,629.84	
Increase/(Decrease) in Trade Payables	2,748.32		2,786.39	
Increase/(Decrease) in Other Current Financial Liabilities	316.87		(118.41)	
Increase/(Decrease) in Other Non Current Financial Liabilities	203.59		(74.54)	
Increase/(Decrease) in Other Current Liabilities	3,149.15		2,039.11	
Increase/(Decrease) in Other Non Current Liabilities	(195.30)	(20,815.50)	181.95	10,753.60
Cash generated from/(used in) Operations before tax		**23,789.34**		**29,591.56**
Net Direct Taxes paid		(2819.75)		2401.61
Net Cash Flow from/(used in) Operating Activities		**20,969.59**		**31,993.17**
B. Cash Flow From Investing Activities				
Acquisition of Property, Plant & Equipment/Intangible Assets including Capital Advances	(35,580.66)		(3,187.45)	
Proceeds from sale of Property, Plant & Equipment	2,687.95		2,615.01	
Movement of Fixed Deposit	138.75		(9.26)	
Interest Received	987.63		1,246.25	
Dividend Received	10.67		0.02	
Net Cash Flow from/(used in) Investing Activities		(31,755.66)		664.57
Net Cash from/(used in) Operating and Investing Activities		**(10,786.07)**		**32,657.74**

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. Cash Flow From Financing Activities				
Repayment of Borrowings	(15,879.47)		(10,796.27)	
Proceeds from Borrowings	24,285.38		900.00	
Proceeds / (Repayment) of Short Term Borrowings	9,602.84		(13,873.51)	
Repayment of Lease Liabilities	(76.59)		(99.55)	
Finance Costs	(6,851.42)		(8,693.35)	
Net Cash from/(used in) Financing Activities		**11,080.74**		**(32,562.68)**
Net Cash from/(used in) Operating, Investing & Financing Activities		294.67		95.06
Opening balance of Cash and Cash Equivalent		293.68		198.62
Closing balance of Cash and Cash Equivalent		**588.35**		**293.68**
Cash and Cash Equivalents included in the Cash Flow Statement comprise of the following (refer Note 7)				
i) Cash on Hand	9.09		22.89	
ii) Balance with Banks :				
- On Current Accounts	579.26		270.79	
Total		**588.35**		**293.68**

Notes:

1. Changes in Liabilities arising from Financing Activities:

(₹ in Lakh)

Particulars	Balance as at March 31, 2021	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2022
Long Term Borrowings	49,324.04	8,405.91	-	57,729.95
Short Term Borrowings	42,919.39	9,603.96	(1.12)	52,522.23
	92,243.43	**18,009.87**	**(1.12)**	**110,252.18**

Particulars	Balance as at March 31, 2020	Cash Flow Changes	Future Foreign Exchange Movement	Balance as at March 31, 2021
Long Term Borrowings	59,220.31	(9,896.27)	-	49,324.04
Short Term Borrowings	56,792.90	(13,875.20)	1.69	42,919.39
	116,013.21	**(23,771.47)**	**1.69**	**92,243.43**

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

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

Yogesh K. Gupta
Partner
M. No. 093214

Place: Noida, (U.P.)
Date: May 27, 2022

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director and CEO
DIN 00061060

B M Sharma
Joint Managing Director
DIN 08195895

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

CIN L17115RJ1960PLC008216

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED MARCH 31, 2022

a. Equity Share Capital

Particulars	Note No.	Amount
Balance as at April 1, 2020		2,355.08
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2020		2,355.08
Changes in Equity Share Capital during 2020-21	12	-
Balance as at March 31, 2021		**2,355.08**
Balance as at April 1, 2021		**2,355.08**
Changes in Equity Share Capital due to prior period errors		-
Restated balance as at April 1,2021		2,355.08
Changes in Equity Share Capital during 2021-22	12	-
Balance as at March 31, 2022		**2,355.08**

b. Other Equity

(₹ in Lakh)

Particulars	Note No.	Surplus						Other Comprehensive Income				Total
		Capital Reserve	Securities Premium	General Reserve	Pref. Share Capital Redemption Reserve	Retained Earnings	Share in Surplus of Associates	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total	Non-Controlling Interest	
Balance at April 1, 2020		**701.48**	**9,618.56**	**4,910.28**	**6,060.85**	**45,541.76**	**3,047.68**	**1,577.32**	**(78.37)**	**71,379.56**	**-**	**71,379.56**
-Adjustment in Associates due to Ind AS		-	-	-	-	-	(8.06)	-	-	(8.06)	-	**(8.06)**
-Adjustment in Associates due to Depreciation		-	-	-	-	-	0.45	-	-	0.45	-	**0.45**
- Profit or Loss during the year		-	-	-	-	2,161.39	(78.42)	-	-	2,082.97	-	**2,082.97**
- Other Comprehensive Income for the year	32	-	-	-	-	118.37	3.17	3,168.88	82.17	3,372.59	-	**3,372.59**
Total Comprehensive Income		**-**	**-**	**-**	**-**	**2,279.76**	**(82.86)**	**3,168.88**	**82.17**	**5,447.95**	**-**	**5,447.95**
Balance at March 31, 2021		**701.48**	**9,618.56**	**4,910.28**	**6,060.85**	**47,821.52**	**2,964.82**	**4,746.20**	**3.80**	**76,827.51**	**-**	**76,827.51**
Balance at April 1, 2021		**701.48**	**9,618.56**	**4,910.28**	**6,060.85**	**47,821.52**	**2,964.82**	**4,746.20**	**3.80**	**76,827.51**	**-**	**76,827.51**
- Profit or Loss during the year		-	-	-	-	23,998.05	624.29	-	-	24,622.34	-	**24,622.34**
- Other Comprehensive Income for the year	32	-	-	-	-	(59.80)	(0.72)	(231.41)	30.97	(260.96)	-	**(260.96)**
Total Comprehensive Income		**-**	**-**	**-**	**-**	**23,938.25**	**623.57**	**(231.41)**	**30.97**	**24,361.38**	**-**	**24,361.38**
Balance at March 31, 2022		**701.48**	**9,618.56**	**4,910.28**	**6,060.85**	**71,759.77**	**3,588.39**	**4,514.79**	**34.77**	**101,188.89**	**-**	**101,188.89**

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

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

Yogesh K. Gupta
Partner
M. No. 093214

Place: Noida, (U.P.)
Date: May 27, 2022

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director and CEO
DIN 00061060

B M Sharma
Joint Managing Director
DIN 08195895

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

Surender Gupta
Company Secretary
M.No. FCS 2615

1 Company Overview and Accounting Policies

1.01 Company Overview

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

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

The following Companies are considered for preparation of consolidated financial statements.

Name	Country	Type of Ownership	Ownership Percent	Period	Audited/ Board Approved
LNJ Skills & Rozgar Private Limited	India	Associate	47.30%	01 April, 2021 to 31 March, 2022	Audited
Bhilwara Energy Limited	India	Associate	7.56%	01 April, 2021 to 31 March, 2022	Audited

The Associate, LNJ Skills and Rozgar Private Limited is engaged in providing services in the area of skill development through skill centres, so that the youth could be skilled and then employed.

The Associate, Bhilwara Energy Limited is engaged in the business of power generation, establishment, operation and maintenance of power generating stations and tie-lines, sub-stations and main transmission lines connected therewith including through their subsidiaries/associates.

RSWM Limited together with its Associate Companies is herein after referred to as 'the Group'.

The consolidated financial statements of the Group for the year ended 31st March, 2022 is approved for issue by the Company's Board of Directors on May 27, 2022.

1.02 Basis of Preparation of Consolidated Financial Statements

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

- Defined benefit plans-plan assets measured at fair value.
- Assets classified as held for sale measured at fair value less cost to sell.
- Certain Financial Assets and Liabilities measured at fair value (including derivative financial instruments) (Refer Accounting Policy 1.10 on Financial Instruments).

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

The consolidated financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest ₹ in Lakh, except where otherwise indicated.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary/associate companies.

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

An associate is an entity over which the Company has significant influence or holding substantial number of shares with voting rights. Significant influence is the power to participate in the financial and operating decisions of the investee. In case of associate, the Company has as such, no control over their policies.

(i) The group combines the financial statements of its subsidiary company line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiary company are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Investments in Associates are accounted for, using equity method of accounting: Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of

revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2 annexed to the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Classification of Assets and Liabilities as Current and Non-Current

All Assets and Liabilities have been classified as current or non-current. Based on the nature of product & activities of the Group and their realization in cash and cash equivalent, the Group has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

(d) For significant accounting policies, please refer note no. 1.03 to 1.23 annexed to the standalone financial statements.

(For Note No. 2, Please refer Standalone Financial Statements)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2022

3a Property, Plant & Equipment

Particulars	Land-Freehold	Land-Leasehold	Buildings (including Roads) ***	Right to Use Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electric Fitting, Water Supply & Installations	Total
Gross Carrying Value										
Balance at April 1, 2020	**3,747.30**	**264.10**	**43,679.38**	**109.84**	**86,346.97**	**3,436.28**	**1,477.43**	**1,032.41**	**6,085.84**	**146,179.55**
Additions	21.32	70.94	1,253.77	412.39	1,041.79	156.88	88.43	69.41	113.00	3,227.93
Deductions/ disposals *	-	-	(196.11)	(45.38)	(1,459.16)	(26.51)	(259.22)	(84.91)	(38.97)	(2,110.26)
Assets classified as held for sale	(164.35)	-	(445.10)	-	-	-	-	-	-	(609.45)
Reclassification of assets from investment property	306.46	-	-	-	-	-	-	-	-	306.46
Balance at March 31, 2021	**3,910.73**	**335.04**	**44,291.94**	**476.85**	**85,929.60**	**3,566.65**	**1,306.64**	**1,016.91**	**6,159.87**	**146,994.23**
Balance at April 1, 2021	**3,910.73**	**335.04**	**44,291.94**	**476.85**	**85,929.60**	**3,566.65**	**1,306.64**	**1,016.91**	**6,159.87**	**146,994.23**
Additions	5.03	-	5,402.70	-	12,033.66	173.26	223.81	121.95	1,040.50	19,000.91
Deductions/ disposals *	(100.12)	(0.15)	(26.23)	(362.33)	(6,775.32)	(227.89)	(212.00)	(114.38)	(152.65)	(7,971.07)
Assets classified as held for sale	(1,476.11)	-	(3,966.15)	-	(1,490.17)	(1.37)	-	(11.18)	(28.10)	(6,973.08)
Reclassification of assets to investment property #	(231.40)	-	-	-	-	-	-	-	-	(231.40)
Balance at March 31, 2022	**2,108.13**	**334.89**	**45,702.26**	**114.52**	**89,697.77**	**3,510.65**	**1,318.45**	**1,013.30**	**7,019.62**	**150,819.59**
Accumulated Depreciation										
Balance at April 1, 2020	**-**	**15.16**	**7,391.86**	**45.22**	**33,715.45**	**1,404.19**	**562.59**	**718.51**	**2,664.04**	**46,517.02**
Depreciation for the year	-	4.15	1,401.71	132.66	9,741.36	288.99	176.65	91.85	548.60	12,385.97
Impairment Allowance	-	-	18.14	-	-	-	-	-	-	18.14
Deductions/ disposals **	-	-	(82.79)	(44.53)	(1,389.76)	(13.09)	(187.69)	(81.10)	(36.98)	(1,835.94)
Assets classified as held for sale	-	-	(215.52)	-	-	-	-	-	-	(215.52)
Balance at March 31, 2021	**-**	**19.31**	**8,513.40**	**133.35**	**42,067.05**	**1,680.09**	**551.55**	**729.26**	**3,175.66**	**56,869.67**
Balance at April 1, 2021	**-**	**19.31**	**8,513.40**	**133.35**	**42,067.05**	**1,680.09**	**551.55**	**729.26**	**3,175.66**	**56,869.67**
Depreciation for the year	-	5.57	1,390.62	82.52	8,278.80	224.10	161.10	82.89	541.33	10,766.93
Impairment Allowance	-	-	188.08	-	-	-	-	-	-	188.08
Deductions/ disposals **	-	-	(11.36)	(136.30)	(6,088.01)	(152.06)	(163.21)	(104.60)	(133.76)	(6,789.30)
Assets classified as held for sale	-	-	(1,839.23)	-	(817.57)	(0.95)	-	(10.40)	(13.77)	(2,681.92)
Balance at March 31, 2022	**-**	**24.88**	**8,241.51**	**79.57**	**43,440.27**	**1,751.18**	**549.44**	**697.15**	**3,569.46**	**58,353.46**
Net Carrying Value										
Balance at March 31, 2021	**3,910.73**	**315.73**	**35,778.54**	**343.50**	**43,862.55**	**1,886.56**	**755.09**	**287.65**	**2,984.21**	**90,124.56**
Balance at March 31, 2022	**2,108.13**	**310.01**	**37,460.75**	**34.95**	**46,257.50**	**1,759.47**	**769.01**	**316.15**	**3,450.16**	**92,466.13**

Notes:

1. *Deduction from Gross Carrying Value represents sale/transfer/discarding of Property, Plant & Equipment/Lease hold rights written off.
2. ** Deduction in depreciation ₹6789.30 Lakh (Previous Year ₹1835.94 Lakh) represents adjustment on account of sale/ transfer/discarding of Property, Plant & Equipment.
3. *** includes value of irrevocable Licencing Rights to use of a flat in New Delhi ₹10.00 Lakh.
4. Depreciation for the year 2021-22 includes ₹57.93 Lakh (Previous Year ₹61.63 Lakh) against amortisation of Government Capital Grants (refer Note 30)
5. On transition date, the Company has opted to continue with carrying value of all of its Property, Plant and Equipment as deemed cost and net carrying value under previous GAAP as on March 31, 2015 is recognised as gross carrying amount in Ind AS as on 01-04-2015.
6. Assets pledged as security (refer Note 14)
7. # Other income during the year includes the sale of land admeasuring 14850 square feet out of total 63472 square feet bought long time ago before 1983 and was lying with the Company as (i) Investment Property 9465 square feet (ii) 54007 square feet as Property, Plant and Equipment (PPE). Remaining 48622 square feet land is part of Investment Property.

3b Capital Work in Progress

(₹ in Lakh)

Particulars	Building under construction	Plant & Equipment under erection/ commissioning	Pre-operative expenses*	Total
Balance at April 1, 2020	**599.50**	**121.04**	**-**	**720.54**
Additions	523.57	883.87	150.24	1,557.68
Less: Amount capitalized in Property, Plant & Equipment	1,014.43	523.51	-	1,537.94
Balance at March 31, 2021	**108.64**	**481.40**	**150.24**	**740.28**
Balance at April 1, 2021	**108.64**	**481.40**	**150.24**	**740.28**
Additions	6,089.43	21,564.85	1,347.56	29,001.84
Less: Amount capitalized in Property, Plant & Equipment	5,232.31	9,505.14	673.30	15,410.75
Balance at March 31, 2022	**965.76**	**12,541.11**	**824.50**	**14,331.37**

*The detail of Pre-operative expenses is given below

(₹ in Lakh)

Particulars	2021-22	2020-21
(A) Opening Balance	**150.24**	**-**
(B) Additions:		
Raw Material	153.61	
Salaries & Wages	349.84	-
Professional & Consultancy Charges	48.67	150.24
Borrowing Costs	751.61	-
Power & Fuel	49.21	
Other Expenses	129.12	-
Less : Sale of Stock	(64.29)	
Less : Trial Run Stock	(70.21)	
	1,347.56	**150.24**
(C) Deductions:		
Amount Capitalized in Property, Plant & Equipment	673.30	-
	673.30	**-**
(A+B-C)	**824.50**	**150.24**

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

Capital work-in-progress ageing schedule as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**13,867.77**	**463.60**	**-**	**-**	**14,331.37**
	(726.31)	(13.97)	-	-	(740.28)
Total Capital work-in-progress	**13,867.77**	**463.60**	**-**	**-**	**14,331.37**
	(726.31)	(13.97)	-	-	(740.28)

Figures in brackets in aforesaid note represent the figures of previous year

3c Investment Property

(₹ in Lakh)

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2020	**1,547.81**
Additions	196.03
Deductions/disposals/written off	(546.47)
Reclassified to Property, Plant & Equipment	(306.46)
Balance at March 31, 2021	**890.91**
Balance at April 1, 2021	**890.91**
Additions	50.05
Deductions/disposals/written off	-
Reclassified from Property, Plant & Equipment	231.40
Balance at March 31, 2022	**1,172.36**
Accumulated Depreciation	
Balance at April 01, 2020	**53.30**
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2021	**67.75**
Balance at April 1, 2021	**67.75**
Depreciation for the year	14.45
Deductions/disposals/written off	-
Balance at March 31, 2022	**82.20**
Net Carrying Value	
Balance as at March 31, 2021	**823.16**
Balance as at March 31, 2022	**1,090.16**

(₹ in Lakh)

Fair Value	Amount
At March 31, 2021	9,330.48
At March 31, 2022	12,051.22

3c(i) Measurement of Fair Value

The fair value of the investment property has been determined by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, external, independent property valuer, having appropriate qualifications and recent experience in the valuation of properties in the relevant locations and category of the properties being valued. The fair value has been determined based upon the market comparable approach that reflects recent transaction prices for similar properties.

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

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

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

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

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Lease Rental recognized during the year	35	278.94	360.41
Direct expenses		0.20	27.52
Profit arising from investment properties before depreciation and indirect expenses		**279.14**	**387.93**
Less: Depreciation for the year		14.45	14.44
Indirect Expenses		0.14	-
Profit/(Loss) arising from Investment Properties after depreciation and expenses		**264.55**	**373.49**

3c(iii) The Investment Property amounting ₹342.89 Lakh (Fair Value ₹4,909 Lakh) is owned jointly with HEG Limited.

3d Other Intangible Assets (₹ in Lakh)

Particulars	Amount
Gross Carrying Value	
Balance at April 01, 2020	**2,614.68**
Additions	3.15
Deductions/ disposals	(165.37)
Balance at March 31, 2021	**2,452.46**
Balance at April 1, 2021	**2,452.46**
Additions	11.20
Deductions/ disposals	(19.76)
Assets classified as held for sale	(3.15)
Balance at March 31, 2022	**2,440.75**
Accumulated Amortization	
Balance at April 01, 2020	**1,058.57**
Amortization for the year	411.02
Deductions/disposals	(160.45)
Balance at March 31, 2021	**1,309.14**
Balance at April 1, 2021	**1,309.14**
Amortization for the year	396.39
Deductions/ disposals	(19.62)
Assets classified as held for sale	(0.55)
Balance at March 31, 2022	**1,685.36**
Net Carrying Value	
Balance at March 31, 2021	1,143.32
Balance at March 31, 2022	755.39

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

3e Assets & Liabilities Classified as Held for Sale (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets	4,646.70	1,544.72
Liabilities	3.17	-

(a) Due to closure of Bagalur and Pondy units since May 31, 2018, the Company was in process of disposing the Property, Plant and Equipment. During the year, the Company has sold the Land and Building of Pondy Units for a consideration of ₹465 Lakh and has entered into Agreement for sale with an Independent party for sale of Property, Plant and Equipments of Bagalur unit worth of ₹3500 Lakh and have been classified as held for sale as on March 31, 2022 in accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations".

(b) The Company has entered into an agreement with buyer for sale/transfer of Private Freight Terminal (PFT) (net book value of ₹1138.53 lakhs) of the company situated at Namli, Madhya Pradesh, for total consideration of ₹3300 lakhs (net ₹3066.99 lakhs). The transaction to be completed on fulfilment of certain regulatory and other necessary requirements. In accordance with IND AS 105 "Non-Current Assets held for sale and Discontinued Operations", assets and liabilities of PFT has been disclosed as Assets and Liabilities held for Sale in the Financial Statements as follows:

Assets & Liabilities of disposal group classifies as held for sale (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
Land and building*	386.85	-
Property, plant and equipment other than land and building	688.14	
Intangible Assets	2.60	-
Other Current Assets	64.11	-
Assets held for sale	**1,141.70**	**-**
Liabilities		
Liabilities for Expenses	3.17	-
Liabilities Held for Sale	**3.17**	**-**
Net assets directly associated with disposal group	**1,138.53**	**-**

*On receipt of payment, registered in the name of buyer on March 29, 2022, as per the terms of the agreement.

4 Investments (Non-Current)

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments (Fully Paid up)				
(i) Quoted Equity Shares (At fair value through OCI)				
Equity shares of ₹10/- each (unless stated otherwise)				
BSL Limited	31,396	35.11	31,396	10.31
HEG Limited	318,391	4,374.85	318,391	4,661.72
State Bank of India (of ₹1 /- each)	24,080	118.81	24,080	87.74
Punjab National Bank (of ₹2 /- each)	4,715	1.65	4,715	1.73
Whirlpool (India) Limited	372	5.85	372	8.29
Vardhman Holdings Limited	30	1.10	30	0.53
Tata Construction & Projects Limited	150	0.02	150	0.02
Graphite (India) Limited (of ₹2 /- each)	775	3.90	775	3.97
Vardhman Textiles Limited (of ₹2 /- each)*	900	3.92	180	2.34
Vardhman Special Steel Limited	36	0.08	36	0.05
		4,545.29		**4,776.70**
(ii) Un-quoted Equity Shares				
Investment in Associates (At Cost)				
Equity shares of ₹10/- each (unless stated otherwise)				
Bhilwara Energy Limited	12,524,960	2,343.97	12,524,960	2,343.97
LNJ Skills and Rozgar Private Limited (of ₹1 /- each)	1,180,000	1,180.00	1,180,000	1,180.00

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
		3,523.97		3,523.97
Add - Increase in Value of Investments in Associates				
Opening Balance		3,066.82		3,149.68
Additions during the year		623.57		(75.25)
Adjustment in associates due to Ind AS		-		(8.06)
Adjustment in associates due to Depreciation		-		0.45
Closing Balance		3,690.39		3,066.82
		7,214.36		**6,590.79**
Investment in Other than Associate (At fair value through OCI)				
LNJ Power Ventures Limited	260,000	26.00	260,000	26.00
		26.00		**26.00**
Investment in Debentures (Fully paid up)				
Un-Quoted Debentures				
Investment in Other than Associate (At fair value through Profit and Loss)				
LNJ Power Ventures Limited				
13.54% Compulsorily Convertible Debentures (of ₹1,00,000/- each)#	832	832.00	832	832.00
		832.00		**832.00**
		12,617.65		**12,225.49**
Market value of Quoted Investments		**4,545.29**		**4,776.70**
Carrying value of Un-quoted Investments		**4,381.97**		**4,381.97**

*Vardhman Textiles Ltd. Shares split/sub-division of each Equity Share of the Company having face value of ₹10/- per share into Five Equity Shares having face value of ₹2/- per share as on 28.03.2022
#Pledged

5 Loans

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Considered Good (unless otherwise stated)				
Unsecured				
Advances to Staff	-	-	86.36	36.50
(A)	**-**	**-**	**86.36**	**36.50**
Loans which have significant increase in credit risk				
Loans - credit impaired	-	-	-	-
(B)	**-**	**-**	**-**	**-**
(A+B)	**-**	**-**	**86.36**	**36.50**

Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment,

6 Trade Receivables

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Unsecured Trade Receivables	53,837.16	38,464.27
Trade Receivables which have significant increase in credit risk	210.06	-
Trade Receivables - credit impaired	-	-
Less: Impairment Loss Allowance	(401.10)	(572.13)
	53,646.12	**37,892.14**

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

Particulars	Note No.	Current	
		As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good	39	1,636.86	411.08

Transfer of Financial Assets

During the year, the Company has discounted trade receivables with an aggregate carrying amount of ₹15,561.07 Lakhs (as at March 31, 2021 ₹7,972.24 Lakhs), with the banks. If the trade receivables are not paid at maturity, the banks have right to recourse the Company to pay the unsettled balance. As the Company has not transferred significant risk and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised amount received on the transfer as borrowings. (Refer Note 15)

Trade receivables ageing schedule for the year ended as at March 31, 2022 and March 31, 2021:

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	**17,246.64**	**35,715.57**	**409.31**	**355.90**	**55.08**	**54.66**	**53,837.16**
	(15,257.15)	(21,682.41)	(938.93)	(327.57)	(102.12)	(6.11)	(38,314.29)
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
	-	-	-	(17.14)	-	(132.84)	(149.98)
Disputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**0.01**	**-**	**2.94**	**207.11**	**210.06**
	-	-	-	-	-	-	-
Disputed Trade Receivables– credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	17,246.64	**35,715.57**	**409.31**	**355.90**	**55.08**	**54.66**	**54,047.22**
	(15,257.15)	(21,682.41)	(938.93)	(344.71)	(102.12)	(138.95)	(38,464.27)
Less : Impairment Loss Allowance							**401.10**
							(572.13)
Total Trade Receivables							**53,646.12**
							(37,892.14)

Figures in brackets in aforesaid note represent the figures of previous year

(₹ in Lakh)

7 Cash and Cash Equivalents

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
- Balance with Banks		
In Current Accounts	579.26	270.79
- Cash in hand	9.09	22.89
	588.35	**293.68**
Bank Balances other than Cash and Cash Equivalents		
- Fixed Deposits	101.22	239.81
- Balance with Banks		
Unpaid Dividend *	178.88	208.99
Balance with Banks held as Margin Money **	-	0.16
	280.10	**448.96**

*Earmarked against the corresponding provision (Refer Note 17)
**Margin Money Against Bill Discounting

8 Other Financial Assets

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Considered Good (Unless otherwise stated)				
Claims and other Receivables	-	-	2,661.84	233.99
Employees' Benefit Fund	836.55	836.60	-	-
Forward Cover Receivable	-	-	67.60	29.23
Earnest Money Deposit	-	-	19.95	49.36
Interest Receivable	-	-	163.16	475.33
Less: Impairment Loss Allowance	-	-	(13.09)	(49.73)
Security Deposits	374.32	143.63	-	-
Other Receivables*				
- Related Parties (Refer Note 39)	-	-	287.23	448.54
- Unrelated Parties	-	-	2,848.28	2,983.78
	1,210.87	**980.23**	**6,034.97**	**4,170.50**

* Other receivables include debenture interest and rent receivable.

9 Inventories

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Raw materials :		
(a) In Godown	24,768.47	25,024.03
(b) In Transit	257.16	345.87
	25,025.63	25,369.90
Work-In-Progress	11,406.54	8,403.66
Finished Goods	11,924.37	9,026.71
Traded Goods	320.85	9.03
Stores and Spares :		
(a) In Godown	1,946.17	1,861.66
(b) In Transit	0.02	6.62
	1,946.19	1,868.28
Loose tools	138.85	150.10
Others-Waste	144.48	213.39
	50,906.91	**45,041.07**

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

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

(iii) The cost of Inventories recognised as expense amount to ₹2,26,205 Lakh during the year ended March 31, 2022 (₹1,39,110.09 Lakh for the year ended March 31, 2021)

10 Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Assets {Net of Provision for Income Tax of ₹5,462.55 Lakh (Previous Year ₹2,234.75 Lakh)}	(407.07)	532.10
	(407.07)	**532.10**

11 Other Assets

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Considered Good (unless otherwise stated)				
Capital Advances	4,328.45	1,401.05	-	-
Security Deposits	778.35	830.08	-	-
Advances to Vendors*	-	-	1,562.35	1,141.31
Advances to Employees	-	-	13.62	19.58
Claims, Incentives & Other Receivables from Govt. Authorities	-	-	11,718.51	7,234.05
Prepaid Expenses	-	-	309.52	239.82
	5,106.80	**2,231.13**	**13,604.00**	**8,634.76**

* Includes advances to related vendors ₹NIL for 2021-22 (₹NIL for 2020-21)

12 Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹10 each	6,000.00	6,000.00
Issued, Subscribed and Fully paid up		
23,550,842 (Previous Year 23,550,842) Equity Shares of ₹10 each	2,355.08	2,355.08
	2,355.08	**2,355.08**

Notes:

(i) Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Opening	23,550,842	2,355.08	23,550,842	2,355.08
Closing Balance	**23,550,842**	**2,355.08**	**23,550,842**	**2,355.08**

(ii) Terms and rights attached with equity shares:

The Company has only one class of equity shares, having at par value of ₹10 each. Each holder of the equity shares is entitled to one vote per share. There is no restriction attached to any equity share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. The repayment of equity share capital in the event of liquidation and buy-back of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(iii) Shares in the Company held by each shareholder holding more than 5% :

Names	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% of shares held	Number of Shares	% of shares held
Microbase Limited	3,650,970	15.50	3,650,970	15.50
LNJ Financial Services Limited	2,383,370	10.12	1,933,370	8.21
Purvi Vanijya Niyojan Limited	1,468,077	6.23	1,468,077	6.23
Ravi Jhunjhunwala	282,410	1.20	1,432,410	6.08
	7,784,827	**33.05**	**8,484,827**	**36.02**

(iv) The Company does not have any holding/ultimate holding company.

(v) Shares held by promoters and change in shareholding of promoters:

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of Shares	% of shares held	Number of Shares	% of shares held	
Ravi Jhunjhunwala	282,410	1.20	1,432,410	6.08	(4.88)
Riju Jhunjhunwala	175,000	0.74	175,000	0.74	-
Rita Jhunjhunwala	156,048	0.66	156,048	0.66	-
Rishabh Jhunjhunwala	40,000	0.17	40,000	0.17	-
Arun Kumar Churiwal	1,610	0.01	1,610	0.01	-
Shekhar Agarwal	1,500	0.01	1,500	0.01	-
Shantanu Agarwal (HUF)	1,500	0.01	1,500	0.01	-
LNJ Financial Services Limited	2,383,370	10.12	1,933,370	8.21	1.91
Purvi Vanijya Niyojan Limited	1,468,077	6.23	1,468,077	6.23	-
Nivedan Vanijya Niyojan Limited	865,074	3.67	865,074	3.67	-
Investors India Limited	529,955	2.25	529,955	2.25	-
N.R. Finvest Pvt. Limited	240,000	1.02	240,000	1.02	-
Bharat Investments Growth Limited	844,300	3.59	144,300	0.61	2.97
Akunth Textile Processors Pvt. Limited	140,000	0.59	140,000	0.59	-
Raghav Commercial Limited	347,800	1.48	347,800	1.48	-
Kalati Holding Pvt. Limited	106,573	0.45	106,573	0.45	-
India Tex Fab Marketing Limited	2,289	0.01	2,289	0.01	-
Micro Base Limited	3,650,970	15.50	3,650,970	15.50	-
Microlight Investments Limited	1,085,000	4.61	1,085,000	4.61	-
Corn Hill Investments Limited	198,800	0.84	198,800	0.84	-
Total	**12,520,276**	**53.16**	**12,520,276**	**53.16**	**-**

13 Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
a. Capital Reserve				
Balance at the beginning of the year	701.48		701.48	
Balance at the end of the year		**701.48**		**701.48**

Balance of Capital Reserve consists of forfeiture of warrants, cancellation of investment in BMD Private Limited on demerger and share in demerged company issued to shareholders of the Company as per order of the Court and Reserve created on account of merger/amalgamation of Mordi Textiles and Processors Limited (MTPL). The balance will be utilised for issue of fully paid bonus shares and as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022		As at March 31, 2021	
b. Securities Premium				
Balance at the beginning of the year	9,618.56		9,618.56	
Balance at the end of the year		**9,618.56**		**9,618.56**

Balance of Security Premium Reserve consists of premium on issue of shares over its face value. The balance will be utilised for issue of fully paid bonus shares, buy-back of Company's own share as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022		As at March 31, 2021	
c. Preference Share Capital Redemption Reserve				
Balance at the beginning of the year	6,060.85		6,060.85	
Balance at the end of the year		**6,060.85**		**6,060.85**

Preference Share Capital Redemption Reserve represents the statutory reserve created towards redemption of these shares and the same will be utilised for issue of fully paid bonus shares as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022		As at March 31, 2021	
d. Hedge Reserve				
Balance at the beginning of the year	3.80		(78.37)	
Change in fair value (net off tax)	30.97		82.17	
Balance at the end of the year		**34.77**		**3.80**

The Cash Flow Hedge Reserve represents the cumulative effective portion of gain /(loss) arising on changes in fair value of undesignated portion of hedging instruments entered into for Cash Flow Hedge. The cumulative gain/(loss) arising on changes in fair value of undesignated portion of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to the Statement of Profit and Loss only when the hedge transaction affects the Profit or Loss.

Particulars	As at March 31, 2022		As at March 31, 2021	
e. General Reserve				
Balance at the beginning of the year	4,910.28		4,910.28	
Balance at the end of the year		**4,910.28**		**4,910.28**

Free reserves to be utilised as per the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022		As at March 31, 2021	
f. Fair Value Change in Equity Instruments Through Other Comprehensive Income (OCI)				
Balance at the beginning of the year	4,746.20		1,577.32	
Additions/Deductions during the year	(231.41)		3,168.88	
Reclassified to Retained Earnings	-		-	
Balance at the end of the year		**4,514.79**		**4,746.20**

This reserve represents the cumulative gain/(loss) arising on fair valuation of equity instruments and the amount is reclassified to retained earnings at the time of disposal of equity shares.

Particulars	As at March 31, 2022		As at March 31, 2021	
g. Retained Earnings				
Balance at the beginning of the year	47,821.52		45,541.76	
Additions during the year	23,998.05		2,161.39	
Add/ (Less):				
Remeasurements of the defined benefit plans through OCI (refer Note 32)	(59.80)		118.37	
Balance at the end of the year		**71,759.77**		**47,821.52**

The balance consists of surplus retained from earned profits after payment of dividend and taxes thereon.
Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Particulars	As at March 31, 2022		As at March 31, 2021	
h. Share in Reserve and Surplus of Associates				
Balance at the beginning of the year	2,964.82		3,047.68	
Adjustment in Associates due to Ind AS	-		(8.06)	
Adjustment in Associates due to Depreciation	-		0.45	
Additions during the year				
- Share of Profit/ (Loss)	624.29		(78.42)	
- Share of Other Comprehensive Income	(0.72)		3.17	
Closing Balance at the end of the year		**3,588.39**		**2,964.82**
Total (a to h)		**1,01,188.89**		**76,827.51**

14 Borrowings

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured				
Term Loans :				
- From Banks	32,213.38	15,282.00	5354.00	4853.00
- From Financial Institutions	2,000.00	-	-	2228.00
Corporate Loans :				
- From Banks	-	2,571.43	2,571.43	2,571.43
- From Financial Institutions	-	1,363.64	1,363.64	5,454.54
Unsecured				
- From NBFCs	11,955.00	14,227.50	2272.50	772.50
	46,168.38	**33,444.57**	**11,561.57**	**15,879.47**
Less: Current Maturity of Long term Debt (Refer Note 15)	-	-	(11,561.57)	(15,879.47)
	46,168.38	**33,444.57**	**-**	**-**

(i) Term Loans from Banks & Financial Institutions:

CURRENT YEAR FIGURES

I Term loans secured by way of first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 6 Month MCLR to 1Y MCLR + 1.60% as on 31st March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
30/Sep/23	1,197.00	395.00	802.00	6
30/Dec/23	1,660.00	708.00	952.00	7
25/Apr/24	3,300.00	2,000.00	1,300.00	9
30/Jun/25	9,125.00	6,825.00	2,300.00	13
30/Jun/27	2,569.32	2,569.32	-	16
1/Jan/29	4,907.07	4,907.07	-	24
30/Jan/29	2,000.00	2,000.00	-	24
30/Mar/29	8,618.80	8,618.80	-	24
31/Mar/29	4,190.19	4,190.19	-	24
Sub Total	**37,567.38**	**32,213.38**	**5,354.00**	

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% and 1 Year MCLR + 1.60% as on 31st March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jun/22	1,363.64	-	1,363.64	3
1/Jan/29	2,000.00	2,000.00	-	24
Sub Total	**3,363.64**	**2,000.00**	**1,363.64**	

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2022
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31/Mar/23	2,571.43	-	2,571.43	12
Total I	**43,502.45**	**34,213.38**	**9,289.07**	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR and 1Y MCLR +2.30% as on 31st March 2022

Date of Maturity	Outstanding March 31, 2022			Installments due after March 31, 2021
	Total Outstanding	Long term maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	832.50	675.00	157.50	13
20/Sep/26	13,395.00	11,280.00	2,115.00	18
Total II	**14,227.50**	**11,955.00**	**2,272.50**	
Total (I+II)	**57,729.95**	**46,168.38**	**11,561.57**	

Previous Year's Figures

I Term loans secured by way of first pari-passu charge on the entire immovable properties and movable fixed assets of the Company, present & future and pari-passu second charge on the entire current assets of the Company, present & future.

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 1Y MCLR to 1Y MCLR + 2.40% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
20/Aug/21	900.00	-	900.00	2
30/Sep/23	1,849.00	1,197.00	652.00	10
30/Dec/23	2,386.00	1,660.00	726.00	11
25/Apr/24	4,400.00	3,300.00	1,100.00	13
30/Jun/25	10,600.00	9,125.00	1,475.00	17
Sub Total	**20,135.00**	**15,282.00**	**4,853.00**	

(B) Floating Rate - Carrying floating interest rate of Base Rate + 0.20% to Base Rate + 0.50% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Long term maturity	Current maturity	
(a) From Financial Institutions:				
1/Jan/22	2,228.00	-	2,228.00	4
1/Jun/22	6,818.18	1,363.64	5,454.54	15
Sub Total	**9,046.18**	**1,363.64**	**7,682.54**	

(C) Fixed Rate - Carrying fixed interest rate of 8.60% as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Long term maturity	Current maturity	
(a) From Banks:				
31/Mar/23	5,142.86	2,571.43	2,571.43	24
Total I	**34,324.04**	**19,217.07**	**15,106.97**	

II Term loans - unsecured

Conditions of Term Loans are summarised below:

(A) Floating Rate - Carrying floating interest rate of 3 Month MCLR +2.30% and 1 Years MCLR as on 31st March 2021

Date of Maturity	Outstanding March 31, 2021			Installments due after March 31, 2021
	Total Outstanding	Long term maturity	Current maturity	
(a) From NBFC:				
8/Apr/25	900.00	832.50	67.50	16
30/Sep/26	14,100.00	13,395.00	705.00	20
Total II	**15,000.00**	**14,227.50**	**772.50**	
Total (I+II)	**49,324.04**	**33,444.57**	**15,879.47**	

15 Borrowings (Current)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
a. Loans Repayable on Demand		
From Banks	36,961.16	34,947.15
b. Bill Discounted from Banks (Refer Note 6)	7,211.01	4,705.78
c. Current Maturities Of Long Term Debts	11,561.57	15,879.47
	55,733.74	**55,532.40**
Unsecured		
Bill Discounted From Banks (Refer Note 6)	8,350.06	3,266.46
	8,350.06	**3,266.46**
	64,083.80	**58,798.86**

Cash credit and other working capital facilities from banks and financial institutions are secured by way of hypothecation of stocks of raw materials, work-in progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company on pari-passu basis, as well as pari-passu second charge on all the fixed assets of the Company, present and future.

All loans repayable on demand carry floating interest rate from 5.30% to 8.90% per annum (Previous year 6.40% to 9.55%), computed monthly.

15a Lease Liabilities (Non-Current)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	13.48	276.20
	13.48	**276.20**

15b Lease Liabilities (Current)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	31.98	99.95
	31.98	**99.95**

16 Trade Payables

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Trade Payables		
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 40)	2,534.46	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE)		
- Related parties (Refer Note 39)	1,542.20	1,344.35
- Unrelated parties	12,394.84	10,758.19
	16,471.50	**13,723.18**

Trade payables ageing schedule for the year ended as at March 31, 2022 and March 31, 2021: (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	**1,820.77**	**713.69**	**-**	**-**	**-**	**2,534.46**
	(1,271.60)	(349.04)	-	-	-	(1,620.64)
Others	**8,608.95**	**4,828.53**	**433.92**	**0.05**	**65.59**	**13,937.04**
	(6,967.04)	**(4,180.18)**	**(889.80)**	**(64.45)**	**(1.07)**	**(12,102.54)**
Disputed dues – MSME	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**
Disputed dues – Others	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Total Trade Payable	**10,429.72**	**5,542.22**	**433.92**	**0.05**	**65.59**	**16,471.50**
	(8,238.64)	(4,529.22)	(889.80)	(64.45)	(1.07)	(13,723.18)

Figures in brackets in aforesaid note represent the figures of previous year

17 Other Financial Liabilities

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	-	-	49.09	95.53
Unclaimed dividend*	-	-	178.88	208.99
Security deposits from outsiders	594.11	390.52	546.93	423.12
Liability towards staff and workers	-	-	3,685.94	3,319.32
Commission, incentives etc. payable on sale	-	-	2,006.72	1,857.43
Other liabilities for expenses	-	-	993.97	1,286.71
	594.11	**390.52**	**7,461.53**	**7,189.10**

Note:
* There are no outstanding dues to be paid to Investor Education & Protection Fund.

18 Provisions

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Provision for Employees' Benefit		
-Superannuation (Refer Note 34)	30.06	401.94
	30.06	**401.94**

19 Income Tax

a) Income tax recognized in profit or loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense		
Current year	4,936.98	70.63
Tax of the Earlier Years Written off / (Written back)	(1,178.06)	(1,022.21)
Deferred tax expense		
Origination and reversal of temporary differences	591.45	(783.55)
	4,350.37	**(1,735.13)**

b) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	28,348.42	426.26
Tax using the Company's domestic tax rate @ 34.944% (Previous year 34.944%)	9,906.07	148.95
Expenses further deductible/not deductible for tax purposes	658.75	232.82
Difference in Tax Rate due to Special Rate on LTCG	(159.22)	(127.25)
Dividend Income exempt from tax	-	(0.01)
Tax due to timing differences	591.45	(783.55)
MAT Credit Utilized	(5,468.62)	(183.88)
Tax of the Earlier Years Written off / (Written back)	(1,178.06)	(1,022.21)
	4,350.37	**(1,735.13)**

20 Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at April 1, 2021	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2022
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	765.01	-	(69.98)	-	695.03
-Allowance for impairment loss allowances	217.31	-	(72.57)	-	144.74
	982.32	**-**	**(142.55)**	**-**	**839.77**
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	9,980.87	-	(33.17)	-	9,947.70
- Cash Flow Hedge	2.04	-	-	16.64	18.68
- Remeasurements of the defined benefit plans	99.17	-	-	(32.12)	67.05
	10,082.08	**-**	**(33.17)**	**(15.48)**	**10,033.43**
Less: MAT Credit Available #	(3,298.89)	-	482.07	-	(2,816.82)
Net Deferred Tax Liability	**5,800.87**	**-**	**591.45**	**(15.48)**	**6,376.84**

Particulars	As at April 1, 2020	Recognized in Retained Earning	Recognized in P&L	Recognized in OCI	As at March 31, 2021
Deferred tax assets/ liabilities are attributable to the following items;					
Deferred Tax Assets on:					
-Effect of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in the following years	974.86	-	(209.85)	-	765.01
-Allowance for impairment loss allowances	341.44	-	(124.13)	-	217.31
	1,316.30	**-**	**(333.98)**	**-**	**982.32**
Deferred Tax Liabilities on:					
- Depreciation and Amortization expenses	11,282.29	-	(1,301.42)	-	9,980.87
- Cash Flow Hedge	(42.10)	-	-	44.14	2.04
- Remeasurements of the defined benefit plans	35.59	-	-	63.58	99.17
	11,275.78	**-**	**(1,301.42)**	**107.72**	**10,082.08**
Less: MAT Credit Available	(3,482.77)	-	183.88	-	(3,298.89)
Net Deferred Tax Liability	**6,476.71**	**-**	**(783.56)**	**107.72**	**5,800.87**

Note:

The Company has accounted for MAT Credit of ₹4986.54 Lakh in books of accounts, during the quarter and year ended March 31, 2022, based on income tax assessments of earlier years, available judgements and legal opinion obtained by the company.

21 Deferred Government Grants

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	152.86	211.15
Grants during the year	-	3.34
Released to the statement of profit and loss	(57.93)	(61.63)
Closing Balance	**94.93**	**152.86**
Out of above:		
Current	53.29	55.86
Non- Current	41.64	97.00
	94.93	**152.86**

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants

22 Other Liabilities

(₹ in Lakh)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advances from customers	-	-	2,770.24	1,979.49
Statutory dues payable				
-Tax deducted at source	-	-	419.60	269.40
-Other statutory dues	-	-	257.66	249.92
Other Payables *	-	103.38	8,643.56	4,799.77
	-	**103.38**	**12,091.06**	**7,298.58**

* Include accrued liabilities and legal claims.

23 Revenue From Operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A Revenue from Contracts with Customers disaggregated based on nature of Product or Services		
a) Sale of Products:		
Manufactured Goods		
Yarn	295,756.75	191,864.69
Fabric	67,098.59	34,712.81
Total Manufactured Goods	**362,855.34**	**226,577.50**
Traded Goods		
Yarn	4,922.22	-
Fibre	79.82	-
Fabric	4,704.71	593.42
Garments	8.20	4.32
Total Traded Goods	**9,714.95**	**597.74**
	372,570.29	**227,175.24**

23 Revenue From Operations (Contd.)

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
b) Sale of Services:		
Services	3,011.80	2,507.20
	3,011.80	**2,507.20**
c) Other Operating Revenues:		
Sale of Waste	3,782.08	2,578.49
Export Benefits/Incentives	2,378.13	340.74
	6,160.21	**2,919.23**
	381,742.30	**232,601.67**
B Revenue from Contracts with Customers disaggregated based on geography (Refer Note 38)		
India	239,801.30	156,992.67
Outside India	141,941.00	75,609.00
	381,742.30	**232,601.67**

Setout below, is the reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information (Refer Note 38):

(₹ in Lakh)

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External Customer	308,599.01	73,143.29	381,742.30	195,656.06	36,945.61	232,601.67
Inter-segment	24,865.49	30.72	24,896.21	14,133.88	19.12	14,153.00
	333,464.50	**73,174.01**	**406,638.51**	**209,789.94**	**36,964.73**	**246,754.67**
Less: Inter-segment adjustment and elimination	24,865.49	30.72	24,896.21	14,133.88	19.12	14,153.00
Total Revenue from Contract with Customers	**308,599.01**	**73,143.29**	**381,742.30**	**195,656.06**	**36,945.61**	**232,601.67**

The Company has recognized revenue of ₹1979.49 Lakh (Previous year ₹1400.82 Lakh) from the amounts included under advance received from customers at the beginning of the year.

C Reconciliation of Revenue from Contracts with Customers

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Contracts with Customers as per contract price	384,200.06	234,396.23
Less: Incentives, Discounts and Claims	2,457.76	1,794.56
Revenue from Contracts with Customers as per Standalone Statement of Profit and Loss	**381,742.30**	**232,601.67**

The amounts receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

24 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on Financial Assets at amortized cost		
- Interest Income from Customers	115.18	459.97
- Interest Income Others *	271.23	454.23
Interest received on Debentures	289.05	255.92
Dividend Income from Investments at FVTOCI		
- From other than Subsidiary Companies	10.67	0.02
Other Non-operating Income		
Provisions written back	310.84	113.79
Insurance & Other Claims Received	2.40	11.38
Net Gain on Foreign Currency Transaction	314.95	194.47
Miscellaneous receipts	785.04	389.41
Rent on Investment Properties and others	288.36	378.09
Allowances for Impairment Loss Allowance	190.80	69.36
Net Gain / Loss on sale of Property, Plant & Equipment	633.39	1,614.31
	3,211.91	**3,940.95**

* Interest income others inculdes interest on Income Tax refund of ₹242.02 Lakh (Previous year ₹399.41 Lakh)

25 Cost of Raw Materials Consumed

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials		
Opening Stock	25,369.90	20,076.38
Add:		
Purchases	210,454.99	126,540.67
	235,824.89	**146,617.05**
Less:		
Closing Stock	25,025.63	25,369.90
	210,799.26	**121,247.15**

26 Purchase of Traded Goods

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Yarn	4,735.27	-
Fibre	72.92	-
Fabric	4,049.47	546.97
Garments	14.79	5.31
	8,872.45	**552.28**

27 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished Goods	11,924.37	9,026.71
Traded Goods	320.85	9.03
Work In Progress	11,406.54	8,403.66
Waste	144.48	213.39
	23,796.24	**17,652.79**
Inventories at the beginning of the year		
Finished Goods	9,026.71	15,370.85
Traded Goods	9.03	10.33
Work In Progress	8,403.66	10,154.95
Waste	213.39	341.50
	17,652.79	**25,877.63**
Add : Trial Run Stock	70.21	-
(Increase)/ Decrease in Inventory	**(6,073.24)**	**8,224.84**

28 Employee Benefit Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	35,377.96	27,356.22
Contribution to provident and other funds	3,273.66	2,720.02
Expenses related to post employment defined benefit plan (Refer Note 34)	749.70	649.09
Expenses related to earned leave (Refer Note 34)	129.11	99.53
Workmen and staff welfare expenses	609.03	408.34
	40,139.46	**31,233.20**

29 Finance Cost

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses on financial liabilities measured at amortised cost		
On term loans *	2,789.36	4,484.81
On working capital	3,406.69	3,301.85
Other borrowing costs	564.43	516.51
	6,760.48	**8,303.17**
* Net of RIPS Subsidy received / receivable	450.27	501.86

30 Depreciation and Amortization Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, Plant & Equipment *		
Depreciation and Impairment	10,955.01	12,404.11
	10,955.01	**12,404.11**
Less:		
Amortization of Government Capital Grants	57.93	61.63
	57.93	**61.63**
Investment Property#		
Depreciation	14.45	14.44
	14.45	**14.44**
	10,911.53	**12,356.92**
Intangible Assets		
Amortization @	396.39	411.02
	396.39	**411.02**
	11,307.92	**12,767.94**

* Refer Note 3a
# Refer Note 3c
@ Refer Note 3d

31 Other Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and spares consumed	7,682.31	6,024.89
Power and fuel	38,783.12	25,804.33
Packing expenses	4,924.22	3,060.95
Processing and job charges	4,885.76	1,787.49
Research and development expenses	83.76	80.74
Repairs & maintenance - building	446.07	411.12
Repairs & maintenance - plant & machinery	1,533.04	1,339.98
Repair and maintenance - others	384.45	366.05
Rent	446.76	197.46
Insurance (Net)	863.34	832.12
Rates and taxes	78.87	99.87
Directors' fee	71.25	63.00
Charity and donation	69.28	1.26
Payment to statutory auditors		
As statutory auditors	50.00	50.00
For other services	17.95	46.35
For reimbursement of expenses	4.83	2.99
Legal, professional & consultancy expenses	1,088.38	597.54
Other miscellaneous expenses	1,727.07	1,774.09
Commission and brokerage	3,074.86	2,171.88
Freight, forwarding and octroi charges	16,706.38	7,583.82
Advertisement expenses	125.54	197.47
Travelling expenses	703.33	430.86
Other selling expenses	1,048.89	863.52
	84,799.46	**53,787.78**

32 Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Items that will not be reclassified to Profit or Loss		
Remeasurements of the defined benefit plans	(91.92)	181.95
Equity Instruments through Other Comprehensive Income (OCI)	(231.41)	3,168.88
	(323.33)	**3,350.83**
Share in OCI of Associates that will not be reclassified to Profit or Loss	(0.72)	3.17
	(324.05)	**3,354.00**
Income tax relating to items that will not be reclassified to Profit or Loss		
Related to Remeasurements of defined benefit plans	32.12	(63.58)
(ii) Items that will be reclassified to Profit or Loss		
Change in Fair value of Effective portion of Cash Flow Hedge Recognised during the year (Refer Note 42)	53.45	5.84
Amount Reclassified to Profit & Loss account during the year (Refer Note 42)	(5.84)	120.47
	47.61	**126.31**
Income tax relating to items that will be reclassified to Profit or Loss		
- Tax on Cash Flow Hedge recognised during the year	18.68	2.04
- Tax on amount reclassified to Profit & Loss account during the year	(2.04)	42.10
	(16.64)	**(44.14)**

33 Earning Per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Net Profit for Basic EPS (₹ In Lakh)	**24,622.34**	**2,082.97**
Net Profit for Diluted EPS (₹ In Lakh)	**24,622.34**	**2,082.97**
b) Number of Equity Shares at the beginning of the year	23,550,842	23,550,842
Add: Total Number of Shares outstanding at the end of the year	23,550,842	23,550,842
Weighted Average number of Equity Shares outstanding during the year - Basic	23,550,842	23,550,842
Weighted Average number of Equity Shares outstanding during the year - Diluted	**23,550,842**	**23,550,842**
Earning Per Share - Basic (₹)	**104.55**	**8.84**
Earning per share - Diluted (₹)	**104.55**	**8.84**
Face value per share (₹)	**10.00**	**10.00**

Notes: For Notes 34 to 37A, Please refer Notes to Standalone Financial Statement

37B. The Company has exposure in LNJ Power Ventures Limited (LNJPV) amounting to ₹26 Lakh in Equity Share Capital and ₹832 Lakh in 13.54% Compulsory Convertible Debentures (CCDs). The interest on the above said CCDs is due from LNJPV since financial year 2016-17, ₹1,527.59 Lakh remain unpaid on March 31, 2022 (Including other charges of ₹34.73 Lakh). Also ₹1,784.02 Lakh is payable against supply of power by LNJPV under a long term Power Purchase Agreement (PPA) supported by Bank Guarantee of ₹1,000 Lakh to LNJPV to secure such PPA.

To resolve it, LNJ Power Ventures Limited and RSWM Limited each has entered into arbitration proceeding and LNJ Power Ventures Limited has filed a Statement of Claim through Arbitration Tribunal. The matter is fixed for filing of Statement of Defense and Setoff / Counter Claim/Statement of Claim by RSWM Limited for which Arbitral Tribunal has allowed 6 (six) weeks. LNJ Power Ventures Limited has also been given time to file their reply with Statement of Claim/Setoff / Counter Claim as well as Rejoinder.

The Company firmly believes that it has credible case in its favour and also been advised by an expert, accordingly the amount shown is good and fully recoverable.

38. Segment Information

For management purposes, the Company is organised into business units based on its products and services and has following reportable segments:

- Yarn
- Fabric

No operating segments have been aggregated to form the above reportable operating segments.

Identification of Segments

The Board of Directors of the Company has been identified as Chief Operating Decision Maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

Accounting policy in respect of segments is in conformity with the accounting policy of the company as a whole.

Inter-segment Transfer

Segment revenue resulting from transactions with other business segments is accounted for on the basis of transfer price agreed between the segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. These transfers are eliminated in consolidation.

Segment Revenue and Results

The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other revenue and expenditure non allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the total income of the Company.

Segment Assets and Liabilities

Segment assets include all operating assets used by the operating segment and mainly consisting of property, plant & equipment, trade receivables, cash and cash equivalents and inventory etc. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to specific segments are shown as a part of unallocable assets/liabilities.

(₹ in Lakh)

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Segment Revenue						
External customers	308,599.01	73,143.29	381,742.30	195,656.06	36,945.61	232,601.67
Inter-segment	24,865.49	30.72	24,896.21	14,133.88	19.12	14,153.00
Total Revenue	**333,464.50**	**73,174.01**	**406,638.51**	**209,789.94**	**36,964.73**	**246,754.67**
Segment Expenses*	297,521.31	75,412.60	372,933.91	201,189.27	40,272.37	241,461.64
Segment Results	**35,943.19**	**(2,238.59)**	**33,704.60**	**8,600.67**	**(3,307.64)**	**5,293.03**
Un-allocable Expenses	-	-	983.42	-	-	435.19
Other Income	-	-	2,387.72	-	-	3,871.59
Finance Costs (Refer Note 29)	-	-	6,760.48	-	-	8,303.17
Profit/(Loss) Before Tax & Share of Profit/(Loss) of Associates	-	-	**28,348.42**	-	-	**426.26**
Share of Profit/(Loss) of Associates	-	-	624.29	-	-	(78.42)
Profit Before Tax	-	-	**28,972.71**	-	-	**347.84**
Tax Expenses (Refer Note 19)	-	-	4,350.37	-	-	(1,735.13)
Profit After Tax	**-**	**-**	**24,622.34**	**-**	**-**	**2,082.97**

* Includes depreciation and amortization

Other Information: (₹ in Lakh)

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	Yarn	Fabric	Total	Yarn	Fabric	Total
Depreciation and Amortization						
Allocable	9261.04	1425.70	10,686.74	10610.27	1518.07	12,128.34
Unallocable	-	-	621.18	-	-	639.60
	9,261.04	**1,425.70**	**11,307.92**	**10,610.27**	**1,518.07**	**12,767.94**
Capital Expenditure						
Allocable	26658.99	8794.53	35,453.52	2326.03	689.67	3,015.70
Unallocable	-	-	127.13	-	-	175.09
	26,658.99	**8,794.53**	**35,580.65**	**2,326.03**	**689.67**	**3,190.79**
Segment Assets						
Allocable	189,208.57	43,497.56	232,706.13	152,092.95	30,007.04	182,099.99
Unallocable	-	-	24,665.75	-	-	24,762.61
	189,208.57	**43,497.56**	**257,371.88**	**152,092.95**	**30,007.04**	**206,862.60**
Segment Liabilities						
Allocable	117,163.74	22,216.99	139,380.73	96,443.78	14,640.25	111,084.03
Unallocable	-	-	14,447.18	-	-	16,595.98
	117,163.74	**22,216.99**	**153,827.91**	**96,443.78**	**14,640.25**	**127,680.01**

Geographical Information

The Company is domiciled in India. Based on the location of the customers, the amount of its revenue from external customers are broken down by major foreign countries as below: - (₹ in Lakh)

Revenue from external customers		India	Europe	Middle East	Africa, South East & Far East Asia	America	Total
Based on location of the customers	For the year ended March 31, 2022	239,801.30	49,841.00	4,641.00	83,494.00	3,965.00	381,742.30
	For the year ended March 31, 2021	156,992.67	22,729.00	3,301.00	48,136.00	1,443.00	232,601.67

Non-current assets

There are no non current assets outside India.

Information about major customers

No single customer represents 10% or more of the total revenue during the year ended March 31, 2022 and March 31, 2021.

Revenue from products and services:

The detail of revenue from products and services are given below: (₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Yarn	306,013.72	194,462.13
Fabric	72,716.78	35,632.34
Services	3,011.80	2,507.20
	381,742.30	**232,601.67**

39A: Related Party Disclosure

List of Related Parties as per Ind AS 24

Sr No.		Name of Related Party	Nature of Relationship
A	(i)	**A person or a close member of that person's family of a reporting entity has control or joint control over the reporting entity**	
		Shri Ravi Jhunjhunwala	Promoters having voting control
		Shri Riju Jhunjhunwala	Promoters having voting control
	(ii)	**A person or a close member of that person's family of a reporting entity has significant influence over the reporting entity**	
		Shri Lakshmi Niwas Jhunjhunwala	
		Shri Ravi Jhunjhunwala	
		Smt. Mani Devi Jhunjhunwala	
		Shri Riju Jhunjhunwala	
		Smt. Rita Jhunjhunwala	
		Shri Rishabh Jhunjhunwala	
	(iii)	**A person or a close member of that person's family of a reporting entity is a member of the Key Managerial Personnel of the reporting entity or of a parent of the reporting entity.**	
		Shri Ravi Jhunjhunwala	Directors of the Company
		Shri Shekhar Agarwal	
		Shri Riju Jhunjhunwala	
		Shri B M Sharma	
		Shri Arun Kumar Churiwal	
		Dr. Kamal Gupta	
		Shri Priya Shankar Dasgupta	
		Shri Amar Nath Choudhary	
		Shri Deepak Jain	
		Smt.Archana Capoor	
		Shri Avinash Bhargava	Chief Financial Officer
		Shri Surender Gupta	Company Secretary
B	(i)	**The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)**	
		N.A.	
	(ii)	**One entity is a subsidiary or an associate or a joint venture of the other entity (a subsidiary or an associate or a joint venture of a member of a group of which the other entity is a member)**	
		Bhilwara Energy Limited	Associate
		LNJ Skills & Rozgar Pvt. Ltd.	Associate
		AD Hydro Power Ltd.	Subsidiary of Associate
		Malana Power Company Ltd.	Subsidiary of Associate
		Chango Yangthang Hydro Power Ltd.	Subsidiary of Associate
		NJC Hydro Power Ltd.	Subsidiary of Associate
		Indo Canadian Consultancy Services Ltd.	Subsidiary of Associate
		BG Wind Power Ltd.	Subsidiary of Associate
		Balephi Jalbidhyut Company Limited, Nepal	Subsidiary of Associate
		LNJ Institute of Skills & Technology Pvt. Ltd.	Subsidiary of Associate
	(iii)	**Associated and other entities are joint ventures of the same third party.**	
		N.A.	
	(iv)	**One Entity is a joint venture of a third party and the other entity is an associate of the third entity**	
		N.A.	

Sr No.	Name of Related Party	Nature of Relationship
(v)	**The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity**	
	Rajspin Employees Contributory Provident Fund	Trust
	RSWM Limited Senior Executive Superannuation Fund Trust	Trust
	Rajasthan Spinning Gratuity Fund Trust	Trust
(vi)	**The entity is controlled or jointly controlled by a person identified in (A).**	
	Aadi Marketing Company Pvt. Ltd.	Shareholding more than 50% along with relatives in the Company.
	Agarwal Finestate Private Ltd	
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Alankrit Vyapaar Pvt. Ltd.	
	Backcountry Estates Pvt. Ltd.	
	Bharat Investments Growth Limited	
	Bhilwara Technical Textiles Limited	
	Balkash Exim Pvt. Ltd.	
	BMD Private Limited	
	BMD Power Private Limited	
	BMD Renewable Energy Private Limited	
	BSL Limited	
	Captain Trade & Agencies Pvt. Ltd.	
	Churiwala Properties and Investments Pvt. Ltd.	
	Deepak Pens and Plastics Pvt. Ltd.	
	Diplomat Leasing Private Limited	
	Dreamon Commercial Pvt. Ltd.	
	Elapara Investment Private Ltd.	
	Escape Vincom Private Ltd.	
	Glorious Commodeal Pvt. Ltd.	
	Giltedged Industrial Securities Ltd.	
	HEG Ltd.	
	Honour Dealers Private Ltd.	
	Emersec Holdings Pvt. Ltd.	
	India TexFab Marketing Ltd.	
	Indus Life Finance and Securities Private Ltd.	
	Investors India Limited	
	Jet (India) Pvt. Ltd.	
	Jemco Vanijya Pvt. Ltd.	
	Jawahar Foundation	
	Kalati Holdings Pvt. Ltd.	
	Kotyark Distributors Pvt. Ltd	
	LNJ Financial Services Limited	
	LNJ Realty Pvt. Ltd.	
	Mandapam Vikash Pvt. Ltd.	
	Mandawa Niyojan Pvt. Ltd.	
	Maral Overseas Ltd.	
	MG Marketing & Trding Pvt. Ltd.	

Sr No.	Name of Related Party	Nature of Relationship
	Modify Distributors Private Limited	Shareholding more than 50% along with relatives in the Company.
	ML Finlease Pvt. Ltd.	
	N.R. Finvest Pvt. Ltd	
	Nikita Electrotrades Pvt. Ltd.	
	New Delhi Law Offices	
	Pacific Management Pvt. Ltd.	
	Prapti Apparels Co. Pvt. Ltd.	
	PRC Niyojan Pvt. Ltd	
	Promise Dealers Pvt. Ltd.	
	Purvi Vanijya Niyojan Limited	
	Nivedan Vanijya Niyojan Ltd.	
	Raghav Commercial Limited	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Sarita Computers Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Shashi Commercial Co. Ltd.	
	SSSA Family Private Limited	
	Strength Fincap Markets Pvt. Ltd.	
	Texmart Creations Private Limited	
	Tinsukia Estate Private Ltd.	
	Veronia Tie Up Pvt. Ltd.	
	Vikram Properties and Merchandise Pvt. Ltd.	
	Vitarich Agro Food (India) Limited	
	Zongoo Commercial Co. Pvt. Ltd	
(vii)	**A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).**	
1	**Shri Ravi Jhunjhunwala**	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Bhilwara Services Pvt. Ltd.	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Pvt. Ltd.	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Shashi Commercial Co. Ltd.	
	Shrasti Marketing Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd.	
	Veronia Tie up Pvt. Ltd.	

Sr No.	Name of Related Party	Nature of Relationship
2	**Shri Riju Jhunjhunwala**	Holding 20% or more Shareholding along with relatives in the Company.
	AKJ Apparels Pvt. Ltd.	
	Bhilwara Services Pvt. Ltd	
	Bhilwara Infotechnology Ltd.	
	Captain Trade & Agencies Pvt. Ltd.	
	RANDR Trustee Pvt. Ltd.	
	Redrose Vanijya Private Limited	
	RLJ Family Trusteeship Pvt. Ltd.	
	RRJ Family Trustee Pvt. Ltd.	
	Shrasti Marketing Pvt. Ltd.	
	SKLNJ Family Trusteeship Pvt. Ltd.	
	Zongoo Commercial Co. Pvt. Ltd.	
	Veronia Tie up Pvt. Ltd.	
(viii)	**As per 2(ZB) of LODR any Person or Entity forming a part of the Promoter or Promoter Group**	
	Shri Ravi Jhunjhunwala	
	Shri Riju Jhunjhunwala	
	Shri Rishabh Jhunjhunwala	
	Shri Arun Kumar Churiwal	
	Smt. Rita Jhunjhunwala	
	Shri Shekhar Agarwal	
	Shantanu Agarwal (Huf)	
	LNJ Financial Services Ltd.	
	Purvi Vanijya Niyojan Ltd.	
	Nivedan Vanijya Niyojan Ltd.	
	Bharat Investments Growth Ltd.	
	Investors India Ltd.	
	Raghav Commercial Ltd.	
	N.R. Finvest Pvt. Ltd.	
	Akunth Textile Processors Pvt. Ltd.	
	Kalati Holding Pvt. Ltd.	
	India Tex Fab Marketing Ltd.	
	Micro Base Ltd.	
	Microlight Investments Ltd.	
	Corn Hill Investments Ltd.	

Notes to the Consolidated Financial Statement

For the year ended March 31, 2022

39 B: Related Party Disclosure

(₹ in Lakh)

Transaction	Associates (Including Subsidiaries of Associates)		Key Managerial Personnel		A person and enterprises over which any person described is able to exercise significant influence over the reporting enterprises	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Finished Goods	-	-	-	-	6,297.83	4,808.78
Sale of Raw Material	-	-	-	-	55.73	66.69
Purchases of Raw Material & Finished Goods	-	-	-	-	1,405.84	1,304.79
Sale of Store Items	-	-	-	-	47.82	0.96
Purchase of Stores Items	-	-	-	-	42.97	6.71
Rent Received	60.72	65.65	-	-	140.55	109.97
Rent Paid	299.09	-	-	-	22.60	48.51
Reimbursement of revenue expenditure received	60.72	39.94	-	-	171.04	101.60
Reimbursement of revenue expenditure made	888.15	602.65	-	-	19.54	17.30
Job Charges Received	-	-	-	-	88.94	88.21
Job Charges paid	-	-	-	-	11.72	1.77
Sharing of AMC of DR Server	-	-	-	-	3.52	-
Consultancy Charges	49.68	-	-	-	-	-
Dividend Received	-	-	-	-	9.55	-
Interest received	-	-	-	-	92.49	223.71
Roll back of Interest	-	-	-	-	227.77	-
Payment against Sharing of DR Server	-	-	-	-	18.96	-
Loan Taken	-	-	-	-	-	900.00
Donation to Jawahar Foundation		-	-	-	10.00	-
Security Deposit	21.00	-	-	-	-	-
Interest on Loan taken	-	-	-	-	1,312.74	1,343.82
RSWM Limited Senior Executive Superannuation Fund Trust	-	-	-	-	355.82	401.94
Rajasthan Spinning Gratuity Fund Trust	-	-	-	-	389.21	82.19
Rajspin Employees Contributory Provident Fund	-	-	-	-	161.50	151.94
Remuneration and other perquisites						
(a) Short-term employee benefits	-	-	1,092.27	308.30	-	-
(b) Post-employment benefits	-	-	45.00	22.98	-	-
Directors' Sitting Fees	-	-	71.25	63.00	-	-

Outstanding Balances to/from Related Parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties: (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
From a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprises.	1,636.86	411.08
Other Receivables		
From Subsidiaries of Associates	87.81	425.23
From Other than Subsidiaries/Associates	243.29	289.49
Trade Payables		
To Subsidiaries & Subsidiaries of Subsidiaries	-	-
To Associates	1,538.14	1,329.71
To Other than Subsidiaries/Associates	4.06	14.64
Advance to Vendors		
To a Person & Enterprises over which any person described is able to exercise significant influence over the reporting enterprise.	-	-
Loan		
Loan From Bharat Investment Growth Limited	13,395.00	14,100.00
Loan From Bhilwara Infotechnology Limited	832.50	900.00

Terms & Conditions of transactions with related Parties:

The sales and purchases, services rendered to/from related parties and interest are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2022 and for the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amount owed by related parties.

This assessment is undertaken through out the financial year through examining the financial position of the related parties and the market in which the related parties operate.

Details of Guarantees (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
RSWM has provided guarantees on behalf of its reporting entity:-		
Name of Reporting Entity		
A D Hydro Power Limited - India*	-	600
LNJ Skills & Rozgar Private Limited - India**	800	800

*Guarantee given (jointly by the Company, Bhilwara Energy Limited and HEG Limited) to International Finance Corporation in terms of Guarantee agreement related to A D Hydro Power Limited has been terminated on satisfaction of charge of loan of A D Hydro Power Limited, during the year.

**The Company has given a letter of comfort to HDFC Bank Limited, Gurgaon against loan extended by the bank to LNJ Skills & Rozgar Private Limited as at March 31, 2022. The Company does not expect any outflow of resources in respect of above financial guarantee / Letter of Comfort.

40 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company: (₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31	2,534.46	1,620.64
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
the amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

41A: Financial Instruments

a. Financial Instruments by Category

The carrying value and fair value of financial instruments by category as of March 31, 2022 were as under: (₹ in Lakh)

Particulars	Cost/amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (Refer Note 7)	588.35	-	-	588.35	588.35
Bank Balances other than above (Refer Note 7)	280.10	-	-	280.10	280.10
Investments (Refer Note 4)					
- Equity	3,523.97	-	4,571.29	8,095.26	8,095.26
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	53,646.12	-	-	53,646.12	53,646.12
Loans (Refer Note 5)	86.36	-	-	86.36	86.36
Other financial assets (Refer Note 8)	7,178.24	-	67.60	7,245.84	7,245.84
	65,303.14	**832.00**	**4,638.89**	**70,774.03**	**70,774.03**
Liabilities:					
Borrowings (Refer Note 14 & 15)	110,252.18	-	-	110,252.18	110,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	2,534.46	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	13,937.04	13,937.04
Other financial liabilities (Refer Note 15a, 15b & 17)	8,101.10	-	-	8,101.10	8,101.10
	134,824.78	**-**	**-**	**134,824.78**	**134,824.78**

* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2022 ₹1,492.86 Lakh.

The carrying value and fair value of financial instruments by category as of March 31, 2021 were as under: (₹ in Lakh)

Particulars	Cost/amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (Refer Note 7)	293.68	-	-	293.68	293.68
Bank Balances other than above (Refer Note 7)	448.96	-	-	448.96	448.96
Investments (Refer Note 4)					
-Equity	3,523.97	-	4,802.70	8,326.67	8,326.67
- Debentures *	-	832.00	-	832.00	832.00
Trade receivables (Refer Note 6)	37,892.14	-	-	37,892.14	37,892.14
Loans (Refer Note 5)	36.50	-	-	36.50	36.50
Other financial assets (Refer Note 8)	5,121.50	-	29.23	5,150.73	5,150.73
	47,316.75	**832.00**	**4,831.93**	**52,980.68**	**52,980.68**
Liabilities:					
Borrowings (Refer Note 14 & 15)	92,243.43	-	-	92,243.43	92,243.43
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	1,620.64	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	12,102.54	12,102.54
Other financial liabilities (Refer Note 15a, 15b & 17)	7,955.77	-	-	7,955.77	7,955.77
	113,922.38	**-**	**-**	**113,922.38**	**113,922.38**

* Excluding accrued interest on debenture, shown separately under other financial assets as at March 31, 2021 ₹1,232.69 Lakh.

b Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

(₹ in Lakh)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments (Refer Note 4)	4,571.29	4,545.29	-	26
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	67.60	-	67.60	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

(₹ in Lakh)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments (Refer Note 4)	4,802.70	4,776.70	-	26
Investment in Debentures (Refer Note 4)	832.00	-	-	832.00
Derivative financial instruments - foreign currency forward (Refer Note 8)	29.23	-	29.23	-

Valuation Technique used to determine Fair Value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

2) Long-term variable-rate borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

3) The fair values of the forward contract is determined using the forward exchange rate at the balance sheet date based on quotes from banks and financial institutions. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

4) The fair values of the Quoted Equity shares have been done on quoted price of stock exchange as on reporting date.

5) Investment in the Unquoted Debenture have been valued considering the market coupon rate of similar financial instruments.

c Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in the market condition and Company's Activities.

The audit committee oversees how management monitors compliances with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes review of risks management controls and procedures, the results of which are reported to the audit committee.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

(i) Market Risk:

Market risk is the risk that changes in the market prices such as foreign currency risk, interest risk, equity price and commodity prices. The market risk will affect the company's income or value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

(i) a Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD and EURO. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Risk Exposure

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2022 is given below. (Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
Non Derivative				
Trade receivables	148.61	3.82	0.06	11,615.52
Trade payables	(1.28)	(3.55)	(8.85)	(260.35)
Other assets	1.85	1.38	1.47	246.82
Other liabilities	(33.20)	(13.27)	(1.78)	(3,986.85)
Net assets / (liabilities)	**115.98**	**(11.61)**	**(9.11)**	**7,615.14**

* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The Company exposure to foreign currency risk at the end of reporting period ended March 31, 2021 is given below. (Amount in Lakh)

Particulars	USD	Euro	Other currencies*	INR
Non Derivative				
Trade Receivables	135.19	1.20	0.48	9,988.73
Trade payables	(0.27)	(1.21)	-	(286.94)
Other assets	1.80	0.55	17.81	188.74
Other liabilities	(24.61)	(0.48)	(0.05)	(1,838.72)
Net assets / (liabilities)	**112.11**	**0.06**	**18.24**	**8,051.81**

* Other currency includes currency such as Japanese Yen, Swiss franc etc.

The following significant exchange rates have been applied during the year

Spot Rate (in ₹)	For the year ended March 31, 2022	For the year ended March 31, 2021
USD	75.04	74.24
EURO	86.59	86.39
GBP	101.23	95.87

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant. (₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 1% (Previous year 4%)	56.62	(56.62)	216.58	(216.58)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by .25% (Previous year 9%)	(1.64)	1.64	0.31	(0.31)

The sensitivity analysis is computed by comparing weighted average exchange rate for the period ended March 31, 2022 and March 31, 2021

(i) b. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company. Based on market intelligence, study of research analysis reports, company reviews its short/long position to avail working capital loans and minimise interest rate risk. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest risk, the Company performs comprehensive corporate interest risk management by balancing the proportion of fix rate and floating rate financial instruments.

- Exposure to Interest Rate Risk

The exposure of the interest rate changes at the end of the reporting period are given below: (₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fixed rate instruments		
Financial Assets		
- Fixed Deposits with Banks (Refer Note 7)	101.22	239.81
Variable rate instruments		
Financial Liabilities		
- Borrowings (Refer Note 14 & 15)	110,252.18	92,243.43

Sensitivity Analysis

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss, therefore change in interest rate at the reporting date would not affect profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments
A decrease of 125 basis points (previous year 59 basis points) in interest rate at the reporting date would have increased, (decreased) Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

The sensitivity analysis is computed by comparing weighted average interest rate for the period ended March 31, 2022 and March 31, 2021.

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Interest rates - increase/decrease by 125 basis points (Previous year 59 basis points)	896.57	(896.57)	354.06	(354.06)

(i) c. Price Risk

- Exposure
The Company is exposed to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. Material investments are managed on individual basis and all buy and sell decisions are approved by the management. The primary goal of the investment strategy is to maximize investment returns.

Sensitivity Analysis
Increase/decrease of 10% in the equity prices would have impact of ₹454.53 Lakh (₹477.67 Lakh in previous year) on the Other Comprehensive Income and Equity. These changes would not have an effect on Profit or Loss.

(ii) Credit Risk
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposit with banks and financial institutions, loans, investment in debt securities, forward exchange contract and other financial instruments.

The Company considers the probability of default upon initial recognition of assets and when there has been significant increase in credit risk and on an on-going basis throughout each reporting date to assess whether there is an significant increase in credit risk, the Company compares the risk of default occurring on assets as at reporting date with the risk of default as at the date of initial recognition by considering reasonable forward looking estimations.

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables were written off and subsequently recoveries are made, these are recognised as an income in the financial statements.

- Trade Receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company evaluates the concentration of risk with respects to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. A default on a financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro economic factors. The company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

(ii) a. Credit risk exposure
The following table shows the exposure to the credit risk at the reporting date:

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Loans (Refer Note 5)	-	86.36	-	36.50
Trade Receivables (Refer Note 6)	-	53,646.12	-	37,892.14
Cash and cash equivalents (Refer Note 7)	-	588.35	-	293.68
Bank Balances (Refer Note 7)	-	280.10	-	448.96
Other financials assets (Refer Note 8)	1,210.87	6,034.97	980.23	4,170.50
	1,210.87	**60,635.90**	**980.23**	**42,841.78**

Expected credit loss for trade receivables using simplified approach are given below: (₹ in Lakh)

Age bracket	As at March 31, 2022	As at March 31, 2021
0-180	52,962.21	36,939.56
181-365	409.32	938.93
Above 365	675.69	585.78
Total	**54,047.22**	**38,464.27**
Allowance for Impairment Loss	401.10	572.13
Closing Balance (Refer Note 6)	**53,646.12**	**37,892.14**

The movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is given below: (₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance of provision for expected credit loss at the beginning	572.13	788.26
Impairment loss recognised/ (reversed)	(171.03)	(216.13)
Balance at the end	**401.10**	**572.13**

Financial assets to which loss allowances measured using 12 months expected credit loss.

Other than trade receivables, the expected credit loss on the other financial assets is measured at an amount equal to the 12 month ECL, unless there is a significant risk of credit loss. However, based upon these parameters, there is no credit loss on these other financial assets has been identified nor any significant credit risk has been observed since their initial recognition.

Cash and Cash Equivalents, Deposit with Banks

Credit risk on cash and cash equivalents and deposit with banks is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Derivatives (Forward Contracts)

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties.

For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjusts its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

(iii) Liquidity risk

The Company's objective is at all times to maintain optimum levels of liquidity to meet its cash and collateral requirements. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(iii) a. The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022: (₹ in Lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	64,083.80	22,653.00	17,549.32	5,966.06	110,252.18
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	-	-	-	2,534.46
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	-	-	-	13,937.04
Other financial liabilities (Refer Note 15a, 15b & 17)	7,493.51	607.59	-	-	8,101.10
	88,048.81	**23,260.59**	**17,549.32**	**5,966.06**	**134,824.78**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021: (₹ in Lakh)

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Borrowings (Refer Note 14 & 15)	58,798.86	20,207.07	11,122.50	2,115.00	92,243.43
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	1,620.64	-	-	-	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	12,102.54	-	-	-	12,102.54
Other financial liabilities (Refer Note 15a, 15b & 17)	7,289.05	666.72	-	-	7,955.77
	79,811.09	**20,873.79**	**11,122.50**	**2,115.00**	**113,922.38**

(iii) b. The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions: (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Bank Cash credit Facility		
Amount Unused	45,038.84	47,052.85
Secured Non Fund Based Facility		
Amount Unused	6,789.19	8,180.00
Secured Term Loan Facility		
Amount Unused	8,614.62	-
Unsecured Term Loan Facility		
Amount Unused	-	-

42B: Financial Instruments

(iv) Derivative financial instruments

(iv)a. Disclosure of effects of hedge accounting on financial position:

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction. The Company's risk management policy is to hedge around 50% to 90% of the net exposure with forward exchange contract, having a maturity upto 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

As at March 31, 2022:									
Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		EURO					USD	EURO
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	27	147.58	3	2.96	11,560.80	April 2022 -September 2022	0.52:1	76.65	84.05

As at March 31, 2021:									
Type of hedge and risks	Nominal value (Foreign Currency)				Carrying amount of hedging instruments (₹ in Lakh)	Maturity date	Hedge ratio	Weighted average strike price/rate	
	USD		GBP					USD	GBP
	No. of Outstanding Contracts	Amount (in Lakh)	No. of Outstanding Contracts	Amount (in Lakh)					
Cash Flow Hedge	26	145.43	1	1.00	10,845.52	April 2021 -August 2021	0.50:1	73.88	101.15

(iv)b. Disclosure of effects of hedge accounting on financial performance

Cash Flow Hedge	Changes in the value of the hedging instruments recognised in other Comprehensive Income	Hedge Ineffectiveness recognised in profit & Loss	Amount reclassified from cash flow hedging reserve to Profit & Loss	Line item affected in the statement of profit and loss because of reclassification
March 31, 2022	53.45	-	(5.84)	Revenue
March 31, 2021	5.84	-	120.47	Revenue

(iv) c. The movement in hedging reserve during the year ended March 31, 2022 for derivatives designated as cash flow hedge (Refer Note 32) is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	3.80	(78.38)
Change in fair value of effective portion of cash flow hedge recognised during the year	53.45	5.84
Amount reclassified to the Statement of Profit & Loss during the period	(5.84)	120.47
Tax Impact on above	(16.64)	(44.14)
Balance at the end of the year	**34.77**	**3.80**

It is anticipated that sales will take place during the first six months of next financial year, at which time the amount shown in cash flow hedge reserve will be reclassified to profit & loss account.

(iv) d. Sensitivity Analysis

The following table demonstrates the sensitivity in the foreign exchange rates (USD & Euro) to the Indian Rupees with all other variables held constant. The impact on the other component of Equity arises from foreign forward exchange contract designated as cash flow hedge reserve is given below:

The sensitivity analysis is computed by comparing average exchange rate for the period ended March 31, 2022 and March 31, 2021.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
USD Sensitivity				
INR/USD-Increase/(Decrease) by 1% (previous year 4%)	65.55	(65.55)	270.62	(270.62)
EURO Sensitivity				
INR/EURO-Increase/(Decrease) by 0.25% (previous year 9%)	0.44	(0.44)	13.76	(13.76)
GBP Sensitivity				
INR/GBP-Increase/(Decrease) by 6% (previous year 7%)	17.03	(17.03)	4.37	(4.37)

43 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio around 60% to 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings including current maturities (Refer Note 14 & 15)	110,252.18	92,243.43
Total outstanding of Micro and Small Enterprises (MSE) (Refer Note 16)	2,534.46	1,620.64
Total outstanding of creditors other than Micro and Small Enterprises (MSE) (Refer Note 16)	13,937.04	12,102.54
Other payables other than current maturities (Refer Note 15a, 15b & 17)	8,101.10	7,955.77
Less: cash and cash equivalents (Refer Note 7)	588.35	293.68
Net debt	**134,236.43**	**113,628.70**
Equity (Refer Note 12 & 13)	103,543.97	79,182.59
Capital and Net debt	**237,780.40**	**192,811.29**
Gearing Ratio	56%	59%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note: For Notes 44 to 45, please refer notes to the Standalone Financial Statement

46. The associates has the contingent liabilities (to the extent of Share in associates) amounting to ₹650.64 Lakh (Previous year ₹420.66 Lakh).

Note: For Notes 47, Please refer Notes to the Standalone Financial Statement.

48 Investment in Associates

Details of Associate Companies at the end of the reporting period:

Name of the Company	Relationship	Principal Activity	Accounting Method	Principal place of Business	Place of Incorporation	Proportion of Ownership Interest and Voting Rights held by the Investor Company	
						As at March 31, 2022	As at March 31, 2021
Bhilwara Energy Limited	Associate	Power	Equity Method	Pathankot	Bhilwara Bhawan, New Delhi	7.56%	7.56%
LNJ Skills & Rozgar Private Limited	Associate	Skill Services	Equity Method	Noida	Bhilwara Bhawan, New Delhi	47.30%	47.30%

i) Significant judgements: existence of significant influence

Please refer Note 2(e) to the Standalone Financial Statement

ii) Summarised financial information in respect of the Associates is set out below. The summarised financial information below represents amounts shown in the Associates' financial statements prepared in accordance with Ind AS.

a) Summarised Balance Sheet

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current assets	2,503.17	1,890.29	21,026.31	13,382.42
Non-current assets	671.95	600.96	157,845.31	166,392.97
Current liabilities	1,535.84	971.78	6,944.81	8,879.64
Non-current liabilities	573.75	475.98	17,361.74	33,616.67
Net Assets (including non controlling interest)	**1,065.53**	**1,043.49**	**154,565.07**	**137,279.08**
Less: Non controlling Interest	-	-	73,638.14	64,462.52
Net Assets (Net off non controlling Interest)	1,065.53	1,043.49	80,926.93	72,816.56
Share of RSWM Limited	1,096.27	1,085.85	6,118.08	5,504.94

b) As per the decision of Board of Chango Yang Thang Hydro Power Limited (CYHPL), a subsidiary of Associate (BEL), CYHPL on July 11, 2017 had filed an application with the Government of Himachal Pradesh ('GoHP') for surrender of 180 MW Hydro Electric Power (HEP) project and had demanded an upfront fee of ₹3,789.45 Lakh (indirect share of Company ₹286.48 Lakh) and security deposit paid ₹180.00 Lakh (indirect share of Company is ₹13.61 Lakh) with interest. The said intention of CYHPL was also reaffirmed on February 16, 2018 to the GoHP. CYHPL has also written off capital work in progress of ₹2,713.18 Lakh (indirect share of Company ₹205.12 Lakh) during the F.Y. 2017-18.

The GoHP on November 3, 2018 formed a committee to deal with the issues including that of CYHPL and the HEP projects were discussed in a public meeting held on November 14, 2018. The project was again discussed by the committee on February 18, 2019 wherein CYHPL categorically refused to execute the project in view of severe local issue, refusal by the villagers and lapse of clearances of project, which was noted by the committee.

The management of the Company is confident of recovering the claim of upfront fee and the security deposit.

c) (i) In NJC Hydro Power Limited (NHPL), a subsidiary of an associate (BEL), Environmental Clearance (EC) of Nyamjang Chhu HEP (6X130 MW) was challenged in National Green Tribunal (NGT) by NGO. NGT in their order dated 7th April, 2016 suspended the Environment Clearance granted to the project till the directions as given in the order are complied. NGT also directed MOEF&CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Neck Crane and for the conservation of the Black Neck Crane through the Wildlife Institute of India (WII). While the studies were in progress, Government of Arunachal Pradesh (GoAP) issued instant notice for termination on 22nd March, 2019 invoking its right to take over the project on "AS IS WHERE IS BASIS" and allotting the same to third party. NHPL filed petition challenging instant notice for termination under section 9 of Arbitration Act in District Courts of Itanagar for immediate relief to maintain the status quo which was granted vide their order dated 30th April, 2019 and the termination notice was also suspended. WII submitted its report to GoAP and the same was submitted to court on pursuance of the NHPL. In the report, WII has recommended no construction of Nyamjnag Chhu HEP at site. The project being not viable as per WII report, an application u/s 9 was filed seeking refund of upfront premium as per provisions of Ministry of Affairs (MoA).

The appeal filed by the NHPL in Guwahati High court under Section 37 for refund of upfront premium was taken up the High Court on 13th December 2021. The Guwahati High Court vide its order dated 13th December 2021 has ordered that matter relating to refund/forfeiture of the upfront premium be resolved through arbitration mechanism as provided in the MoA dated 28th May 2009.

As per directions of Hon'ble Supreme Court, arbitration notice was sent to GoAP and they also indicated the name of arbitrator. Simultaneously, efforts were initiated to settle the issue by mutual negotiations failing which the arbitration will commence. In this regard, NHPL/BEL had written for the negotiations/settlement on 04th Jan 2021 upon which GoAP has responded on 05th April 2021 and have shown willingness to move ahead with negotiations for settlement. The matter is being continuously pursued with GoAP.

(ii) NHPL has license to implement a hydroelectric power project in the state of Arunachal Pradesh. Presently all activities are being carried out in process of project implementation and all direct and indirect expenditure is related to the project and, hence, forms part of capital work in progress of NJC Hydro Power Limited. Preliminary expenses/ROC expenses of ₹173.17 Lakh (indirect share of Company ₹13.09 Lakh) are charged off to statement of profit & loss in the previous year by NHPL as period cost & other relevant details have been furnished in the 'Project & Pre-operative expenditure (pending allocation) in the Financial Statements of NHPL. Balance standing in this account at this of project commissioning will be allocated to the relevant assets.

d) On April 27, 2019 Malana Power Company Limited (MPCL), which is the subsidiary of BEL, has received provisional net demand of ₹8,069.25 Lakh (indirect share of Company ₹311.12 Lakh) in relation to wheeling charges for the period April 1, 2008 to March 31, 2019 from Himachal Pradesh State Electricity Board Limited (HPSEBL) based on an order passed by the Himachal Pradesh Electricity Regulatory Commission (HPERC), which in the opinion of management of MPCL is not in accordance with the agreement entered between the MPCL and HPSEB (now HPSEBL) in August 1999. In this regard the MPCL has paid under protest an amount of ₹2,817 Lakh (indirect share of Company ₹108.61 Lakh). Based on the legal opinion obtained, the MPCL is of the view that demand is not legally tenable and would not result in any material liability on the MPCL for the period on or before March, 2019 and accordingly has filed an appeal before Appellate tribunal (APTEL), Electricity at New Delhi, which is pending adjudication with APTEL.

e) On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of ADHPL for three parties using the transmission line for transmitting the energy in which CERC stated the following:-

(i) With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at ₹23,892.00 Lakh (indirect share of Company ₹810.64 Lakh) as against the capital cost submitted by ADHPL of ₹41,661.00 Lakh (indirect share of Company ₹1,413.53 Lakh) (on the date of COD i.e. December 17, 2010)/ ₹45,284.00 Lakh (indirect share of Company ₹1,536.45 Lakh)(on the date of March 31, 2013 with additional capitalization) and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-12 to 2018-19. Accordingly, ADHPL determined the amount invoiced over and above the amount which should have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period amounting to ₹9,668.08 Lakh (indirect share of Company ₹328.03 Lakh). The management of ADHPL is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations ("regulations") for the period 2009-14 and 2014-19 and Electricity Act, 2003.

(ii) With respect to matter detailed in (i) above, ADHPL had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated 17.01.2020 stayed the CERC's order so far as raising adjustment of bills was concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. ADHPL has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income.

(iii) Accordingly, in the financials of ADHPL, trade receivables aggregating to ₹2,921.85 Lakh (indirect share of Company ₹99.14 Lakh) (in previous year ₹2,921.85 Lakh (indirect share of Company ₹99.14 Lakh)) related to the aforesaid amount are considered good and fully recoverable and in the opinion of the Management of ADHPL, no provision is required in respect of possible exposure aggregating to ₹6,746.23 Lakh (indirect share of Company ₹228.89 Lakh) (in previous year ₹6,746.23 Lakh (indirect share of Company ₹228.89 Lakh)) towards amount already collected from the users of Dedicated Transmission Line till March 31, 2022.

Pending litigation and final decision on the appeal by APTEL, the Management on ADHPL, based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on ADHPL.

(iv) With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by ADHPL as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Dispatch Centre (NRLDC) to re-compute the same. However, the management of ADHPL is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial statements on ADHPL.

f) BG Wind Power Limited (BGWPL), a subsidiary of an associate (BEL) where the Power Purchase Agreement (PPA) with DISCOM has expired dated March 31, 2019. BG Wind Power Limited, subsidiary of associate is pursuing for Power Purchase Agreement (PPA) with DISCOM @ ₹3.14 per kwh as per RERC third amendment regulation dated 5th March 2019 for the entire duration of the project. The DISCOM has yet not renewed the PPA. BGWPL has continued to recognise Revenue from Sale of Power of ₹310.11 Lakhs and Generation Based Incentive (GBI) of ₹50.34 Lakhs (Company indirect share of ₹27.25 Lakhs) and shown under Unbilled Revenue as the Management of the BGWPL believes that PPA will be signed. BGWPL has filed writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

g) Summarized statement of Profit & Loss (₹ in Lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	1,369.03	473.54	43,700.08	29,076.85
Profit/(Loss) after Tax	22.60	(370.31)	8,116.44	1,279.60
Other comprehensive income for the year	(0.56)	(0.37)	(6.07)	44.36
Total comprehensive income for the year (Excluding Non Controlling Interest)	**22.04**	**(370.68)**	**8,110.37**	**1,323.96**

h) Reconciliation of Net Assets: (₹ in Lakh)

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Net Assets	1,043.49	1,414.17	137,279.08	134,707.94
Less: Non Controlling Interest	-	-	64,462.52	63,114.61
Net Assets after Non Controlling Interest	1,043.49	1,414.17	72,816.56	71,593.33
Adjustment due to Ind AS	-	-	-	(106.63)
Depreciation Adjustment	-	-	-	5.90
Profit for the year (Excluding Non Controlling Interest)	22.60	(370.31)	8,116.44	1,279.60

Particulars	LNJ Skills & Rozgar Private Limited		Bhilwara Energy Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Other Comprehensive Income (Excluding Non Controlling Interest)	(0.56)	(0.37)	(6.07)	44.36
Closing Net Assets (Excluding Non Controlling Interest)	**1,065.53**	**1,043.49**	**80,926.93**	**72,816.56**
Share of RSWM Limited	1,096.27	1,085.85	6,118.08	5,504.94

49 Additional Information as required under Schedule III of the Companies Act, 2013

Name of the Entities	2021-22							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount
Parent:								
RSWM Limited	93.03	96,329.61	97.47	23,998.05	99.72	(260.24)	97.44	23,737.81
Subsidiary/Associates (Investment as per Equity method):								
Indian								
Associate								
LNJ Skills & Rozgar Private Limited	1.06	1,096.27	0.04	10.69	0.10	(0.26)	0.04	10.43
Bhilwara Energy Limited	5.91	6,118.08	2.49	613.60	0.18	(0.46)	2.52	613.14
Total	**100.00**	**103,543.96**	**100.00**	**24,622.34**	**100.00**	**(260.96)**	**100.00**	**24,361.38**

Name of the Entities	2020-21							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount	As a % of Consolidated Profit	Amount
Parent:								
RSWM Limited	91.68	72,591.80	103.77	2,161.39	99.91	3,369.42	101.38	5,530.81
Subsidiary/Associates (Investment as per Equity method):								
Indian								
Associate								
LNJ Skills & Rozgar Private Limited	1.37	1,085.85	(8.41)	(175.16)	(0.01)	(0.18)	(3.21)	(175.34)
Bhilwara Energy Limited	6.95	5,504.94	4.64	96.74	0.10	3.35	1.83	100.09
Total	**100.00**	**79,182.59**	**100.00**	**2,082.97**	**100.00**	**3,372.59**	**100.00**	**5,455.56**

Accompanying notes form an integral part of the financial statements

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Regn. No. 301051E

N. K. Lodha
Partner
M. No. 085155

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

Yogesh K. Gupta
Partner
M. No. 093214

For and on Behalf of Board of Directors

Riju Jhunjhunwala
Chairman & Managing Director and CEO
DIN 00061060

Avinash Bhargava
Chief Financial Officer
M.No. FCA 076277

B M Sharma
Joint Managing Director
DIN 08195895

Surender Gupta
Company Secretary
M.No. FCS 2615

Place: Noida, (U.P.)
Date: May 27, 2022

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Financial Information included in the Section "*Financial Information*" on page 79.

Accounting Ratios (on a consolidated basis)

Particulars	As at and for the six months ended September 30, 2022	As at and for the year ended March 31, 2022
Earnings per Equity Share - Basic (in ₹)	38.85	104.55
Earnings per Equity Share - Diluted (in ₹)	38.85	104.55
Return on net worth (in %)	9.60*	26.70
Net asset value per Equity Share (in ₹)	447.83	439.66
EBITDA (In ₹ lakhs)	23,293.81	47,041.11

** Return on net worth (in %) September 30,2022 figures are non annualized.*

The ratios have been computed as below:

Ratios	Computation
Basic and diluted earnings per Equity Share	Profit / (loss) for the period / year Weighted average number of Equity Shares outstanding at the end of year / period
Return on net worth (%)	Profit / (loss) for the period / year Net worth at the end of the year / period 'Net worth' is defined in Regulation 2(1)(hh) of the SEBI ICDR Regulations, as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. The Company believes that there has been no clear guidance available in terms of the above definition, post adoption of Ind AS. Accordingly, the Company has interpreted 'net worth' to include paid-up share capital, securities premium reserve, general reserve and retained earnings (including adjustments made on account of transition to Ind AS). Further, in computing 'net worth', the Company has excluded capital reserve, capital redemption reserve, share buyback reserve and other comprehensive income related instruments & reserves.
Net asset value per Equity Share	Net asset value per Equity Share is computed by dividing total equity as disclosed in the Financial Information with the number of issued, subscribed and fully paid-up Equity Shares outstanding as at respective year / period end.
EBITDA	Profit / (loss) for the period / year plus total tax expenses plus finance cost plus depreciation and amortization expenses.

(1) Calculation of Return on Net Worth

(*in ₹ lakhs, unless otherwise specified*)

Particulars	As at and for the six months ended September 30, 2022	As at and for the year ended March 31, 2022
Profit / (loss) after tax (A)	9,149.07	24,622.34
Net Worth (B)	95,339.46	92,232.08
Return on Net-Worth [A / B] * 100	9.60%*	26.70%

** Return on net worth (in %) September 30, 2022 figures are non annualized.*

(2) Calculation of Net Worth and Net Asset Value per Equity Share

(in ₹ lakhs, except per share data)

Particulars	As at and for the six months ended September 30, 2022	As at and for the year ended March 31, 2022
Equity share capital (A)	2,355.08	2,355.08
Other equity (B)	1,03,113.68	101,188.89
Total Equity (C) = [A + B]	1,05,468.76	103,543.97

Particulars	As at and for the six months ended September 30, 2022	As at and for the year ended March 31, 2022
Number of Equity shares as at the end of the relevant period (D)	23,550,842	23,550,842
Total Equity as per Annual Audited Financial Statements (E)	1,05,468.76	103,543.97
Net Asset Value per Equity Share [(E*10^5 / D] (₹)	447.83	439.66

(3) Calculation of EBITDA

(in ₹ lakhs)

Particulars	As at and for the six months ended September 30, 2022	As at and for the year ended March 31, 2022
Profit / (loss) before tax (A)	9,283.29	25,760.80
Finance costs (B)	3,710.56	6,760.48
Depreciation and amortisation expense (C)	6,220.67	11,307.92
Add: Share of losses from associates (D)	-	-
Other income (E)	4,079.29	3,211.91
Exceptional Items (F)	-	-
EBITDA [A + B + C + D + E + F]	23,293.81	47,041.11

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless indicated otherwise, the financial information included herein are based on our Annual Audited Financial Statements for the Fiscal ended March 31, 2022. For further details, please see "Financial Information" on page 79. You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Information, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations. The Financial Information have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS. Accordingly, the degree to which Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Our Fiscal ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 12 and 16, respectively.

Overview

Our Company is a part of the LNJ Bhilwara Group, which is engaged in various sectors such as graphite electrode production, textile, power generation and IT services, among others. Our Company is a manufacturer of high-quality cotton, melange, synthetic and novelty yarns, along with knitted and denim fabric. Our Company was originally incorporated as 'Rajasthan Spinning and Weaving Mills Limited' on October 17, 1960. Our Company is engaged in business-to-business (B2B) transactions as the products manufactured by our Company needs further processing before it reaches the final consumer. Our customers consist of fabric manufacturers and wholesalers.

Our product portfolio can be broadly classified into the following verticals:

- **Yarn**: Yarn is a continuous length of interlocked fibres and are suitable for use in the various applications, including manufacturing of textiles, sewing, weaving, embroidery, or ropemaking. We manufacture and market our yarns, primarily under the 'Ultima', Melantra' and 'RSWM EDGE' brands. Our yarn vertical can be further divided into synthetic yarn and cotton yarn.
    - ***Synthetic yarn***: Our synthetic yarns are yarns that are made by combining synthetic fibres made out of polyester, acrylic, rayon, viscose etc., and cotton, wool and / or bamboo fibres, in varying pre-determined ratios, depending on the intended end use. The synthetic yarn that we manufacture are broadly divided into the following categories:
        - ***Griege yarn***: We provide griege or grey yarn (which are essentially uncoloured / undyed) in a wide range of counts of single, double, and multi-fold. These yarns are suitable for weaving, knitting, sewing and industrial applications.
        - ***Dyed yarn***: We also provide dyed yarn, that are available in wide variety of colours to suit the various requirements that our customers may have.
    - ***Cotton yarn***: Our cotton yarn is manufactured from the combining cotton fibres. The cotton yarn that we manufacture are broadly divided into the following categories:
        - ***Grey yarn***: Grey yarn refers to the natural cotton yarn that has not been dyed or otherwise subject to any colouring process.
        - ***Melange yarn***: Melange yarn is a cotton yarn that is produced by combining two or more fibres, usually of different colours. It is considered a premium yarn that is generally used for casual wear, business suits, bed linen, decorative fabrics and other premium home furnishings.
- **Fabric**: We manufacture denim which we sell to various domestic and foreign clothing companies.

In addition to the above, we have recently forayed into the manufacturing of knitted fabrics, which is elastic, porous fabric, created by interlocking yarns by means of needles.

The table below sets out our revenue across our product verticals for the period indicated:

(*₹ in lakhs*)

S. No.	Product vertical	For the year ended March 31, 2022
1.	Yarn	3,08,599.01
2.	Fabric	73,143.29

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following factors, amongst others, have significantly affected our results of operations, cash flows and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future.

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Our cost of materials consumed, for the Fiscal 2022 and the six months ended September 30, 2022 was ₹ 2,10,799.26 lakhs and ₹ 1,19,592.20 lakhs, which represented 55.22% and 60.47%, of our revenue from operations, respectively. Availability and prices of raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand and changes in government policies and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers as a result of which, we are required to forecast our supply and demand. Our inability to correctly forecast demand and supply may have an impact on our working capital. Further, any increase in raw material prices may result in corresponding increases in our product costs. However, we may not be successful in passing on such costs, fully or partly, thereby impacting our margins and profitability. The availability and price of raw materials is subject to a number of factors beyond our control including demand and supply, general economic and political conditions, price of crude oil, transportation and labour costs, natural disasters, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability. If we are unable to purchase the raw materials from such suppliers for any reason and on commercially acceptable terms, or if we are unable to pass on the increased cost of production to our customers, our revenue levels and results of operations may be adversely impacted. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations.

Ability to maintain and grow demand for our products

Changes in inventory and production levels of our key customers could lead to changes in demand for our products over time, which can have a significant impact on our revenue growth. The loss of key customers has the potential to adversely impact our financial position. The level of growth in demand for our product depends on our ability to convert existing and new customers through bringing new opportunities of customer value creation, focus on product quality relative to other competitors in the market. Our ability to drive value to our customers relative to competition is also key in helping us improve pricing and realisations over time.

We face competition from both international and local players in respective geographies, product segments or sub-segments in which we operate. Our sales to our customers also depend largely on the number and type of products that we supply to them and our ability to increase the wallet share of our customers. While our customers may implement various cost-cutting strategies, which include restructuring of operations, relocation of production / procurement to low-cost regions, vendor rationalisation, etc., we believe that the criticality of the products we manufacture, our strong customer relationships, lack of alternate vendors, high switching costs, our ability to maintain high quality and delivery commitments and ability to produce a diverse range of products will allow us meet these business challenges.

Maintaining our customer relationships

Almost all of our revenue from operations arises from sales of our products to our customers. As key customers typically have specific requirements, we believe that our continued relationships with these customers plays a significant role in determining our continued success and results of operations. Our relationships with these customers have thus been gradually strengthened by proving our reliability and quality. The demand for our products from our customers has a significant impact on our results of operations and financial condition and our sales are particularly affected by the inventory and sales levels of our key customers. In the event that we lose one or more of our key customers or if the amount of business we receive from them is reduced for any reason or they commence production in India, our cash flows and results of operations may be affected. Our supply arrangements with our customers also require us to meet certain standards and performance obligations and our failure to meet such specifications could result in a reduction of business from them, termination of contracts or additional costs and penalties, all of which may adversely impact our results of operations and financial condition.

Global economic conditions affecting demand

A decline in the level of consumer discretionary spends and the worsening of general economic conditions could adversely affect our results of operations. Our operations are substantially affected and will continue to be affected, by global macroeconomic conditions as well as emerging industry trends. Demand for our products are directly related to the strength of the global economy and consumer confidence, including overall growth levels. The demand for our products is affected by the level of business activity of our customers, which is jointly influenced by the level of economic activity in the industries we cater to, in India and other countries where they operate. A decline in the industries we operate in or an economic downturn in the country that our customers operate in could adversely affect the performance of our customers and the demand of our products in turn.

Competition and pricing pressure

We operate in a competitive environment and we expect to face greater competition from existing competitors located both in India and globally, and in particular from companies in India and China. We compete with different companies depending on the market and type of products. We compete on the basis of our ability to fulfil our contractual obligations including the timely delivery of products manufactured by us and the price and quality of such products. We compete with large multinational companies and smaller regionally based competitors. Some of these competitors have more resources than us have greater financial, manufacturing and other resources, while certain competitors may have lower cost of operations. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions. Our ability to negotiate price with our customers is also impacted by international and domestic competition. We believe that our ability to compete as well as offer competitive prices of our manufactured products is highly dependent on our ability to optimize our product portfolio. As we continue to expand our operations into new geographies, we are exposed to competition from newer players. There can be no assurance that we will be able to successfully compete with our competitors or be able to sell our products at desired margins.

Significant accounting policies

1. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment made.

The specific recognition criteria described below must also be met before revenue is recognized.

Revenue from Sale of goods and services

The Company derives revenue primarily from sale of Yarn, Fabric and other textile products.

Revenue from contracts with customers is recognized when the Company satisfies performance obligation by transferring promised goods or services to the customer or to his designated agent. Performance obligation is satisfied when the Company transfers significant risks and rewards to the customer and ceases its control over the goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions and incentives, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Payments from customers for the goods and services rendered are normally received within the credit terms as per the contracts with the customers.

The Company recognizes sales return only when the goods are actually returned by the customer. Therefore, a refund liability which is included in current financial liabilities or is reduced from current financial assets, is recognized for the goods actually returned.

Revenue from sale of goods is recognized at the point of time when the significant risks and rewards are transferred to the customer and the Company ceases to have its control over the goods.

Revenue from job work charges is recognized at a point of time when the control is transferred usually when the material is fully processed and dispatched to customers.

Incentives on exports and other Government incentives related to operations are recognized in books after due consideration of certainty of utilization / receipt of such incentives. For Government Grant refer Para 2.

Interest income

Interest income on debt instruments measured at amortized cost is recorded using the Effective Interest Rate method (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income

Dividend income is recognized in the statement of profit and loss when the right to receive payment is established, which is generally when shareholders approve the dividend or Board of Directors of the investee company approve the interim dividend.

Rental Income

Rental income arising from leases on investment properties is accounted for on a straight-line basis except where the rentals are structured to change in line with expected general inflation over the lease terms.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Cost to obtain a contract: The cost to obtain a contract is normally the sales commission which the Company pays to its selling agents. Since, the amortization period of the goods for which the Company incurs such cost, is one year or less than that, the Company expenses it off immediately and the same is included in selling expenses under the head, 'Other Expenses'.

2. Government Grants and Government Assistance

Government grants / subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. If the grants / subsidies relate to an expense item, they are recognised as income on a systematic basis over the periods that the related costs, for which they are intended to compensate, are expensed. The grants, whose primary condition requires the Company to purchase, construct or otherwise acquire long-term assets, are recognised as deferred income and they are recognised as income in equal amounts over the expected useful lives of the related assets. If the grants / subsidies are related to subvention a particular expense, deducted from that expense in the year of recognition of government grants / subsidies.

3. Inventory Valuation

Inventories including goods-in-transit are measured at lower of cost and net realizable value. However, raw material (Including packing material), and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:-

Raw materials (including packing material) stores and spares and loose tools: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Waste: is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4. Property, Plant and Equipment

Recognition and measurement

Property, Plant and Equipment acquired are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. The cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the Property, Plant and Equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The present value of the expected cost for the decommissioning of Property, Plant and Equipment after its use is included in the cost of the respective Property, Plant and Equipment if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of Property, Plant and Equipment under installation / under development as at the Balance Sheet date. Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditure

Subsequent expenditures relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or

retirement of the Property, Plant and Equipment and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation

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

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

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

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

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

De-recognition

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

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

Leased Assets

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

5. Investment Properties

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

Recognition and measurement

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

Depreciation

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

De-recognition

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

Though, the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of investment being valued.

6. Intangible Assets

Recognition and measurement

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

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

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

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

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

Amortization

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

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

S. No.	Nature of Assets	Effective Useful Lives	Amortization method used
1.	Intangible assets acquired	6 years	Amortized on a straight-line basis over the useful life
2.	Intangible assets being right to use	18 years 4 months	

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

Research and development costs

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

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

7. Leases

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

Where the Company is the lessee

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

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

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

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

8. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

(i) Financial assets carried at amortised cost-debt

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

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

The Company measures all its equity investments except for investment in subsidiaries and associates, at fair value. Where the Company's management has opted to present fair value gain and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Dividend income from such investments is recognized in the statement of profit and loss as other income when the Company's right to receive payments is established.

(iii) Financial assets at fair value through other comprehensive income –debt

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iv) Financial assets at fair value through the statement of profit and loss

A financial asset which is not classified in any of the above categories, are subsequently fair valued through the statement of profit and loss.

Trade Receivable

A Receivable is classified as a 'trade receivable', if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

De-recognition

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

Impairment of Financial Assets

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent Measurement

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

(a) Loans and borrowings

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

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

(b) Trade and other payables

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

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Company, are those contracts that require a payment to be made to reimburse the holder for a loss if incurs because the specified debtor fails to make a payment when due in

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

De-recognition

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

Embedded derivative

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

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

Reclassification of financial assets and financial liabilities

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

Offsetting of financial instruments

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

9. Impairment of Non-Financial Assets

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

recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

10. Foreign Exchange Transactions / Translations

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

Transactions and balances

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

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

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

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

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

Derivative Financial Instruments and Hedge Accounting

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

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

11. Employee Benefits

(a) Short Term Employee Benefit

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

(b) Defined Contribution Plan

The Company makes defined contribution to Employees Provident Fund Organisation (EPFO), Pension Fund, Superannuation Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees. Prepaid contribution are recognised as an assets to the extent that a cash refund or reduction in future payments is available.

(c) Defined Benefit Plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

In the case of one location, the Company has set up a trust for Contributions to provident fund, a defined benefit plan, in which the Company contributes as specified under the law. The Company is liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognizes such contributions and shortfall, if any, as an expense in the year of recognition.

(d) Other long-term employee benefits

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

(e) Termination benefits

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

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

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

12. Taxes on Income

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

14. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products / services.

A. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

B. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.

C. Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.

D. Segment result includes margin on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

E. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis and are on an arm's length basis in a manner similar to transactions with third parties.

These transfers are eliminated in consolidation.

15. Earning Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the

weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

16. Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

17. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

18. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

19. Cash and Cash Equivalents

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

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

20. Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale / distribution rather than through continuing use and the sale is considered highly probable. Management is committed to the sale within one year from the date of classification.

The Company treats sale / distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicated that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current asset held for sale / for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell / distribute. Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale / distribution to owners are neither depreciated nor amortized.

21. Investments in Subsidiaries and Associates

A subsidiary is an entity in which the Company either at its own or together with one or more of its subsidiary companies, has acquired more than one-half of its total share capital. The investment in subsidiaries are carried at cost less impairments. The cost comprises, price paid to acquire investment and directly attributable cost.

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

Components of revenue and expenses

Our revenue and expenses are reported in the following manner:

Total income

Total income consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprise revenue from sale of products (which include manufactured goods, which include yarn and fabric, and traded goods, which include yarn, fibre, fabric and garments), sale of services and other operating revenues.

Other income

Our other income consists of interest income on financial assets at amortised cost, interest received on debentures, dividend income from investments at FVTOCI and other non-operating income.

Expenses

Our expenses consist of costs of raw materials consumed, purchase of traded goods, change in inventories of finished goods, stock-in-trade and work-in-progress, employee benefit expenses, finance cost, depreciation and amortisation expenses and other expenses.

Cost of raw materials consumed

Our cost of raw materials consumed includes raw material costs, i.e. cost of raw material and direct expense related to raw material.

Purchase of traded goods

Our purchase of traded goods includes cost of purchase of yarn, fibre, fabric and garments.

Change in inventories of finished goods, stock-in-trade and work-in-progress

The change in inventories of finished goods, stock-in-trade and work-in-progress is the difference between the inventories at the beginning of the year and inventories at the end of the year.

Employee benefit expenses

Our employee benefit expenses includes salaries, wages and bonus, contribution to provident and other funds, expenses related to post employment defined benefit plan, expenses related to earned leave, and workmen and staff welfare expenses.

Finance cost

Our finance cost includes interest expenses on financial liabilities measured at amortised cost on term loans (net of TUFS / RIPS subsidy received / receivable) and on working capital, and other borrowing costs.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses comprise of depreciation, impairment and amortisation on property, plant and equipment, investment property and intangible assets.

Other expenses

Other expenses primarily include stores and spares consumed, power and fuel, packing expense, processing and job charges, research and development expenses, repairs & maintenance for building, plant & machinery and others, rent, insurance (net), rates and taxes, directors' fee, charity and donation, payment to statutory auditors, legal, professional and consultancy expenses, other miscellaneous expenses, commission and brokerage, freight, forwarding and octroi charges, advertisement expenses, travelling expenses and other selling expenses.

Tax expenses

Our tax expenses include current tax charge, taxes of earlier years written back and deferred tax charge.

Our results of operations

The following table sets forth selected financial data from our Unaudited Interim Financial Results and Annual Audited Financial Statements, the components of which are also expressed as a percentage of total Income for the periods indicated:

Particulars	Six months ended September 30, 2022 (₹ *in lakhs*)	% of total income	Six months ended September 30, 2021 (₹ *in lakhs*)	% of total income	Fiscal 2022 (₹ *in lakhs*)	% of total income	Fiscal 2021 (₹ *in lakhs*)	% of total income
Revenue from operations	1,97,761.82	97.98	1,69,498.55	99.14	3,81,742.30	99.17	2,32,601.67	98.33
Other income	4,079.29	2.02	1,467.92	0.86	3,211.91	0.83	3,940.95	1.67
Total Income	**2,01,841.11**	**100.00**	**1,70,966.47**	**100.00**	3,84,954.21	100.00	2,36,542.62	100.00
Expenses								
Cost of materials consumed	1,19,592.20	59.25	94,219.27	55.11	2,10,799.26	54.76	1,21,247.15	51.26
Purchase of traded goods	5,624.36	2.79	2,368.51	1.39	8,872.45	2.30	552.28	0.23
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(9,660.61)	(4.79)	(5,155.47)	(3.02)	(6,073.24)	(1.58)	8,224.84	3.48
Employee benefit expenses	21,866.04	10.83	19,940.46	11.66	40,139.46	10.43	31,233.20	13.20
Finance Cost	3,710.56	1.84	3,524.12	2.06	6,760.48	1.76	8,303.17	3.51
Depreciation and amortisation expense	6,220.67	3.08	5,990.87	3.50	11,307.92	2.94	12,767.94	5.40
Other expenses	42,175.60	20.90	39,544.88	23.13	84,799.46	22.03	53,787.78	22.74
Total Expenses	**1,89,528.82**	**93.90**	**1,60,432.64**	**93.84**	3,56,605.79	92.64	2,36,116.36	99.82
Profit / (Loss) before exceptional items and tax	12,312.29	6.10	10,533.83	6.16	28,348.42	7.36	426.26	0.18
Exceptional Items	-	-	-	-	-	-	-	-
Profit / (Loss) before tax & share of profit / (loss) of Associates	12,312.29	6.10	10,533.83	6.16	28,348.42	7.36	426.26	0.18
Share of profit / (loss) of Associates	1,050.29	0.52	201.80	0.12	624.29	0.16	(78.42)	(0.03)
Profit / (loss) before tax	13,362.58	6.62	10,735.63	6.28	28,972.71	7.53	347.84	0.15
Tax expense								
Current tax	2,151.20	1.07	1,833.51	1.07	4,936.98	1.28	70.63	0.03
Tax of earlier year provided / (written back)	-	-	(1,178.06)	(0.69)	(1,178.06)	(0.31)	(1,022.21)	(0.43)
Deferred tax	2,062.31	1.02	1,914.41	1.12	591.45	0.15	(783.55)	(0.33)
Profit / (Loss) for the period	**9,149.07**	**4.53**	**8,165.77**	**4.78**	24,622.34	6.40	2,082.97	0.88
Other Comprehensive Income								
a) (i) Items that will not be reclassified to Profit or	(998.96)	(0.49)	2,480.76	1.45	(323.33)	(0.08)	3,350.83	1.42

Particulars	Six months ended September 30, 2022 (₹ *in lakhs*)	% of total income	Six months ended September 30, 2021 (₹ *in lakhs*)	% of total income	Fiscal 2022 (₹ *in lakhs*)	% of total income	Fiscal 2021 (₹ *in lakhs*)	% of total income
Loss								
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	(278.47)	(0.16)	32.12	0.01	(63.58)	(0.03)
(iii) Share in OCI of Associates that will not be reclassified to Profit or Loss	(0.25)	(0.00)	1.13	0.00	(0.72)	0.00	3.17	0.00
b) (i) Items that will be reclassified to Profit or Loss	(282.26)	(0.14)	(80.71)	(0.05)	47.61	0.01	126.31	0.05
(ii) Income tax relating to items that will be reclassified to Profit or Loss	98.63	0.05	28.20	0.02	(16.64)	0.00	(44.14)	(0.02)
Other comprehensive income / (loss) for the year	**(1,182.84)**	**(0.59)**	**2,150.91**	**1.26**	**(260.96)**	**(0.07)**	**3,372.59**	**1.43**
Total comprehensive income / (loss) for the year	**7,966.23**	**3.95**	**10,316.68**	**6.03**	**24,361.38**	**6.33**	**5,455.56**	**2.31**

Six months ended September 30, 2022 compared to six months ended September 30, 2021

Income

Our total income increased by 18.06% from ₹ 1,70,966.47 lakhs in the six months ended September 30, 2021 to ₹ 2,01,841.11 lakhs in the six months ended September 30, 2022. Our revenue from operations increased by 16.67 % from ₹ 1,69,498.55 lakhs in the six months ended September 30, 2021 to ₹ 1,97,761.82 lakhs in the six months ended September 30, 2022. Our other income increased by 177.90% from ₹ 1,467.92 lakhs in the six months ended September 30, 2021 to ₹ 4,079.29 lakhs in the six months ended September 30, 2022, which was primarily due to miscellaneous receipts and net gain on sale of Property, Plant & Equipment.

Expenditure

Our total expenses increased by 18.14% from ₹ 1,60,432.64 lakhs in the six months ended September 30, 2021 to ₹ 1,89,528.82 lakhs in the six months ended September 30, 2022 on account of the following reasons:

Cost of materials consumed

The cost of material consumed increased by 26.93 % from ₹ 94,219.27 lakhs in the six months ended September 30, 2021 to ₹ 1,19,592.20 lakhs in the six months ended September 30, 2022, primarily due to increase in raw material prices.

Purchase of traded goods

The cost for purchase of traded goods increased by 137.46 % from ₹ 2,368.51 lakhs in the six months ended September 30, 2021 to ₹ 5,624.36 lakhs in the six months ended September 30, 2022, primarily due to increase in quantity and price of traded goods purchased.

Changes in inventories of finished goods, stock-in-trade and work-in-progress

The changes in inventories of finished goods, stock-in-trade and work-in-progress increased by 87.39% from ₹ (5,155.47) lakhs in the six months ended September 30, 2021 to ₹ (9,660.61) lakhs in the six months ended September 30, 2022, primarily due to increase in inventory at the end of the six months ended September 30, 2022 as compared to inventory at the beginning of six months ended September 30, 2021.

Employee benefit expenses

Our employee benefit expenses increased by 9.66% from ₹ 19,940.46 lakhs in the six months ended September 30, 2021 to ₹ 21,866.04 lakhs in the six months ended September 30, 2022, primarily due to increase in cost of employment.

Finance cost

Our expenditure on account of finance cost increased by 5.29% from ₹ 3,524.12 lakhs in the six months ended September 30, 2021 to ₹ 3,710.56 lakhs in the six months ended September 30, 2022, primarily due to increase in rate of interest.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 3.84% from ₹ 5,990.87 lakhs in the six months ended September 30, 2021 to ₹ 6,220.67 lakhs in the six months ended September 30, 2022, primarily due to increase in property, plant and equipment.

Other expenses

Our other expenses increased by 6.65% from ₹ 39,544.88 lakhs in the six months ended September 30, 2021 to ₹ 42,175.60 lakhs in the six months ended September 30, 2022, primarily due to increase in power and fuel cost.

Profit / loss before tax & share of profit / loss of Associates

As a result of the foregoing, our profit before tax & share of profit of associates increased by 16.88% from ₹ 10,533.83 lakhs in the six months ended September 30, 2021 to ₹ 12,312.29 lakhs in the six months ended September 30, 2022.

Profit / loss before tax

Our profit before tax increased by 24.47% from ₹ 10,735.63 lakhs in the six months ended September 30, 2021 to ₹ 13,362.58 lakhs in the six months ended September 30, 2022.

Tax expense

The tax expense increased by 63.96% from ₹ 2,569.86 lakhs in the six months ended September 30, 2021 to ₹ 4,213.51 lakhs in the six months ended September 30, 2022, primarily due to tax of earlier year written back during six month ended September 30, 2021.

Profit / (Loss) for the period

As a result of the foregoing, our profit after tax increased by 12.04% from ₹ 8,165.77 lakhs in the six months ended September 30, 2021 to ₹ 9,149.07 lakhs in the six months ended September 30, 2022.

Fiscal 2022 compared to Fiscal 2021

Income

Our total income increased by 62.74% from ₹ 2,36,542.62 lakhs in Fiscal 2021 to ₹ 3,84,954.21 lakhs in Fiscal 2022, which was primarily due to increase in revenue from sale of manufactured goods, sale of services and other operating revenues in Fiscal 2022.

Revenue from operations

Our revenue from operations increased by 64.12% from ₹ 2,32,601.67 lakhs in Fiscal 2021 to ₹ 3,81,742.30 lakhs in Fiscal 2022. The increase was primarily due to increase in revenue from sale of products including (i) manufactured goods such as yarn which increased from ₹ 1,91,864.69 lakhs in Fiscal 2021 to ₹ 2,95,756.75 lakhs in Fiscal 2022 and fabric which increased from ₹ 34,712.81 lakhs in Fiscal 2021 to ₹ 67,098.59 lakhs in Fiscal 2022; and (ii) traded goods such as yarn which increased from ₹ Nil in Fiscal 2021 to ₹ 4,922.22 lakhs in Fiscal 2022, fibre which increased from ₹ Nil in Fiscal 2021 to ₹ 79.82 lakhs in Fiscal 2022, fabric which increased from ₹ 593.42 lakhs in Fiscal 2021 to ₹ 4,704.71 lakhs in Fiscal 2022 and garments which increased from ₹ 4.32 lakhs in Fiscal 2021 to ₹ 8.20 lakhs in Fiscal 2022. Further, the increase was on account of the increase in revenue from sale of services from ₹ 2,507.20 lakhs in Fiscal 2021 to ₹ 3,011.80 lakhs in Fiscal 2022 and increase in other operating revenues such as sale of waste which increased from ₹ 2,578.49 lakhs in Fiscal 2021 to ₹ 3,782.08 lakhs in Fiscal 2022 and export benefits / incentives which increased from ₹ 340.74 lakhs in Fiscal 2021 to ₹ 2,378.13 lakhs in Fiscal 2022.

Other income

Our other income decreased by 18.50% in Fiscal 2022 from ₹ 3,940.95 lakhs in Fiscal 2021 to ₹ 3,211.91 lakhs in Fiscal 2022. This decrease was primarily due to the decrease in interest income on financial assets at amortised cost comprising interest income from customers from ₹ 459.97 lakhs in Fiscal 2021 to ₹ 115.18 lakhs in Fiscal 2022 and other interest income from ₹ 454.23 lakhs in Fiscal 2021 to ₹ 271.23 lakhs in Fiscal 2022, decrease in other non-operating income such as insurance & other claims received from ₹ 11.38 lakhs in Fiscal 2021 to ₹ 2.40 lakhs in Fiscal 2022, rent on investment properties and others from ₹ 378.09 lakhs in Fiscal 2021 to ₹ 288.36 lakhs in Fiscal 2022 and net gain / loss in sale of property, plant & equipment from ₹ 1,614.31 lakhs in Fiscal 2021 to ₹ 633.39 lakhs in Fiscal 2022. This decrease was partially offset by the increase in income from interest received from debentures from ₹ 255.92 lakhs in Fiscal 2021 to ₹ 289.05 lakhs in Fiscal 2022, dividend income from investments at FVTOCI from ₹ 0.02 lakhs in Fiscal 2021 to ₹ 10.67 lakhs in Fiscal 2022 and other non-operating income such as provisions written back from ₹ 113.79 lakhs in Fiscal 2021 to ₹ 310.84 lakhs in Fiscal 2022, net gain on foreign currency transaction from ₹ 194.47 lakhs in Fiscal 2021 to ₹ 314.95 lakhs in Fiscal 2022, miscellaneous receipts from ₹ 389.41 lakhs in Fiscal 2021 to ₹ 785.04 lakhs in Fiscal 2022 and allowances for impairment loss allowance from ₹ 69.36 lakhs in Fiscal 2021 to ₹ 190.80 lakhs in Fiscal 2022.

Expenditure

Our total expenses increased by 51.03% in Fiscal 2022 from ₹ 2,36,116.36 lakhs in Fiscal 2021 to ₹ 3,56,605.79 lakhs in Fiscal 2022 on account of the following reasons:

Cost of materials consumed

The cost of material consumed increased by 73.86% from ₹ 1,21,247.15 lakhs in Fiscal 2021 to ₹ 2,10,799.26 lakhs in Fiscal 2022 primarily due to increase in cost of raw material and increase in volume of production cumulatively.

Purchase of traded goods

The cost for purchase of traded goods increased by 1,506.51% from ₹ 552.28 lakhs in Fiscal 2021 to ₹ 8,872.45 lakhs in Fiscal 2022 primarily due to the increase in purchase of yarn from ₹ Nil in Fiscal 2021 to ₹ 4,735.27 lakhs in Fiscal 2022, fibre from ₹ Nil in Fiscal 2021 to ₹ 72.92 lakhs in Fiscal 2022, fabric from ₹ 546.97 lakhs in Fiscal 2021 to ₹ 4,049.47 lakhs in Fiscal 2022 and garments from ₹ 5.31 lakhs in Fiscal 2021 to ₹ 14.79 lakhs in Fiscal 2022.

Changes in inventories of finished goods, stock-in-trade and work-in-progress

The changes in inventories of finished goods, stock-in-trade and work-in-progress decreased from ₹ 8,224.84 lakhs in Fiscal 2021 to ₹ (6,073.24) lakhs Fiscal 2022 primarily due to increase in inventory at the end of the fiscal year as compared to inventory at the beginning of Fiscal 2022.

Employee benefit expenses

Our employee benefit expenses increased by 28.52% from ₹ 31,233.20 lakhs in Fiscal 2021 to ₹ 40,139.46 lakhs in Fiscal 2022 which was primarily due to the increase in salaries, wages and bonus from ₹ 27,356.22 lakhs in Fiscal 2021 to ₹ 35,377.96 lakhs in Fiscal 2022, contribution to provident and other funds from ₹ 2,720.02 lakhs in Fiscal 2021 to ₹ 3,273.66 lakhs in Fiscal 2022, expenses related to post employment defined benefit plan from ₹ 649.09 lakhs in Fiscal 2021 to ₹ 749.70 lakhs in Fiscal 2022, expenses related to earned leave from ₹ 99.53 lakhs in Fiscal 2021 to ₹ 129.11 lakhs in Fiscal 2022 and workmen and staff welfare expenses from ₹ 408.34 lakhs in Fiscal 2021 to ₹ 609.03 lakhs in Fiscal 2022.

Finance cost

Our expenditure on account of finance cost decreased by 18.58% from ₹ 8,303.17 lakhs in Fiscal 2021 to ₹ 6,760.48 lakhs in Fiscal 2022 which was primarily due to decrease in interest expenses on term loans from ₹ 4,484.81 lakhs in Fiscal 2021 to ₹ 2,789.36 lakhs in Fiscal 2022. The decrease in interest expense in Fiscal 2022 was due to interest rates and repayment of debts, etc. The decrease was partially offset by the increase interest income on working capital from ₹ 3,301.85 lakhs in Fiscal 2021 to ₹ 3,406.69 lakhs in Fiscal 2022 and other borrowing costs from ₹ 516.51 lakhs in Fiscal 2021 to ₹ 564.43 lakhs in Fiscal 2022.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 11.44% from ₹ 12,767.94 lakhs in Fiscal 2021 to ₹ 11,307.92 lakhs in Fiscal 2022 which was primarily due to decrease in depreciation and impairment of property, plant & equipment from ₹ 12,404.11 lakhs in Fiscal 2021 to ₹ 10,955.01 lakhs in Fiscal 2022, amortisation of government capital grants from ₹ 61.63 lakhs in Fiscal 2021 to ₹ 57.93 lakhs in Fiscal 2022 and amortisation of intangible assets from ₹ 411.02 lakhs in Fiscal 2021 to ₹ 396.39 lakhs in Fiscal 2022.

Other expenses

Our other expenses increased by 57.66% from ₹ 53,787.78 lakhs in Fiscal 2021 to ₹ 84,799.46 lakhs in Fiscal 2022. The increase in other expenses was primarily due to an increase in expense for stores and spares consumed from ₹ 6,024.89 lakhs in Fiscal 2021 to ₹ 7,682.31 lakhs in Fiscal 2022, power and fuel from ₹ 25,804.33 lakhs in Fiscal 2021 to ₹ 38,783.12 lakhs in Fiscal 2022, packing expense from ₹ 3,060.95 lakhs in Fiscal 2021 to ₹ 4,924.22 lakhs in Fiscal 2022, processing and job charges from ₹ 1,787.49 lakhs in Fiscal 2021 to ₹ 4,885.76 lakhs in Fiscal 2022, research and development expenses from ₹ 80.74 lakhs in Fiscal 2021 to ₹ 83.76 lakhs in

Fiscal 2022, repairs & maintenance for building from ₹ 411.12 lakhs in Fiscal 2021 to ₹ 446.07 lakhs in Fiscal 2022, repairs & maintenance for plant & machinery from ₹ 1,339.98 lakhs in Fiscal 2021 to ₹ 1,533.04 lakhs in Fiscal 2022 and repairs & maintenance for others from ₹ 366.05 lakhs in Fiscal 2021 to ₹ 384.45 lakhs in Fiscal 2022, rent from ₹ 197.46 lakhs in Fiscal 2021 to ₹ 446.76 lakhs in Fiscal 2022, insurance (net) from ₹ 832.12 lakhs in Fiscal 2021 to ₹ 863.34 lakhs in Fiscal 2022, directors' fee from ₹ 63.00 lakhs in Fiscal 2021 to ₹ 71.25 lakhs in Fiscal 2022, charity and donation from ₹ 1.26 lakhs in Fiscal 2021 to ₹ 69.28 lakhs in Fiscal 2022, legal, professional and consultancy expenses from ₹ 597.54 lakhs in Fiscal 2021 to ₹ 1,088.38 lakhs in Fiscal 2022, commission and brokerage from ₹ 2,171.88 lakhs in Fiscal 2021 to ₹ 3,074.86 lakhs in Fiscal 2022, freight, forwarding and octroi charges from ₹ 7,583.82 lakhs in Fiscal 2021 to ₹ 16,706.38 lakhs in Fiscal 2022, travelling expenses from ₹ 430.86 lakhs in Fiscal 2021 to ₹ 703.33 lakhs in Fiscal 2022 and other selling expenses from ₹ 863.52 lakhs in Fiscal 2021 to ₹ 1,048.89 lakhs in Fiscal 2022. This was partially offset by a decrease in expenses towards rates and taxes from ₹ 99.87 lakhs in Fiscal 2021 to ₹ 78.87 lakhs in Fiscal 2022, payment to statutory auditors from ₹ 99.34 lakhs in Fiscal 2021 to ₹ 72.78 lakhs in Fiscal 2022, other miscellaneous expenses from ₹ 1,774.09 lakhs in Fiscal 2021 to ₹ 1,727.07 lakhs in Fiscal 2022 and advertisement expenses from ₹ 197.47 lakhs in Fiscal 2021 to ₹ 125.54 lakhs in Fiscal 2022.

Profit / loss before tax & share of profit / loss of Associates

As a result of the foregoing, our profit before tax & share of profit of associates increased by 6,550.50% from ₹ 426.26 lakhs in Fiscal 2021 to ₹ 28,348.42 lakhs in Fiscal 2022.

Share of profit / loss of Associates

The profit of our Associates increased from ₹ (78.42) lakhs in Fiscal 2021 to ₹ 624.29 lakhs in Fiscal 2022.

Profit / loss before tax

Our profit before tax increased by 8,229.32% from ₹ 347.84 lakhs in Fiscal 2021 to ₹ 28,972.71 lakhs in Fiscal 2022.

Tax expense

In Fiscal 2022 the tax expense increased from ₹ (1,735.13) lakhs in Fiscal 2021 to ₹ 4,350.37 lakhs in Fiscal 2022 on account of increase in current tax from ₹ 70.63 lakhs in Fiscal 2021 to ₹ 4,936.98 lakhs in Fiscal 2022, tax of earlier year written back from ₹ (1,022.21) lakhs in Fiscal 2021 to ₹ (1,178.06) lakhs in Fiscal 2022 and deferred tax from ₹ (783.55) lakhs in Fiscal 2021 to ₹ 591.45 lakhs in Fiscal 2022.

Profit / (Loss) for the period

As a result of the foregoing, in Fiscal 2022 we had a profit after tax of ₹ 24,622.34 lakhs compared to a profit of ₹ 2,082.97 lakhs in Fiscal 2021.

Cash flows

Net cash flow generated from operating activities

Net cash generated from operating activities was ₹ 24,077.15 lakhs in the six months ended September 30, 2022. Operating profit before working capital changes was ₹ 20,465.81 lakhs. The working capital adjustments in six months ended September 30, 2022 were primarily on account of decrease in trade receivables of ₹ 9,061.82 lakhs, increase in current financial assets – loans of ₹ 268.04 lakhs, increase in other current financial assets of ₹ 227.09 lakhs, decrease in other non-current financial assets of ₹ 473.76 lakhs, increase in other current assets of ₹ 98.90 lakhs, increase in other non-current assets of ₹ 1181.60 lakhs, increase in inventories of ₹ 1177.49 lakhs, decrease in trade payables of ₹ 3821.27 lakhs, increase in other current financial liabilities of ₹ 2481.43 lakhs, decrease in other non-current financial liabilities of ₹ 308.34 lakhs and increase in other current liabilities of ₹ 479.29 lakhs.

Net cash generated from operating activities was ₹ 20,969.59 lakhs in Fiscal 2022. Operating profit before working capital changes was ₹ 44,604.84 lakhs. The working capital adjustments in Fiscal 2022 were primarily on account of increase in trade receivables of ₹ 15,753.98 lakhs in Fiscal 2022, increase in current financial assets – loans of ₹ 2.25 lakhs, increase in other current financial assets of ₹ 315.95 lakhs, increase in other non-current financial assets of ₹ 230.64 lakhs, increase in other current assets of ₹ 4,778.44 lakhs, decrease in other non-current assets

of ₹ 51.73 lakhs, increase in inventories of ₹ 6,008.60 lakhs, increase in trade payables of ₹ 2,748.32 lakhs, increase in other current financial liabilities of ₹ 316.87 lakhs, increase in other non-current financial liabilities of ₹ 203.59 lakhs, increase in other current liabilities of ₹ 3,149.15 lakhs and decrease in other non-current liabilities of ₹ 195.30 lakhs.

Net cash flow used in investing activities

Net cash flow used in investing activities was ₹ 6,664.98 lakhs in the six months ended September 30, 2022 and primarily consisted of acquisition of property, plant & equipment / intangible assets including capital advances of ₹ 12,832.28 lakhs and movement of fixed deposit of ₹ 1.65 lakhs, which was offset by the proceeds from sale of property, plant & equipment of ₹ 5,853.12 lakhs, interest received of ₹ 186.65 lakhs and dividend received of ₹ 129.18 lakhs.

Net cash flow used in investing activities was ₹ 31,755.66 lakhs in Fiscal 2022 and primarily consisted of acquisition of property, plant & equipment / intangible assets including capital advances of ₹ 35,580.66 lakhs, proceeds from sale of property, plant & equipment of ₹ 2,687.95 lakhs, movement of fixed deposit of ₹ 138.75 lakhs, interest received of ₹ 987.63 lakhs and dividend received of ₹ 10.67 lakhs.

Net cash flow from financing activities

Net cash used in financing activities was ₹ 17,019.82 lakhs in the six months ended September 30, 2022 and primarily consisted of repayment of borrowings of ₹ 5,855.83 lakhs, proceeds from borrowings of ₹ 5,718.05 lakhs, repayment of short-term borrowings of ₹ 7,277.37 lakhs, payment of dividend of ₹ 5,887.71 lakhs, repayment of lease liabilities of ₹ 15.52 lakhs and finance costs of ₹ 3,701.44 lakhs.

Net cash generated from financing activities was ₹ 11,080.74 lakhs for Fiscal 2022 and primarily consisted of repayment of borrowings of ₹ 15,879.47 lakhs, proceeds from borrowings of ₹ 24,285.38 lakhs, proceeds of short-term borrowings of ₹ 9,602.84 lakhs, repayment of lease liabilities of ₹ 76.59 lakhs and finance costs of ₹ 6,851.42 lakhs.

Indebtedness

As of September 30, 2022, our total indebtedness was ₹ 1,02,837.03 lakhs representing a debt to equity ratio of 0.98. For further information regarding our indebtedness, see "*Financial Information*" on page 79. The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2022 excluding indebtedness repayable on demand, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2022 Payment due by period (₹ lakhs)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Long Term Borrowings					
Term loans from banks & NBFCs (secured & unsecured)	57,592.17	11,542.21	22,084.41	16,301.32	7,664.23

Short Term Borrowings

The following table sets forth certain information relating to our short term borrowings outstanding as of September 30, 2022:

Particulars	Amount (₹ lakhs)
Working capital loans (secured)	35,004.81
Others	10,240.05
Total	45,244.86

Some of our financing agreements also include various conditions and covenants that require us to obtain consents prior to carrying out certain activities and entering into certain transactions. Specifically, we require consent for altering our capital structure, further issuance of any shares, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, etc.

QUANTITATIVE AND QUALITATIVE DISCLOSURES

The Company along with its Associates ("**Group**") has exposure to the following risks arising from financial instruments: (a) credit risk; (b) liquidity risk; and (c) market risk.

(a) Credit risk:

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying up to 90 days credit terms. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Group's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at March 31, 2022 and March 31, 2021.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

Foreign Exchange risk

The group deals with foreign trade payables, etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Group does not have significant foreign exchange exposure.

(c) Interest rate risk and price risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During Fiscals 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Competitive Conditions

We operate in a competitive environment. For further details, see "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 66, 58 and 16, respectively.

Auditor's Qualification

There have been no reservations / qualifications / adverse remarks highlighted by our statutory auditors in their auditor's reports on the Financial Information.

Contingent Liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Guarantee by ICICI Bank Ltd to LNJ Power Ventures Limited	1,000.00	1,000.00
Counter Guarantees given by the Company in respect of Guarantees given by the Company's Bankers	2,963.45	3,669.57
Excise & Customs Duties, Sales tax, Income Tax and Other demands disputed by the Company.	9,991.29	1,186.30
Financial Guarantee in favour of International Finance Corporation with M/s HEG Ltd and M/s Bhilwara Energy Ltd on joint and several basis on behalf of M/s A. D. Hydro Power Ltd	-	600.00
Letter of Comfort Given to HDFC Bank Limited on behalf of LNJ Institute of Skills & Technology Private Limited	800.00	800.00
Total	**14,754.74**	**7,255.87**

Related party transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, please see "*Financial Information*" on page 79.

Changes in accounting policies

There have been no changes in accounting policies during the preceding three Fiscals.

Off-Balance sheet arrangements

Except as disclosed in this Letter of Offer, we do not have any material off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions.

Segment Results

We operate in the following operating segments, namely: (i) yarn; and (ii) fabric. The following table gives break-up of our revenue from operations from these segments:

Business segment	Six months ended September 30, 2022		Six months ended September 30, 2021		Fiscal 2022		Fiscal 2021	
	(₹ in lakhs)	% of Revenue from Operations	*(₹ in lakhs)*	% of Revenue from Operations	*(₹ in lakhs)*	% of Revenue from Operations	*(₹ in lakhs)*	% of Revenue from Operations
Yarn	1,52,869.51	77.30	1,39,553.03	82.33	3,08,599.01	80.84	1,95,656.06	84.12
Fabric	44,892.31	22.70	29,945.52	17.67	73,143.29	19.16	36,945.61	15.88
Total	**1,97,761.82**	**100.00**	**1,69,498.55**	**100.00**	**3,81,742.30**	**100.00**	**2,326,01.67**	**100.00**

Seasonality

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a financial year. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

Significant dependence on single or few customers

We do not have dependence upon any single customer.

Unusual or infrequent events or transactions

Except as described in sections "*Risk Factors*" and "*Our Business*", on pages 16 and 66, respectively, to our knowledge, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except as disclosed in this Letter of Offer, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing operations.

Known Trends or Uncertainties

Except as disclosed in this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

New product or business segments

We have not publicly announced any new services or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new services or business segments.

Future relationships between costs and income

Except as disclosed in this Letter of Offer, to our knowledge there are no known factors which will have a material adverse impact on the operations or finances of our Company.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. In terms of the SEBI ICDR Regulations, our Company is required to disclose pending matters involving: (1) issues of moral turpitude or criminal liability on part of the Company; (2) material violations of the statutory regulations by the Company; and (3) economic offences where proceedings have been issued against the Company. Additionally, in terms of SEBI ICDR Regulations, the Company is required to disclose pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the Company.

*There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been considered material legal proceedings: any pending legal proceedings (other than the proceedings mentioned in points (1), (2) and (3) above) involving the Company where, (i) the aggregate monetary claim made by or against the Company, if any in any such pending litigation / arbitration proceeding is equal to or in excess of ₹ 246.22 lakhs (being 1.00% of the profit / (loss) for the period, derived from the audited consolidated financial statements of the Company for the most recently completed fiscal year) ("**Materiality Threshold**"); or (ii) any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company; or (iii) litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed 5.00% of the profit / (loss) for the period, derived from the audited consolidated financial statements of the Company for the most recently completed fiscal year.*

Except as disclosed below, there are no pending matters: (i) involving issues of moral turpitude or criminal liability on the part of our Company; (ii) involving material violations of statutory regulations by our Company; (iii) involving economic offences where proceedings have been initiated against our Company; or (iv) which if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company.

Pre-litigation notices received by our Company from third parties (excluding notices issued by statutory / regulatory / tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, not be considered a material litigation until such time our Company is impleaded as defendants in litigation proceedings before any judicial / arbitral forum.

Litigations involving our Company

Criminal proceedings by our Company

1. Our Company has filed an FIR against one Pramod Kumar, a former employee of our Company and Madhusudan Agrawal on December 2, 2009 before the Gulabpura Police Station under various provisions of the Indian Penal Code, 1860 and the Information Technology Act, 2000 for embezzlement to the tune of ₹ 47.11 lakhs. The criminal matter is currently pending before the Additional Chief Judicial Magistrate, Gulabpura.

2. Our Company has filed 59 criminal complaints against various entities before various fora, for dishonor of cheques drawn in favor of our Company, under the provisions of Section 138 of the Negotiable Instruments Act, 1881 for an aggregate amount of ₹ 1,082.67 lakhs.

Material civil litigation by our Company

1. Our Company has filed an appeal before the Appellate Tribunal for Electricity against Ajmer Vidyut Vitran Nigam Limited, Rajasthan Urja Vikas Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Rajasthan Electricity Regulatory Commission against the order for recovery of dues owed for adjustment of energy sold by various captive power producers to Rajasthan Discoms Power Procurement Centre issued by the Rajasthan Electricity Regulatory Commission on December 5, 2019. Our Company had entered into a letter of intent

dated June 30, 2009 fixing the tariff for supply of power at ₹ 6.50/kWh, basis which our Company had supplied electricity from its captive plants from July 1, 2009 to June 30, 2010. Thereafter, the directional committee retrospectively reviewed the terms and conditions of the contract by issuing a circular dated November 6, 2012 alleging excess refund of fixed charges and reworking of bills retrospectively basis which a recovery notice was issued on April 1, 2013. Our Company had filed a petition before the Rajasthan Electricity Regulatory Commission against the said recovery order which was rejected by the order dated December 5, 2019.

2. Our Company has filed a writ petition before the High Court of Judicature for Rajasthan at Jodhpur against the Union of India; Textile Commissioner, Ministry of Textiles; Banking Division, Ministry of Finance; Dena Bank and the Branch Manager, Dena Bank seeking directions for the disbursal of subsidy under the technology upgradation fund scheme in favour of our Company for the period from April 1, 2012 to March 31, 2017 in relation to the loan availed by our Company for our manufacturing facility / plant situated at Bhilwara, Rajasthan.

3. Our Company has filed a writ petition against the State of Rajasthan and others before the High Court of Rajasthan at Jodhpur on May 16, 2018 seeking to set aside a notice dated December 12, 2017 issued by the Collector (Stamps), Bhilwara Circle. Our Company has availed working capital facilities from various banks and executed agreements at New Delhi with the lenders, which were adequately stamped in accordance with the Indian Stamp Act, 1899 as applicable to New Delhi. The Collector (Stamps), Bhilwara Circle has issued a notice dated December 12, 2017 directing our Company to produce the original agreements and also pay stamp duty of ₹ 1,580.87 lakhs along with 10% surcharge which has been challenged under the present writ petition.

4. Our Company has filed a statement of claim against M/s Shriji Yarns and Fabrics before the Arbitral Tribunal, Jaipur to settle the alleged non-payment of an outstanding amount of ₹ 609.05 lakhs along with interest at 18% on the outstanding amount. Since a consensus could not be arrived at between our Company and M/s Shriji Yarns and Fabrics as to the arbitrator our Company made an application before the High Court of Judicature at Jodhpur basis which an order appointing an arbitrator was passed by the High Court on March 8, 2017.

Tax proceedings involving our Company

Details of outstanding tax proceedings involving our Company are disclosed below:

Particulars	Number of cases	Aggregate amount involved* (in ₹ lakhs)
Direct Tax	29	9,256.23
Indirect Tax	27	1,383.08
Total	56	10,639.31

* *to the extent ascertainable.*

GOVERNMENT AND OTHER APPROVALS

As on the date of this Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

MATERIAL DEVELOPMENTS

To our knowledge, no circumstances have arisen since September 30, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to meet material liabilities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on May 27, 2022, pursuant to Section 62 and other applicable provisions of the Companies Act, 2013.

The Issue Price of ₹ 100 per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our Rights Issue Committee in its meeting held on December 12, 2022 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, in the ratio of 1 (One) Rights Equity Share for every 1 (One) Equity Shares, as held on the Record Date. On Application, Eligible Equity Shareholders will be required to pay ₹ 100 per Rights Equity Share.

This Letter of Offer has been approved by our Board of Directors pursuant to its resolution dated December 12, 2022.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated November 24, 2022 and November 21, 2022, respectively. Our Company will also make an application to each of the Stock Exchanges to obtain the trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN 'INE611A20016' for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please see "*Terms of the Issue*" on page 190.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoters, the members of the Promoter Group and the Directors have not been or are not debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, the Promoters and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither the Promoters nor any of the Directors have been declared as a Fugitive Economic Offender.

There are no securities market violations, whether outstanding or otherwise, by the Company, Promoters, Promoter Group and Group Companies.

Association of our Directors with securities market

None of our Directors are associated with the securities market in any manner. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Letter of Offer.

Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as a Wilful Defaulter.

Our Company or any of our Promoters or Directors are not declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the RBI.

Eligibility for the Issue

Our Company is a listed company, originally incorporated under the Indian Companies Act, 1956. The Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer the Rights Equity Shares pursuant to this Issue in terms of Chapter III, Clause 1, Part B of Schedule VI and other applicable provisions of

the SEBI ICDR Regulations and is not covered under the conditions specified in Clause 3 of Part B of Schedule VI of SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and will receive their in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. the Equity Shares have been listed on BSE and NSE for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

2. the entire shareholding of the Promoter Group is held in dematerialized form as on the date of filing this Letter of Offer with the Stock Exchanges;

3. the average market capitalization of the public shareholding of the Company is at least ₹ 25,000 lakhs in at least one of the recognised stock exchanges with nationwide trading terminal, where its Equity Shares are listed;

4. the annualised trading turnover of the Equity Shares during six calendar months immediately preceding the month of the Reference Date has been at least two per cent. of the weighted average number of Equity Shares listed during such six months' period;

5. the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Stock Exchanges has been at least 10% of the annualized trading turnover of the Equity Shares during such six months' period;

6. the Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, for a period of three years immediately preceding the date of filing this Letter of Offer with the Stock Exchanges;

7. the Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing this Letter of Offer with the Stock Exchanges;

8. that no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI, and pending against our Company or our Promoters or whole time directors, as at the date of filing this Letter of Offer with Stock Exchanges;

9. neither our Company nor the Promoters nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the settlement mechanism of SEBI during the past three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

10. the Equity Shares of our Company have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

11. there is no conflict of interest between the Lead Manager and the Company or its Group Companies in accordance with the applicable regulations;

12. the Promoters and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended; and

13. there are no audit qualifications (as defined under the SEBI ICDR Regulations), in respect of any of the financial years for which accounts are disclosed in this Letter of Offer, which have not been adjusted in the Annual Audited Financial Statements.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement and the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. the reports, statements and information referred to above are available on the websites of each of the Stock Exchanges; and

3. our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, SKP SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SKP SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 13, 2022 WHICH READS AS FOLLOWS:

WE CONFIRM THAT:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID - COMPLIED WITH;

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE

5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER - NOT APPLICABLE;

6. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER - NOT APPLICABLE;

7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE - NOT APPLICABLE;

8. NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE;

9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION ("MOA") OF THE

COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MOA - COMPLIED WITH TO THE EXTENT APPLICABLE;

10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR VOTING RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR VOTING RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR VOTING RIGHTS EQUITY SHARES); AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI - COMPLIED WITH;

11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS - NOTED FOR COMPLIANCE;

12. IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SEBI ICDR REGULATIONS - NOT APPLICABLE;

13. NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY - COMPLIED WITH;

14. THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER - COMPLIED WITH;

15. THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS - COMPLIED WITH;

16. ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE RIGHTS EQUITY SHARES OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN - COMPLIED WITH AND NOTED FOR COMPLIANCE;

17. AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE RIGHTS EQUITY SHARES OF THE COMPANY - COMPLIED WITH;

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager do not accept any responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or any other material issued by our Company or by any other persons at

the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Jaipur, Rajasthan, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated November 24, 2022 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is set out below:

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/33239 dated November 21, 2022 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously do an online filing with SEBI through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and through email at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*".

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement and the SEBI Listing Regulations.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Kamal Gupta (Chairman), Shekhar Agarwal (Member) and Arun Kumar Churiwal (Member). The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/1/2014 dated December 18, 2014. Consequently, investor grievances are tracked online by our Company. The investor complaints received by our Company are disposed of within 15 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole / first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip.

The contact details of the Compliance Officer and Registrar are as follows:

Registrar

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium, Tower B, Plot No. 31 and 32
Financial District Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032 Telangana, India

Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: rswm.rights@kifntech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Muralikrishna
SEBI Registration No: INR000000221

Compliance Officer

Surender Gupta
Bhilwara Towers, A-12
Sector - 1, Noida - 201301
Uttar Pradesh, India
Tel: +91 120 439 0000
E-mail: rswm.investors@lnjbhilwara.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 6716 2222.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

The Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.rswm.in;

(ii) the Registrar at https://rights.kfintech.com;

(iii) the Lead Manager at www.skpsecurities.com;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. https://rights.kfintech.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.rswm.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail addresses and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online / electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(i) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
(ii) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.

(iii) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(iv) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(v) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(vi) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(vii) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(viii) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in

joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(ix) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(i) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(ii) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

(iii) Do not send your physical Application to the Lead Manager, the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(iv) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(v) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his / her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being RSWM Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) / DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity

Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as at Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ 100 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR / NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at einward.ris@kfintech.com; and

17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Restrictions on Purchases and Resales*" on page 216, and shall include the following:

    "I / We hereby make representations, warranties and agreements set forth in "Restrictions on Purchases and Resales" on page 216 of the Letter of Offer.

    I / We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in

dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(i) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

(ii) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(iii) The remaining procedure for Application shall be same as set out in "*—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 194.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*—Basis of Allotment*" on page 209.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "*—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 194.

d) Applications should be submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.

f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

j) Investors should provide correct DP ID and Client ID / Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID / Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

p) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

q) Do not pay the Application Money in cash, by money order, pay order or postal order.

r) Do not submit multiple Applications.

s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

c) Sending an Application to our Company, the Lead Manager, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.

d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

f) Account holder not signing the Application or declaration mentioned therein.

g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

r) Application from Investors that have addresses in the United States as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with / without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see "*—Procedure for Applications by Mutual Funds*" on page 201.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure*" on page 43.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share

warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is January 6, 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*—Basis of Allotment*" on page 209.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance

of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.rswm.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is INE611A20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account opened by our Company for the Eligible Equity Shareholders, which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our

Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned / reversed / failed; or I the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) Shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account, etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by January 3, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENTS

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, Shareholders holding Equity Shares in physical form shall be required to provide their demat account details to the Company and the Registrar for credit of Rights Entitlements not later than two Working Days prior to the Issue Closing Date, such that credit of Rights Entitlements in their demat account takes place at least one day before the Issue Closing Date.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "On Market Renunciation"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his / her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ 100 per Rights Equity Share (including premium of ₹ 90 per Rights Equity Share) shall be payable on Application.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading / selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE611A20016 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from December 23, 2022 to January 2, 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE611A20016 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE611A20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 (One) Equity Share for every 1 (One) Equity Shares held on the Record Date and hence there shall be no fractional entitlement.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHT/KK/FIP/2847/2022-23 dated November 24, 2022 and from the NSE through letter bearing reference number NSE/LIST/33239 dated November 21, 2022. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500350) and NSE (Scrip Code: RSWM) under the ISIN: INE611A01016. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means / unblock the respective ASBA Accounts, the entire monies received / blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded / unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of our Promoter Group

For details of the intent and extent of subscription by our Promoters and members of our Promoter Group, please see "*Capital Structure – Subscription to the Issue by our Promoters and members of our Promoter Group*" on page 44.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

a) The right to receive dividend, if declared;

b) The right to receive surplus on liquidation;

c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e- mail address, then the Abridged

Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation (Hindi also being the regional language of Rajasthan, where our Registered Office is located).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders / Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters / letters of Allotment / Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at einward.ris@kfintech.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to einward.ris@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE "*–ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS*" ON PAGE 210.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	THURSDAY, DECEMBER 22, 2022
ISSUE OPENING DATE	FRIDAY, DECEMBER 23, 2022
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	MONDAY, JANUARY 2, 2023
ISSUE CLOSING DATE *	FRIDAY, JANUARY 6, 2023
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	THURSDAY, JANUARY 12, 2023
DATE OF ALLOTMENT (ON OR ABOUT)	FRIDAY, JANUARY 13, 2023
DATE OF CREDIT (ON OR ABOUT)	MONDAY, JANUARY 16, 2023
DATE OF LISTING (ON OR ABOUT)	WEDNESDAY, JANUARY 18, 2023

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., Tuesday, January 3, 2023, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Thursday, January 5, 2023. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Securities Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

c) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of four days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid / blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

a) Unblocking amounts blocked using ASBA facility.

b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

c) **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole / first Investor and payable at par.

g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- Tripartite agreement dated March 31, 2014 amongst our Company, NSDL and the Registrar to the Company; and

- Tripartite agreement dated March 3, 2014 amongst our Company, CDSL and the Registrar to the Company.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

a) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

b) It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

c) The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

d) If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

e) The Rights Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form / with Investor Education and Protection Fund (IEPF) authority / in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

f) Non-transferable Allotment advice / refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.

g) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

a) All monies received out of this Issue shall be transferred to a separate bank account;

b) Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

c) Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.

c) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

e) In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

f) Adequate arrangements shall be made to collect all ASBA Applications.

g) As of the date of this Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Letter of Offer, our Company has not issued any outstanding convertible debt instruments.

h) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "RSWM Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

   KFin Technologies Limited
   (*formerly known as KFin Technologies Private Limited*)
   Selenium, Tower B, Plot No. 31 and 32
   Financial District Nanakramguda, Serilingampally
   Hyderabad, Rangareddi 500 032 Telangana, India
   Tel: +91 6716 2222
   E-mail: rswm.rights@kifntech.com
   Investor grievance E-mail: Einward.ris@kfintech.com
   Website: www.kfintech.com
   Contact Person: Murali Krishna M
   SEBI Registration No: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 309 4001.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com.

   b) Updation of Indian address / e-mail address / phone or mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com.

   c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com.

   d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: https://rights.kfintech.com.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 of the Government of India prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet press release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board ("**FIPB**"). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**") (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, overseas corporate bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI, and in order for such Investors to apply for this Issue as an incorporated non-resident, they must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

Selling Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlements may not be renounced to any person outside India, except Eligible Equity Shareholders. For details, see "*Terms of the Issue - Renunciation and Trading of Rights Entitlements*" on page 203. Persons outside India who are not Eligible Equity Shareholders may not acquire Rights Equity Shares in the Issue.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

Our Company reserves the right to require a person in any jurisdiction not listed below to give it an opinion of legal counsel that the purchase of the Rights Entitlements and Rights Equity Shares by such person in accordance with the terms of this Letter of Offer was in accordance with the laws of such jurisdiction.

Each person who subscribes for Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation);

- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements or Rights Equity Shares.

Except for each person who is not a qualified investor as defined in the Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in a Relevant State who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the Prospectus Regulation.

Hong Kong

This Letter of Offer has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Letter of Offer has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Letter of Offer, they should obtain independent professional advice.

This Letter of Offer does not constitute an offer or invitation to the public in Hong Kong to acquire any Rights Entitlement or Rights Equity Shares nor an advertisement of the Rights Entitlement or Rights Equity Shares in Hong Kong. This Letter of Offer and any other Issue Materials must not be issued, circulated or distributed in Hong Kong other than to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**") and no more than 50 persons in Hong Kong who are not Professional Investors.

Except for each person who is not a Professional Investor and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in Hong Kong who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Professional Investor.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlement or Rights Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to Rights Entitlement or Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors and no more than 50 persons in Hong Kong who are not Professional Investors.

No person who has received a copy of this Letter of Offer may issue, circulate or distribute this Letter of Offer in Hong Kong or make or give a copy of this Letter of Offer to any other person.

No person allotted Rights Equity Shares may sell, or offer to sell, such Rights Equity Shares to the public in Hong Kong within six months following the date of issue of such Rights Equity Shares.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Rights Entitlements and the Rights Equity Shares may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Letter of Offer has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Letter of Offer does not constitute a public offering. This Letter

of Offer is for the exclusive use of the person to whom it has been given our Company and is a private concern between our Company and the recipient.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). The offer of Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Except for Eligible Equity Shareholders resident in Singapore that have received this Letter of Offer from our Company and who are not applying for any additional Rights Equity Shares over and above their Rights Entitlements, holders of Rights Entitlements in Singapore may subscribe to the Rights Equity Shares only (i) if they are an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any Rights Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **"CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the UK Prospectus

Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, this Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a "**Relevant Person**"). If you are not a Relevant Person, you should not take any action on the basis of this Letter of Offer and you should not act or rely on it or any of its contents. Each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are being offered and sold only to persons outside the United States in reliance on Regulation S.

The Rights Entitlements and the Rights Equity Shares are transferable only in accordance with the restrictions described in "- *Transfer Restrictions and Representations, Warranties and Agreements by Purchasers*" below and each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in "- *Transfer Restrictions and Representations, Warranties and Agreements by Purchasers*" below.

Transfer Restrictions and Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser by submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to subscribe for the Rights Equity Shares, and, if the purchaser is acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein to subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. The purchaser acquiring Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'the purchaser' to include such accounts.

3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Equity Shares involves a considerable degree of risk and that the Rights Equity Shares are a speculative investment.

4. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

5. The purchaser is investing in the Rights Equity Shares in accordance with applicable laws and by participating in the Issue the purchaser is not in violation of any applicable law, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013.

6. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than this Letter of Offer was filed with SEBI for observations and the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of Rights Entitlements or Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation.

7. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares.

8. The purchased has either, (i) not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or the Issue; or (ii) has participated in or attended any Company presentations and: (a) understands and acknowledges that the Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such presentations and are therefore unable to determine whether the information provided at such meetings or presentations included any material misstatements or omissions, and, accordingly acknowledges that the Lead Manager have advise purchasers not to rely in any way on any such information that was provided at such meetings or presentations, and (b) the purchaser confirms that, to the best of their knowledge, they have not been provided any material information that was not publicly available.

9. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on us and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to us and any information contained in this Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

10. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description

of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of its affiliates has made any representations or recommendations to it, express or implied, with respect to us, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

11. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company;

12. The purchaser acknowledges that no written or oral information relating to the Issue, the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

13. The purchaser understands and acknowledges that the Lead Manager is assisting our Company in respect of the Issue and that the Lead Manager is acting solely for our Company and no one else in connection with the Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to us, the Issue or the Rights Entitlements or the Rights Equity Shares. In addition, the purchaser understands and acknowledges that the Lead Manager is not making any offer of Rights Entitlements or Rights Equity Shares in the Issue. Further, to the extent permitted by law, the purchaser waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from the Lead Manager's engagement with our Company and in connection with the Issue.

14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar or any other person acting on behalf of our Company have reason to believe is ineligible to participate in the Issue under applicable securities laws.

15. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

16. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction that apply to the purchaser or such persons.

17. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

18. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to the Issue in compliance with all applicable laws and regulations.

19. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

20. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity

Shares. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

21. The purchaser acknowledges that our Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements which are given to the Lead Manager on its own behalf and on behalf of our Company and are irrevocable.

22. The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Delhi, India shall have sole and exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Letter of Offer and other Issue Materials.

Transfer Restrictions

Due to the following restrictions, prospective investors are advised to consult legal counsel prior to purchasing Rights Equity Shares and making any offer, resale, pledge or transfer of the Rights Equity Shares purchased in the Issue.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser by submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows:

- It understands that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and the Rights Equity Shares are being offered and sold to it in reliance on Regulation S.

- (i) it was outside the United States (within the meaning of Regulation S) at the time the offer of the Rights Entitlements and the Rights Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Rights Entitlements (if applicable) and the Rights Equity Shares was originated and (ii) if it is a broker-dealer outside the United States acting on behalf of its customers, each of its customers has confirmed to it that such customer was outside the United States (within the meaning of Regulation S) at the time the offer of the Rights Entitlements and the Rights Equity Shares was made to such customer and such customer was outside the United States (within the meaning of Regulation S) when such customer's buy order for the Rights Entitlements (if applicable) and the Rights Equity Shares was originated.

- It did not purchase the Rights Entitlements (if applicable) and the Rights Equity Shares as a result of any directed selling efforts (as defined in Regulation S).

- It is buying the Rights Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Rights Equity Shares, it agrees that it will not offer, sell, pledge or otherwise transfer the Rights Equity Shares except in transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.

- It agrees to indemnify and hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

- Where it is subscribing to the Rights Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Rights Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing by each such managed account to subscribe to the Rights Equity

Shares for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It acknowledges that our Company, the Lead Manager and its affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements.

Any resale or other transfer, or attempted resale or other transfer, of Rights Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by our Company.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of filing of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated December 13, 2022 between our Company and the Lead Manager.

2. Registrar Agreement dated December 9, 2022 among our Company and the Registrar.

3. Banker to the Issue Agreement dated December 9, 2022 among our Company, the Lead Manager, the Registrar and the Banker to the Issue.

4. Monitoring Agency Agreement dated November 7, 2022 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation of our Company dated October 17, 1960 and certificate of commencement of business issued to our Company dated December 29, 1960.

3. Fresh certificate of incorporation issued pursuant to the change of name of our Company to 'RSWM Limited' from 'Rajasthan Spinning and Weaving Mills Limited' dated July 21, 2006.

4. Resolution of our Board dated May 27, 2022 in relation to the Issue and other related matters.

5. Resolutions passed by our Rights Issue Committee dated December 12, 2022 finalising the Record Date and the Rights Entitlement Ratio.

6. Consents of our Directors, Company Secretary & Compliance Officer, the Lead Manager, legal counsel to the Issue, Banker to the Issue, Registrar and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.

7. Consent dated December 13, 2022 from M/s. S. S. Kothari Mehta & Co., Chartered Accountants and M/s. Lodha & Co, Chartered Accountants, our Joint Statutory Auditors, to include their name in this Letter of Offer and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) audit report dated May 27, 2022 on the Annual Audited Financial Statements and the limited review report dated November 14, 2022 on the Unaudited Interim Financial Results; and (ii) their report dated December 13, 2022, on the statement of possible special tax benefits for our Company and its shareholders, included in this Letter of Offer.

8. Annual Reports of our Company for Fiscals 2022, 2021, 2020, 2019 and 2018.

9. In-principle approvals dated November 24, 2022 and November 21, 2022 issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

10. Report titled '*Indian Cotton Spinning Industry: Trends & Outlook*' dated June 2022 and consent letter dated November 7, 2022 issued by ICRA Limited in respect of such report.

11. Due diligence certificate dated December 12, 2022 addressed to SEBI from the Lead Manager.

12. Tripartite agreement dated March 3, 2014, among our Company, the Registrar to the Company and NSDL.

13. Tripartite agreement dated March 13, 2014, among our Company, the Registrar to the Company and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with the applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Riju Jhunjhunwala
Chairman and Managing Director & CEO

Date: December 13, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Ravi Jhunjhunwala
Non-Executive Non-Independent Director

Date: December 13, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Shekhar Agarwal
Non-Executive Non-Independent Director

Date: December 13, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Brij Mohan Sharma
Joint Managing Director

Date: December 13, 2022

Place: Jaipur, Rajasthan

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Arun Kumar Churiwal
Non-Executive Non-Independent Director

Date: December 13, 2022

Place: Kolkata, West Bengal

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

_____

Kamal Gupta
Independent Director

Date: December 13, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Amar Nath Choudhary
Independent Director

Date: December 13, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Priya Shankar Dasgupta
Independent Director

Date: December 13, 2022

Place: Dubai, UAE

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Deepak Jain
Independent Director

Date: December 13, 2022

Place: New Delhi

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Archana Capoor
Independent Director

Date: December 13, 2022

Place: New Delhi

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

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Avinash Bhargava
Chief Financial Officer

Date: December 13, 2022

Place: Noida, Uttar Pradesh